

socialist

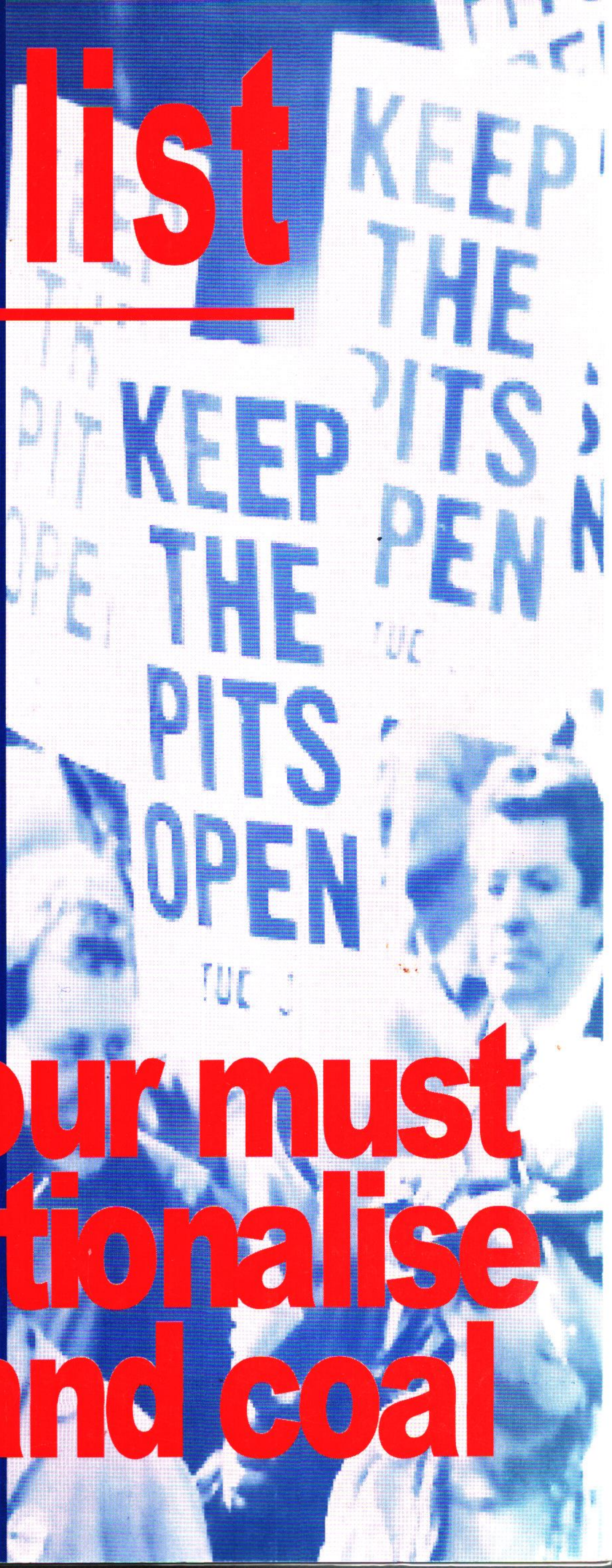
appeal

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The Marxist voice of the labour movement
issue 58 April 1998 price: one pound

Labour must renationalise rail and coal



Socialist Appeal
issue 58
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Renationalise

Late trains, pit closures, profit scams and fatcats. The 'free market' is failing. Labour should be fighting for the rights of the millions that voted them in last year.

Education

With Labour bringing in big business to help run schools, what future for education and teachers?

Britain

We take a long, hard look at what's going on in Britain today. *Ted Grant* analyses the latest political and economic developments.

Kosovo

Alan Woods examines the continuing crisis in the Balkans.

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Editorial 1

Labour must renationalise the pits

The executioners axe is once again poised above the neck of the British coal industry. The very existence of coal mining in this country is under threat. During the Tory years, in an act of unprecedented industrial vandalism, a quarter of a million mining jobs were destroyed. This was a brutal and spiteful revenge for the role the miners played in bringing down the Heath government in 1974. Today however things are different, or at least they should be, because Labour are in power. The Labour government must take emergency measures to save mining jobs, communities and the industry itself.

The idea that the government should not intervene in industry is a nonsense. Between 1979 and 1997 the Tories subsidised nuclear power and the construction of gas fired power stations, in order to smash coal and the NUM.

By 1994 the Tories had sufficiently destroyed the industry to sell off the remains. 18 of the 25 pits sold were bought by Richard Budge's RJB Mining, despite a warning from the government's own advisors, Coopers and Lybrand, that he was unfit to manage any company. They have been proven correct. In the last two years Budge made £362 million profit from coal privatisation. Now he wants to take his winnings and run. Facing competition from 19 new gas fired power stations, Budge has the nerve to demand a £30 million subsidy, to cope with the cuts in orders from Powergen and National Power. This has become the norm in privatisation. The bosses are happy to reap the profits but expect us to shoulder the losses, heads they win and tails we lose. The train operating companies, for example are now receiving twice the level of subsidy they enjoyed under nationalisation.

Profit

In public hands, RJB's £362 million profit could have been used to clean up, modernise and expand the industry. Instead coal has simply been allowed to run down. It wasn't coal that Budge was interested in mining but money from the rich seam of privatisation.

Labour cannot adopt a 'hands off' attitude to industry, especially when thousands of jobs and the very existence of a vital natural resource are at stake. The stay of execution until July is a woefully inadequate response to an impending disaster. Miners have the right to deserve better than this. It is neither a matter of fairness nor favours - though the miners surely deserve at least the support shown to

Bernie Ecclestone over tobacco advertising, supposedly to save jobs. Labour must break with Tory policies and dogmas and stand up for ordinary working people.

There can be no excuses for not acting immediately. With a majority of 179 the coal industry could be renationalised overnight. The argument that 'this was not in the manifesto' will con no-one. Where in the manifesto was the pledge to make the Bank of England independent, the introduction of tuition fees or the attack on lone parent benefits. The only difference here is that saving the pits would be popular.

Market

Energy and our natural resources are too precious and important to be left to the whims of the market. They need to be planned rationally in the interests of society not subjugated to private profit. This requires the renationalisation of the privatised utilities, energy and transport industries. The bankers and directors who've made a fortune from privatisation are not entitled to any more compensation. Let them be means tested. Only those in genuine need should receive compensation.

There should be no place on the board for these fat cats either. Nationalised industries should be run democratically by the workforce themselves. Miners know how to run the pits better than Budge or the old bureaucrats of the NCB, and the same applies to the other industries.

If we want to tackle the problems confronting us then we must start 'thinking the unthinkable' - renationalisation and socialist policies.

Labour Party wards and GCs, trades councils and union branches should flood Millbank with resolutions demanding the renationalisation of the pits to save the coal industry.

Maximum pressure needs to be exerted. The TUC should call a mass demonstration in London to defend the pits. In 1992 when the Tories threatened 30 pits with closure, 250,000 took to the streets to protest. A new demonstration today would dwarf the much publicised "countryside march" and put real pressure on the Labour government to take decisive socialist measures.

✧ **No pit closures**

✧ **No redundancies**

✧ **Renationalise the pits under democratic workers control and management with no compensation for big business profiteers**

Brown's budget: pay now, claim later

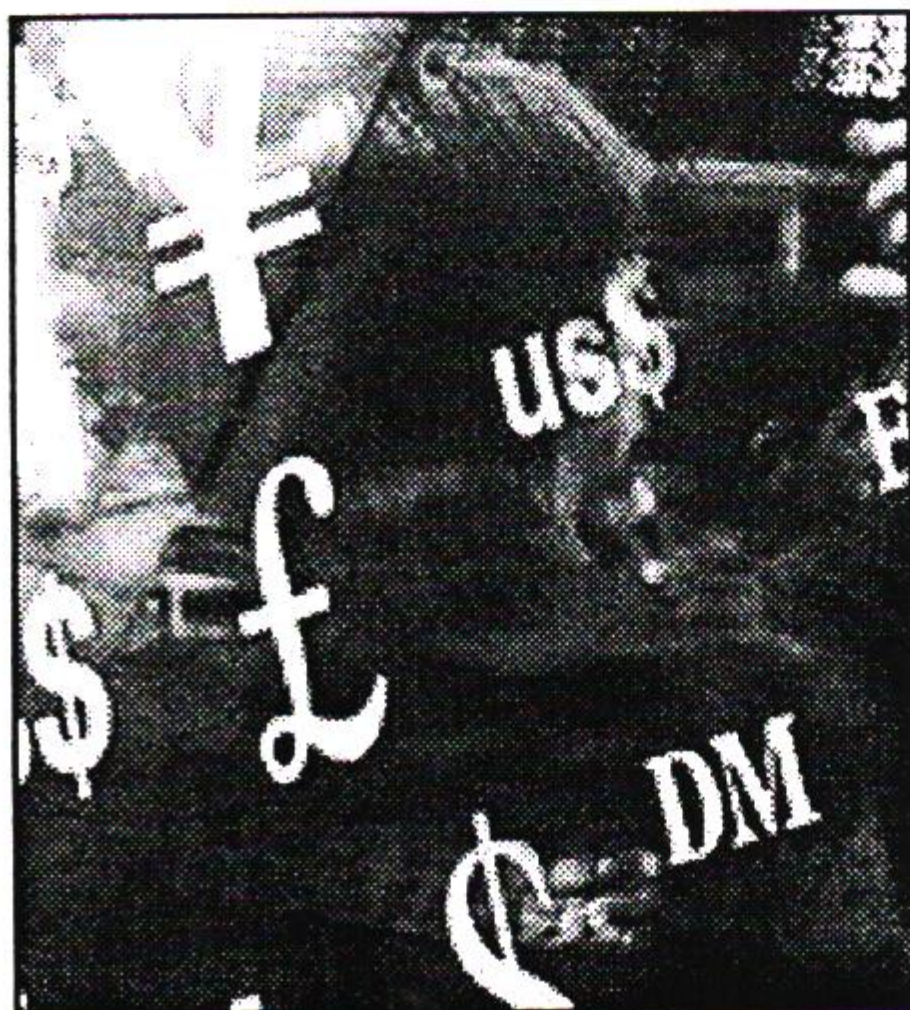
A budget for the family, a budget for children, a budget for work - that was the spin doctor's message from the first proper budget from a Labour Chancellor in 19 years. And to prove his 'family' credentials he even took a photo-call at a child's birthday party a couple of days earlier!

But let's not be too churlish. Gordon got up in parliament to tell us that he was going to raise child benefit by £2.50 a week. And he was going to introduce a childcare allowance; that would pay up to 70% of childcare costs for the poorest parents. And he was going to introduce a working families tax credit scheme to reduce the burden of tax for those working parents on the lowest pay. Also people on the lowest pay would no longer pay national insurance until they earned £81 a week, the same as when they started paying tax. It seems that the 'Iron Chancellor' had bent a little in the wind and decided to help to poor.

Next year

But here's the rub. None of these beneficial measures will happen in this tax year to March 1999. Most of the measures will not start until October 1999! In the meantime, apart from the welfare to work scheme of subsidising employers up to £75 a week to take on adults out of work for over two years, we will have to wait. This year we will continue to pay the higher taxes that the Tories under Ken Clarke imposed and that Gordon increased last July.

The media praised Gordon for not 'hitting middle England'. It's unclear what 'middle England' is, but it appears to be higher rate tax payers earning more than £40,000 a year, with investment savings over £50,000, with large houses and perhaps running



small businesses. This middle England is not really in the middle, but near the top of income earners and wealth holders. Gordon did not squeeze any of their lemons until the pips squeaked! On the contrary, the very small number of people who have enough money to invest to the hilt in Personal Equity Plans and other tax-free savings schemes will be allowed to continue to take their gains without tax under Gordon's new Investment Savings Accounts, to be introduced in 1999 (again).

And big business will also gain from another cut in corporation tax to 30%. And our Labour Chancellor went to great pains in his speech to say that the 30% rate for big business will hold and may even be lower in the life of this parliament. What he did not mention is that only capitalist corporations will have a lower tax burden by the end of this parliament under Gordon's plans. As I pointed out last month, every other section of society will pay more tax as a share of their income. The overall tax burden for the nation will RISE under New Labour to about 40% of national income. That's a level above that achieved under Old Labour in the 1970s, the supposed 'tax and spend' government of Wilson and Callaghan.

And when you read the small print in the so-called Red Books published with the Chancellor's speech, you find that public spending in real terms (after accounting for inflation) will be no higher than it was at the start of this Labour government. Sure, Gordon announced some minimal increases in spending on transport, education and the NHS. But he could do so because of the huge increase in tax revenues over the last two years. The freeze on public spending, plus the tax rises under the Tories, along with the relatively fast growth in the UK economy (about 3-4% a year) in the last two years has sharply reduced the deficit on government finances. In the tax year 1996-7 under the Tories, the budget deficit was £23bn. The government then predicted it would fall to £13bn in 1997-8. In fact, after 11 months of this tax year it was in surplus! Gordon now expects a deficit of just £5bn by end-March 1998.

That's given him some money to play with. Originally, he was not going to spend anything extra on public services. The Iron Chancellor had said the most important thing to do was pay off some of the government debt. This debt is built up from previous deficits going back decades and decades. Rather than try to improve public services, Gordon wanted to reduce the budget deficit further and pay back the capital-

ists.

But it's clear that the desperate needs of the NHS, schools and public transport, and the growing pressure from Labour MPs concerned that New Labour seemed more interested in helping out the City of London while hitting lone parents and the disabled, forced Brown to concede a little. So this coming year's budget deficit will only fall to £4bn from £5bn, while public spending rises by about £2.5bn. But remember public spending as a share of national income will fall over the life of this parliament and will not rise in real terms.

Nevertheless, even this little concession to spending met with disapproval by the City of London and financial markets. Financial speculators immediately assumed that if the Chancellor was not going to cut the government deficit much, then UK inflation would not meet the 2.5% target set by Brown. So the Bank of England, now obligingly independent of government control, would have to raise interest rates again (already up three times under Gordon's rule). If interest rates rise, investors get more for their money by holding it in sterling rather than German marks, French francs or even US dollars that pay less interest. So sterling appreciated in value immediately after the budget to well over DM3/£, higher than the level achieved when John Major and Norman Lamont were forced to devalue the pound because it was too strong, back on Black Wednesday in September 1992.

Strong pound

The very strong pound is pushing British manufacturing industry and exporters to the wall. They cannot compete at these sterling prices against cheaper European and even cheaper Asian goods. This year, exports will slump and imports spiral, driving the UK manufacturing trade sector deeper into deficit. At the same time, the boom in financial speculation, property and services continues, proving that UK capitalism is now a two-tier economy, with the productive sectors of industry the poor relations compared with the speculators of the City of London.

It cannot continue. The danger is that higher interest rates will choke off productive industrial growth and drive the UK into recession, even though inflation goes higher - a classic case of stagflation as we saw in the 1970s. Then unemployment will start rising, throwing Gordon's welfare to work plans into disarray. Next year's budget could be a much gloomier affair.

Michael Roberts

Scottish conference shows way forward

The first Scottish conference of the Labour Party held since the general election had been billed as a celebration of that victory and as such was expected to be somewhat self congratulatory.

Conference also met just before the March 9th deadline for applications to the panel of candidates for the Scottish parliament. Cynics suggested that the behaviour of the hopefuls was moderated by the selection process that lies before them! Delegates went to Perth with the headlines in the Herald about John McAllion and Dennis Canavan likely not to be selected very much in mind.

'Old' Labour

Conference was also billed as the last of the 'old' Labour conferences with a huge list of resolutions from CLPs, unions and affiliates being distilled down into composites, issues dropping off the agenda and deals struck for speakers. prospects of clashes between floor and platform had the press circling like piranhas.

While the 'Millbank tendency' are clearly in control of the apparatus, the floor of the conference was often beyond their reach. Despite the fact that the Chairperson was able to call speakers in by name, leading to suspicions of an approved list, some delegates evaded the sieve. Noel Bradley, delegate from Hawick, stated that he was a cloth cap socialist and had not 'sweated his guts out in an 18 inch seam for his grandchildren to be forced to pay for their higher education.' In the same debate on

education a young Blairite attempted to win applause by an attack on the Socialist workers Party, who she mistakenly thought were demonstrating outside the hall, 'These people are neither socialists nor workers,' she claimed, to be met with a roar of protest from the conference! While not supporting the sectarians, the rank and file were not prepared to listen to what was seen as attacks on the left.

Composite 8 which called for an end to the Private Finance Initiative was debated on the Friday afternoon. It saw a clash between UNISON, the largest union contributor to party funds, and the executive. Matt Smith, Scottish secretary of UNISON moved the resolution, seconded by the Socialist Health Association, and NHS consultant. The composite went to a card vote but no result was announced before conference adjourned at 5.30pm. During the evening word went around that the composite had been carried but that the vote was being challenged by the Standing Orders Committee because wrong cards had been used. The following morning the invalid cards were withdrawn, the vote recounted, and the composite reported lost by 58% to 42%. The result caused extreme concern although was nevertheless accepted with disappointment. The payback for UNISON seems to have been SEC support for their composite on party-union links.

The debate on the welfare cuts and lone parent benefit took place around composite 20 which criticised the lone parent benefit cut as 'economically inept, spiritually bereft and morally repugnant.' The composite was moved by Kate Arnot

of Falkirk West's Women's Section in an excellent speech. In the debate Malcolm Chisholm MP spoke, calling on the government to admit it's mistake, which was also well received. Ann Maguire MP replied to the debate in a manner which most delegates felt to be unnecessarily personal. The composite was carried in a card vote by 52% to 48% against the recommendation of the SEC.

Two other composites were carried against the SEC recommendations: composite 2 calling for the scrapping of Trident and composite 6 on transport policy. The SEC said they opposed the composite because of criticism of the loss of duty-free routes between UK and Europe from 1999. But the composite also stated 'a new approach to transport... requires at its heart a publicly owned publicly accountable railway system. Take your pick!

Two audiences

One feature of this year's conference was the number of appearances by ministers who were clearly addressing two audiences, the delegates in the hall and the rest of the world via media. Tony Blair, Gordon Brown, George Robertson, Robin Cook, Donald Dewar and Brian Wilson all had time allotted. All leading figures launched bitter attacks on the Scottish National Party calling them 'nationalist snake oil peddlers' and 'wreckers.' No mention was made of the loss of a labour ward in east Ayrshire to the SNP with a swing of 22%.

The debate on the 'Partnership in Power' rule changes centred on the removal of seats on the Scottish Executive for Women's Section delegates. The new rules on conference and the Scottish Policy Forum reveal that there will be some scope for debate at future conferences. The SPF will submit papers to conference but minority reports will be allowed so differences in position will be debated on the floor of conference. Resolution will be accepted from party organisations and affiliates on matters not covered by SPF reports. While there are grounds for scepticism on this matter the 'proof of the pudding will be in the eating.'

Gray Allan
vice-chair, Falkirk West CLP
(personal capacity)



Recognition u-turn: recall the TUC

In an article on trade union laws in the April 1997 issue of *Socialist Appeal* a prediction was made. If Labour fail to deliver on the issue of employment and trade union rights a stormy period lies ahead with severely strained relationship between the trade unions and a Labour Government.

by **Stuart McGee**

On the question of trade union recognition this is certainly proving to be the case. Blair and the Labour leadership have attempted to duck the issue. They wanted the CBI and the TUC to come to an agreement. Inevitably on an issue as fundamental to the interests of big business and the trade union leaders this wasn't possible. Consequently there are a number of contentious issues in relation to the recognition issue.

The Ballot Majority: The employers want a majority of all those eligible to vote-The TUC quite rightly contest it should be the majority of those voting.

The Business Unit: The employers want to be able to define a business unit. In these circumstances there could be a majority for recognition in a workplace [even by their rules] only for the bosses to claim other workplaces constitute the overall business unit thereby thwarting recognition.

30% Support: Not content with counting those who don't vote as a no vote and being able to stymie recognition with their definition of a business unit they also want at least 30% of the workforce to indicate they want union recognition before a ballot takes place.

Small firms: In an even more outrageous move the CBI wants to exempt 97% of firms by having a clause written into the legislation that removes firms who employ less than 50 workers denying their workers a recognised union.

Individual Contracts: In an attempt to ensure that workers are dissuaded from joining a union and voting for recognition the CBI also wants the right for individual employees to opt out of collective bargaining. Clearly this is designed to enable one or two employees to have individual contracts with terms and conditions better than anybody else's therefore creating the illusion that you are better off outside of the union.

No Industrial Action: Furthermore the CBI want to outlaw industrial action in relation to recognition disputes. Therefore, playing by their rules, if the union was to get 30% support for a ballot, a ballot took place and more than 50% of those eligible to vote in their defined business

unit [provided it was over 50 employees] voted for recognition. If the union members were strong enough not to be fooled by one or two getting a better deal because of the opt out clause. Even if all of this were achieved and the employer still didn't recognise the union no effective action could be taken against the employer.

This is a complete nonsense and trade union activists are quite right to be extremely concerned. Incredibly all of the indications are that Tony Blair intends to support the CBI position.

In an article in the Guardian on 17/3/98 Seamus Milne reports 'Ministers say he [Tony Blair] has yet to make up his mind. But early indications of his preferences have filled the unions with alarm'. As a reaction to this senior union officials are beginning to voice serious opposition. John Edmonds of the GMB threatened 'a countryside alliance style mass demonstration,' Roger Lyons of the MSF states that if the Government comes down on the side of the employers it 'could make the split on lone parents benefit look like a vicars tea party'. Bill Morris the General Secretary of the TGWU has called for a recalled Congress to discuss this issue. Ken Jackson of the AEEU and Lew Adams of ASLEF have backed this call.

THE ISSUE NOW IS TO TURN THESE WORDS INTO DEEDS.

There should be a recall congress and from this a massive campaign involving marches rallies and demonstrations should be organised.

Trade union activists the length and breadth of the country should be passing resolutions through stewards committees, branch meetings, Trades councils etc to this effect.



Glasgow race attack: enough is enough!

On Friday 13th of February, a young boy was stabbed in Glasgow's South Side. Imran Khan died as result of his horrific injuries eight days later. This incident has sparked off spontaneous revulsion up and down the country, most notably amongst Asian youth.

A demonstration was called for Sunday 8th March at George Square in Glasgow's city centre. The demo was attended by about 200 people.

For a considerable time racial tensions have been running high in Glasgow's South Side with an increasing number of racial attacks.

The aim of the demo was to highlight the issue of racism in Scotland. The first speaker, from the Islamic Unity Party, called the demo a 'wake up call.' He went on, 'it was very unfortunate that it has taken the death of a young child before we could stand up and be counted.. We are all victims of the system which causes greed and encourages institutionalised racism.'

Another speaker pointed out, 'Whenever a racist incident takes place in our city, the biggest crime is to sit idly by and look at statistics and deny that racism is a problem in Glasgow.'

Amer Anwar said, 'It is the system that is failing us.'

The capitalist system is the root cause of poverty and as a result the fundamental cause of racism.

The only force in society capable of defeating racism and fascism is the organised working class. It is through the Labour Party and the trade unions that this will be achieved.

Richard McFarlane
Labour Party member
(personal capacity)

Campaign against PFI gathers momentum

Labour controlled authorities in Scotland are increasing council tax and cutting services. The public sector union Unison recently held a conference in Glasgow, February 26th, to educate shop stewards about the Public Finance Initiative (PFI) and what it means.

Whether we like it or not the battle for jobs and services is in the Labour Party. The fightback has begun. On budget day, March 5th, a demo was held in Glasgow in protest at cuts in jobs and services in conjunction with a day of strike action.

These incidents are pointers to the coming struggles which will be fought out in and through the labour and trade union movement.. Labour supporters in Glasgow and Lanarkshire have started the ball rolling with petitions. The support from people has been tremendous. Blair and co are in for the biggest shock of their careers. Join the campaign, get involved and fight for socialist policies for Labour!

Archie Brown
Lanarkshire

IKEA scandal exposed

'All children are creative - we just make it easier for them to set their imaginations free.'

IKEA 1998 advertising

'The room is lit by a naked bulb and a home made electric stove, used for heating and for cooking. It provides scant warmth in the sub zero temperatures. The family keeps cats to ward off the rats scuttling along the stinking corridors. They share a filthy bathroom with 15 other people.'

Sunday Times on conditions facing workers at Magura Codlea, one of IKEA's Romania furniture suppliers (22.2.98)

IKEA sell their furniture and household goods across Europe and North America with the promise of healthy, contemporary living - a sort of Scandinavian dream of blue sky, happy families and acres of pine. But the reality for many of the workers employed making the furniture is nothing less than hell.

IKEA's Romanian suppliers are paying as little as 17 pence an hour to workers employed in making the flat-packed products that are then sold in the 'wholesome' Swedish environment of out-of town stores across the UK.

Workers are forced to live in rat-infested slums, sometimes five to a room in crumbling tower blocks without hot water, heating or modern sanitation. Children are suffering malnutrition and illnesses caused by polluted water supplies and inadequate heating.

In the factories, sacking and terrible safety conditions are rife. IKEA, run by former Nazi sympathiser Ingvar Kamprad, does not own any of the 24 Romanian factories that produce goods for its stores, however they have invested in them and provided much of the collateral for their original privatisation from the state in 1992. They produce products such as bookcases, bedside tables and coat hangers.

According to Romanian Woodworkers union official, Vasile Badica, workers should have been given the option of buying the factories themselves and running them as co-operatives. But directors flouted the law and used finance from IKEA to buy the plants secretly from the state.

The conditions expose the huge gap between IKEA's western image and the reality of life in the Romanian plants.

So the next time you feel the desire to go out and buy some flat-packed shelving you'll know one place where you won't be shopping. Chuck out your IKEA!

Fire station campaign continues

200 people attended a public meeting to hear speakers including Clive Efford (Labour MP for Eltham) and Councillor Mick Hayes (of Shrewsbury Ward where Shooters Hill Fire Station is situated) talking about the derisory nature of public consultation over the closure of Shooters Hill Fire Station. Also, The Eltham MP organised an adjournment debate where speakers included other local Labour MPs, John Austin (Erith and Thamesmead) and Nigel Beard (Bexleyheath and Crayford).

The 19th March edition of the local Mercury newspaper stated: *'Hopes of saving [the station] rose this week following the sudden intervention of Greenwich Council. As the council made the direct plea to the home office to refuse the planned closure, it emerged that even if Whitehall does grant consent, the borough could mount a possible legal challenge.'*

Councillor Mick Hayes told the meeting: 'It

could cost fifty thousand pounds to fight this through the courts. No resident can be expected to mortgage their home to pay for that.'

In the last issue of *Socialist Appeal*, we reported that a ballot of FBU (Fire Brigades Union) members would be taking place. Readers would be surprised to learn that there was a no vote for industrial action. After speaking to Fire-fighters at another local station, *Socialist Appeal* has discovered that this was because they had individually received several letters putting the LFCDA (London Fire and Civil Defence Authority) case forward. The fire station management issued an ultimatum that if there was a yes vote for strike action, they were also voting for more station closures and job losses as a strike would cost millions of pounds each week in using the army's Green Goddesses.

The labour and trade union movement should be putting forward the argument that even though the LFCDA's budget

increased by £12.5m last year, the money supplied from central government is still inadequate and the Labour dominated LFCDA should be launching a campaign for sufficient funding. Like the hypocrisy of the LFCDA leadership should not be spending £34,000 on a marble entrance hall to their building, but should be investing the much needed cash back into the fire service. We should also demand that Labour Councillors on the LFCDA should:-

- Fight cuts, not carry them out
- Demand the ending of government capping on local authority spending
- Demand the Labour Government immediately ditches its aim of staying within Tory spending limits.
- Call for a fully funded and resourced fire service under democratic control and management.

Simon King
and Dave O'Brien

Halt slide to tube privatisation

After decades of neglect the government has announced an immediate cash injection of £365 million into London's Underground network. This may seem a lot of cash (raising the total government investment in the tube to over one billion spread over the next two years) but in fact it is nowhere near enough.

But it is the governments 'solution' to this shortfall that has caused the most anger. Less than a year after fighting a general election on the basis of no-privatisation of the Tube, Labour has discovered the so-called 'third way'. This apparently involves neither privatisation or nationalisation but 'partnerships' between the private and public sector. Contract bids will be invited from big business to take responsibility for such things as the stations, trains and the signalling with London Underground being charged a fee. What does this mean in reality?

In the short term it will mean thousands of workers being transferred to the private sector where they will find themselves facing exactly the same decline in conditions of service which greeted bus and rail workers. As one union leader put it when comparing this 'third way' to privatisation: "spot the difference." In the long term of course, these proposals do open the way to a full privatisation of the network should

it become 'economically necessary' to do so. What these measures will certainly not mean is a better deal for Londoners. Already faced with having to use the most expensive underground network in Europe, they will have to fund the profits for these contractors through fare increases. Since no one will bid for the contracts unless they are promised sizable profit and the government may not be willing to find the cash themselves—the prospects are not good. We should also throw out this theory that the private sector are somehow more efficient. They are very efficient at cutting corners and shaving staffing levels but look at the chaos in the privatised utilities, especially the rail networks. Virgin Tubes anyone?

The tube unions should launch an immediate campaign against these measures, which should also involve the rest of the London labour and trade union movement. Tube privatisation is not wanted and the interests of both staff and users are the same here. All the various transport systems should be taken back into unified public ownership and London Transport should once again be returned to democratic control. The future is far from good for those who live and work in London.

Steve Jones

Next month



1968: French general strike, youth revolt, American civil rights... special feature

Victory at Zincast

GMB members at Zincast Die factory in Wolverhampton have won a magnificent victory in a pay dispute.

During the last five years the workforce have only received an increase of 2%. The dispute was sparked off by management rejecting a 3.6% claim. This was effectively a stand-still pay claim to stop further erosion of wages by inflation. A series of one day strikes and a work to rule was instigated. This coincided with two large company orders. There was little option for the management except to retreat. After only a few weeks, the union was offered a 6% wage increase over two years. This is quite rightly seen as a victory. This illustrates the importance of solidarity and effective timing in industrial disputes. This dispute shows that trade unionism can still win even in small private firms. More importantly it provides a clear message for the bosses of the greater struggles that lie ahead.

Cllr. Steven Cox
Dudley South CLP
(personal capacity)

THE ULTIMATE PUBLIC TRANSPORT DISASTER

TITANIC PROFITS

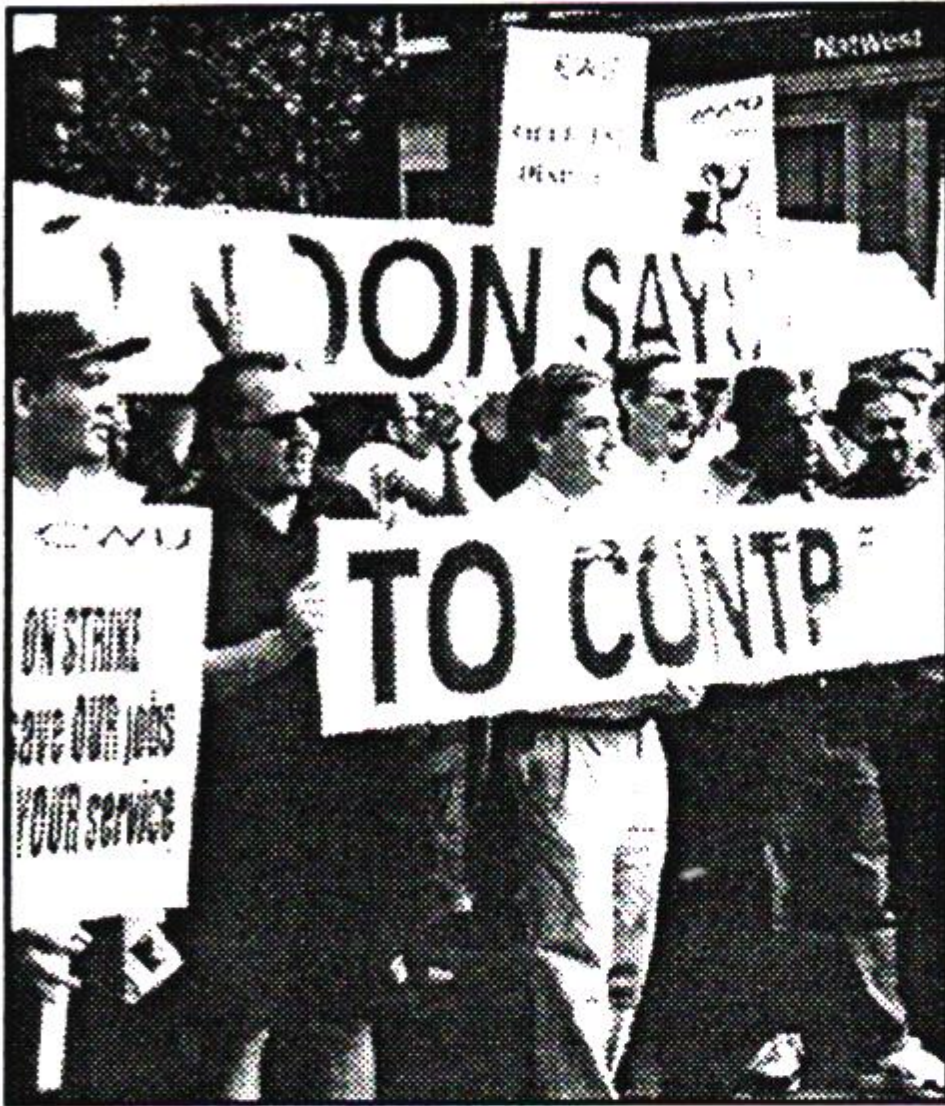
THE STORY OF RAIL PRIVATISATION

FEATURING:
AVARICE,
LOW INVESTMENT,
HIGH FARES,
PATHETIC SAFETY STANDARDS,
HIGH RISK TO LIFE

BUDDY, COULD YOU SPARE THE PRICE OF A RAIL FARE?

TY98.

Labour must renationalise



'When the water companies were privatised, the doctrine was that 'ownership does not matter', and that advocates of public and social ownership were out-of-date, economic illiterates. The opposite is the case....Ownership, we are discovering, does matter...'
The Observer 15/3/98

by Phil Mitchinson

We've got electricity companies selling gas, water companies selling electricity, bus companies running the railways. Has the world gone mad? Privatisation is certainly based on the economics of the mad-house. The myth of the share-owning democracy has been blown apart. The incomes of fat cat directors are the subject of generalised anger. The experience of job losses and failing services has created a widespread opposition to privatisation. Now is the time to start 'thinking the unthinkable' - renationalisation.

The sheer weight of sleazy swindling, inefficiency, waste and incompetence which has accompanied privatisation, means that opposition has spread from those millions of us who've been made to pay for it through job losses, collapsing services and skyrocketing bills, to the editorials of national newspapers concerned with the increased costs to big business of disintegrating transport, water and energy infrastructures.

Astonishingly just about the only people left who appear to be unconvinced of the disaster of privatisation (other than the Tories and those who've made a packet), are the leaders of the Labour Party. It isn't true as the cynics say that you get the leaders you deserve, all too often in the labour movement we get leaders who reflect yesterday. They have embraced the rotting corpse of the free market, just as it begins to break down. They are even considering new privatisations. The Sunday Times (22/2/98) reports that Helen Liddell,

the Junior Treasury Minister is considering a report outlining the case for selling off buildings owned by the Inland Revenue and Customs and Excise, following the sale of 700 DSS buildings. The report details more than 730 buildings including the Department of Education and Employment, GCHQ, the Ministry of Defence in Whitehall, schools, prisons and hospitals. It seems that having sold off the family silver, the rest of the house could now be put up for sale.

The aim is supposedly to raise £5 billion, (about the amount big business will save in the next two years from the Budget's cuts in Corporation Tax). The Sunday Times concludes that £5 billion may prove to be a conservative figure. It's certainly a Conservative policy, and must be dropped.

This is a continuation of the Private Finance Initiative, a real money spinner for big business, where the government raises cash for building roads, schools, hospitals etc., and providing services, by paying enormous sums over to consortia of banks, construction companies and the like for 25 or 30 years, and yet at the end of this period the property remains in private hands. This is economic illiteracy. Can you imagine going to see the bank manager to arrange a mortgage and being told that you would have to pay out for all those years and then, in the end, the bank would own your house and could do what they liked with it? The purpose of PFI is meant to be raising money for much needed public services without increasing the public spending figures. The problem is big business is only prepared to cough up if the returns are large enough. They're happy to reap the profits but not to bear the losses. The real meaning of all privatisation has been, heads they win, tails we pay.

The London Underground needs billions spent on it to bring it up to date and the idea has been raised of bringing in the private sector. The prospect of a privatised tube, or any involvement by big business

Ownership does matter



after the experience of the disaster of rail privatisation, is terrifying.

Rail privatisation has proven to be quite literally a disaster. Vic Coleman, deputy chief inspector of railways at the Health and Safety Executive has blamed a number of the increasingly frequent derailments on Railtrack's failure to maintain the track. The HSE has gone so far as to threaten Railtrack with criminal prosecution over the 'persistent poor condition' of the tracks.

What is required is not a Private Finance Initiative but a public one. In fact the only thing private about privatisation is the profit, we are still paying, more than ever, but the money isn't going into services it's going into directors pockets. The Sunday Times (8/3/98) comments, 'What was hailed as a privatisation that would bring Britain's railway system out of the 19th century and take it into the 21st century is looking increasingly like a step backwards for the taxpayer and the passenger.'

Performance

Subsidies for the new companies are at present double those given to British Rail before privatisation so the lack of improvement in performance is even harder to explain.'

101 tin-pot fat controllers have become millionaires overnight by cutting services, sacking workers and putting lives in danger. The private sector isn't interested in running trains, just making money.

Take Great Western Holdings, the operator running trains between South Wales and London, like the one that crashed in Southall last year killing 7 people and injuring 160 more. The bus operator FirstGroup is buying them out for £148 million. 10 of Great Western's directors become millionaires as a result, with CEO Brian Scott raking in £3.7 million. This is despite the fact that his company has become known as Late Western because of the poor quality of their service. South West Trains owned by Stagecoach, another bus company, failed to reach its benchmark satisfaction figures in 9 out of 12 areas including punctuality, reliability, cleanliness and catering. None of which stopped them making £800,000 profit last year.

The latest gravy train to emerge from rail privatisation has been the selling on of the three rolling stock companies (ROSCOs). These were sold by the Tories for £1.8 billion when, in the public sector, they were worth £2.9 billion, according to the National Audit Office. All three were then sold on for



huge profit. Sandy Anderson, for example, a former BR manager, led the buyout of Porterbrook and then sold it on to Stagecoach (them again) for £900 million, pocketing £36 million for himself. Andrew Jukes the managing director of Eversholt made £15.9 million from an investment of £110,000 when the company was sold to Forward Trust, an arm of HSBC Holdings for £788 million. John Prideaux received £15 million from the sale of Angel Trains by Nomura to the Royal Bank of Scotland. Nomura had paid £700 million for the company and then sold it on for a profit of £396 million.

These people are playing Monopoly with our services, our jobs, and our money, except they are getting a lot more than £200 for passing Go.

John Prescott comments in the Financial Times (7/3/98) that 'the passenger and the taxpayer are still not getting the best deal in the privatised railway.' He intends to introduce a white paper to 'address the many problems caused by rail privatisation.' These problems could be dealt with in one blow - by renationalisation.

In relation to the sale of Great Western, Prescott remarks in the Sunday Times (8/3/98), 'This takeover is another example of the privatised railway making individuals into millionaires at the expense of the passenger and the taxpayer. It is further proof of the need for a new rail authority, to ensure the railway system is run in the public interest.' Quite right, but you can't control what you don't own. The Labour Government must fulfil Tony Blair's commitment at the 1996 Labour Party Conference to 'restoring a unified system of railways with a publicly owned, publicly accountable BR at its core.'

The case for an integrated transport policy is unanswerable. Transport requires planning, and planning requires ownership. Ownership does matter. Railtrack, the Train Operating Companies and the ROSCOs should be renationalised under the democratic control and management of the workforce, not bureaucratic boards

made up of those same people who've been decimating the railways. Those who've made a packet shouldn't receive a penny in compensation. If anything they should be compensating us. A publicly owned railway could then form the core of an integrated, nationalised transport industry run in the interests of passengers, the workforce and the environment.

London and Continental Railways, who, even with a public subsidy of £1.2 billion, have been unable to build the high speed rail link between London and the Channel Tunnel, should be nationalised immediately. However, it appears the Government is going to allow Railtrack to buy the company out, using some of the £550 million profit they've made in the last two years, instead of spending it on repairing the tracks. Railtrack, by the way, are only willing to do us this favour, in return for the Government 'looking favourably' on their participation in the privatisation of the Underground. This must be halted before even more lives are put at risk by the scramble for a quick buck.

Danger

It's not only on the railways that privatisation is putting lives in danger. The privatised water companies are not just responsible for the fiasco of droughts in a country where it rains most of the year, and the deteriorating quality of the water in our taps. Under the heading 'Pursuit of profit puts safety in peril' The Observer (15/3/98) comments, 'If you've been wondering why it takes longer to run the bath or why you've had to bleed your radiators more often this winter, wonder no longer. Britain's privatised water companies, in further evidence of why water privatisation was so ill-advised, have been lowering the water pressure....they have chosen to meet the Government's targets for reduced leakage - not by upgrading the water distribution system, but by reducing the volume passing through it. Fire services, which need high pressure to make their hoses work, have been the first to discover the

Take back the pits

new situation, with ominous implications. The pursuit of profit where it is not applicable is menacing our safety. Water privatisation is a fiasco.'

Since privatisation the water companies have made profits of over £12 billion, and paid out almost £8 billion in dividends. At the same time our bills have risen by an average of £100 per person. 4 billion litres of water leaks out of our pipes every day, because the water companies won't pay for their repair, despite the fact that companies like United Utilities, chaired by the 'King of the Fat Cats' Sir Desmond Pitcher made £2 billion out of privatisation.

The Observer continues its withering attack, 'The heart of the problem is that providing water, even more than that of gas and electricity, is a risk-free monopoly. Yet the instant the ownership of the industry passes into private hands, the owners demand a return on their assets as if there were risks. And in Britain, with its dominant stock market and permissive approach to takeovers, private water companies have to offer returns similar to those in other sectors where there is a genuine risk - otherwise they face the threat of takeover. As a result, the water companies have had to take a commercial approach to the stewardship of the most important commodity available to humankind. They economise on investment; they offer steadily rising dividends to shareholders; they cut corners where they can. This is called 'efficiency' by Conservatives and, sadly, by some in New Labour. In truth it is inefficiency and malpractice....'

'The whole water privatisation story is scandalous.'

In the electricity industry, privatisation has cost 50,000 jobs, resulting in power losses, voltage cuts and needless to say, £5 billion profit for Powergen and National Power, and £7.5 billion for the regional electricity companies. Similar figures could be produced for gas.

In the coal industry, viciously assaulted by the Tories over years, a quarter of a million jobs have been destroyed in the run up to privatisation. Now the new private owners of the majority of the remaining pits, RJB Mining, are threatening to close them all. The closure of Silverdale colliery, currently under threat, would mean the loss of 300 jobs and would leave just 22 pits in the country, 16 owned by RJB. Richard Budge, RJB's Chief Executive, is demanding a subsidy of £30 million to make up for the fall in orders from Powergen and National Power, despite having made £362 million profit since privatisation. Otherwise they'll close the lot. Under these circumstances it is clear

that the Labour Government must take emergency measures to save the industry. Any pit threatened should immediately be nationalised without compensation. Coal is a vital natural resource which could continue to be mined for centuries, gas on the other hand will run out in around 15 years time. A renationalised coal industry, democratically managed and controlled by the miners - who know far more than Budge or the old NCB bureaucrats about coal mining - should be the centrepiece of an integrated, publicly owned energy programme, run in the interests of the whole of society, not the greedy few.

The argument that we couldn't afford these renationalisations won't hold water (much like the mains pipes). Compensation implies paying someone for a loss incurred. The big business profiteers who've made a fortune out of these scams shouldn't get a penny more. Let them be means tested, only those in genuine need should receive any compensation.

Between them the privatised companies have clocked up over £70 billion profits, which has been squandered on dividend payments, takeovers and mergers. In public hands that money could have had a major impact on providing public services, and creating jobs. The one-off windfall tax imposed on the so-called 'excess' profits of some of these companies raises no more money than is being saved by the attack on lone parent benefits, and the abolition of student grants and introduction of tuition fees. Only they aren't one offs.

The Labour Government must stop the scandal of subsidising the excess pay of company directors. We really must put an end to the dependency culture created by the Tories, where company directors are sitting around in golf clubs all day, sipping gin and tonics, waiting for their dividend cheques to arrive. The debacle of privatisation must be halted and reversed. Throughout the Labour Party and the unions, the cry should go out - Stop the Rot, Renationalise the Lot.

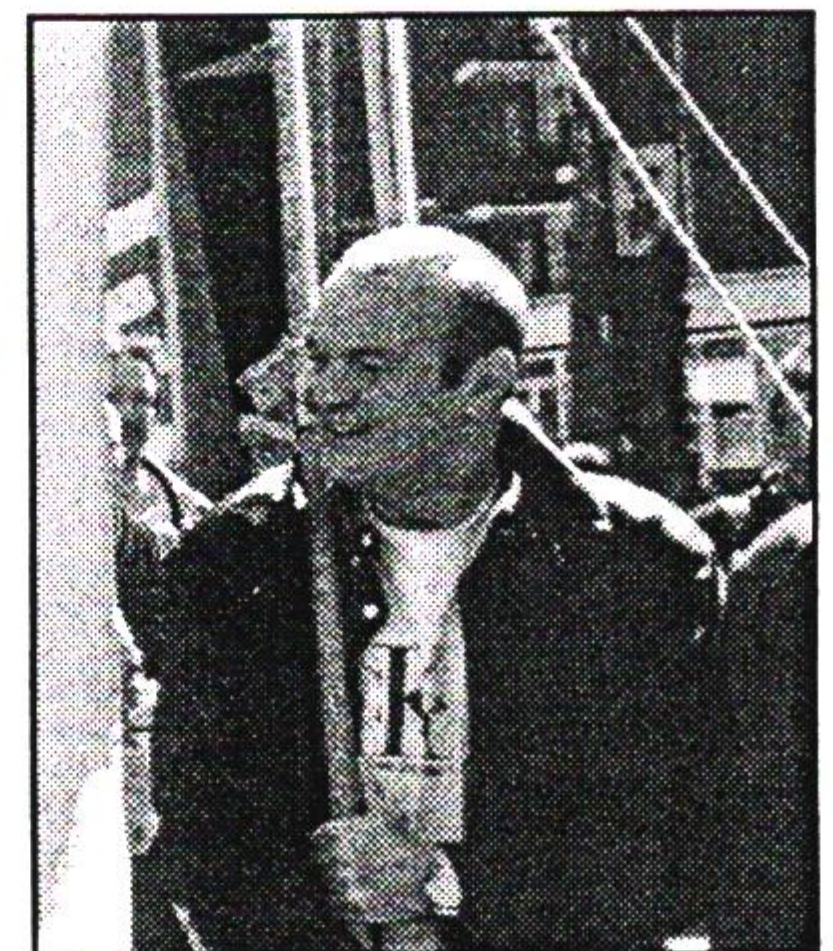
● No new privatisation

● Take emergency measures to save the pits - renationalise the mines, with no compensation for big business profiteers

● Renationalise the utilities and privatised industries under democratic workers control and management compensating only those in genuine need

'The miners don't just ask, we demand that the Labour Government renationalise the pits. This is our Government, Labour is our party. Promises have been made to the miners for years, in relation to investment and renationalisation, now it's time to act on those promises. It's vital that all Labour Party members and trade union activists understand that if you want to have a mining industry in this country, then you must have renationalisation. Therefore we call on all our comrades in the labour movement who've supported our struggle over years to support us now in the call to renationalise coal, and save the industry. At the same time it can't just be a question of coal, all the energy industries must be renationalised, they are all inextricably linked, you can't see coal in isolation from gas and electricity. Renationalisation would enable us to develop an energy programme based on the needs of everyone not the profits of the privateers.'

Nigel Pearce
NUM NEC



NUT conference must start fightback

NUT conference meets at a crucial time for teachers. With the election of a Labour government less than a year ago many teachers had high hopes of change for the better. The Labour leadership had highlighted education as its number one priority. The reality has proved different.

Pay

The Pay Review Body report actually said our meagre raise should not be staged (ie. unpaid for most of the year). Labour decided to ignore this, costing our members about £10 per week in lost earnings for the year. It was in fact the worst staging of our pay award so far!

This was a disgraceful action by Labour. We have a clear message to the government: you cannot provide a decent education for our children without motivated teachers, and our pay and conditions have to be improved if this is to succeed. Our pay is falling further and further behind every year. Many young teachers, starting teaching with huge debts from student loans, cannot afford to stay in teaching! In fact many are doing second jobs to make ends meet. This is not the way to improve education. Our pay has to be raised. Creating the fast track promoted head teachers or advanced skills teachers is not the answer. The opposite is true, in fact, as most of us are already advanced teachers. To pay a favoured few will only add to the demoralisation that exists.

We need a basic all round pay rise of a minimum of £2000 pa, an end to performance related points, national pay scales and conditions to be reinforced.

Excessive workload

Most teachers are vastly overloaded with work and bureaucracy. The NUT and NASUWT initiative to take action against excessive workload is to be welcomed. The pressure over the last few years has been unrelenting and has led to record numbers of teachers retiring early or going with breakdown pensions. The leakage became a flood, and the previous government acted against teachers being able to leave and Labour has continued this policy, but the issue remains. Overwork and severe pressure are issues that must be dealt with.

Every teacher must have a minimum 20% non contact time. The excessive

number of after-school meetings reduced. OFSTED has to be abolished and replaced by a supportive advisory system, linked to training and support. The paperwork that seems to be pointless needs reducing and support staff and numbers of clerical assistants increased.

Class size and conditions

We all welcome the commitment to reduce class sizes for all 5, 6 and 7 year olds to 30. But why stop at these ages, and why 30. No class should be bigger than 30 and our union needs to take action on this. The union needs to make it easier to take action on class size instead of putting obstacles in the way of action. Education in the private sector has one difference to state education: class sizes are much smaller. This should tell the so-called experts something. We need less emphasis on research and more on action. Labour should be forcing down all class sizes. We must insist on legislation for a maximum of 30 in a class and a commitment to reduce this further over the next ten years to a maximum of 20. This would mean a crash building programme and an extensive recruitment programme. This would be the way to improve education more than any other single step. Ask the classroom teachers and most will say class size must be reduced, we do not need experts to tell us, we know!

Cover for absence of sick staff is one of the worst aspects in our job. We must see the establishment of an LEA pool of supplies in every area and no cover after one day!

The growth of agency supplies should be reversed and we must ensure no profit making companies provide teacher supply.

One joke (if it was not a serious attack) is that the proposal to have year 11 children back in school until June 26th. Was this Jack Straw's idea to keep them off the street? This proposal will lead to enormous problems in schools and alienate the children even more after studying for their GCSEs.

Excellence in Schools

Some people think the white paper on education contained a few good points. True. The smaller class size initiative, the ending of nursery vouchers and a few others. As a package though, *Excellence in Schools* fails to tackle the key issues. It

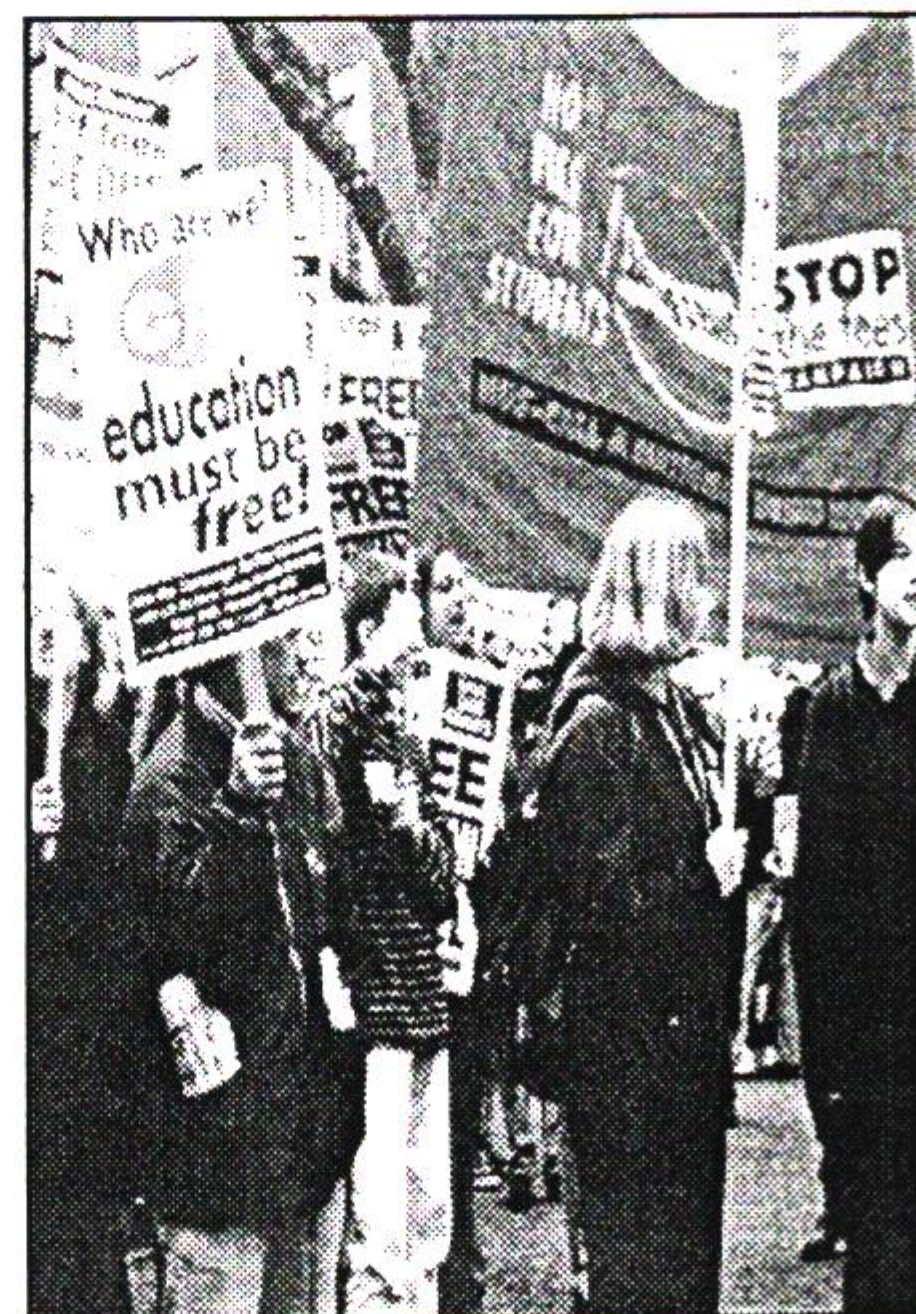
reinforces and extends selection at 11 and fails to rid us of Grant Maintained schools (renaming them Foundation schools). Fully comprehensive education must be reinstated as an educational priority. No to any selection at 11.

The various proposals of the Labour government fail to address one key issue, that of resources. If you don't come up with a massive increase in resources you cannot deliver the improvements of education for our children.

The other key issue is control of education. Competition between schools brought about by league tables, selection, bidding for money, control by remote business sponsors - all have been a disaster. We need local democratic control through elected Local Education Committees. Governing bodies need to be more accountable to the staff, parents and the LEA's. Many aspects of LMS need reversing so that LEAs can plan the education of an area, in cooperation with all the schools.

Education Action Zones

The Education Action Zones are the most serious threat yet to our national pay and conditions and must be resisted by industrial action. EAZs are basically another variety of privatisation that even the Tory government felt unable to introduce. They are the most reactionary single measure to come out from 'new' Labour's education proposals so far. We



Education: in whose interest?

cannot compromise with EAZs as the current union policy seems to suggest.

Blaming teachers

Perhaps the worst feature of this administration is the blaming of teachers for everything that's wrong in society. If pupils under-perform it's our fault apparently. It is true that working class kids can do well in spite of social and economic deprivation, but education cannot overcome poverty. Poverty exists and to say, as people like Chris Woodhead and David Blunkett do, that teachers are to blame for working class underachievement is an insult to our dedicated and hard working members. In reality we have to say that blaming the teachers is an excuse for not tackling the issue of the elimination of poverty. It is also an excuse for not delivering the increased resources necessary to make the improvements we need. It is easy for high paid civil servants and Ministers to deliver lectures on what we are doing wrong but much less easy to provide the pay and conditions and increased resources to allow us to do the job.

One democratic union

One of the ways we will move forward is to overcome the divisions amongst teacher unions. At school level and often LEA level the unions work together. It is essential that we eliminate the situation where we have multiple, competing unions. Every member of staff I speak to agrees with the proposal for one union for all teachers. There are historic reasons why we are in different unions but conditions and time have moved on. Now we must move to unity. Tactically we should start with a TUC affiliated union through the amalgamation of NUT and NASUWT. Then we should move towards unity with the ATL on the basis of TUC affiliation and a democratic rulebook. Potentially we would create an organised workforce of over half a million and a real force for teachers and education in the country.

Bryan Beckingham
secretary, Oldham Association
(personal capacity)

After almost a year of Labour government the many problems facing education and the pressures still overwhelming teachers seem as great as ever. Although, of course, many in Labour's leadership would point out that after 18 years of Tory government, it would take time to sort out the inherited mess, the reality is that Labour has in the main tied itself to the same bankrupt policies as the Tories.

They do so for two fundamental reasons: economic policy and ideology. The current Labour government are not just afraid of breaking with capitalism but are wholehearted supporters of it. Blair, speaking at Scottish Labour Party Conference said 'We are now the party of economic competence... We have to run the economy in the long-term interests of the country and the people.' By people and country he means the capitalist class.

At the same conference delegates passed a motion in favour of scrapping Trident, pointing out that to do so would release £1.5 billion that could be spent, for example, on housing or education. Even the Guardian thinks this is a good idea but the Labour government have no intention of implementing it.

Extra money

The only actual extra money into education to date has been the £22 million released from the first year of the phasing out of the assisted places scheme to start reducing the number of 5, 6 and 7 year-olds in classes of over 30 pupils. In addition Gordon Brown has recently pledged £250 million or education in the Budget- a welcome start but still much less than the scrapping of Trident would bring.

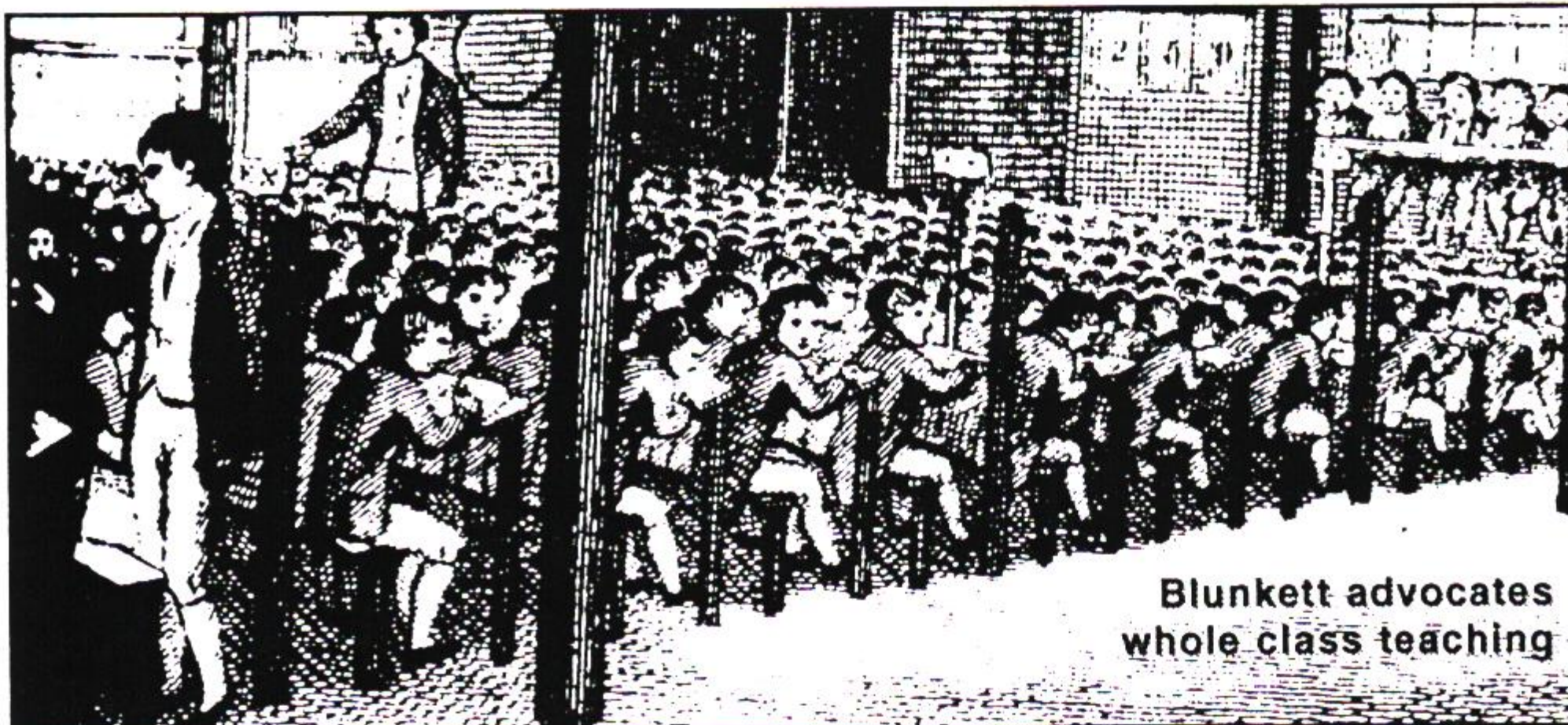
It is inevitable that whilst Labour keeps to stringent spending commitments which starve education of funding, there will be little progress towards solving the fundamental problems of inadequate pay, oversized classes, teacher shortages, workload, crumbling schools and lack of resources.

Even ignoring financial considerations, there has been little or no reduction in the level of pressure on teachers, and indeed in many areas an increase. The stress of excessive workload, bureaucracy, Ofsted inspections, appraisal, league tables, naming and shaming of schools, and the continued abuse of teachers as scapegoats for society's ills: all of these continue to spiral under Labour.

In ideology, Labour follow in the footsteps of the Tories. The latest proposals for Education Action Zones, creeping privatisation, are but one example of the extent to which Labour have taken right-wing ideology to heart.

The only relief for some teachers has come with the reduction in the primary curriculum. Only Maths, English, Science and Information Technology are to be compulsory with other subjects to remain as part of the broad curriculum at the discretion of 'teachers' (which in reality means headteachers and governing bodies). Whilst many teachers have met this change with relief, it has some detrimental side-effects - not least of which will be the reduction in promotions (and hence salary) for teachers who have responsibility for the other curriculum areas. Already in my own school the governors have decided not to replace the post of the humanities (history and geography) coordinator on retirement.

The government have not reduced the primary curriculum in the interests of teachers' workload but directly as a result of their



Blunkett advocates whole class teaching

targets for literacy and numeracy test results for 11 year-olds. The government says that 80% of 11 year olds should achieve Level 4 or above in English by the year 2002. To do so, they say, means more time for the teaching of English - hence the reduction of time for other subjects (the abolition of RE and compulsory assemblies would have done so in a more educationally sound way).

The government's figures for current results are themselves disputed by teachers - they include those children absent for tests or not entered (eg because of Special Educational Needs) as failing! More importantly 94% of children are actually achieving Level 3 or above - which Stephen Byers claims is unacceptable. The National Curriculum states Level 3 for reading as:

'Pupils read a range of texts fluently and accurately. They read independently, using strategies appropriately to establish meaning. In responding to fiction and non-fiction they show understanding of the main points and express preferences. They use their knowledge of the alphabet to locate books and find information.' - hardly then the image of illiterate youth! Only 6% of 11 year-olds do not achieve this. However this, does not meet with the ideology of failing schools, bad teaching and a low skills workforce, so the figures are massaged in the best Thatcherite tradition.

The 3Rs ideology still holds sway with Blair and Blunkett. *'Liberal'* education with its aura of 60's decadence is out and in comes the National Numeracy and Literacy Projects. Whilst many teachers may welcome the ideas, training and resources that come as part of the Numeracy and Literacy packages, the package as a whole is one of rigid prescription of time, content and teaching methods with vast amounts of detailed written planning, assessment, whole class teaching and testing of children as young as 5. There is very little room for considering the needs of individual children eg, children who do not speak English as a first language, children with various degrees and types of Special Educational Needs, particularly able children etc.

Mass production

The direction in which the government is going with education might be compared to the mass production of consumer products - all the children should be of a uniform size, shape and colour ready to be snapped up by the prospective customer - i.e. employer at as cheap a price as possible. Teachers then become the workers

whose labour is exploited in order to produce the goods. What is lost sight of in this analogy is that we are not talking of Ford Mondeos or Big Macs - but young human beings.

One interesting theory behind the National Numeracy Project has been the negative comparison of maths achievement in Britain with that in South Korea. Apparently whole large class intensive teaching of maths by the traditional methods of rote learning has created a nation of young mathematical geniuses. A year ago it might also have been suggested as a reason for Korean economic success, but we won't hear that mentioned at the moment!

A recent article in the Times Educational Supplement shows the other side of Korean education where private after school tuition is booming as parents pay for the individual help which cannot be given in the large classes of 35 to 50 pupils. Most secondary school pupils go on to higher education and private tuition is consuming up to a quarter of family income in order to get them there. Korean educators are becoming concerned at the effects of excessive exam pressure on children's mental and physical health. A body of leading educators has called for greater diversity in education with less reliance on rote learning and memory work!

In fact the problems that all governments are faced with are linked with the needs of capitalism for a workforce that is educated enough for the modern workplace but not too educated so becoming an excessive cost. Also of course some workers need minimal education for low paid *'menial'* employment - why, the capitalist thinks, pay for a university education for road sweepers and factory cleaners. Then again how do the capitalist class actually know what educational needs they will have in the future - no one predicted the huge rise in computer related employment and the consequent high wages for some types of workers with such skills in short supply. And what of the differing types of workforce needed by the manufacturing, financial and service sectors?

All of these questions are unsolvable. So they often come back, as Labour *'theoreticians'* have, to providing a basic numeracy and literacy education with further specific training in the workplace - preferably paid for by state schemes. University education becomes once more the property of the rich who can afford to pay for it. The Labour government's support for such an

Brown pledges extra £250 million

In the recent Budget, Gordon Brown pledged an extra quarter of a billion pounds for education. Listening to the hype you might think this 'extra' money will be used to finance some new high tech innovation in education as we head towards the 21st century. Think again! Where is the money really going?

Of the money going direct to schools, £35 million will be spent dealing with the 600 primary schools who still have outside toilets. But before you cheer, this does not necessarily mean new toilets. For some schools it will mean the erection of covered walkways so that children will at least stay dry, if not warm, on the way to the 'lavatory.'

Another £15 million will be spent 'upgrading' inefficient heating and boiler systems. £40 million is being earmarked for new classrooms (of the portable variety mainly) to deal with the extra teachers in infant schools as part of Labour's commitment to reduce class sizes for 5,6 and 7 year olds.

You may well ask what we would have done if this 'extra' cash was not available. The reduced class size proposal was in the manifesto, so why is Gordon Brown trumpeting the £40 million needed a year later as 'extra' money?

ideology is reactionary in the extreme.

Children deserve a better education than is provided for them currently. This is not because of bad teachers and failing schools. The pressures put on teachers and schools financially and ideologically affects their ability to provide the best education possible. Labour should be addressing the needs of working class children, not the needs of the capitalist class. They should be starting a real dialogue within the labour movement involving trade unionists who work in education and who are parents as to what is the best way forward to providing an education system that we can all be proud of and let the slogan 'education, education, education' have genuine meaning.

**Veronica Patterson
East London Teachers
Association
(personal capacity)**

Cool Britannia

rocks the

John Prescott being doused with icy water at the recent Brit awards ceremony was just the tip of the iceberg. Since then Blur's Damon Albarn has savaged the Government's attacks on higher education at the Student Demo on February 25th, and bands like Space, Dodgy and The Lightning Seeds have torn a strip off Jack Straw for refusing to launch a new inquiry into the Hillsborough disaster.

Something more profound is reflected here than just an 'anarchist' stunt. The Labour leaders have attempted to associate themselves with the success and popularity of Britpop but are now discovering that these bands are not prepared to act merely as cheerleaders.

These people, like the rest of us, were desperate to get the Tories out and to get a Labour Government. However to the extent that they were prepared to speak out against the Tories, they are now speaking out against the attacks on benefits and students which are scandalously being introduced by a Labour Government.

In a vicious but highly articulate assault on Labour's programme since taking office last May, the New Musical Express illustrates a growing mood of discontent and disillusionment. The 14th March issue headlined 'Ever Had The Feeling You've Been Cheated,' contains a 12-page special, 'Betrayed - The Labour Government's War On You.' The following extracts require little additional comment from us.

'...New Labour might be better advised

to treat the soaking as a warning from us all. As a warning that the New Labour honeymoon is over. That rock music's decades-old, instinctive and deep-seated pro-Labour sympathies have, in the past nine months, been chipped away to almost nothing.

'Good Morning Mr. Blair, this is your wake-up call...Like most of Britain, the music business was buzzing on May 2nd...after 18 years of racism, homophobia, nationalism, xenophobia, greed, sleaze and snobbery with violence - the Tories were OUT!...Oh we knew there would be teething problems, we knew that Tony had to keep 'middle England' sweet. So we kept schtum when Tony invited Lady Thatcher around for tea and biscuits. We bit our lip when Tony cuddled up to Rupert Murdoch. We looked the other way when Tony packed Whitehall with tax-avoiding Tory fat cats. We said nowt when Tony invited the loathsome David Mellor to run the Football Taskforce. And we tried not to be too pissed off when New Labour left the sacked Liverpool dockers to twist in the wind...

'And then New Labour announced its plans for universal, free full-time education. They're going to abolish it...

Tony Blair has warned us repeatedly that New Labour is in the business of making 'hard choices'. It can hardly be a coincidence that, so far, not one of those 'hard choices' has been made in our favour.

'During his recent trip to Washington, Tony Blair made a speech in which he once again declared New Labour's love

for 'middle England'. Middle England is a fuzzy phrase but is generally taken to mean the heartland of the mean-spirited, narrow-minded, culturally conservative, politically reactionary, homophobic, xenophobic, racist and misanthropic Daily Mail reader. The home of Uncool Britannia.

'On March 1st, London was flooded by Uncool Britannia. Thousands of agricultural workers were press-ganged by their feudal lords into marching in defence of fox-hunting. It was a sickening sight - a bizarre mixture of servile forelock-tugging and inbred aristocratic arrogance. The 'countryside' that these marchers were out to 'protect' is a horrible place, the worst of Britain and Britain at its very worst. It's the Britain where black or brown faces are met with hostile stares and whispers. It's the Britain where everybody knows their place, the Britain where 'breeding' still matters. It's Tory Britain - the place where culture goes to die.

'Cool Britannia - by contrast - is a place...where forelocks remain untugged. If it's inhabitants vote - then they always vote Labour. Always have done, always will...

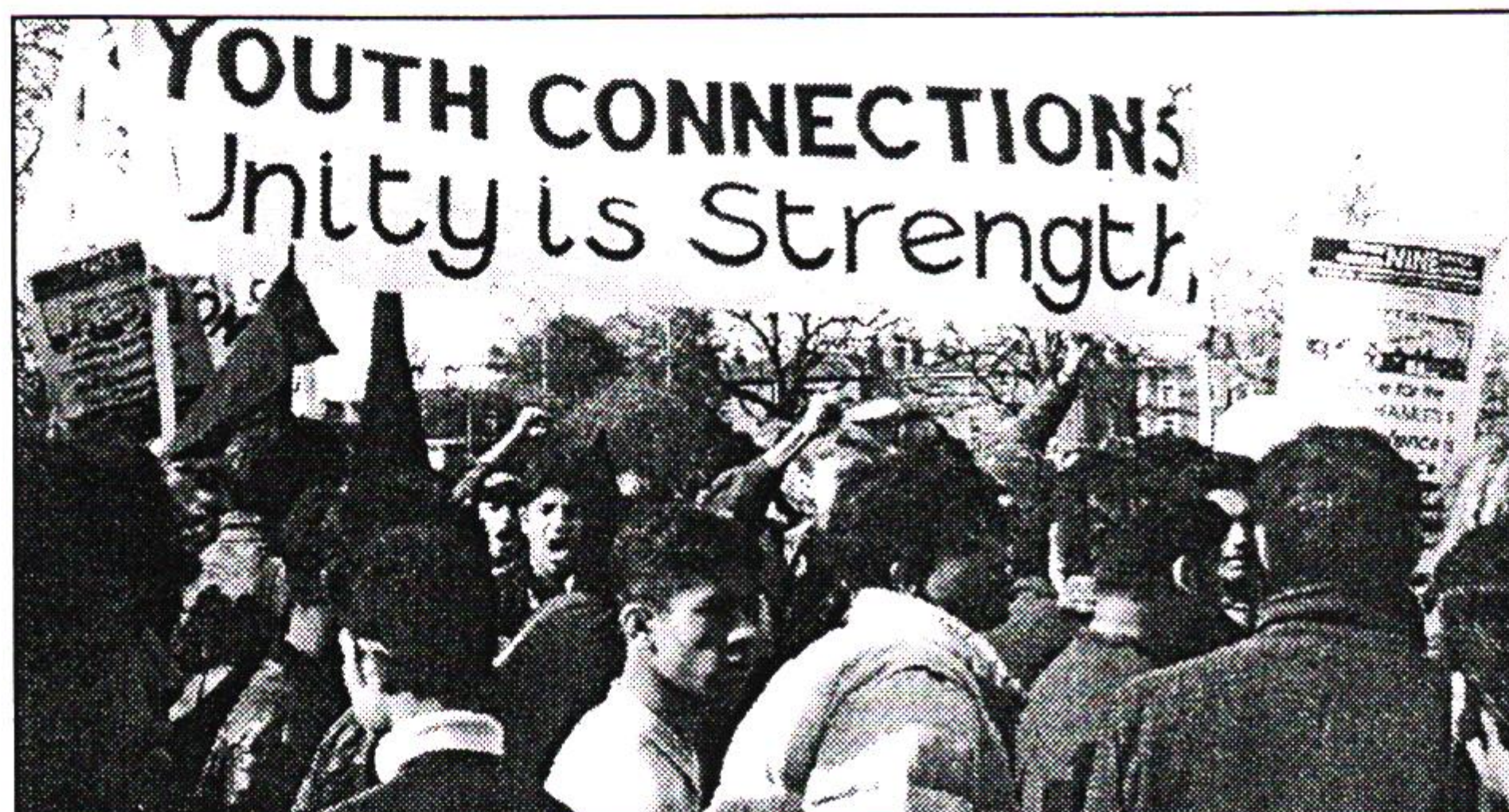
But Tony Blair has already made his 'hard choices' and he has chosen Uncool Britannia - the rich, the powerful, the established, the privileged and the reactionary - every single time. And still Blair continues to bask in the reflected glory of Cool Britannia. The question being - how long are we going to let him get away with it?

'Those pictures of McGee and Gallagher at Number 10 are an uncanny echo of the classic 1960s photos of the Beatles 'sharing a joke' with Labour Prime Minister Harold Wilson.

'A few years after those photos were taken, The Beatles returned their OBEs and publicly denounced Wilson for his support of America's genocidal war in Vietnam.

'When Tony Blair made that 'middle England' speech, he was, coincidentally in Washington to confirm Britain's unswerving, unquestioning support for America's avowed policy of bombing the shit out of any nation that dares to oppose US economic interests....

The truth is that 18 years of Tory rule have made us soft and flabby. For 18 years it's been so patently obvious that everything the Government does or says



is automatically, and inherently and utterly evil that it's hardly been worth protesting about. And, now that 'our' party is in power, we've taken our eye off the ball, we've been suckerpunched. And it matters because our music, our culture, the collective sweat of our groovy brows has been bundled up and neatly repackaged and given a cute little brand name and is being used by New Labour spin doctors to give this hideously reactionary New Labour Government a cachet of radical credibility. A credibility of which it is utterly undeserving. Doesn't that piss you off?

'From the proposed curfews for under-18 year olds to the refusal to reexamine the drug laws, from the abolition of student grants to the introduction of Welfare to Work, New Labour is both taking us for granted and taking the piss. So just how long are you going to let them get away with it.'



No exemptions on minimum wage!

The special feature concludes with a call to action *'The rest of us, meanwhile, have a bigger battle ahead. Will we fight them on the beaches? On the streets and in the dole queues? In the schools and student unions? In the clubs and at the festivals? Or will we just surrender to apathy and let them f__ us over yet again? The choice is yours.'*

We would only add that in order to fight, you have to get organised, and the ground on which to fight the Labour leaders, as well as the schools and the colleges, is inside the trade unions and inside the Labour Party itself, especially it's youth wing. Come and join us in that fight for socialist policies in the labour movement.

These bands are reflecting the growing

anger and seething discontent amongst young people particularly, at the Labour Government's inability, and unwillingness to tackle the problems engulfing us. The Labour leaders should take heed, if they do not act, then today's NME article will be tomorrow's mass protests.

The stream of celebrity attacks is far from finished. Eastenders' star Ross Kemp, Sonya from Echobelly and Kirsty MacColl are now attacking the idea of exempting young people from the minimum wage. Speaking in support of the GMB campaign against exemptions Kemp said *'Everyone from school leavers to sixty something workers should be entitled to the same minimum wage for doing the same job.'*

Labour must change course. They weren't elected by the CBI, they were

elected by us, ordinary working class people. It's about time they started acting in our interests.

Young people in particular need some hope for the future, and this system cannot provide it. Only socialist policies can ensure decent education and training for young people, with trade union rights, and a living grant or a National Minimum Wage, without exceptions. Tuition fees must be scrapped, and the grant restored to pre-Tory levels. Benefits for 16 and 17 year olds must be restored and Welfare to Work replaced by a programme creating real jobs, with real wages. The only hope available to young people is the struggle for a socialist society, where a decent standard of living, education, training and work can be guaranteed for everyone.

John Power (Cast)

'Tony Blair seemed like a great thing - a young fella who seems to have morals, and is going to help the NHS and education. But I'm a bit disappointed about some of the things Labour are up to....the difference between Labour and the Tories at the moment is that they're spelt differently.'

Ian Broudie (The Lightning Seeds)

'I just think it's the same company, but there's a different bloke in charge of the board. There's a slight change in policy, but not anything radical. I think what they're doing is not actually as radical as what they got in on. Stuff like banning fox-hunting, they don't seem to be doing any of that.'

Jarvis Cocker (Pulp)

'It is very disappointing. It's worse than if the Tories got in, in a way, because with the Tories you would expect the same old shit to happen.'

Martin Rossiter (Gene)

'I do feel like we're waving socialism goodbye and that saddens me greatly. They've been trying to redefine what socialism is for their own ends, but by definition they are not a socialist party and I would class myself as a socialist. I would class myself as a person who advocates state ownership of industry. Even when, today, they had a chance to regain ownership of Eurostar, they turned it down. It seems that they're shying away from socialist principles, because they're afraid of upsetting the status quo.'

Mark Morris (The Bluetones)

'It's beginning to look like a wolf in sheep's clothing sort of thing. A lot of promises aren't being followed up. A lot of young people voted for New Labour because they thought it'd be favourable for us, but it's turning out like they just want to please the same people the Conservatives were - the middle classes and the upper-middle classes. People who gripe about taxes but don't need benefits.'

Alan McGee (Creation Records, and the Government's Music Industry Taskforce)

'The Government is aware of my opinions on Welfare to Work. And they're not happy. They're very subtle about it. But the bottom line is they would basically like me to shut up about it. The thing is I'm not after an OBE. I don't think the title Sir Alan McGee sits very well. I couldn't give a f__. At the end of the day if you're going to ask me to the party, don't ask me to shut up.'

Prospects for change in 90's Britain

After nearly a year in office, the honeymoon with the new Labour government is well and truly over - the rebellion at the end of last year against the cut in single parent benefit signalled the end of the euphoria that had gripped the country after the defeat of the Tories. Now, discontent toward a whole raft of policies is growing. On workfare and welfare 'reform,' on grants and tuition fees, on trade union recognition and on the leadership's minimum wage policy. Any one of these issues could provide the catalyst for opposition. And as the British economy moves out of the boom, space for any financial or budgetary manoeuvre will be increasingly blocked. Despite the disquiet, the last few months will probably be seen as the 'best of times' for the Labour government. Ted Grant analyses what lies ahead and points to the processes developing in the new political and economic situation facing Britain.

The present world boom has lasted more than six years both in the USA and Britain. However it is near the end of its lifespan and will, at a certain stage, be followed by a worldwide recession. Already, overcapacity has affected different sectors of the economy and is symptomatic of the coming crisis. It affects a whole range of industries and products: steel, shipbuilding, cars, and information technology. Business Week (10/11/97) warned that 'production everywhere is running ahead of consumption' and says that overcapacity will get worse as Asia tries to export its way out of its economic mess. The authors conclude that 'the global economy may well be heading into a new era - an era of deflation.' We have already explained that the collapse of the 'economic miracle' in SE Asia and the successive panics on the world's stock markets marks the opening of a new period of storm and stress in the world's economy, political structures and society in general.

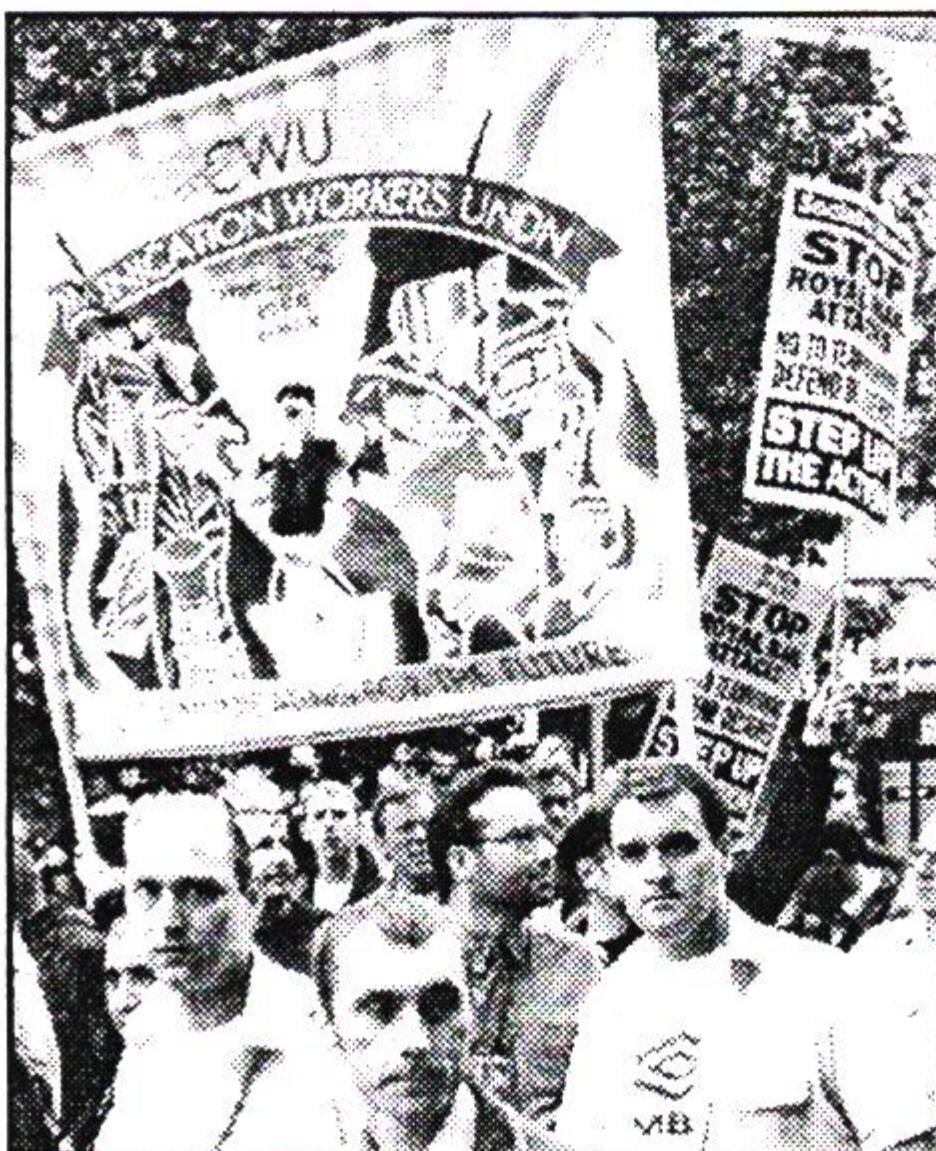
by Ted Grant

All the factors that fuelled the upswing are dialectically turning into their opposite. World trade, which once provided a colossal impetus to the productive forces no longer plays this role. In the next period, given the increasingly intense competition between countries and regions arising from the currency devaluations in SE Asia, moves towards protectionism and even trade wars will become a major danger. The US sends about 20% of its exports to East Asia and 12% to Japan, while deriving about one-third of its imports from the region. Japan also sends about 37% of its exports to East Asia while the same countries account for around 35% of its imports. 'American exports to East Asia will slump', reports the FT, 'while

exports from East Asia will become far more competitive in the US markets.' It concludes: 'But the East Asian crisis could still set the stage for a global stock-market slump if it encourages protectionist responses to the trade adjustments that will result from the region's devaluations.' The US Congress has already refused to give Clinton 'fast track' powers to engage in further free-trade deals.

Those strategists of capital who praised the heavens for 'globalisation' and deregulation are now alarmed at the seemingly sudden vulnerability of their capitalist system. That was the meaning behind George Soros's warning of the uncontrolled nature of the market and the danger of a collapse. But capitalism will not be able to escape the slump, which is likely to be the deepest recession of the post war period. We are in a period of organic crisis within world capitalism. As William Rees-Mogg in The Times (24/11/97) put it: 'If the Japanese domino falls, the American and European dominoes are unlikely to stay upright. The global economy would then be facing a recession, perhaps even a slump. That was what happened in the early 1930s; the great slump started with the failure of the Kredit Anstalt, an Austrian bank... Last week it was Yamaichi, one of Japan's big four stockbrokers; its failure amounts to about £15 billion, which is large even by Japanese standards... If Japan fails, we would have to look very carefully at the stability of the European Union and the United States. Both have very highly priced stock markets; despite its resistance to earlier Asian shocks, Wall Street would have a long way to fall if Japan went into financial collapse.'

What Marxists call organic unemployment, which has remained high even in the current boom, will rise much higher during the next slump. The possibility of a 1929-type crash is ever present given the enormous accumulation of fictitious capital and the deep contra-



ditions that face the capitalist system. Monetarist economics will not solve anything but will instead exacerbate the crisis by cutting markets even further. We cannot exactly predict the depth of the coming slump but attempts to artificially stimulate capitalism, as attempted during the recent past, can easily serve to undermine an economy with devastating results.

The development of the British economy over the last period has not cut across the long-term decline in British manufacturing industry, despite the boasts of the last Tory government. The decline of British capitalism has been disguised by the postwar upswing. Despite Blair's attempts to talk up the British economy as the 'enterprise capital' of Europe, the current boom and the rise in the rate of profit has been due not to innovation and investment, but to the massive increase in the rate of absolute and relative surplus value. This in turn has been a result of the rise in labour 'flexibility', part-time working, short-term contracts and the like. Investment—which is the key to economic development and sustained growth—has continued to lag behind. According to the Treasury, 'As a share of Gross Domestic Product (GDP), it has consistently been below the OECD average since at least 1960... the UK remains well behind other major industrial countries in terms of the level of GDP per head.' It also notes that within the business sector, the five years to 1996 saw the lowest share of manufacturing investment in GDP since records began. The IMF report on Britain also reported a sharp drop of more than 25% in public investment between the second quarters of 1996 and of 1997. Manufacturing investment fell by 4.4 per cent in the third quarter of last year. British capitalism has preferred to rely on low wages rather than modernising industry.

Inward investment

What has partially shored up the British economy have been large amounts of inward investment. After the US and China, Britain was the third largest recipient of foreign direct investment in 1996. In fact, at present one in five people employed in manufacturing in Britain works for a foreign company. A key proportion of these investments are now at risk following the economic turmoil sweeping the 'Tiger' economies and its implications internationally. Already Toyota has decided to locate a new factory not in Britain but in France, the South Korean investment in the Hyundai factory in Scotland has been put on hold and Samsung has also delayed plans to plough more investment into the North East of England.

The effects of a strong pound and higher interest rates are now taking their toll on exports and investment plans. The October CBI Quarterly Survey showed an easing of investment intentions by manufacturing industry. The NIESR forecasts suggest that manufacturing investment, after jumping 12.1% this year, will only rise by 2.3% in



1998. The IMF states that the rise of Britain's effective exchange rate against all currencies has been nearly 20% since August 1996. This has already resulted in a slowdown over successive quarterly periods in the growth of exports. This fall will have its effect on the economy as a whole, leading to rising unemployment and lower output. Already a whole host of economic projections have forecast a sharp slowdown in the British economy in 1998.

Gordon Brown is continuing with Tory monetarist economic policy. He wants to balance the books and reduce the national debt. For him 'sound finance' and the suppression of inflation are the top priorities. Consequently, public expenditure must be squeezed even further resulting in continuing cuts in welfare and services. Apparently, 'prudence' and 'efficiency measures' are the key to success. Local authorities, still starved of cash, will be forced again to carry through a round of cuts and redundancies in order to balance the books in 1998. According to the FBU, the Fire Brigade cannot guarantee effective coverage in some parts of Britain. British capitalism can no longer afford the present welfare state or the level of social provision that has been taken for granted in the past. As a result a draconian 'reform' is on the order of the day.

Now that the euphoria of the election period has gone, the government is beginning to implement its counter reforms. Accepting the Tory economic 'reforms' - privatisation, 'flexibility' and so on, Blair now wants to go further and 'reform' the welfare state. This is something that the Tories could only consider. Despite the 'welfare to work' rhetoric, Blair and the right wing are merely pursuing the policy of big business that the Tories failed to implement. At every opportunity the bosses have declared 'flexibility' and welfare reform as key strategies for the 'success' of modern capitalism. The Tories delivered 'flexibility', now Blair attempts to deliver welfare reform. He has

made it clear there are 'tough choices' to be made if we are to get the unemployed back to work, not by creating new jobs but forcing the unemployed to compete for the limited amount of jobs available. 'Welfare to Work' will be exposed as the sham it is when unemployment starts to rocket. Training schemes, as in the past, are simply a means of disguising the unemployment figures. Ann Clwyd MP pointed out there were 1,500 lone parents in her constituency of Cynon Valley alone, but only 234 job vacancies and an unemployment rate of 14.6%.

A whole series of 'reviews' have been established including Frank Field being asked to 'think the unthinkable' and come up with alternative proposals that will cut the social security budget. Blair has already decided to implement tuition fees in higher education which were previously opposed by the party. Now he has embarked upon cutting the benefits of the most vulnerable sections of society: lone parents and the disabled. If they get away with it, the most vulnerable sections of society will be pushed into further poverty. The 'tough' choices will destroy any lingering illusions that all will be well under a Labour government.

Crisis

A worldwide slump can wreck the Labour government and will push the Labour Party into crisis. The swing to the right over the last decade or more, will see an equally massive swing to the left in the coming period. This will be the case not only in Britain, but internationally. In the USA we can already see the beginning of a 'workers backlash' in the victory of the UPS workers. Blair, under the pressure of big business, has been determined to bow the knee to capital. Blair wants the Labour party to become a 'pro-business' party, little different from the Tories. With the crisis in the Tories, he has the dream of Labour winning a second term of office. But with a

new slump in the offing, these plans could easily unravel. The government will be subjected to the pressures not only of the bourgeois but of the working class as well.

The opposition to the cut in lone parents' benefits was very symptomatic. The leadership clearly miscalculated the degree of opposition to its attempt to force through the cuts. In many ways it was a stupid mistake which provoked a heated reaction with very little saving to the Treasury. It was carried out to prove to big business that the Labour government was prepared to be ruthless in keeping to Tory spending plans.

Opposition

The mood in the rank and file of the Labour Party is changing fast and opposition is developing quicker than even we originally expected. The defeat of Mandelson's bid for election to the NEC and the victory of Livingstone in a postal ballot speaks volumes. The left got 40% of the total vote. Using 'One Member One Vote' the right wing were hoping to rest upon an inert layer to maintain their power base in the party. But this shows clearly how fragile Blair's support really is. It indicates that the processes affecting the activists are also affecting the broad mass of members. Again this was all before the furore about stripping benefits for single mothers, the disabled, and pensioners. Not to mention Formula One and the Robinson affair. This opposition will further intensify in the next year or two under the impact of a new slump.

Working people, fed up with 18 years of

Tory government, have been prepared to grant credit to the Labour government in the hope that it will solve their problems. However, reality is beginning to dawn on them. This winter will see another crisis in the health service, despite the little extra help given by the government. The crisis in the coal industry that threatens up to 10,000 jobs will continue, with the government only prepared to promise a 'review'. They are prepared to look at any solution - as long as it doesn't mean spending money! The same problems will continue in local authorities as workers experience a further round of cuts and attacks. Now Labour councils will not be able to blame a Tory government for their plight, provoking deep opposition in the workforce and within the local authority unions.

An interesting comment was made by the Guardian editorial just after the vote on cutting lone parents' benefits: *'The cut to lone parents' benefits triggered not just Tony Blair's worst day in the Commons since taking office, but a hint of a bleak realignment of British politics. On show yesterday was not the centre left alliance which so excites Roy Jenkins, but a Coalition of Conservatives and Labour. Yesterday's 457-107 vote looked a lot like the first act of a new National Unity Government of the right...'* True, the Liberals opportunistically opposed the government's cut this time. But as Trotsky once commented, scratch a Liberal and you will find a reactionary underneath. In the future, as the crisis deepens, they will do the capitalist's bidding for the sake of the 'national interest' as they historically

have always done.

The editorial continued: *'Government whips should now recognise they can only push their previously-tame flock of MPs so far. They have seen that the left is not just a ragtag bunch, consisting of a few relics from the past... Instead the dissidents can muster a decent number.'* When 'left wingers' like Gwyneth Dunwoody start voting against the government, then anything is possible. Blair has already announced that he, or his ministers Harman and Field, are not going to be deflected from their task of 'reforming' the welfare state. But it is clear that moves to cut benefits for the disabled will be met with an even bigger rebellion, further crystallising opposition within the party and beyond.

It is this dilemma that forces Blair to consider a 'realignment' of British politics. At the Party conference he talked of the split amongst the 'radicals' one hundred years ago, when the trade unions founded the Labour Party. *'I want the 21st century to be the century of the radicals'*, he said. In other words Blair is hoping to create some kind of fusion with the 'radicals', ie. the Liberal Democrats and even the 'left' Tories. That is the meaning of the top level collaboration with Ashdown. Blair was planning a coalition government before the election, with detailed secret meetings with Ashdown. But with a 179 majority, such a suggestion would not have been acceptable to Labour's rank and file. However, as reported in the FT, Blair told Ashdown *'We are still on to sort something out between us.'* The joint Cabinet subcommittee was born, as a means of 'keeping the Liberals on board'. And now a government commission on electoral reform has been established with the traitor Roy Jenkins as chairman. At the NEC Blair stated, after the Winchester by election where the leadership encouraged Labour voters to vote Liberal Democrat, that Labour still had to cooperate with the Liberals.

Dirty work

It begs the question: why does Blair need the Liberals? Blair thinks he can do all the 'dirty work' in the first two years of the Labour government and then give concessions in the following years. He hopes this will allow him to win a second term. But even the best laid plans can collapse under the pressure of reality. The coming slump will make sure of that. His relations with Ashdown is preparation for when the going gets tough. Even a majority of 179 could fracture in the mighty battles that lie



ahead. The Blairites foresee a possible split in the PLP, especially with the layer of new MPs not previously vetted by the party machine.

All the elements are present to indicate some kind of coalition-type development in the future. This is not about the present parliamentary arithmetic, but the class forces behind that arithmetic which could bring about a fundamental political realignment at a certain stage. It would be foolish of us to completely rule out a national government, or some such formation. Just as it would be a mistake to say such a formation was inevitable. We must not be taken unawares by events. On the contrary, our tendency should be warning activists of the possibilities inherent in the situation.

Austerity

It is worth recalling that in 1931 the national government came about after MacDonald found it impossible to get agreement on the austerity package in the Cabinet. A whole series of cuts had been introduced up until then without the government collapsing. But quantity was finally transformed into quality, and the Cabinet unexpectedly split. As Trotsky commented, they swallowed the camel but strained at the gnat. Why? The Cabinet was under intense pressure from both the capitalists and the working class. The TUC was in semi-opposition. It was these pressures that reflected itself at the top and resulted in the crisis. 1931 was not a split in the Labour Party, but essentially in the leadership, where a small handful of MacDonald supporters joined the Tories and Liberals in a national government. At that time, the Liberal Party split with the Lloyd George wing remaining outside the coalition government.

The majority of 179 is not only a source of strength for Blair, but also weakness. As the government becomes more unpopular and starts losing seats in possible by elections, local elections and the Euro elections, many MPs will see defeat staring them in the face. As *The Economist* explained: *'Lots of Labour MPs who unexpectedly won their seats in May's landslide have little enough chance of winning next time. If little chance seems to be turning to no chance, they may be tempted to make a splash as parliamentary rebels. If they are going down, they may decide to take a few hundred of their colleagues with them.'* On emotive class issues, such as cuts to disability benefit, they can pro-

vide a considerable basis for opposition in parliament. *The Economist* has even raised the idea of a split in the PLP at a certain stage. This is inherent in the situation. Although, if this did take place, such a split is likely to be initiated by the Blairites under the pressure of a radicalised and, in their eyes, treacherous Labour Party rank and file. They will realise that their efforts to change the party had failed. They will be forced to re-evaluate their position.

The Tory defeat has intensified the civil war in their ranks, with their anti-European policy being the focus of the conflict. The resignation of Major and the election of Hague has not solved their problems but further exacerbated them and which in turn could lead to a split in the Tory party at a certain stage. This threat is further reinforced by the decision of Hague to give the Tory membership a greater say in decision-making. The grass-roots Thatcherites in the Tory constituencies will, once they have a greater say, push the Tories even more to the right, increasing further the feeling of isolation presently experienced by the 'pro-European' wing of Clarke and Heseltine. They are discussing behind the scenes how to further their cause and even whether they still have a future in the present Tory party. They must be following closely the talk of 'political realignment' within and between the Liberal Democrats and the Blairites, and even building bridges behind the scenes. They could fit very easily into a possible future realignment.

Despite the electoral debacle experienced by the Tories, it would be a mistake to imagine that they could not recover their support. Despite their acute difficulties, the disillusionment with Blair will push the middle classes in particular back to the Tories. This happened after their massive defeat in 1945. We should also recall that the huge majority for Mitterrand in 1981, where the left won around 55% of the vote, led pundits to conclude that the right in France was completely finished. But within a number of years they had recovered and won the elections with the biggest majority ever for the right wing. Subsequently, that massive majority was overturned by the election of Jospin. This illustrates the volatility of the period and the sharp changes inherent in the situation, especially amongst the middle class. This too is symptomatic of the revolutionary undercurrents that are developing. Despite the divisions in the Tory party,

because of a lack of an alternative, they can gain from disillusionment with the Blair government. How far they can recover is impossible to say at this stage.

The crisis of British capitalism has without question altered the balance and character of the working class. Unemployment has had a heavy toll in a whole series of industries. The coal industry for instance has gone from an employment level of 230,000 at the time of the 1984 strike down to 10,000 today, with further job losses threatened. Similarly the steel industry is down to around 50,000 workers. Job losses in Ford UK has taken the workforce below 20,000, a fall of over two-thirds since 1980. Across manufacturing, employment is down from 7 million twenty years ago to around 4 million today. Although, because of the increase in exploitation, production has remained the same or even increased. The car industry for instance has production levels not seen since the 1950s.

The decline of these heavy battalions of the working class has been matched by a huge increase in white collar employment leading to a proletarianisation of previously privileged layers of the workforce. There has been a huge increase in low paid, part time and casual work, self employment and so on. The situation is best summed up in the recent decision by McDonalds to take on 10,000 new staff over the next couple of years. The company claims that it is now the biggest employer of under 20 year olds in the country. It now employs more people than most of the big manufacturing companies like British Steel and Rover-BMW. In fact the biggest private sector companies, apart from BT, are all in the retail and finance sectors. The biggest three private sector employers are Tesco, Sainsbury and BT, followed by TSB-Lloyds and Barclays. This highlights the degree of de-industrialisation and the huge growth of the service sector over the past period.

Discontent

Discontent on the shop floor and in the offices has reached record levels as bosses demand greater and greater sacrifices. Not since the days before the Second World War has there existed such an open mood of would-be management dictatorship in the workplace. The lockout and sacking of dockworkers in Liverpool and the Critchley Label workers in South Wales illustrate the 'new' industrial relations throughout British industry. Workers

are being brutally subjected to ever worsening terms and conditions—the ‘flexibility’ of labour promoted by the government. All the perceived security of the past has disappeared; ‘jobs for life’ have virtually gone. Recently, the TUC launched a help-line for workers and received 3,000 calls within just a few days. Cases included that of a chemical worker in East Anglia handling inflammable materials being refused safety clothing; a strict 30-minute lunch break which entailed a 10-minute journey to the canteen so staff were being advised to run; a North West auxiliary nurse who took a job in a Surrey nursing home and was forced to put in 70 to 80 hours a week with no time off. These examples could be repeated at will and illustrate well the nightmare of working life today.

Although the number of days lost through strikes remain very low, it does not reflect the bitterness in the work place and the potential for a worker-backlash. The trade union leaders, terrified of breaking the anti-union laws, are acting as a brake on the working class. This applies equally to the ‘lefts’, such as Edmonds, Bickerstaffe and Morris (who has just been appointed to the Board of the Bank of England) as to the right.

Nevertheless, pressures are building up. According to evidence produced by the Labour Research Department (LRD), ballots for strike action which result in successful votes for action are becoming ever more common. ‘Together the evidence suggests that there may be fundamental changes taking place after years of worker reluctance to challenge employers through strike action’, states the LRD (September 1997). Government figures, which cover

strikes lasting at least a day or involving 10 or more workers, show there were 254 stoppages in the year to May 1997. This is 9% up on the 233 which occurred during the previous 12 months.

Those that took place involved more workers and lasted longer. The most recent figures show that 403,700 workers were involved in a total of 1,337,100 days’ strike action. This is again an increase over the previous year, when 110,000 workers were involved and 382,100 working days were given over to strikes. More interestingly, the latest LRD survey found that nearly one in three unions responding had taken industrial action in the six months, January to June 1997. And the reports of industrial action are rising. The survey recorded 179 cases, nearly twice as many as in the last survey. ‘Many cases of industrial action’, say LRD, ‘had taken place in the Post Office in opposition to changes in working practices or disputes over the role of managers.’

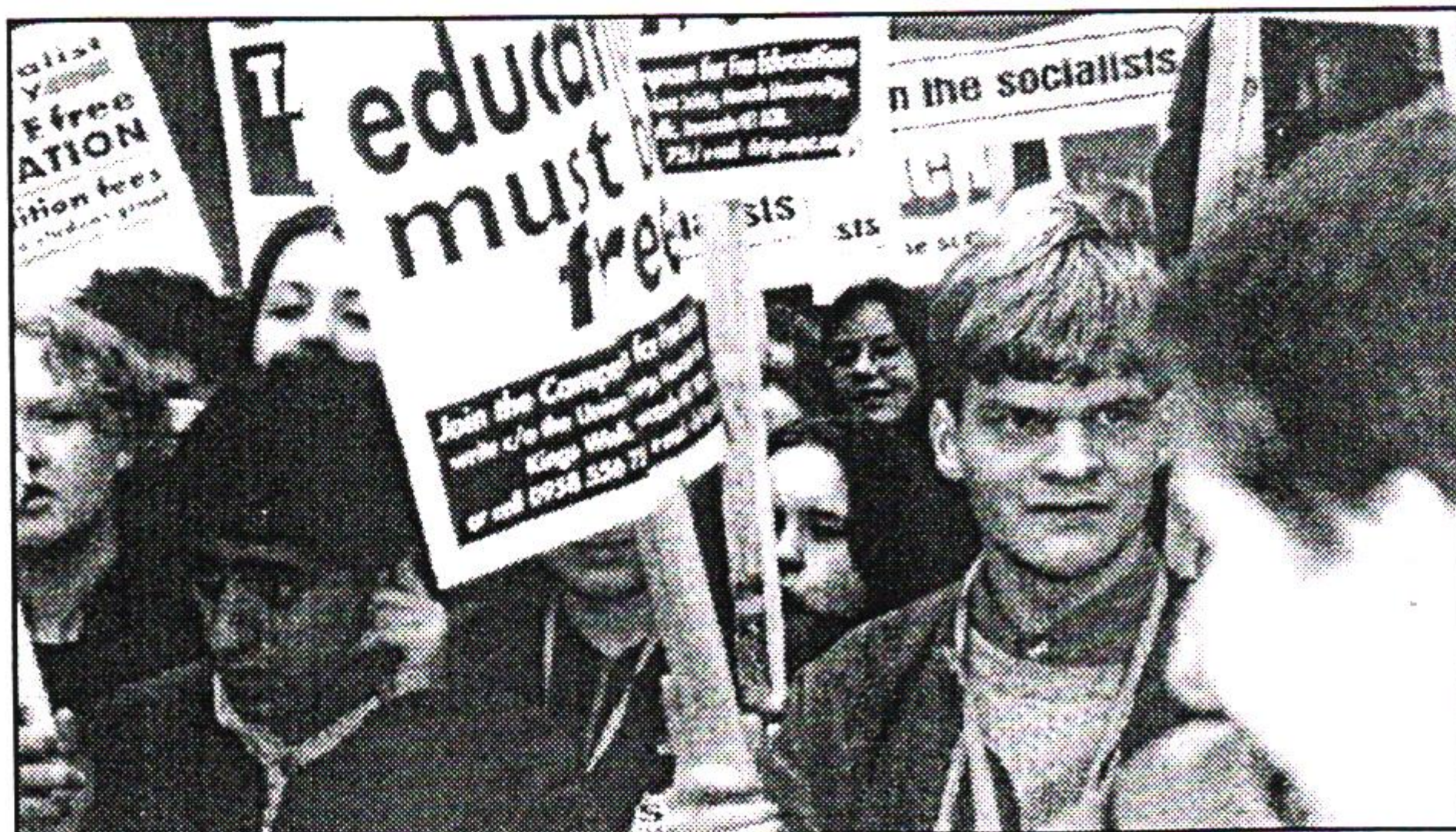
Serious strike

Again, one in three of those taking action cited the use of the over-time ban as their weapon. What is clear, is that the Blair government will be faced with some serious strikes in the future, which will serve to further crystallise opposition within the unions and the party. At the present time, cracks are already appearing in the ranks of the PLP, not from trade union pressure, but from the party’s rank and file. We initially thought that opposition would first of all surface in the trade unions and then manifest itself in the party. But it seems that disquiet and concern is starting to show itself even in

advance of such a move from the unions. Without doubt, voices of opposition to Blair’s policies will be raised within the next round of trade union conferences, especially in the public sector. In turn this will serve to intensify and focus opposition and anger inside the ranks of the party and indeed inside society generally.

At present, due to the lack of worker involvement in the unions, the leadership has become increasingly infected with bourgeois ideas. Consequently, Monks is busy promoting ‘social partnership’ with big business and the CBI. The CBI is invited to the TUC and the TUC is invited to the CBI. They epitomise the worst features of class collaborationism. These ‘leaders’ are prepared to go along with Blair, as they too offer no alternative to capitalism and the market. However, as opposition wells up in the ranks of the unions, these leaders will be forced into some kind of semi-opposition. Significant sections of private industry are currently unorganised. Rather than taking up a huge recruitment drive, linked to an offensive on wages and conditions, the trade union leaders place their hopes on the Labour government granting them recognition on a plate. But already, the Labour government is backtracking over the right to trade union recognition. Under pressure from the CBI, it is possible that recognition may only be given where a majority of workers agree to union recognition in a ballot (not even 50% of those who vote). Even Monks had to express his ‘disappointment’ at these suggestions. But this is just the beginning. The trade unions will certainly get no ‘favours’, they are in for a tough time. Edmonds gave a warning to Blair at the party conference that he was ‘keeping an eye’ on the leadership. At a certain stage, leaders like Edmonds and Morris will come into opposition and be pushed by events to the left, which in turn will feed rank and file opposition in the unions and Labour Party.

We could not rule out serious attempts by trade union activists, frustrated by the policies of the Blair government, to seek disaffiliation from the Labour Party. That was the case with miners’ lodges in the late 1960s, in protest at Barbara Castle’s *In Place Of Strife*. But this is a road to nowhere and will not be accepted by the mass of trade unionists. The government could easily attempt to use anti-union legislation against workers, which would create widespread revulsion amongst union activists. It is clear already that a layer



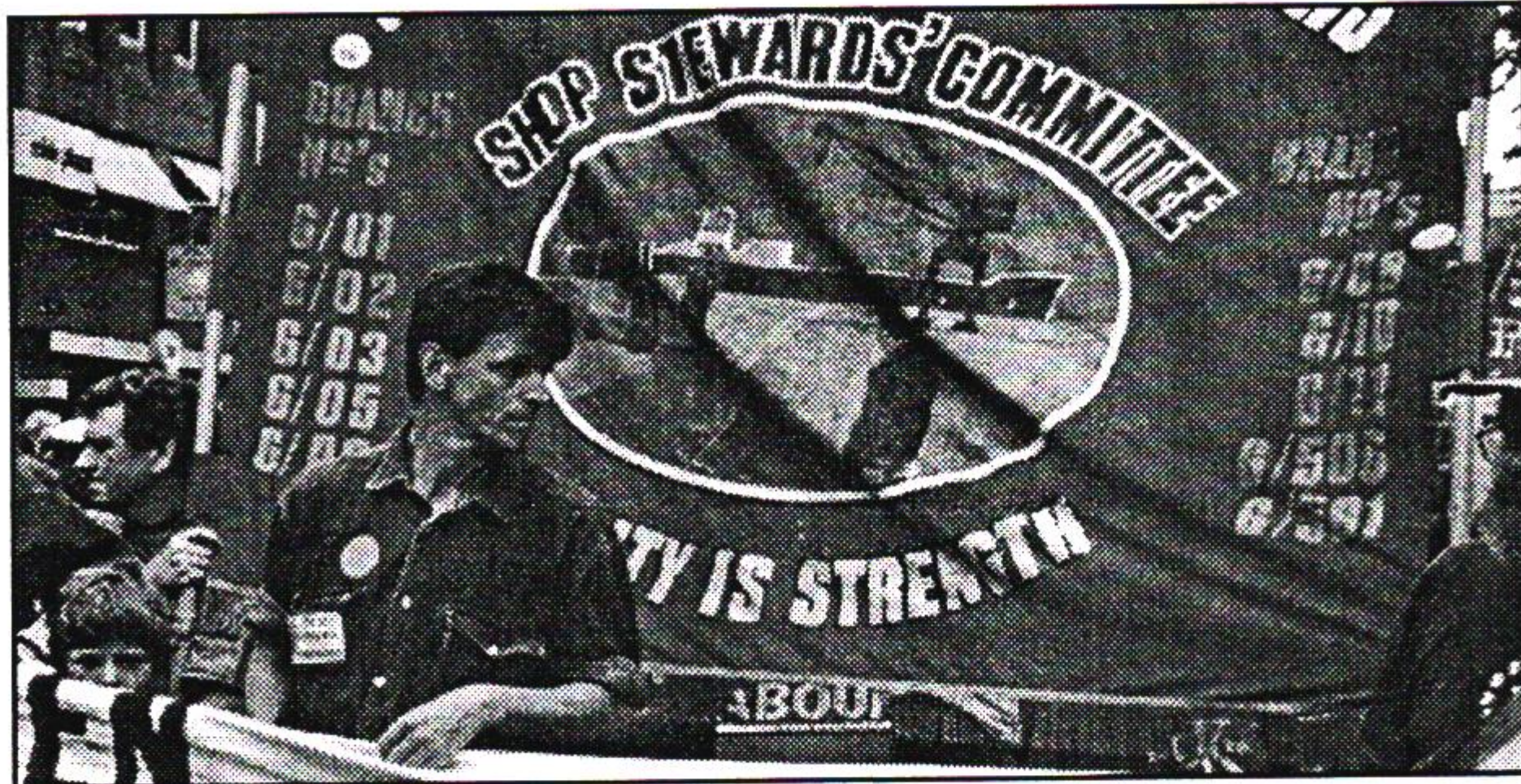
has left the party. However, the developing opposition in the Labour party will become a pole of attraction for militants. The question of taking up a fight in the Labour party against the right wing would receive a ready audience, especially amongst the more conscious workers.

The left around the *Socialist Campaign Group* have been incapable of organising an effective group. There was an increased vote for the left in the NEC elections, but this was not due to any campaign on their behalf. Few of them, if any have an idea of how things are likely to develop. While critical of the right wing, the lefts offer only a luke warm alternative. They are wedded to Keynesian economics, which offers no way forward for workers especially under conditions of capitalist crisis. That is not to say that we would not fight for increased spending on schools, hospitals, etc., but we would link these demands to a programme of the socialist transformation of society which would clearly raise the issue of ownership and control of the means of production. Livingstone, who now aspires as the leader of the left, simply criticises Brown for failing to lower the exchange rate, which requires lower interest rates and increased taxation on top incomes and dividends. In his advice to Gordon Brown, his whole approach is about how to make

They have no real perspective and therefore attempt to 'compete' on capitalism's terms. Livingstone has even succumbed to the bourgeois ideas about a new epoch of growth for capitalism. He stated recently that after the next recession, the world economy will be locked into 25 years of real growth like the sixties and seventies! (reported in *The Guardian*, 3/12/97).

Confusion

Despite this confusion, the lefts will tend to come together as the crisis in the Labour government deepens. There will be a tendency for the Campaign Group and the Tribune Group to merge together. However, the key pole of attraction of a new left wing could emerge from the more traditional left wing types in the current leadership of the party. They are political opportunists, but have certain links and history in the movement. They will come under colossal pressure to oppose the increasingly vicious pro-bourgeois line. Such a split at the top would shatter the



current consensus and turn the Labour movement upside down. Above all, they would act as a pole of attraction for leftward moving workers. As the crisis deepens these 'left' leaders will become increasingly 'radical' or even 'revolutionary', at least in words. This in turn will feed further the leftward moving sections. There could even be a centrist development—that is a tendency between reformism and Marxism—in the Labour Party, especially after a possible split, as there was in 1931-32.

A very deep slump would have devastating consequences both nationally and internationally. It would result in a massive politicisation and the complete destruction of any lingering illusions in the capitalist 'market'. However, another 1929 scenario, with rising mass unemployment and harsh austerity measures being introduced across the board, would initially stun the working class. It would take a certain time for the workers to recover from such an economic collapse. The first reaction would come within the mass organisations, with splits and convulsions and the possible development of centrist currents. On the industrial plane, strikes would assume more of a defensive character, as the bosses attempt to unload the crisis onto the shoulders of the working class. In the USA, within three or four years of the Great Crash, strikes took place that opened up a militant period for the American working class. By 1936, the CIO was formed and there were moves towards a labour party.

The new political situation in Britain was reflected both in the size of Labour's victory and in the remarkable events around the death of the Princess of Wales. A deep unease exists in British society which has alarmed the strategists of Capital. It represents a dangerous development from their point of view. We have at the moment an unprecedented crisis within the main 'pillars' of British society: the Monarchy, the Church of England, and the Tory Party. All of a sudden, the

old certainties seem to lie in ruins. There is a mood of doubting, a scepticism, a lack of trust in everything and everyone. This extends itself to politicians, parliament and the royal family. This is of profound significance. Of course, given the weakness of the subjective factor as well as the weakness of the ruling class, the coming developments may be both sudden and also protracted. Things will not develop in a straight line. There will be periods of despair and even reaction, even within the working class, followed by revolutionary explosions.

Apparent calm

Beneath the apparent calm, motionless surface of society, there is a seething discontent and a pent-up frustration that is seeking an outlet. The possibility of explosive and dynamic developments are inherent in this new situation. The enormous pressure now being exerted at work through the new 'tough management' culture, the insecurity, the huge inequalities in wealth and income, immense regional disparities, the development of an 'underclass' of people living on benefits on the 'fringe' of normal society - any one of these factors could cause a social explosion at any time. The idea of slow, mechanical developments, as experienced in most of the post war period, should be relegated to the past. We must be prepared for rapid changes, new situations and, above all, new opportunities.

Such events can loom far quicker than we might imagine. We have entered a stormy period in British and world history. The crisis facing capitalism will transform the outlook and consciousness of the advanced workers as well as the mass. As in the interwar period, the situation will be characterised by turmoil and splits within the old organisations, which will provide Marxism with favourable opportunities for growth amongst the proletariat. That is the scenario that is opening up before ourselves and a new generation of workers and youth.

American workers: feeling the squeeze



'Almost seven years of economic recovery has done little for people in the bottom half of society. At the same time, the upper reaches of society have never had it so good: their pay and benefits have continued to rise and their stock options have exploded in value.' (Robert Reich, Clinton's former Secretary of Labour, *The Observer*, 15/3/98)

by Rob Sewell

Last month, 12,000 US Caterpillar workers, members of the UAW, voted to continue their six-and-a-half-year dispute over a contract, against the advice of their union leaders. The workers have been in conflict with the multinational ever since their last contract expired in 1991.

This dispute shows the grit determination of the American working class faced with a barrage of attacks not seen since the 1930s. The UAW were demanding similar contracts to the Big Three car manufacturers, but Caterpillar bosses refused, demanding more labour flexibility. This has resulted in two big strikes: one for five months in 1991 and another for 17 months in 1994. Despite the intransigence of the bosses, the workers have also stuck their heels in.

The failure to reach a new agreement is not so much over the issue of wages as the treatment of 160 workers fired in the course of the dispute. The new contract would have reinstated 110 sacked strikers, with the other 50 referred to arbitration.

This proved a stumbling block to the rank and file, who correctly wanted all their fellow workers reinstated. As the union was required to accept back into membership scabs who had crossed picket-lines, this was considered simply 'one way traffic'. As one worker put it: 'If we're going to give full amnesty to the scabs, the illegally terminated should get full amnesty, too.'

The company is now facing over 400 complaints of unfair labour practices that have been lodged by workers with the National Labour Relations Board. The new agreement - now rejected - required all charges against Caterpillar be dropped.

The leadership of the UAW had clearly

miscalculated. They were completely out of touch from the shop floor. Earlier they also had believed that a Democratic Congress and President would legislate in their favour, especially against hiring permanent replacements for strikers. That has not materialised. The Democrats have acted little different from the Republicans.

But the Caterpillar is anxious for an agreement. It wants to get a flexible wage agreement in place before the next economic downturn. Already its massive profits are under threat. New working practices would provide the bosses with a cushion - at the expense of the workers.

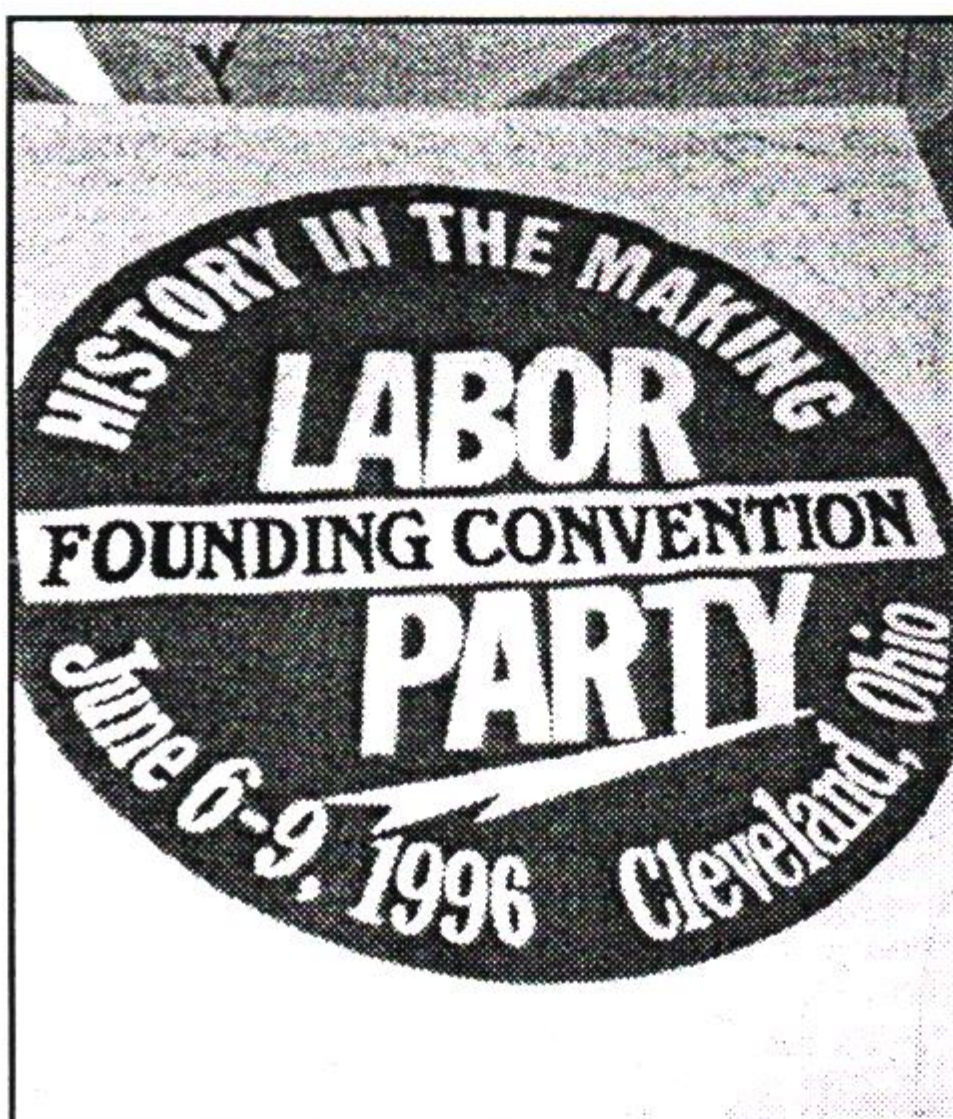
The on-going dispute at Caterpillar, after the very successful UPS strike over flexible working conditions, shows the bitterness and frustration that have characterised the working life of Americans. Last month saw the UAW branch at Spring Hill vote to hold a referendum on whether to dump its 'partnership' deal with General Motors, and revert to a traditional contract. In 1996, these workers earned about \$4,000 more than GM workers with conventional contracts. Last year, as sales fell 10 percent, they ended up \$4,000 worse off than their GM counterparts. 'I couldn't live the lie anymore', stated one worker. Again this is symptomatic of changing moods on the shop floor.

Squeeze

American workers are feeling the squeeze. Incomes of the majority - eight out of ten - have stagnated or fallen. The average weekly incomes of American workers fell by an inflation-adjusted 18 percent between 1973 and 1995. For the first time since the war, the new generation has emerged worse off than its predecessor.

Wages are not the only thing. Working conditions have deteriorated and stress levels have rocketed. The attempt to squeeze every ounce of profit from the unpaid labour of the working class has seen the introduction of flexible working, down-sizing, down-waging, down-benefiting, zero contracts and 24 hour working in new sectors.

Americans are said to be sleeping 20 percent less than they did 100 years ago and 55 percent claim to suffer at least



temporarily from 'chronic' tiredness. People who work at night are significantly susceptible to sleeping problems, especially if they work variable shifts. There is even a National Commission on Sleep Disorders, which recently blamed daytime sleepiness and diminished alertness for about 200,000 car accidents and 10,000 deaths a year.

This drive for increased flexibility was the root cause of last year's UPS strike. 'Even before a settlement,' stated Newsweek, 'the strike revealed a seismic shift in national consciousness. Among the most interesting aspects of the strike is this surprising fact: for the first time in decades, a majority of Americans are allying with labour against management.' (25/8/97) One poll gave the strikers 55 percent support. Only 27 percent backed UPS. 'Labour experts point to public frustration over years of corporate downsizing, stagnant real incomes and an economic boom that too often seems to benefit management mickety-mucks without trickling down to rank and filers', continues the article.

The economic boom is in its seventh year. It is clear American workers, as with their counterparts in Britain, are being pushed to the limit. 'In the past boom eras like the '60s, businesses hired like mad; the mark of this one has been firing fever', says Newsweek. What the strategists of capital are concerned about is the reaction that can be provoked when the workers are pushed too far. Stephen Roach, in particular, has warned against a 'workers' backlash'.

The coming recession - which will be deeper than any since the war - will have wide-ranging consequences. The reaction against the squeeze of flexible working will be compounded, giving rise to widespread changes politically and socially. Opinion poll after opinion poll has revealed the disillusionment with the two capitalist parties, the Republicans and Democrats. The next period will open up enormous possibilities for a Party of Labour and independent class politics.

The founding of the American Labour Party 18 months ago was of great significance. Despite its size and influence at this stage, it could provide the focal point for the growing disenchantment with the two political parties of big business. At its recent Interim National Council, the



American Labour Party announced two very important decisions: to hold its First Constitutional Convention in November 1998, and recommend its report on 'Future Electoral Strategy', which calls for the Labour Party to run candidates in future elections.

'The Labour Party is unlike any other party in the United States. We stand independent of the corporations and their political representatives in the Democratic and Republican parties', states the report. 'Our overall strategy is for the majority of American people - working class people - to take political power. Within this framework of class independence, with the ultimate goal of achieving power, we accept the electoral tactic of running candidates', states the report.

Candidates

'The Labour Party will run candidates for public office in order to elect representatives to positions where they can help enact and enforce laws and policies to benefit the working class. We will run at governmental levels where we can best advance the goals and priorities of the Labour Party. Unlike other political parties, public officials elected by the Labour Party will be accountable to the party membership and required to follow the positions outlined in the party platform.'

'Although we accept electoral politics as an important tactic, we do not see it as the only tool needed to achieve working class power. Unlike other political parties, the Labour Party will be active before, during and between elections building solidarity in our communities, workplaces and unions...

It concludes: 'The Labour Party will

support only candidates for office who are Labour Party members running solely as Labour Party candidates. The Labour Party will not endorse any other candidates.'

This represents a major step forward for the American Labour Party, which originally refrained from participating on the electoral front. If this position is endorsed, then the party could be set to field candidates at a local and state level in 1999. In the meantime, the question of building the party within the unions and at a grass root level assumes a greater urgency. On the basis of the mighty events that impend internationally and in the USA, a relatively small organisation putting forward a radical programme could make enormous progress. This is precisely what Robert Reich was warning about when he said: 'When the current expansion slows, those who are barely staying afloat or who are sinking will not remain silent. Yet by that time, their voices may resound not to progressive ideas but to the politics of resentment. History yields ample warnings.' The American working class has proud traditions of militancy and class struggle. The development of a mass party of Labour would break the log-jam politically and open up a new chapter in the history of the American working class.

In the words of Fredrick Engels: 'When the moment comes, things will move with colossal speed and energy over there... Once the Americans get down to it, but with an energy and virulence unique to them, we in Europe will be children by comparison.'

Kosovo: Balkans crisis continues

The scenes of massacre of men, women and children in Kosovo have disturbed the conscience of civilised people everywhere. What is the meaning of this? What is the solution? And how should the labour movement react?

by Alan Woods

Pogroms in Kosovo, Serbia's southern province, are nothing new, although they have not received much publicity till now. They are part of a wider pattern of systematic oppression of the majority of Albanian-speaking Kosovars by the Serb regime.

Although they constitute a big majority, since 1989, the ethnic Albanians of Kosovo have been deprived of all rights. In that year, at the insistence of Slobodan Milosevic, Kosovo's autonomous status was abolished. In the past year alone, around 6,000 cases of breaches of the human rights of Albanians have been recorded, which means 13 every day. Thirty seven of them have been killed. In 1990, some 130,000 Albanians were thrown out of their jobs, secondary school students were thrown out of their schools, and university students from their universities. Lessons still take place in private houses. The Albanology Institute and the National Library with books in the Albanian language have been closed. Albanians are not allowed to open television or radio stations, and in the course of only one day 1,700 journalists and other workers were thrown out of the RTV Pristina. In the same year, 1990, Albanians were thrown out of police stations, all public posts, and

posts in local governments, and cultural and scientific institutions.

Attacks organised by the Serbs against the Albanians in Kosovo have constantly increased, culminating in the latest atrocities where at least 80 ethnic Albanians were massacred by Serb police. Albanians who protested against the killings were tear-gassed and beaten. The Serb mass media has presented these atrocities as a 'victory against Albanian terrorists'. The situation in Kosovo has reached that critical point where quantity is transformed into quality. There can be no turning back now.

Rising tensions, which have been simmering for a long time, turned into a large-scale conflict which lasted for several days at the end of February. At least 30 people were killed when the Kosovo Albanians' armed groups intensified their armed attacks in the area of Srbica, in the north of Kosovo, in the Drenica region. The area of Srbica has been largely controlled by armed Albanian groups (the KLA) for months and was, in effect, a 'no-go area' for the Serb police and army. The 'forces of Order' replied with what was clearly an organised pogrom against the Albanian population, under the guise of 'a struggle against terrorism'.

The political parties of the Kosovo Albanians responded by a call for massive demonstrations as a sign of support to the Albanian population in the area of Srbica. The demonstrations began on the second of March, in Pristina and other towns in Kosovo. Agencies say that tens of thousands of people responded to the call, while the organisers claim that close to

300,000 protesters took to the streets of Pristina alone. These peaceful demonstrations were met by further police brutality. Unarmed people were beaten and tear-gassed.

The revolution in Albania acted as a catalyst to the struggle against Serb domination in Kosovo. Overnight, the Albanian minority in Kosovo had access to a large quantity of modern weapons from over the border. There are several areas that are already under the control of armed Albanian groups. These zones are 'no-go areas' which today Albanians call with pride 'free territory'.

Kosovo has been turned into an armed camp. This means that the conditions are being prepared for an all-out insurrection, or at least a long drawn-out guerrilla war.

Can a deal be reached?

The present explosion in Kosovo is the logical result of the monstrous chauvinist policies pursued by the Serb ruling clique over the last decade. Following the liquidation of the autonomy of Kosovo, the government of Belgrade has ruthlessly trampled on the rights of the Albanians, denying access to jobs, health and education. The Albanians have replied by setting up what is, in effect, a parallel state—running their own schools, hospitals and universities, all outside the control of the Serb authorities. The basis has been laid for a possible break away of Kosovo from Serbia.

Up until recently the majority of the Albanian Kosovars have supported the moderate nationalist leader Ibrahim Rugova, Kosovo's 'unofficial president', who advocated peaceful methods of struggle and autonomy within Serbia. But these 'Ghandian' tactics have, predictably, led nowhere. In the absence of an internationalist revolutionary class alternative, an increasing number of disaffected Kosovar youths have been attracted to the terrorist tactics practised by the so-called Kosovo Liberation Army (KLA) and it was inevitable that the KLA's terror campaign would provoke a massive reaction on the part of the Serbs. This is now taking place before our eyes and will undoubtedly mark a new and bloody phase in the upheavals in the Balkans with unforeseen results.

Milosevic now finds himself on the horns of a dilemma. He would like not only the lifting of sanctions but also aid from the West. But he could not tolerate the loss of Kosovo. It is not even clear that he is in a



position to offer a meaningful compromise in the form of autonomy. On the other hand, as the experience of Bosnia shows, so-called 'self-determination' also solves nothing. It would inevitably prepare the way for further upheavals in the neighbouring countries, especially Macedonia, posing the threat of an all-out Balkan war which could suck in countries like Bulgaria, Greece and Turkey. This is the nightmare scenario for the West, which it wants to avoid to all cost.

Milosevic, however, is not the representative of the most extreme wing of Serb chauvinism. It is Vojislav Seselj, who really personifies the distilled essence of Serb chauvinism, a poisonous mixture of racism and Great Serbian nostalgia that is closer to fascism than anything else. Feeding on the frustration of the petit bourgeoisie and the mass discontent created by the collapse of the economy and Serbia's military humiliation in the recent conflict with Croatia, Seselj only narrowly missed being elected president of Serbia in December 1997.

Milosevic has been constantly looking over his shoulder at Seselj and the extreme chauvinists and is now the prisoner of his own demagogy. It is difficult to see how he can get out of this situation without such massive loss of face that he would be overthrown by Seselj and his gang. Such a development would mean immediate war. But it is by no means certain that war can be avoided anyway. Even if Belgrade offer autonomy it may now be a case of 'too little and too late'. This truth is now beginning to dawn on the bourgeois politicians.

While clamping down brutally in Kosovo, the Milosevic regime keeps making seemingly reassuring statements of its willingness to discuss with 'moderate Albanian leaders':

'Serb authorities stress that the latest crackdown is on 'terrorists' of the Kosovo UCK liberation army. That may leave the door open to talks with moderate Albanian nationalists... Mr Rugova insists, however, that talks must be mediated by a third party. The Serb government spokesman in Kosovo said the authorities would allow Mr Rugova to go ahead with elections to the ethnic Albanians' unofficial government on March 22. *Serbia, however, would not recognise the results, he said.* (*Financial Times*, 9/3/98, my emphasis, AW.)

This is typical Milosevic 'double-speak'! Rugova and co. can proceed with elections—which Belgrade will not recognise! On the other hand, Rugova demands the participation of a 'third party' to mediate between him and Belgrade. But Milosevic has made it quite clear that the question of Kosovo is an 'internal matter' (in which he is backed by Russia). So while the diplomats make speeches for foreign consump-



tion, the guns keep shooting, and the truncheons flailing.

The policy of US imperialism

The Dayton Agreement has solved nothing. It is only being held in place by the presence of thousands of American troops. On all sides, Washington uses a combination of military power and bribes to maintain its influence and control. This has, for the time being, got results in Bosnia. But in reality, none of the contending parties is satisfied, least of all the Bosnian Muslims, who were the principal victims of the Bosnian carve-up, but who have since been armed to the teeth by the USA. American pressure has also checked the territorial ambitions of Croatia—but for how long is another matter. Washington has even succeeded in installing a compliant puppet in the so-called Republic of Bosnia. But the problem of the refugees remains unsolved. Despite the Dayton agreement very few refugees have succeeded in returning. In this, as in all their actions, the so-called humanitarian actions of the imperialist reek of hypocrisy. The handful of war criminals (mainly insignificant figures) put on trial in the Hague provide no comfort to the mass of Bosnians, Croats, Serbs and Muslims faced with a future of poverty, unemployment and despair. One of the survivors of the concentration camps is quoted as saying 'I wish I had died in the camp'.

In all this there is a clear emergence of a mood of isolationism in America, which reflects the growing contradictions between the imperialist powers. The USA is really the only world super-power. But in conditions of capitalist crisis the role of world gendarme is proving to be expensive, not only economically but also politically.

The Austrian paper *Die Press* recently carried an article entitled *The United States is angry with Europe* in which this frustration was given voice by a US senator: 'What is the use of Nato if the majority

of the allies is not on your side?' The article concluded that '*nobody must be surprised if, sometime, the United States stops being prepared to play the fire-brigade where it suits the Europeans very well.*' (My emphasis, AW)

However, the USA cannot disengage from the rest of the world. It is compelled to act to shore up decaying capitalism on a world scale. The result is not only a financial drain but also the possibility of radicalising public opinion at home, as during the Vietnam war. That is why America dreads any involvement of ground troops, preferring instead to rely on aerial bombardments but, as we have explained, air power alone is never enough to ensure a decisive victory.

All these considerations explain the constant complaints directed by Washington against its 'allies' who never seem to be doing enough these days. The only ones willing to fall immediately into line with any proposal emanating from Washington are, of course, the British. This reflects Britain's real status as a third-rate world power whose 'special relationship' with America is really the expression of a humiliating and servile dependence.

Washington's growing alarm and frustration were shown by the declarations of its special envoy to the Balkans, Robert Gelbard, who threatened fresh sanctions against Yugoslavia, if the clashes in Kosovo continued. At the same time, he warned the Kosovars not to push their demands too far. US imperialism is not in the least concerned with the fate of the Kosovars, but it is very concerned at the prospect of an explosion in Kosovo which can spread to Macedonia and provoke an all-out war on the Balkans, with unpredictable results.

In a desperate attempt to get a common response, ministers from Europe, the US, and Russia met in London to discuss what pressures could be applied to force Belgrade to retreat, but Milosevic has made it abundantly clear that he regards

the Kosovo question as an 'internal matter' and then there is Russia which will veto any drastic action such as bombing or even the imposition of extra economic sanctions. Thus, Milosevic is faced—at least for the moment—with a 'paper tiger'. But although the pro-Serb stance of Russia is a complicating factor, that will not prevent the USA from taking action if the moment comes when it feels that its vital interests are threatened. And that would undoubtedly be the case if upheavals threatened the territorial integrity of Macedonia.

Macedonia—the key to the Balkans

From the beginning we have explained that the key to the whole situation on the Balkans lay in Macedonia. This fact was also understood by the imperialists, who feared—and still fear—that the conflicts in the ex-Yugoslavia could de-stabilise the newly-created Former Yugoslav Republic of Macedonia (capital Skopje) with its fragile economy and delicate ethnic mixture of Macedonian Slavs and Albanians. Although not so clearly oppressed as their Albanian-speaking neighbours in Kosovo, the Albanians of Macedonia complain of discrimination. This, in turn is bitterly resented by the Slav Macedonians who have fought for generations for the right to a homeland of their own. The Macedonians speak a language which is close to Bulgarian. In fact, the Bulgarians have never recognised them as a separate nationality and secretly would like Macedonia to be joined to Bulgaria ('Greater Bulgaria'). Needless to say, such a development would never be accepted by Greece, Serbia or Albania. It would mean a terrible war, like those that wracked the Balkans before 1914 and were instrumental in bringing about the first world war. In such a case, it is virtually certain that Turkey would also be involved. The prospect of two Nato states at war with each other fills the West with dread. It is thus, as always, cynical calculation and self-interest that motivates the West's 'concern' with Kosovo.

The situation is explosive. This is why the imperialists will put the utmost pressure on Milosevic to cease repression and make concessions on the basis of autonomy for Kosovo. But, in the first place, it is not certain that Milosevic can, or will, accept this. In the second place, it is not certain that the Kosovars, after the latest Serb atrocities, are in any mood to accept. In any event, there will be no alternative for the imperialists but to cancel the offer to relax sanctions, and to attempt to strangle the economy of Serbia. However, experience has shown that the Serbs can partially get round sanctions. They can obtain the necessary goods and fuel, albeit in smaller quantities and at a higher

price. This will put pressure on Milosevic, but will not solve the problem. He can blame the hardship of the masses on Serbia's foreign enemies. Moreover, in the absence of a revolutionary class alternative, any fall in support for Milosevic would benefit Seselj. Either way, the likelihood is that Belgrade would be inclined to take an even tougher line on Kosovo. The main fear is that the violence in Kosovo will spread to the neighbouring countries.

Since the setting-up of the Former Yugoslav Republic of Macedonia, the ex-Stalinist Kiro Gligorov has been involved in a delicate balancing act. Apart from the problem of the sizeable Albanian minority, the economy is in bad shape. The balance of trade deficit is now 7.4 percent of GDP, and is paid by the Americans. Gligorov presides over a fragile coalition. The main opposition party—the Internal Macedonian Revolutionary Organisation (VMRO) has moved closer to a pro-Bulgarian stance, and has expelled all those who opposed closer links with Bulgaria. The VMRO has the support of a quarter of the electorate and could be the biggest force in the next parliament. It is unlikely to push openly for closer links to Bulgaria, but it might try to link up with the Albanian Party for Democratic Prosperity in order to weaken the central government and split Macedonia into ethnically defined cantons. The ex-Stalinist Social Democratic Alliance headed by Gligorov consists of former bureaucrats who have made a lot of money out of busting US sanctions against Serbia. Some of these, it seems, would not be averse to rejoining Serb-dominated Yugoslavia.

The Greek bourgeoisie has consistently bullied and pressurised Macedonia, but would oppose splitting it between Albania and Bulgaria. For its part, Serbia has ambitions in Macedonia and would resist any attempt to allow it to fall under Albanian or Bulgarian influence. Serbia needs to control Macedonia through which it has access to the Greek port of Salonika (through the Vardar valley). Thus, the massacre of Albanians in Kosovo threatens to destabilise Macedonia by stirring up discontent among its Albanian population.

In Macedonia there are illegal branches of the Kosovo-based 'People's Movement for Kosovo,' the 'National Movement for the Liberation of Kosovo,' the 'Party for National Unity of Albanians,' and the 'National Front'. The extreme Albanian nationalist groups in Macedonia make no secret of their aim—to break-up Macedonia (FYROM). Such a prospect terrifies Washington and the EU because of the repercussions it would have throughout the region.

As the Financial Times commented: '*Currently the only weak firebreak to prevent a violent chain reaction is the 700-*

man UN force in Macedonia. This includes American soldiers. It patrols the disputed border between Serbia and Macedonia. The US should drop plans to withdraw. The force should be strengthened, and perhaps put under Nato command to make it a more credible deterrent.

'But that is not enough. The violence has to be stopped in Kosovo itself. That requires a willingness to use the sort of Nato air force which, when deployed in Bosnia, helped bring Mr Milosevic to the Dayton talks.' (editorial of 9/3/98, my emphasis, AW.)

The position of Bulgaria and Greece

So far, Bulgaria seems to be the only Balkan state that has kept out of the conflict. But appearances are deceptive. Bulgaria, which emerged as the big loser from the Balkan wars and also the two world wars, has always had designs on Macedonia. It is therefore alarmed by the fact that both America (which has troops in Macedonia) and Russia are vying for the favours of Skopje. Its agents are undoubtedly intriguing in Skopje where they have a certain amount of support. If it seemed that Macedonia was about to break in half as a result of ethnic strife, they would be only too pleased to step in as the 'defenders' of their fellow Slavs. But any idea of a partition of Macedonia between Albania and Bulgaria would be anathema to Greece and, above all, Serbia. It would mean an all-out Balkan war, and that would almost certainly involve not only Greece but Turkey.

Under the pressure of the EU, Greece has been compelled to draw back from the policy of open confrontation with the Former Yugoslav Republic of Macedonia (FYROM). However, Athens continues to play a cat-and-mouse game with Macedonia. The Greek bourgeoisie is interested in strengthening its power and control over the neighbouring states. If it were to intervene in Kosovo, it will not be to help the Albanian Kosovars, but only to serve its own selfish interests. But such an intervention is ruled out. Belgrade makes it clear to all that it regards Kosovo as an internal matter. So any intervention would be seen as foreign interference and firmly resisted. In any case, Athens and Belgrade have been acting in collusion for some time now, in an informal alliance with Moscow. It is therefore not likely that Greece would do anything to seriously disturb the Serbs. All the statements coming out of Athens serve to confirm this. Athens' spokesmen merely re-iterate the line of Belgrade but do not lose the opportunity of attacking little Macedonia, thus happily getting 'involved in the domestic affairs' of that country!

The Athens right-wing pro-New Democracy Party newspaper *Elevtheros*

Tipos (5.3.98) warned of the broader implications of the Kosovo question for Greece's relations with Turkey:

'The crisis in Kosovo can give Ankara the opportunity to show its strength in Thrace, in the Aegean, and in Cyprus. And it may possibly consider it opportune to measure our decisiveness and our national resistance. As easy as it was to foresee that Albanian nationalism would contribute to destabilisation in the Balkans, it is easy to foresee that the crisis will be long-term and will be exploited by all those interested in shaping developments according to their own strategic planning!'

This is a direct warning that Turkey could take advantage of the situation to 'test the water' for an intervention. And while this is not the most likely scenario (Washington and the EU will move might and main to prevent it) it is certainly taken seriously by the ruling circles in Greece. It would be an absolute nightmare for all the peoples of the region.

For the Socialist Federation of the Balkans!

The whole history of the twentieth century provides a proof that the national aspirations of the Balkans peoples cannot be solved on a capitalist basis. In such a situation, the so-called 'right to self-determination', is only a fig leaf to conceal the reactionary intrigues and ambitions of one or other of the great powers. In every case, bitter experience has shown that the peoples of the Balkans can never achieve freedom as the vassals of foreign powers.

Under the given conditions, so-called 'self-determination' is a cruel deception and a mockery. Lenin explained a thousand times that the right of self-determination was not an absolute right, but was always subordinate to the general interest of the proletariat and the world revolution. *In the given conditions, so-called self-determination is a recipe for endless wars and ethnic slaughter in the Balkans.* This cannot be in the interest of any of the Balkan peoples. Only the rival cliques of bourgeois gangsters and Mafiosi can benefit from such an abomination.

It is necessary to cut across the national feuds by fighting for a socialist federation of Balkan peoples, with full autonomy to every nationality. In the case of Kosovo, Marxists must defend the oppressed Albanians, who, by a strange twist of fate are not a persecuted minority, but a persecuted *majority* in their own land. International public opinion must be mobilised to oppose the pogroms in Kosovo. But that is not enough. The only way to prevent the further oppression of the people of Kosovo and to solve this question once and for all is through the revolutionary overthrow of Milosevic and his clique. But this can only be done by

the Serbian working class. This task cannot be entrusted to the imperialists, who are not concerned about the fate of Kosovo or of any oppressed people in the world, but only in their own narrow and selfish interest.

The question of who overthrows Milosevic is not a secondary one. If he is not overthrown by the working class, there is the danger that Milosevic could be replaced by even more reactionary elements such as Seselj, which would make a bad situation still worse. Nor can terrorist actions help to solve the situation. On the contrary. It will make things worse. Such methods have nothing in common with revolutionary Marxism and can only result in a catastrophe for the people of Kosovo. It is one thing to defend the oppressed against pogroms arms in hand. It is another thing to resort to the fruitless and counter-productive tactics of individual terrorism.

The workers, peasants and students of Kosovo show great courage and resourcefulness. Yet the whole movement lacks a programme, policy and tactics that alone can ensure a lasting victory. Only an internationalist policy can cut the ground from under the feet of Milosevic by gaining the sympathy and support of the Serbian working class. Nato, the USA and the EU are no friends of the Kosovars and the main nationalist groups stand for a 'market economy, protection of private ownership, free initiative and circulation of goods, foreign investments and integration of the Kosovar economy with the European and world economic structures'. But just look what happened in Albania with the so-called 'market economy'! What is needed is not discredited capitalism but a genuine regime of workers' democracy.

The poison of nationalism offers nothing to the peoples of the Balkans but a future of fratricidal war, 'ethnic cleansing', economic ruin, poverty and despair. The entirely artificial frontiers that divide the living body of the Balkans have long since

ceased to play any progressive role, if they ever did. Reactionary nationalism divides brother from brother, and sister from sister, creating ethnic hatreds and never-ending strife.

Petit-bourgeois sceptics tell us that a policy of class solidarity and internationalism in the Balkans is rendered inoperable in the face of the apparently invincible forces of chauvinism and national hatred. Yet history has demonstrated that the ethnic slaughter carried out during the second world war (mainly against the Serbs, let us not forget) did not prevent Serbs and Croats from living together in harmony for decades after the War, when the nationalised planned economy was growing at ten percent a year. Lenin said that the national question was, in essence, a question of bread. On the basis of the socialist transformation of society, the basis could again be laid for a harmonious mingling of the peoples in a democratic socialist federation of the Balkans, linked to a Socialist United States of Europe and a democratic socialist Russia.

That there is a basis for it was recently shown in—of all places—a pop concert in Sarajevo, where for the first time since the end of the war, a Serb pop singer gave a concert to a mainly Muslim Bosnian audience. The singer—Djordje Balasevic—sang and spoke against his country's war on Bosnia and the politicians who had organised it. Balasevic had maintained this courageous position throughout the war. The reaction of the mass audience of mainly young people was described by *The Economist* (14/2/98) thus:

'His mostly Muslim audience wept as he took the stage and joined in every song as if the war and its angry aftermath had not kept him away from Sarajevo for seven years. 'He gives me so much hope', said one woman in the audience.'

The programme of the Socialist Federation of the Balkans, with full autonomy for all, is the *only viable solution* for the peoples of the Balkans.



Race and crime: police, lies and CCTV

In an era of 'downsizing' there is, it has to be said, a profound sense of public insecurity and despite falling or relatively stagnant rates for most violent crimes (although an increase in property related crimes), sensationalist media and opportunistic politicians have very often whipped up public hysteria about crime waves and the 'soft' treatment of criminals. These crime panics more often than not have a racial bias, whether it is West Indians in London, Birmingham and Manchester, or Arabs in Toulon, gypsies in Eastern Europe, or Afro-Americans in Georgia. The fact is that fear and repression march hand in hand with discrimination.

Why is it that, while only making up two percent of the population, black people make up a vast number of the underclass culture which dominate the housing estates of Britain's major cities?

In a society where education is seen as the key to prosperity for many, the one group of people affected the most by underachievement are West Indian pupils. This is seen by many in the West Indian communities as racism showing its ugliness and being a major reason for their children's academic failure. It is claimed that covert racism is rife and overt racism still apparent.

Racist

A very recent survey in the Guardian newspaper claimed that 8% of Britons were very racist, 57% a little or quite racist and 35% not at all. This survey, while showing up those Black academics who believe racism is endemic in all white people, clearly proves that for black people it is a struggle in a country with a substantial minority of people with a superiority complex. The problem is compounded because many of these people are in positions to abuse their authority particularly within the police force (where racial poison is endemic) and in the judicial system, made up of judges dedicated to defending their class position.

In 1995, the Metropolitan Police Commissioner, Paul Condon, claimed, much to many people's dismay, that black people were disproportionately involved in crime. In other words they were very much more inclined to criminal acts. However this view was quickly criticised and a Home Office study found that, on the whole, blacks had very similar offending rates to

whites, with Asians offending at a significantly lower rate. However statements such as that from Paul Condon has drastic effects on the ideology of a large number of people, thus perpetuating a basic underlying problem—ignorance and bias in the criminal justice system.

Two American so-called academics (or racists), Professors Hernstein and Murray, claim that low intelligence is the key to understanding black communities' ills. They argue that low achievement is in their (black peoples) genes and that this is why they dominate the underclass and projects (the American equivalent to Britain's housing estates). Furthermore, to add insult to injury, they claim that black people are born with low IQs which they argue is heavily linked to crime, teenage pregnancy and welfare dependency and so dominating a sub-culture with a dead-end as their destiny. These views need to be fought all the way down the line.

The problems faced by black people, such as underachievement within the education system or unemployment or lack of opportunities, more often than not leads to a trapped lifetime within the evergrowing 'underclass'. The reality of life for many of these people who become part of this 'sub-culture' is being forced to cheat within a society which doesn't really care, apart from when it affects them directly. The system at the same time is geared to limiting the survival techniques of this 'underclass'. Hence the predominantly large number of people from this section of society, as against say white collar criminals, who fill Britain's prisons—a trend which can be seen in every Western country, with America being the main perpetrator of this form of social cleansing.

The fact is that if a large number of people are made to survive under conditions very much different to those experienced by the rest of society then it has to be expected that there will be differences in behaviour, outlook on life and limits on what an individual will do to survive. After all, the welfare system is not that generous, especially to someone with vices to feed (which tend to be the case on many estates). But this way of life is definitely not restricted to black people. In reality it is a matter of social class.

Are blacks committing more crime? Paul Condon thought so. The less than neutral Home Office rubbished his claims as did the facts themselves. Black people are targeted by the police, perhaps not always overtly but definitely in a covert way. 98%

of the Metropolitan Police are white and, in a survey made by the Metropolitan Police themselves in 1983, it was found that clearly blacks are subjected to a disproportionate amount of police attention, being stopped by police substantially more than any other group of people. It was claimed that 45% of blacks aged between 15 and 24 were stopped and searched in a twelve month period, compared with 18% of whites in the same age group. In addition to this, 42% of black drivers were stopped in comparison to 18% of white drivers.

It is only logical that if you keep searching one group of people on a regular basis, especially in the inner cities, then you will find evidence of criminality. However this doesn't excuse the fact of persecution being conducted on a regular basis. The "sus" routine employed by the police targets black people and because of this they are arrested more often than their white counterparts.

Charging

Furthermore, police procedure in the caution or charging routine appears also to be highly linked to race, with white juveniles much more likely to be just cautioned than blacks. Black defendants are also much more likely to be committed to crown court and the reality of this process means being dealt with in a harsher way. In addition to this, 26% of blacks in a crown court are remanded in custody and refused bail, compared to 20% of whites and 18% of Asians.

As a Marxist who grew up in inner city London it is very easy for me to say that there is a bias working against black people within the criminal justice system but the evidence suggests this really to be the case. A black youth who comes into contact with the system is at a serious disadvantage compared to anyone else in Britain and stands a much greater chance of incarceration. Britain, in this sense, is following in the footsteps of America where, in a bid to rid society of an evergrowing underclass, they have taken to imprisoning large numbers of young black men, instead of providing the resources to offer a future in this capitalist world (if such a thing is possible), where if you are subjected to real poverty there are few options left. Except perhaps to change it!

Andy Munro
Keele University

From welfare state to 'deregulated paradise'

This book by Jane Kelsey describes in detail what happened in New Zealand between 1984 and 1990. Exchange controls were removed. An anti-inflation programme was devised and there was a shift to indirect taxation. Victims of industrial accidents were penalised by the ending of a no-fault accident compensation scheme. Privatisation was carried out extensively.

by Barbara Humphries

Commercial units were introduced into public corporations, for instance, public hospitals became 'Crown Health Enterprises' and the Housing Corporation became 'Housing New Zealand' which was to administer a declining state housing stock on the basis of housing at 'market-sector' rents. Students in the tertiary sector were to pay fees for which they could raise loans at commercial rates, to be repaid through a compulsory earnings levy. Institutions for the mentally ill, elderly and young closed their doors in the name of 'community care'. Women were called upon to fill the gap by performing 'their traditional roles'. Churches and charities were to help out. Although state expenditure was cut, spending on the police, courts and prisons continued to grow.

Does this sound familiar? Too much so. But this was not Britain under the Thatcher government. No, this was New Zealand under a Labour Government!

Jane Kelsey's book traces the policies of the 1984-1990 Labour Government in New Zealand, a government which did not contain a word of these policies in its election manifesto but nevertheless carried out a transformation of New Zealand within 6 years. In 1990 the National Party was elected and had no problem in finishing the job off, with attacks on single parents, who were lambasted as feckless women who had to be offered benefit cuts as a means of giving them the incentive to enter the paid workforce!

How did this come about? Jane Kelsey traces the influence of the modernisers on the New Zealand Treasury, the Reserve Bank and on a group of Labour politicians around Roger Douglas, who was to become Minister for Finance in the Labour Government. His style of economics,

which he succeeded in imposing upon the government became known as 'Rogemomics'. Institutions like the IMF and the OECD were also heavily involved in imposing this 'Structural adjustment programme' on New Zealand.

What lessons does this book have for socialists? Firstly, it illustrates very clearly that the programme of the Tories in Britain in the 1980s was not just the hysterical output of the then leader of the Tory Party with her love of Victorian values and hatred of the working class, but was the agenda of the capitalist class on a world scale. Structural adjustment programmes consisting of deregulation, cuts in the welfare state and monetarism have been implemented at the behest of international organisations such as the IMF throughout the world and have caused havoc in the developing countries and Eastern Europe. These countries have been prime targets for these policies because of their lack of democratic traditions and weakness of their labour movements.

In New Zealand however there was a democratic tradition and a strong labour movement. How was it possible for the labour movement to be derailed in this way? In Britain defeats such as in the miners strike 1984/85 paved the way. Jane Kelsey describes how the state in New Zealand was becoming unpopular, but mostly the Labour Party was losing its traditional roots. In the 1970s labour activists were young professionals who were more concerned about non-economic issues, such as establishing a nuclear-free zone and positive discrimination, whilst leaders such as Roger Douglas was developing a caucus of supporters who were increasingly being recruited to free market economics. In every country the ruling class has set out to capture the leadership of the labour movement, from an early stage. After 1945 however the bourgeois were converted to state regulation, the welfare state and selective nationalisation. This allowed a compromise between the rank of file of the labour movement and the leadership. In the 1980s however, the capitalist class became convinced of the need for deregulation, privatisation and the dismantling of the welfare state, to return to how things were before 1914. But they have also built up support within estab-

lished Labour Parties for these policies. The case of New Zealand showed the the officials of the state (Treasury), the Reserve Bank and the mass media ruled, whatever government was in office. However converts had to be gained within the New Zealand Labour Party itself.

The result of carrying through these policies for the New Zealand Labour Party was electoral defeat in 1990 and splits within the Party, The New Zealand economy did not grow; poverty grew to the extent that under the incoming National Government, one in seven citizens was on the breadline!

This book is stark reading as we approach the second year of a Labour Government in Britain which is not only not reversing the Tory cuts, but is proposing to finish the job off by demolishing the welfare state. They must not be allowed to get away with it.

Economic fundamentalism: from welfare state to deregulated paradise

by Jane Kelsey

published by Pluto Press



Leap forward for Spring target

With over £2000 raised to date we are well on the way towards our spring target of £5000. However a special push will be needed from all our readers and sellers if we are to get there.

A meeting of over 30 in London to mark the 150th anniversary of the Communist Manifesto raised more than £200. Extras from the sale of our pamphlets on the London Assembly and the Gulf Crisis have also helped towards this months figure. Now lets see what can be raised during April! This cash is urgently needed if we are to develop and replace the resources necessary to produce and improve the production of

Socialist Appeal. The next few years are going to be important ones for the labour movement and the situation is already crying out for a more regular production of Socialist Appeal together with more pamphlets, leaflets etc. The campaign being launched by this journal on the issue of saving the pits and the wider question of the privatised utilities and re-nationalisation also requires your financial support. Please give what you can. If every reader chipped something in then we would shoot past the £5000 target. Cheques/POs should be sent to Socialist Appeal, PO Box 2626, London N1 7SQ.

Press fund target

Area	percentage raised	Target
Scotland	55%	£600
Northern	18%	£300
Yorkshire	51%	£300
Manch/Lancs	87%	£300
Mersey	33%	£350
Midlands	28%	£250
Wales/SW	18%	£450
London	34%	£1,900
Eastern	105%	£150
Southern	33%	£300
National	48%	£100
Total	40%	£5,000

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the Marxist voice of the labour movement

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



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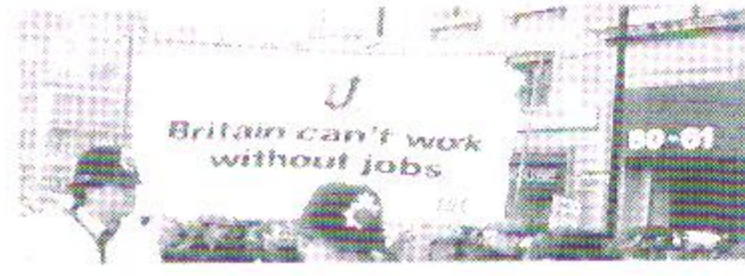
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A socialist programme for Labour



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



✧ 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 £4.61 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.

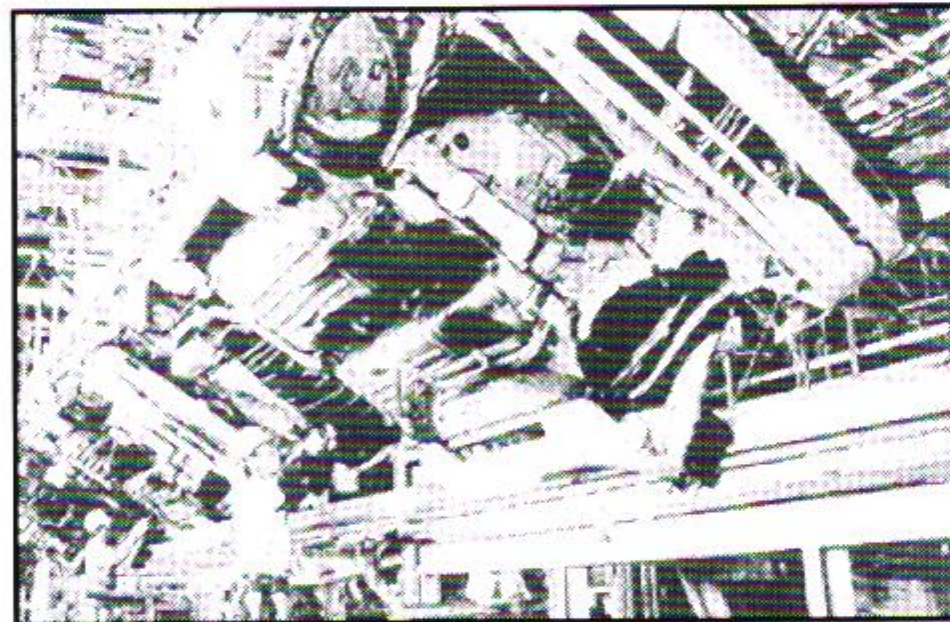


✧ A Labour government must bring in stringent environmental controls and regulations under the supervision of the relevant workforces, consumers and representatives of affected communities. These measures, along with nationalisation of the land, the big petro-chemical enterprises and the major food companies,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

✧ Defend democratic control of education, no big business in schools - no to 'action zones' ✧ For a fully funded and resourced, fully comprehensive education system. ✧ For a properly funded extension of higher education. ✧ No to student loans, scrap tuition fees - for a decent living grant for all students over 16.



✧ 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:

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socialist appeal

The Marxist voice of the labour movement

no.58 April 1998

Say 'no' to 'education action zones'

The Labour government's proposal to set up 'education action zones,' with big businesses being asked to tender for the management of some of the 'zones,' is little more than the beginning of the privatisation of Britain's education system.

Of course most of our readers will be asking the big question: if business has made a mess of running the economy, how can we trust it to run a school? Only a short while ago Blair and the right wing were telling us about the disastrous 'short termism' of British business, now they will reward this 'short termism' with new profit making ventures in the education system.

The scheme is supposedly an attempt to tackle the fairly bad literacy

and numeracy levels in British schools. Yet the 'action zone' concept has been lifted straight out of the US, a country with an even worse literacy and numeracy record than us. There, even companies like Proctor and Gamble, the household detergent manufacturer, are involved.

In the US the moves have been bitterly fought by both teaching unions and local education officials. But across America the pace of this 'privatisation' is speeding up. 10% of the 700 charter schools are now privately run and the numbers are increasing rapidly. Authorities in Cleveland and Milwaukee are already giving parents 'vouchers' to allow them to choose between state-run and private schools.

Paradoxically, the incoming Labour

government has only just scrapped the Tories nursery voucher scheme. Now, however, it is bringing private business straight back in to education through the front door.

According to Blunkett, 'Zones will offer hope... We are looking to innovators in the educational and business world who will make best use of a new flexibility.'

In reality, education 'zones' will tear up national agreements on teachers pay and conditions. They will be exempted from the national curriculum and the teaching of 'unnecessary' subjects like history and geography, in order to concentrate on getting 'better' results in english and maths. They may well employ 'superheads' on salaries of £100,000 or more. This is Blair and Blunkett's vision for education in the twenty first century.

These moves must be opposed. They represent a 'trojan horse' which will be used to undermine the whole of the education system. Their example will also be followed in healthcare, welfare and the public sector generally. That is what Blair's *welfare review* is all about.

- ✧ No big business in schools
- ✧ Say no to 'action zones'
- ✧ Defend national agreements on pay and conditions
- ✧ For a fully funded, fully comprehensive education system



Labour needs real socialist policies