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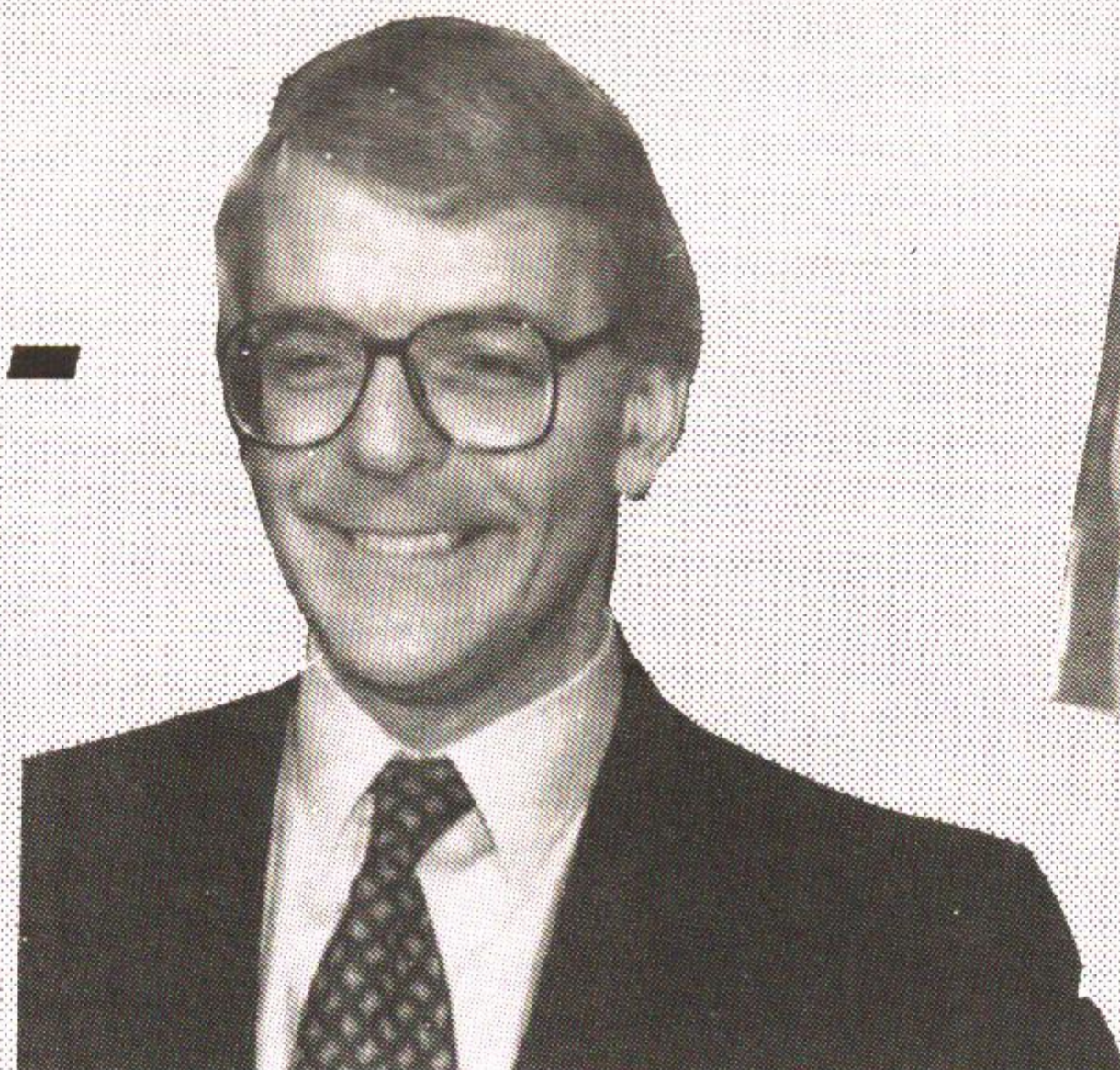
INSIDE THIS ISSUE

**Greece
rocked by
General
Strike**

***The Gladio
Conspiracy***

Economy in crisis -

- see page 4



TORIES MUST GO!



**CONFERENCE
SPECIAL**

***What is the key to
Labour's success?***

- see page 7

Maastricht On the Rocks: For a Socialist United States of Europe!

Politics has its funny side. For some time, John Major had been peddling the idea of a "special relationship" between himself and Chancellor Kohl. This had about as much real content as the "special relationship" between Thatcher and Reagan, that is to say, approximately, the relationship between an organ-grinder and his monkey.

The right-wing *Economist* referred to hours of acrimonious telephone calls between London and other European capitals before sterling was surrendered from the ERM.

"Mr Major and Mr Lamont are furious with the Bundesbank," it explained. "In a scene more reminiscent of a Feydeau farce than an international monetary accord, Mr Lamont repeatedly left his table at a dinner with the American ambassador on September 15 to plead with Helmut Schlesinger, the Bundesbank president, to deny the latest anti-sterling leak. Mr Schlesinger eventually did so, but too late."

Clash of Interests

When it comes to a clash of interests between the capitalists of different nations, there is no room for sentimentality. To defend their own interests, the German capitalists, through the Bundesbank, not only watched the pound sink, but gave it a shove.

Now Britain is out of the ERM, with re-entry postponed to a dim and distant future, the European Monetary System is in a shambles. On the one hand, we have the "German bloc" with France struggling to keep up with her powerful neighbour, and the Benelux countries as virtual satellites of Germany.

On the other hand, the weaker capitalist economies of Britain, Italy, Spain, Greece, Portugal and Ireland are all in trouble. The irresistible rise of the D-Mark is forcing them to devalue, or deflate, or both. **And everywhere, the ruling class is preparing to make the working class foot the bill, not only inside the Common Market, but outside as well.**

The "Swedish Model," so beloved of reformists everywhere is in ruins. The Swedish capitalists were forced to raise the overnight lending rates to an astounding 500% to protect the Krona from devaluation. To no avail.

Now the minority Conservative government of Carl Bildt, proposes to place the weight of the crisis onto the shoulders of the working class. He plans to cut Skr 20 billion from social welfare payments of Skr 155 billion at a time when unemployment in Sweden has been rising for the past four years, something not seen since the 1930s.

Bildt makes no secret of his plan to dismantle the welfare state. "Nothing is sacred," he says. Pensions, sick leave payments, child benefits, housing subsidies, third world aid, scholarships and transport will all be slashed.

Yet the right wing leaders of Swedish Social Democracy, instead of fighting to defend living standards are prepared to enter into a pact with him.

Vicious Cuts

In Italy, where only a few years ago the ruling class was boasting that they had overtaken Britain, the weakness of the economy has been brutally revealed by the collapsing of the lira. The Amato government has announced a vicious policy of cuts in public spending, in pensions, health care and local government. About \$84 billion will have to be raised in cuts and extra taxes, just to keep the budget deficit at 10.5% of the gross national product.

To their shame, the Italian trade union leaders have shown their willingness to surrender the sliding scale (*scala mobile*), which indexes wages in line with the cost of living, just when this measure will be most needed to protect workers living standards.

Even in Germany, the cost of unification is being passed on to the working class. Thus from one end of Europe to another, the stage is set for growing antagonisms - not only between the different ruling classes and within the different ruling classes (splits in the French Gaullists and British Tories, tensions between German Liberals and Christian Democrats), but also between the classes. Yet this is the opposite of the beautiful scenario of peace and prosperity, painted by the leaders of the western world only yesterday.

Now Major, Kohl and Mitterand have received a painful lesson in the Marxist law of uneven development, which has upset all their plans.

As recently as July, Mitterand was predicting a YES majority of 60-40. Now, despite the backing of the entire political establishment, the 51% YES vote represents a humiliating blow which could lead to Mitterand's resignation.

The violent oscillations of the finance markets are paralleled by the no less violent swings of public opinion. Everywhere there is a ferment of discontent and frustration. A new critical mood is developing, not only in Europe, but on the other side of the Atlantic too. **This is the first symptom of an enormous swing to the left in the period which now opens up.**

It is ironic that, at just such a moment, the Labour leaders have moved far to the right. With the Tory Party split down the middle, the scandal of speculators making fortunes out of the collapse of "their" currency, and the visible sickness of the "market economy," John Smith presents a lamentable image. How could it be otherwise? The Labour right has abandoned socialism, embraced the market and uncritically supported the capitalist EC. What can he say?

For their part, the left reformists, having advocated devaluation as the solution, have had their wish granted, and will have to do a lot of explaining when prices start to soar as a result.

In reality, neither devaluation nor deflation serve the interests of the workers. Only a thorough-going socialist programme of nationalisation of the banks and monopolies, under democratic workers' control and management can enable us to put an end to the chaos on the basis of a planned economy.

However, that is not sufficient. In the modern epoch no country can survive on its own. That lesson has been forcefully underlined by the recent events. Socialism is international, or it is nothing.

Against the vicious anarchy of market forces, we raise the demand for a democratically-planned socialist economy. Against the reactionary utopia of the Europe of the monopolies, we fight for for the Socialist United States of Europe, as the stepping stone to the Socialist Federation of the World.

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NEWHAM NALGO: WE FIGHT ON!

Nalgo members in Newham are back out on strike following a bizarre set of events that threatened to have serious implications for the entire labour and trade union movement. Nalgo members were striking over the council's threat to sack poll tax workers who were striking over job cuts when, following an action brought by the council a High Court judge ruled the dispute illegal because a union branch officer had urged members to vote YES in the ballot! In a separate judgement the council's claim that the strikers had won all their demands was rejected.

Following the overturning of the former judgement on appeal the members who had returned to work have now walked out again. One striker told Socialist Appeal: "This is an important victory for the right of unions to campaign. Now we are intent on forcing the council to accept negotiations over redeployment and comply with its agreement not to victimise strikers, and to reinstate the sacked workers."

SCARGILL: FIGHT PIT CLOSURE PLANS

Miners president Arthur Scargill has issued a call to miners to stand up to British Coal's plans to slash 30 pits with the loss of nearly 26,000 mining jobs.

Seven pits in South Yorkshire and 12 in Nottinghamshire are among those identified as "under threat" according to the NUM president who unveiled the details of a leaked government document last month.

Scargill said the plans amounted to "butchery" and has issued a call for a campaign for industrial action and pledged his support for strike action to oppose the closure plans.

NUM members will discuss the closures at a special delegate conference on October 15.

Scargill called for an end to the hugely expensive gas-fired power station programme and said the government's plans would represent a catastrophe for Britain's miners, their families and their communities.

YTS FLOP - OFFICIAL!

Government claims that Youth Training Schemes are the best means of preparing young people for the world of work have been shattered by a new report from Youthaid.

The report reveals that just 35% of those sent on schemes gain any qualification and that this number is falling. It also shows that of those who finish the schemes, 23% are unable to find work, an increase of 9% over the past two years.

Got a story for Socialist Appeal?

Ring our newsdesk on 021-455-9112 or send us details to Socialist Appeal, PO Box 2626, London N1 6DU.

NEC MUST DROP THE WITCH-HUNT

In Lambeth, councillors and Labour Party members continue to be suspended or expelled at the behest of Labour HQ. Five Lambeth Party members (four councillors) have been expelled. Five councillors have been suspended from the Labour Group for either six months or two years. The Lambeth 15 (13 councillors and two party members) have been suspended since March 1991 - the first hearings were only held in mid-July this year. Five of those suspended are still awaiting a hearing.

Labour Party rules for the National Constitutional Committee (NCC) state that the "mere holding or expression of beliefs and opinions" should not be considered as charges. Yet at the July hearings, councillors were attacked for publicising their opposition to existing council policies. It is not only the Stalinist Communist Parties which can have a bureaucratic party apparatus! These activities of the national Labour Party (the witch-hunt is opposed by two out of three local constituency parties) are the culmination of a campaign against the left in the Lambeth Labour Parties. In 1989 the Local Government Committee was closed down. A NEC-sponsored panel vetted council candidates. The Labour manifesto for the May 1990 council elections was produced by the NEC.

In March 1991, thirteen councillors were suspended and banned from holding Party office - the complaints included voting to oppose the use of bailiffs against poll tax non-payers, holding a special meeting to oppose the Gulf war, and unsubstantiated allegations about "intimidation." Subsequently, those councillors expelled or suspended were charged with "engaging in a sustained course of conduct prejudicial to the Party."

At the same time, two Party members and anti poll tax activists, Steve Nally and Kevin Fernandes were suspended from membership. Labour HQ claimed that their activities in the leadership of the anti-poll tax campaign had played

a major part in creating the problems in Lambeth! The Labour leaders had obviously forgotten about 13 years of Tory government and previous decades of inner-city neglect.

Labour should immediately reverse the expulsions and drop the suspensions. The attack on these Labour Party members is part of the labour leaders attempt to push the party permanently to the right. Their attempt will fail. They are seeking to accommodate themselves to "public opinion" i.e. capitalism.

Party members will continue to fight for their democratic rights. A party based on the trade union movement will in time have to reflect the aspirations of the working class. Principally through the trade unions and the workplaces the Labour Party will find itself pushed back towards the left.

By a Lambeth Labour Party member.



THE PROPER SPIRIT

THE MASTER: I'm glad to see you are not one of those immoral trade unionists.

THE SCAB: No, Sir, thank you, Sir—I value my independence as a free-born British labouring man too much, Sir. Why, Sir,—it fair breaks me 'eart sometimes, Sir, to have to share in the benefits they so cruelly drags from you, Sir!

TUC CONFERENCE REPORT - SEE PAGE 6

BRITAIN'S ECONOMY: A MAJOR DISASTER

By Michael Roberts

Black Wednesday, 16 September will go down as the day when the Tory governments economic policy, on which they narrowly won the last general election, was blown out of the water. Major, Lamont and the rest of the cabinet had staked their reputations on "destroying inflation" by entering the European Exchange Rate Mechanism (ERM) which tied the pound sterling to the value of the German mark (within 6%, at least), with the eventual aim of moving to European Monetary Union by the end of the decade through the implementation of the Maastricht Treaty.

Now, even though the French voters have voted narrowly for Maastricht, the pound has been forced out of the ERM and has depreciated in value by over 12% against the mark, and the Maastricht treaty is in tatters, with the Italian lira and the Spanish peseta devalued, and maybe more currencies to crash yet.

Tory Policy Exposed

What a Major disaster! However Lamont and Major try to twist and turn, to blame the markets (now markets are "irrational", free marketer Prime Minister tells us), the "flaws" in the ERM system (before it was perfect), or above all the "terrible" Germans (what happened to the "special relationship" with Helmut Kohl?), the Tory economic policy is exposed. And so is the real weakness of the British economy.

Is Major right to blame the markets and the speculators? Nothing is more disgusting for ordinary working people than seeing the money dealers on the TV whooping and hollering about the money they made when the pound started to collapse on Wednesday.

Here are these parasites making millions at the expense of our jobs, homes and living standards.

But who are the speculators? They are not really the people we see in the money dealing rooms of the City. Those people are just acting for clients trying to buy or sell currencies. The speculators are the faceless directors of

**"As the Chancellor has made crystal clear, there is going to be no devaluation, no realignment. The soft option, the devaluer's option, the inflationary option would be a betrayal of our future, and it is not the government's policy."
John Major, September 10, 1992.**

the big international banks and monopolies who hold huge cash accounts which they are continually switching in order to maximise the value and interest they "earn".

Every day about £500 billion is transacted on the foreign exchange markets and only 5-7% of this is for real production and trade deals. The rest of it is just continual speculation or betting on movements in the value of currencies. Given the internationalism of money markets, the lack of any real exchange controls by national governments, then this money is swishing about world markets daily.

If the banks and monopolies decide that they



Speculators made billions out of Sterling's crash.

lose money if they stay in a particular currency, then overnight (or in the case of Black Wednesday, within hours) that national currency will lose value immediately. Such is the working of supply and demand.

Why did the speculators move against sterling? The Tory government had joined the

ERM at the rate of DM2.95/£1. But what was the state of the UK's real economy? The recession has continued worldwide but particularly in the UK, with a further absolute fall of 1% in GNP this year likely. Manufacturing production was down, investment has collapsed, and most importantly, the government was running a budget deficit of £35 billion this year and a deficit on trade with other economies of £12 billion - at the depth of the recession.

Sure, interest rates were high if you held your money in pounds (but not much higher than the German rates) and sure inflation was down to under 4%, but again this was not much better than other countries. There was no prospect of interest rates coming down in Germany, as the Bundesbank had made clear when it reduced its rates by just 0.5% despite huge pressure from other EC governments. So the Mark was a much better prospect to hold money in than in sterling, which was backed up only by the weakened British economy which had little prospect of improving and was increasingly in debt. The time had come to get out of sterling. So each speculator came to the conclusion simultaneously that the British government could not hold the value of sterling against the mark, as it was way out of line with the state of the real economy.

Billions Wasted

Once they all moved against sterling, the Tory government and the other ERM governments could not protect the pound. It was £500 billion against the £40 billion the government had in reserves plus about £7 billion the government had borrowed from the Germans to prop up the pound. It was no contest.

On Black Wednesday the government tried to save their policies by raising interest rates to 15% but the markets knew that they could not maintain that rate because it would destroy the mortgages and businesses of the British people and split the Tories from top to bottom, so they pressed on selling sterling. Within hours the government had to admit defeat and took the pound out of the ERM, so in effect allowing the pound to float, or more accurately letting it sink to new lows - currently about 12% down on the 2.95 rate.

However, this did not happen before the Bank of England, under government orders, squandered over half its currency reserves trying to prop up the pound. Estimates are between £10-20 billion spent, which given the fall in the value of the pound, means that the government lost, on our behalf, on Black Wednesday between £500 -£1,000 million or about £10-£20 for every man, woman and child in the UK. Who got your money - the international speculators, including the British banks and big monopolies. That is patriotism for you.

What now? Well the pound sterling may fall further to reach DM2.50, or even lower, especially as the government will probably carry out a complete U-turn on its previous policy and now stay out of the ERM and lower interest rates to try and boost the economy. What is certain now is that the move by European capitalist governments towards total economic unity - one market, one tax system, one currency, one economy and even one government by the year 2000 - is dead. It was impossible and utopian to expect that capitalism could produce steady and harmonious economic growth which would allow the rich economies to transfer resources to the weaker and poorer European economies so that they could catch up and bring about European capitalist integration. The recession and now the collapse of the ERM has exposed that mirage.

Economic Convergence

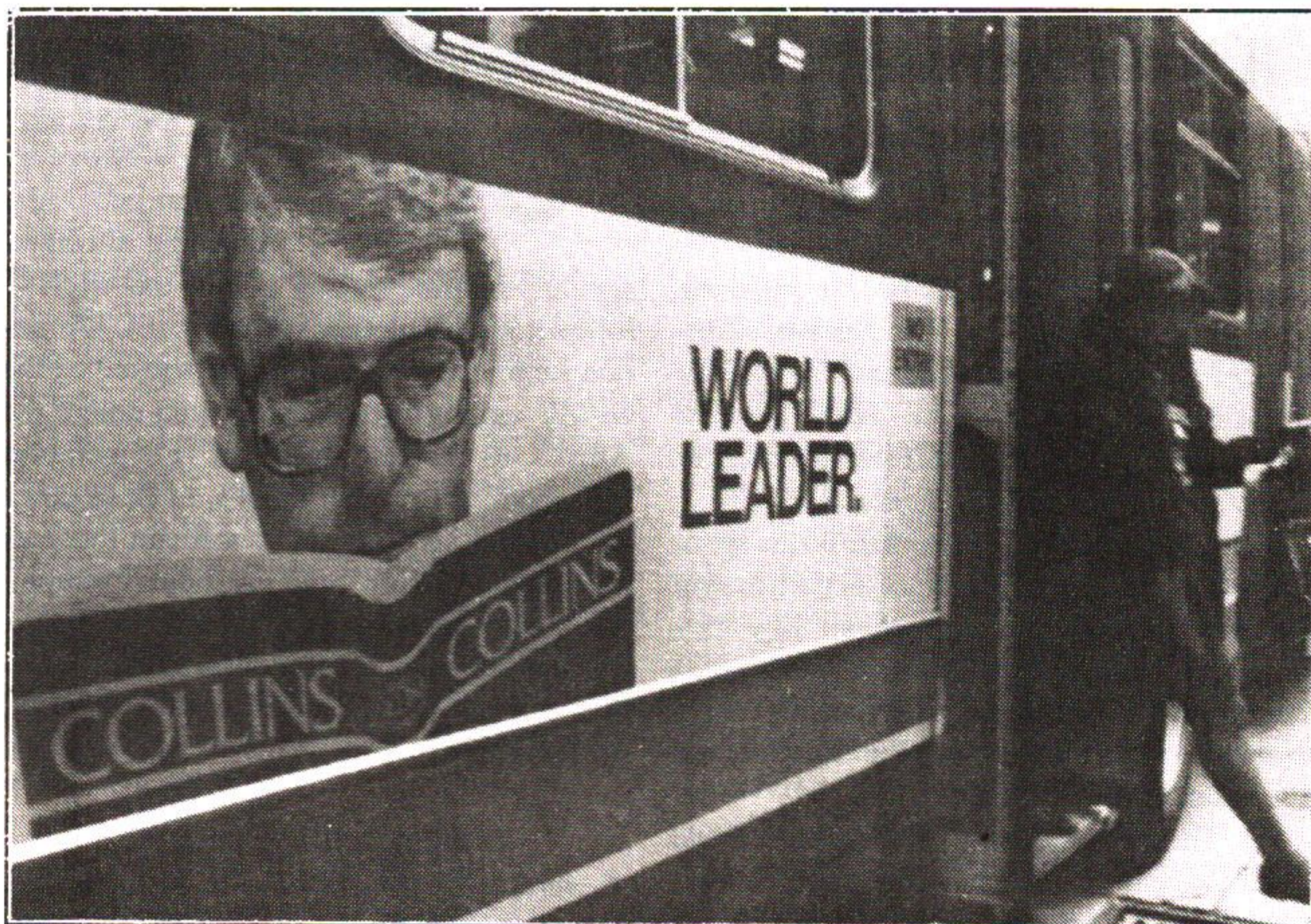
Only earlier this year Jaques Delors, the head of the EC commission, attempted to persuade the EC governments to agree to an increase in the EC budget from 1% of Europe's GDP to 1.3% during the 1990s in order to achieve a redistribution of resources from richer to poorer countries. This was point blank refused, and yet it is estimated that to achieve economic unity harmoniously would require a transfer of 10% of GNP a year for the next two decades from richer to poorer economies.

Only a socialist plan for the redistribution of resources within Europe could achieve this - capitalism cannot.

The Germans have long opposed economic unity if it means that they must transfer their surplus to the weaker countries like Greece, Spain, Italy, Portugal, or Britain. By keeping their interest rates high in order to finance the unification of the East, in effect they have been trying to make the whole of Europe pay for capitalist unification, and they have had their way.

This collapse of capitalist economic policy in Britain will probably not lead to the fall of Major in the near future because of the completely crass failure of the Labour leaders to oppose or criticise in any way the government's crazy policy of going into the ERM at such an overvalued rate for sterling.

Under the leadership of Kinnock and John Smith, Labour supported ERM entry and supported the rate for the pound. Smith has opposed devaluation and even a realignment of all currencies against the mark. Smith was conspicuous by his absence during the recent disaster. Even now he welcomes the French yes vote as a sign that Maastricht can go ahead and even hints that Britain should rejoin the ERM as soon as possible.



John Major - A world leader?

How can Labour criticise the Tories when our leader's policy is "me-tooism"? The Liberals are even worse. Ashdown and Beith not only supported ERM entry but even suggested that the pound be forced even closer to the value of the mark by trying to keep it to just 2% away from the DM 2.95 rate - even Major and Lamont knew that was impossible.

Bryan Gould and the other soft lefts in the Labour Party came out against the ERM rate and Maastricht. Their programme was for devaluation, which is now a reality. However, as we explained in the last issue, devaluation is no way out for British capitalism either.

While there may be some temporary relief for the economy, with British exports getting cheaper on world markets, the other side of the coin is that imports will be 10-12% more expensive. That is going to drive up prices in the shops and on the factory floor. Already petrol is going up. Instead of 3-4% in 1993 we are now likely to see 6-8% inflation.

Growth in GNP may rise just a little more, maybe 2% instead of 1.5% and unemployment rises may start to slow. But there is no guarantee that a strong recovery will follow from devaluation, especially as Germany (15% of UK exports) is going into recession and the US (11% of UK exports) is recovering very weakly.

Budget Deficit

With rising inflation, the current £12 billion deficit on trade will soon start to rise even faster, as will the budget deficit. There will soon be a balance of payments crisis just like those of the 1970s and the government will be forced to impose even bigger spending cuts and wage controls. Already the Tories are preparing a major offensive on public serv-

ices and the wages of public sector workers. Devaluation will increase that attack. Is that what Gould and the left reformists in the party leadership advocate: devaluation with spending cuts and a wage freeze?

Devaluation means more money in the pockets of big business at the expense of the working class. And there is no guarantee under capitalism that those profits will be used to reinvest in British industry or build the factories, roads, transport, schools and houses that we need. Only a socialist plan could ensure the proper use of these resources.

Socialist Policy

So what is the alternative socialist policy? If we are to stop the attacks of the speculators on the value of money and on the living conditions of working people in Britain, it is not devaluation or exchange controls that we need, but real control through ownership and planning. That means public ownership of the banks and finance houses, and public ownership of the big monopolies (particularly the 50 companies that export 90% of British trade) under democratic control of the labour movement. Then we could ensure planned control of trade with other countries and institute a proper programme of public infrastructure for renewed growth in the economy.

Such a programme combined with an appeal to the labour movements in Europe for similar action, could lay the basis for a campaign for a really democratic socialist Europe - not the big business club of Maastricht, which the Tories have advocated and which, sadly the Labour leadership have slavishly followed.

THE UNIONS AFTER BLACKPOOL

When the TUC had the opportunity on live television to put forward a vi-

sion to inspire working class people suffering from the recession and successive Tory attacks on wages, working conditions and the trade unions, what did the TUC's general council do? Invite CBI boss Howard Davies to tell us to restrain our pay demands!

TUC General Secretary Norman Willis spent the whole week talking of a social partnership between workers and employers, like they have in Germany. Maybe Norman Willis didn't notice but the German workers recently had to launch a massive public sector strike to defend their standards of living.

The German economy is in recession and unemployment, racism, crime and homelessness are all on the increase - is this the vision Norman Willis and other right wing trade union leaders is offering British workers.

TUC Conference used to be marked by vigorous debate and sharp differences of opinion. - this year it was flat. Each motion or composite had been carefully emasculated to remove anything controversial before it reached the conference floor. Nearly every vote was unanimous.

Despite this the mood among many of the

TUC or CBI?

The weeks only real controversy surrounded the potential re-admission of the electricians union, the EETPU following their merger with the AEU. A motion submitted by the NUJ and backed by the GPMU calling on the new merged union, the AEEU to divest itself of all members "poached" from other unions, to close down its building section, not to affiliate the scab journalists' "union", the Institute of Journalists, and to abide by TUC rules in the future, was the subject of dozens of backroom meetings and an emergency session of the TUC general council.

Bureaucratic Pressure

Several leading right-wing trade union leaders, among them Bill Jordan, were opposed to the motion on the grounds that if the conditions imposed on the electricians were "too strict" the EETPU would not affiliate. What an insult to all those trade unionists who suffered at the hands of EETPU leaders Hammond and Gallacher.

Enormous pressure was brought to bear on the NUJ and the supporting unions by the TUC bureaucracy in a bid to get the motion withdrawn. *The Guardian* even suggested that pressure may have been exerted through the union's banks. One by one the unions agreed to withdraw their backing for the motion. Eventually the NUJ delegation was forced to remit the motion.

But as NUJ delegate Colin Bourne said to applause from rank and file delegates:

"The motion is not an attempt to dwell on the past but to learn from it.

We all want one thing - one united trade union centre in Britain. But it wasn't us who thought it was a good idea to have an organisation to rival the TUC based on every tiny scab breakaway union they could lay their hands on. It wasn't us who lied to the general council and Congress after having committed the greatest act of treachery in trade union history. I don't want to be part of a movement where principle takes second place to the market forces of monopoly capitalism. where any behaviour can be excused or overlooked as long as the affiliation fee is large enough. We must not allow

Eric Hammond to achieve in retirement what he failed to achieve before - the tearing apart of the TUC."

Remittal of the motion almost certainly means it will vanish without trace and delegates have been prevented from holding a democratic debate on the issue.

The TUC general council, must now ensure the electricians, if they vote to affiliate, are made to abide by TUC rules.

While CBI boss Howard Davies had a seat on the platform, strikers, such as those from Burnstall's in Smethwick, or activists protesting about redundancies at National Westminster Bank, were left outside or asked to stump up £13 for a visitors pass. How much more inspiring to workers it would have been to have had the victorious Birmingham NALGO strikers speaking than the boss of the bosses' organisation.

Despite the Congress's faults it was quite clear from the debates on the Tories' attacks on the NHS, and education, from the debate about Maxwell's theft of workers' pensions that the bourgeois commentators were wrong - the trade unions are far from dead. Nearly 8 million workers remain organised in trade unions. Several white-collar unions have experienced a small growth in membership in the past 18 months as workers see the need to combine to defend their standards of living.

The simmering discontent at the continuing recession and rising unemployment has already led to a number of defensive strikes, especially in the public sector. The howls of anger which greeted Howard Davies' call for lower public sector pay rises demonstrates the latent anger that exists in all areas of the public services.

Tory Cuts

As the Tories debate more cuts in local authorities in the current spending round this anger will inevitably break through to the surface. The union rank and file in a number of sectors are already drawing the conclusion, that given the victory of the Tories, they will need to use their industrial strength to defend living standards as witnessed by votes for industrial action against compulsory redundancies at the conferences of NALGO, NCU, NATFHE and the RMT.

The beginnings of a new mood in individual unions will, after some delay, feed through into the TUC and sharp debates and serious discussions on a strategy to defeat the Tories and employers attacks will again be on the TUC agenda.

**Jeremy Dear,
NUJ National Executive
Personal Capacity.**



Scargill storms out in protest at CBI boss Howard Davies addressing TUC.

new or younger delegates was confused. Many I spoke to, who before the election had accepted the argument that the unions should stay in the background and should not rock the boat to ensure a Labour victory, were now beginning to question Labour's shift to the right. This does not mean that they have completely rejected the legacy of Kinnock, John Smith or the right wing trade union leaders and will immediately swing to the left but there is a genuine questioning and search for an analysis of why Labour lost the election and the way forward for the labour movement.

LABOUR AT THE CROSSROADS: Right-wing Policies End in Disaster

By Ted Grant

The Labour Party is at the cross-roads. Under the stewardship of the right-wing, the party has suffered four general election defeats in a row. The Tories victory six months ago was a nightmare for the millions of workers and their families facing the hardships of economic recession, growing unemployment, housing repossessions, short-time working and the like. How could it happen?

The Tories had presided over the longest recession in over 40 years. Unemployment, after thirteen years of Tory government, was approaching 3 million on official figures. The biggest rises were recorded in the South East of England which had largely escaped the effects of the previous recession. The 'property owning democracy' was turning sour with house prices slumping and home repossession reaching record levels. Millions had been driven into debt and insecurity. Under these conditions Labour should have stormed to power.

Effects of Boom

So why did it fail? There were a number of reasons. One the one hand, the boom of 1982-90 had a profound effect on wide layers of the population. It entered into the consciousness of the middle class and large layers of the working class, who could not reconcile themselves to the prospect that the "good old days" are over. These illusions in capitalism and the market were reinforced in many sections. They believed that the recession although blamed on the mistakes of the Tories, was only temporary, and could be corrected by those who had delivered "prosperity" in the first place.

On the other hand, there was no credible alternative put forward to Major and the Tories. The rank and file of the Party were prepared to swallow everything Kinnock wanted to get a Labour Government - all for nothing. There was no socialist programme to deal with the crisis, which if coupled with a bold campaign, would have enthused the ranks of the labour movement and through them the working class generally. Only that kind of campaign could have offered a real alternative and would have brought down the Tory government with certainty.

Unfortunately, the Labour leadership desperately attempted to present themselves as

the more "moderate" party, as opposed to the "extreme" Tories. In their programme and "image", the right-wing Labour leadership were hardly distinguishable from the Tories.

They had consistently adopted a policy of "me-tooism" on all the fundamental questions, including the "market". The manifesto "*Labour: Opportunity Britain*" constantly refers to class collaboration between labour and big business as a solution to our problems. "*Labour believes in a modern industrial policy based on partnership between government and industry*".

Pro-Big Business

Apart from this pro-big business policy, the only concrete reforms the Labour leaders were offering were an increase in child

by Thatcher, who reflected more the parasitic interests of finance capital. Kinnock and Smith surrounded themselves with slick professionals, City advisers, and millionaire businessmen, all a million miles removed from the problems of the working class.

Before the last election, while abandoning "old fashioned" campaigns against unemployment and the like, Labour's Treasury team, headed by John Smith, established close links with big business. The Labour Finance and Industry Group, brings together Labour "sympathisers" from industry. Emerging from obscurity in the 1980's, it has doubled its membership to 200 since 1990. Chaired by Simon Haskel, chairman of the Perrots textile group, it acted as a research unit for the then Smith/Brown/Mowlem front bench team. According to the *Sunday Telegraph*, "*Its*



Kinnock's drive to the right failed to unlock electoral success for Labour

benefit and state pensions. Although the latter reforms are welcome, they were not sufficient under the circumstances to enthuse millions to vote Labour.

Even after the recession, and the crisis in the Tory party that resulted in the removal of Thatcher, Kinnock and the other leaders failed miserably to capitalise on the situation. The right-wing managed to lose the election, which even the Tories despaired of winning. They were too busy grooming a respectable image and ingratiating themselves with big business and City financiers. By their policy of class collaboration and timidity, they snatched defeat from the jaws of victory. Their policy of "Me-tooism" caused them to champion the interests of the big industrialists who had been to a certain extent cold-shouldered

input into Labour's Industrial and City policy is substantial. Membership has been confidential." (1.3.92)

Victor Blank, chairman of Charterhouse, revealed: "*City people are less frightened of Labour than 10 years ago. That antiquated blue-collar, cloth cap attitude has gone. Don't forget the City traditionally does rather well out of Labour because of higher construction activity in the public sector*". (our emphasis).

The latest front bench phrase is "regulatory capitalism", capitalism with regulation on the fringes. Their intention is to win the confidence of big business. To this end these Labour leaders spent most of their time attending dinners and cocktail evenings with City financiers. Mo Mowlem, shadow City spokesperson, having just proudly completed

her 150th City lunch in 18 months, states that "When I started there was opposition, ignorance on both sides and prejudice. Now I would say the City is neutral while most of industry is benevolently neutral (our emphasis).

This grovelling before big business also caused John Smith to comment that "Labour policy was quick to be ahead of the game with ERM entry which the City liked. We think there are the grounds for a sensible partnership." (our emphasis)

The whole approach is to carry out policies that are pleasing to capitalism. Any glib reference in Labour's industrial programme to socialist policies, which could upset the monopolies, has been surgically removed. This shows how far to the right the Labour leadership has gone. Even Ian Aiken remarked ironically in *The Guardian* that Roy Hattersley appears to be "left of centre" at the present time, being one of the "few shadow cabinet ministers who had not been stamped into Monetarist me-tooism." It seems that the front bench are simply interested in playing pat-handies with the Tories. At the same time they are tied to their bootstraps politically. Their policy is largely indistinguishable from the Tories. John Smith defended the Maastricht Treaty and the high level of the pound as vehemently as John Major.

False Conclusions

Now, after the election defeat, incredibly, these leaders have drawn the conclusion that Labour has not gone far enough to the right! The Tory press have been quick to egg on the front bench, prodding them with "friendly advice" to take a few more steps towards the abyss. This argument clearly articulated by Labour's good "friend" Peter Kellner who complained that the party "has reconciled itself to market economics, but only grudgingly. It declines to celebrate the virtues of dynamism, freedom and choice that capitalism can deliver. "Labour is too scared of its past to say boldly what is good about modern capitalism...the only credible ideology on offer is capitalism." He then goes on to point out falsely that socialist planning is discredited by referring to the collapse of Stalinism. "Market forces, competition and private ownership are capable of generating greater prosperity than any other system the world has ever seen. The collapse of the Soviet empire has destroyed the proposition that the economics of state ownership has anything useful to say about wealth creation."

This is absolutely false. The plan of production in the USSR, the only remaining gain of the October Revolution, enabled the country to rise from backwardness to become a world power. Unfortunately, the Stalinist bureaucracy politically expropriated the working class and swept away the workers' democracy of the early period. Without

workers' democracy, the planned economy would inevitably seize up at a certain point with mismanagement, corruption, swindling, red-tape, etc. Over the last 20 years the bureaucracy became an absolute fetter on production, resulting in the complete impasse of the economy.

Kellner rages against Marxism: "Marxist thinking blighted socialist thinking in Britain for more than a century. The notion that 'socialism' and 'capitalism' are rival systems is specially Marxist."

Apparently for Kellner, these two fundamentally opposed systems are compatible. Capitalism is based on the exploitation of labour. Its motive force is the production of profit, which derives from the unpaid labour of the working class. Under these conditions the interests of big business and the working class are irreconcilable. Arising from this, capitalism experiences booms and slumps, resulting in mass unemployment and the squandering of human and material resources. Socialism, on the other hand, is based upon production for need and not for profit.

On the basis of the common ownership of industry and the banks, with democratic workers' control and management, a plan can be drawn up based upon the requirements and needs of society as a whole. The boom and slump cycle is eliminated and the resources of society used and planned harmoniously. As can be seen, these two social systems are fundamentally incompatible.

"For Mr. Smith now to endorse capitalism wholeheartedly would not be to jettison socialism - only its discredited Marxist version", says our learned sage. "This means, for example, jettisoning Clause Four of the party's constitution - advocating 'common ownership of the means of production, distribution and exchange' - which condemns Labour to relate its politics to an outdated ideology."

He goes on "Only by exorcising its historic aim of replacing capitalism can the party think, and sell, seriously thoughts about how to bring capitalist prosperity to all".

Imitation Tory Party

There we have it - Labour must completely embrace capitalism and transform itself into a capitalist party on the lines of the Tories or Liberal Democrats. In this way Labour is supposed to represent an alternative to the Tories! If Labour was to do this, why should anybody bother to vote for the imitation when you can vote for the real Tory party? It would spell the death-knell for the Labour Party.

Thus the spokesmen of the ruling class wish to push Labour back a hundred years, to the "good old days" before the trade unions broke with the Liberal Party to form an independent party of the working class. A similar situation developed after the 1959 election defeat, when right-winger, Douglas Jay, came out

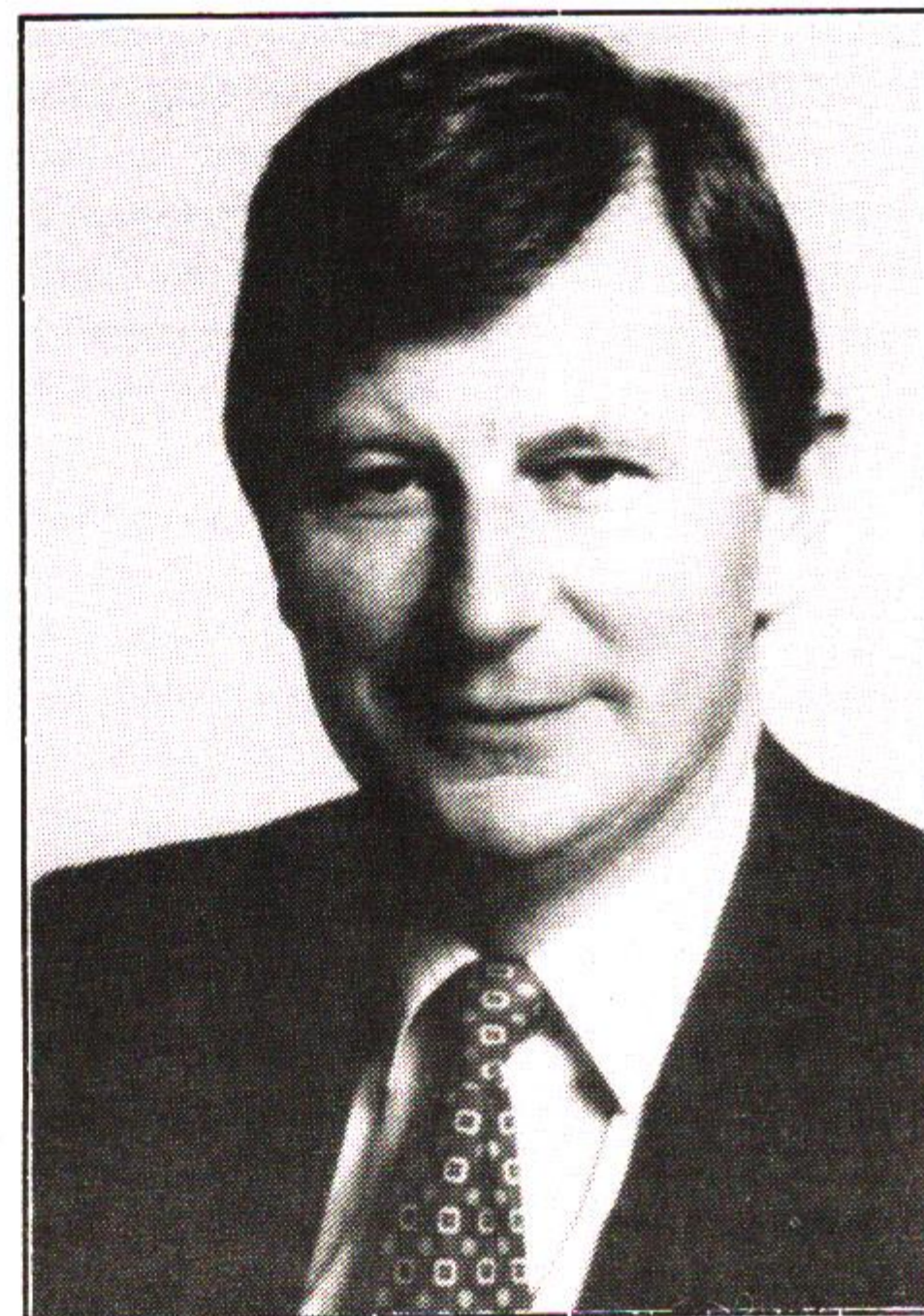
with Gaitskell, in favour of junking Clause Four and changing the Labour Party's name. Jay declared, "The better off wage earners and numerous salary earners are tending to regard the Labour Party as associated with a class to which they do not belong....We are in danger of fighting under the label of a class which no longer exists."

Kinnock, bowing to similar pressures, attempted to push through proposals ending the right of trade unions to ballot on selecting MP's. They want "one member one vote" to exclude the unions, and dissolve the party activists into the inert mass.

Traditionally, the right-wing always based itself on the undemocratic use of the bloc vote by the trade union leaders, without reference to their members views. That was the bulwark of the rule of the right-wing. This was fervently supported by the capitalist press as a reflection of 'moderate' trade unionists, as opposed to the 'radical' constituency sections. Kinnock's proposals received the rapturous backing of the Tory Press in their drive to break these class links. Right wing trade union leaders such as Gavin Laird and Bill Jordan of the AEEU have also backed this move.

"We see the adoption of one member one vote for the selection of MPs as the first move towards the complete abolition of the block vote", said Laird.

They have swung so far to the right that they have become the open mouthpiece of the Tory press. They want to transform the Party into a version of the Liberal Democrats or even the capitalist US Democratic Party. They do not want a repeat of 1978-1982 when the radicalised unions, in reaction to the pro Tory policies of Callaghan, swung the party to the left. To prevent such a recurrence, the union links must be broken. At least that is their hope. And they will not succeed.



Bryan Gould's call for devaluation is no answer

Over the last decade, under the control of the right-wing, the active base of the party has shrunk considerably. The abandonment of left policies, and even the word "socialism" combined with a witch-hunt against the left, has pushed the party membership to an all-time low.

The drive to "modernise" the party has reduced it to a shell in many areas. The "lefts" of the past, moved over to Kinnock. In reality, the bulk of the "left" at the end of the 1980s was middle class in character. Without theory or perspective they are more prone to the pressures of capitalism which increased during the boom of 1982-90.

The 1980's boom has also tended to change the class composition of the party. There are now more teachers than any other single occupation. According to *The Guardian*, 71% of party members own property. One third have a household income of over £20,000, whereas only 6% of Labour voters are in this category. Two thirds of Labour voters have an annual household income under £10,000, but that of two thirds of the Party members is over £10,000.

A new generation of right-wingers have emerged around John Smith who are even more divorced from the working class and the traditions of the Labour movement. Gordon Brown, Gould, Blair et al, have not got even the limited roots that the old right wing had in the party. They are creatures of the boom. They are an ineffective Opposition.

Even *The Guardian*, the mouthpiece of Labour's right, in an editorial entitled "Mr. Smith's Overloyal Opposition", says "**people in the Labour Party, as well as outside it, are beginning to ask: where in this time of trial is the opposition?**"

Incredibly, according to Roy Hattersley, the silence of the front bench over the summer was a deliberate strategy! Over the crisis in Bosnia, as over the other issues, the Labour opposition simply trail after the Tories.

As John Smith said: "*There is no particular merit in seeking to make controversy out of a difficult situation when there is no basic need to do so.*"

Bankrupt Leadership

This sums up the bankruptcy of the right-wing. On economic policy, they remain true followers of the ERM. All they can do is to urge Lamont to help reduce unemployment by lowering interest rates and increasing spending in certain areas (basically following in the footsteps of the CBI).

Their other main demand is for the EC (through Major as President) to put pressure on the Bundesbank to reduce interest rates or revalue its currency - a request they have already rejected.

This shift to the right has resulted in cracks



The active base of the Labour Party will grow again in the next period.

opening up in the parliamentary party and the Shadow Cabinet. Gould, Prescott, Meacher, Blunkett, Hain and Sedgemore have all come out, to one degree or another, to advocate devaluation of the pound, but this is no solution either. Lowering the value of sterling would not necessarily mean that UK exports are cheaper. The monopolies would simply jack up their prices and pocket the difference.

The right-wing of the Labour Party, with the enthusiastic baying of the media and the encouragement of big business has succeeded in temporarily marginalising the so-called "hard-left". This has been achieved with the acquiescence of the "left" trades union leaders. Formerly it controlled the NEC and always dominated the constituency section of the Executive. Today it has been reduced to two members: Tony Benn and Dennis Skinner.

Left Reformists

So far has the "active" layer in the CLPs swung to the right, that for a time even Benn and Skinner were threatened with the loss of their seats on the NEC. This was mainly because in many areas rank and file lefts dropped out in disillusionment, while others accepted the "realism" of the right, "politics is the art of the possible", "the workers accept capitalism", and therefore believed that there was no alternative to the policies of the right-wing. The collapse of the Soviet Union and the Stalinist regimes in Eastern Europe in the recent period also strengthened this process.

Unfortunately, the left has offered no clear alternative to the right wing who are firmly basing themselves upon capitalist policies.

The programme of reforms offered by the Campaign Group is to be welcomed. Tony Benn moved a resolution, supported by Dennis Skinner, calling for "*Full employment,*

a big house building programme, free national health service, better care of the disabled, life-long and equal education for everyone, higher pensions for all retired men and women, a minimum wage, better benefits and a fairer tax system, democratic reform, civil liberties and trade union rights; freedom for local authorities to provide essential services; and an end to all forms of discrimination; World peace, the protection of the planet and its wild life from destruction; the maintenance of the supremacy of the electors in choosing those who make the laws under which we live, socialist ideas and their relevance". (Extract from the NEC paper by Tony Benn.)

However, the left should explain that these reforms are either impossible or untenable under capitalism, especially in this period of economic crisis. The right-wing have abandoned meaningful reforms as they believe, absolutely correctly, that the system cannot afford them. They are reformists without reforms, or when in power counter-reforms. Such has been the experience...of the 'socialist' governments in Spain, France, Greece and Australia in the past period and the last Labour government in Britain. Starting out by introducing reforms, under the pressure of big business, these governments ended up attacking workers. Under the last Labour government unemployment doubled, real wages fell by 10% (the biggest fall for over 100 years) and £8bn worth of cuts were made. This was because of the overwhelming pressures of the world market on the one hand and the absence of pressure from the masses on the other. Thus we had in the midst of a boom, the strange spectacle of reformism without reforms and then reformism with counter-reforms.

In a capitalist economy, especially under

modern conditions, the pressures of the multinationals and finance capital are overwhelming. "Market forces" would soon shatter the illusions of the Labour leadership that they could run capitalism better than the capitalists. Under remorseless and inexorable pressure from the establishment, they would be forced to abandon even the few reforms they were promising.

Plan of Production

The only alternative to capitalism is the socialist transformation of society. This is no sentimental dream, but the only concrete solution to the problems confronting the working class. The only real way the mass of the population can be won to Labour is if it offered a programme that could tackle the problems confronting the working class - problems of unemployment, low wages, cuts in services - and substantially raise living standards. Demands for a 35 hour week with no loss of pay, a minimum wage of £200, work or full pay, a crash building programme of a million houses a year, restoring cuts in local government, education and health, must be part of a programme to take over the giant monopolies, banks and insurance companies and establish a socialist plan of production.

Only on this basis will it be possible to generate the resources needed to carry through these reforms. Any attempt to patch up capitalism or tinker with it will be a disaster for a future Labour government. The ideas of devaluation or deflation are a blind alley.

At this stage, the working class as a whole has not entered the arena of struggle. The crisis, and the divisions that it will cause at the top, will propel different layers into action. This will most likely develop into a more generalised struggle, firstly on the industrial plane, but then increasingly within the Labour Party.

Trade Union Pressures

The state of the Labour Party is very poor at this stage. The boom of 1982-90, four successive election victories for the Tories, the swing to the right of the party, the collapse of the left, as well as the witch-hunt, have all taken their toll on the ranks of the party. In many areas, especially after the election, the party has been reduced to a shell.

The victory of the Tories has disorientated large layers. Only on the basis of events - which are impending - will new layers be drawn into struggle, firstly on the industrial front, then reflected in the Labour Party.

It is inevitable that the radicalisation in industry will spill over politically as the unions come into collision with the government. Many will draw the conclusion that industrial struggle alone will not solve their problems. The only mass alternative is the

Labour Party.

The reason that there has not been a turn towards the Labour Party is due fundamentally to the character of the period we have passed through. Industrial struggle has been on a historically low level. Activity, generally in the Labour Movement, is also at a similar level. This has been largely due to the effects of the boom.

As we explained many times, the working class do not enter struggle for the sake of it. If they can achieve their aims by other easier means, then they will naturally take the line of least resistance. There has been no real need to enter the mass organisations when large layers were able to make ends meet within the framework of capitalism, and when the employers were making concessions.

Labour Radicalisation

There are material reasons for the movement and activity of the working class. It is the change from boom to slump, and vice versa, that leads to a radicalisation and a movement of the class. When conditions change, the outlook of the proletariat changes. Given the historical traditions of the British working class, they move slowly generally, and through their traditional organisations.

After a period of class struggle, a trickle of workers will join the Labour Party, through the wards and as delegates to the GMC's, as was the case in the early 1970's, which pushed the party to the left. The Labour Party also attracted at this time a radicalised middle class layer, which gravitated towards Benn. These conditions will inevitably develop again. The Labour Party will begin to fill out from the development of a left wing in the unions.

The protracted recession of 1990-92 represents a turning point economically, which will have profound political consequences in the coming period. We are therefore in a transitional phase, which lies between past boom and a new period of economic and political turbulence. Thus this present phase has characteristics or elements of both periods within it.

The present situation represents also a turning point within the Labour Movement. We have reached the high point of reaction within the workers organisations.

The swing to the right has reached its limits, with the fissures opening up at the top, and growing demands at the base for action to restore full employment and decent conditions. The spool of reaction is beginning to unwind.

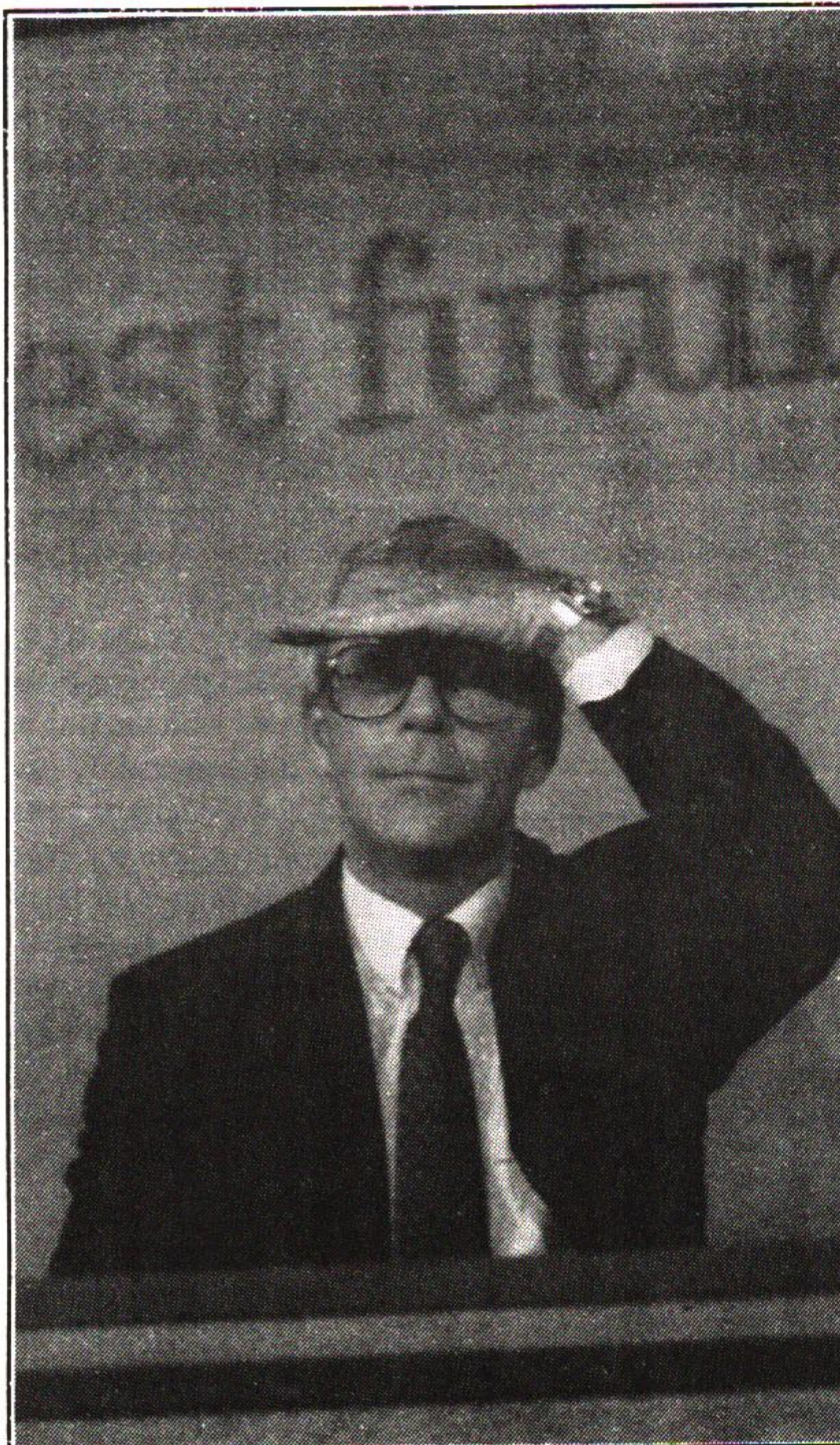
In Britain, as so often in the past, when organisations have proved inadequate to the task, the working class has moved to change them. They will, at a certain stage, try to transform the Labour Party and trade unions. This process will reveal itself over a period.

Splits Appearing

Even now, with prolonged recession and rising unemployment, splits have opened up at the top of the movement.

This is at a very early stage. Under the impact of events, these fissures will become a chasm. These splits at the top will open the way to workers moving into political activity in the trade unions and Labour Party. This will see the transformation and re-transformation of the Labour Party and the trade unions.

On the basis of mighty events, the worker activists in these organisations will come to see that the only way out will be the overthrow of capitalism. It is the task of Marxism to provide a clear strategy and tactics that can arm the Labour Movement for this historic task.



With Major in crisis Labour must act to get rid of the Tories

HARD TIMES

WHISTLING IN THE WIND

31 student nurses are facing suspension for "whistle-blowing." The student nurses are publicising 29 cases of defective care at two college-run nursing homes. Despite Virginia Bottomley's assurance that whistle-blowing would be legitimate, the college vice-principal believes attempts by workers to improve the standard of care by exposing shortcomings are "extreme insolence" and is threatening discipline unless written retractions are signed by the students.

PATIENTS BEFORE PROFITS!

What did we predict? In the first issue of *Barts News*, the newsletter for staff at Barts NHS Trust in London, the hospital's chief executive said: "Finance really has to be at the top of our agenda." And in practice this means surgical beds have been cut and no new staff are to be taken on to fill current vacancies. Finance first, patients second - That's the Tories vision for the NHS.

TRUST US...

Whilst fifteen London NHS hospitals are facing the axe, one hospital is receiving special attention. The Wellhouse, a Trust hospital is to be bailed out by North West Thames health authority to the tune of £1.4 million. Despite this injection of cash the Barnet and Edgware Hospital, covered by the Trust is to cut 68 jobs.

NHS REFORMS: Supported by...erm.

Another ward is facing closure at London's Westminster Hospital and at the nearby Charing Cross Hospital staff were given one week's notice of closure of the diabetic ward. And the government continues to claim that its NHS reforms are working!

But those who should be among the reforms most ardent supporters - health authority managers - are less than enthusiastic. Less than half believe in the policy of opting-out, 69% believe underfunding is a fundamental problem and 68% believe the internal market will not solve the problems of the NHS.

So when the Tories say their reforms are popular who exactly do they mean are supporting them - not the nurses, not the doctors, not the health authority managers, not the consultants, not....

HEALTH DEMO CALLS FOR..

LABOUR ACTION TO DEFEND THE NHS!

Hundreds of hospital workers marched through Birmingham on September 5th against the latest round of NHS cuts and hospital opt-outs. It was the biggest demonstration the city has seen since the 1990 May day march against the poll tax.

The march, called by the SOS Committee (Save Our Services) backed by Nupe, COHSE and Nalگو, was protesting at South Birmingham Health Authority's proposed £5 million cuts package that will see the closure of the Birmingham Accident Hospital and two Royal Orthopaedic Hospitals.

Had the demonstration taken place two weeks later however, it would have been even bigger. The city has been rocked by a multi-million pound scandal amongst the top ranks of the Regional Health Authority.

Wasting Money

An Audit Commission report has revealed that the Health Authority spent nearly £3 million bringing in American business consultants who were going to tell them how to save £50 million. Not only did the US company URG fail to deliver, they charged £2.5 million for the contract and ran up £350,000 worth of expenses - by hiring aircraft to take them to work, leasing houses in London for themselves and their wives, as well as bills for top hotel rooms in Birmingham.

The money wasted on this little jolly would have gone a long way to save Birmingham's much-needed hospitals. There have been calls for the chairman of the Regional Health Authority, Sir James Ackers, to resign, but he said he didn't authorise the contract. The health official responsible, Chris Watney, resigned quietly from the RHA last June and has only just been tracked down - on a world cruise on board his luxury yacht anchored off the Cook Islands, an idyllic paradise in the South Seas! Join the NHS and see the world.

The greater scandal however is that all this is perfect ammunition for the Tories. Local Tory MPs and councillors

are holding it up as an example of the waste and mismanagement in the NHS bureaucracy, using it to undermine opposition to NHS Trusts. The government has stepped in, appointing Sir Roy Griffiths - one of the chief architects of the NHS "reforms" - in charge of the RHA, which does not bode well for the future. The resulting demoralisation amongst hospital managements will mean a new drive for Trust status, which are already gripping many Midlands hospitals. But these offer no way out, making the pursuit of profits the priority not patients needs.

Trust Status

At a recent "consultation" meeting on the proposed NHS Trust for my local hospital - Good Hope in Sutton Coldfield - we discovered the hospital's kitchens, during "slack periods", would be put out to contract work for local hotels!

As a former hospital kitchen porter I can't quite see how normal mass produced NHS grub will fit in with the haute cuisine of Sutton Coldfield's top hotels.

"Waiter a bottle of Chablis with my egg custard, please!"

Seriously though, the natural progression is that the hotels will start dictating what the hospital kitchens produce, rather than what is the best healthy diet for the patients.

We must step up the fight against the destruction of the NHS, but at the same time calling for democratic control by the community and those who work in the health service of the NHS, to stop the mismanagement and self interest of the NHS bureaucracy's hierarchy. Equally, national co-ordination by the trade unions and Labour Party of the many NHS campaigns throughout the country is needed. A first step in doing this will be to support the resolution from Birmingham Erdington CLP at this year's Labour Party conference which calls on the Labour leadership to call a national demonstration against NHS cuts and opt outs.

**Rachel Williams,
Birmingham.**

SELLING SOCIALIST APPEAL

MARXIST IDEAS - NOT DEVALUED!

Civil wars, famine, currency chaos...there's never been a greater need for a Marxist voice to make sense of what is happening in the world today. Politicians and commentators, both left and right, are unable to point a way out and simply shrug their shoulders.

Socialist Appeal doesn't just expose and comment on what is happening but seeks to point a way forward for socialists. We try consistently to achieve the right mix of material in each issue - national, international, Labour and trade union, current and historical. Let us know what you think - your letters are always welcome. But more than that, help us expand the sales of *Socialist Appeal*. Every Labour Party and trade union meeting should be covered and don't forget the Freshers Week in the colleges. Sellers in Leicester have had a great success doing door to door sales - why not try it in your area.

Don't forget subscription rates of £12 for 12 issues represents excellent value. We can't hold this special offer for ever so subscribe now and ask friends and workmates to do the same. Overseas subscription rates are £16 (Europe) and £20 (rest of the world) - and this for prompt airmail delivery! Back issues are still available for £1.30 (UK) and £2 elsewhere - hurry if you want copies in time for the weekend schools advertised elsewhere in this issue - or you can include them as part of your subscription (state details when sending in your subscription form.) With your help *Socialist Appeal* can become the most widely read journal in the labour movement.

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As the currency markets took a nosedive *Socialist Appeal* supporters took the opportunity of offering to relieve readers of their pounds and pennies. The capitalists may not want your sterling but every penny and every pound is vital to us to help build the resources of the journal and produce more material explaining the crisis in the world economy, the conflict in the former Yugoslavia and current events in Britain and internationally.

Thanks this month to supporters in the West Midlands who raised £120 at a public meeting on Yugoslavia. Why not organise a readers meeting in your area or approach regular readers for a donation? Sellers should make sure they have their collecting tins at all labour movement events.

Every reader is urged to make a donation. Already vital resources for producing *Socialist Appeal* have been purchased but more is urgently needed. Watch out for our sellers at Labour Party Conference and give them a donation or send your cheques to *Socialist Appeal*, PO Box 2626, London N1 6DU

WOMEN WORKERS: THE WAY FORWARD

Supporters of *Socialist Appeal* in the Midlands are getting together to draw up a programme of action for women workers. In the last election Labour failed to put forward socialist policies on low pay, education, childcare or health and safety, amongst other issues, that could attract women voters.

Even in the labour movement as a whole the voice of women workers is under-represented. It is about time this changed. But it is only through putting forward a clear socialist policy that equal rights can be won.

The group of supporters are currently carrying out detailed research in a number of areas of concern and anyone with useful information or ideas is welcome to contribute. The main areas of study are health and safety, equal pay, the NHS, childcare, sexual harassment and education but material on other issues affecting women workers would be welcome. Please send all correspondence or research material to: Women in the Workplace, c/o PO Box 2626, London N1 6DU.

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

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

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

Socialist Appeal is written by members of the Labour Party and trade unionists at all levels in the labour movement.

Socialist Appeal is the essential journal for the activist in the labour movement - you cannot afford to be without it.

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IRSF DEAL - THE BEST THING SINCE SLICED BREAD?

The last few months - despite the holiday season - have seen the IRSF Broad Left supporters on the National Executive Committee continuing the pressure on the right wing over the many attacks that face us at present.

All these attacks are interlinked and the bankruptcy of the current leadership is beginning to show to even the most inactive rank and file members.

The conference motion 596 (see *Socialist Appeal* July/August '92) culminated with a renegotiated 'New Technology Deal' which in essence reaffirmed the status quo but promised more 'negotiations' on 'important' matters in the future. The usual news sheets and booklets advertising the deal as the best thing since sliced bread were distributed and a ballot held on 16th-21st of July '92.

Ballot Result

At the time of writing we understand that 75% voted in favour of the deal but only 50% bothered to vote overall. The official result has not been announced but this has something to do with the fact that the day following the close of the ballot the bosses told the IRSF that the whole of the Information Technology Section (approximately 2,000 workers) was to be privatised and that they wouldn't be allowed to tender for their own jobs. They also announced that 'Market Testing' (read privatisation) would commence in four areas around the country for the Common Services and typing grades.

The contract to provide typists at the new relocated Head Office at Nottingham has already been awarded to Blue Arrow. (The typists in my office now have a sign on the door proclaiming they are the 'Red Arrows').

A subsequent emergency executive meeting was held and the right wing even refused a vote on the issue of privatisation and what response should be made leaving it to local reps to prepare the best possible bids for their own members jobs.

Pay has also been on the agenda. A new system called Performance Management has been set up and despite the IRSF's position of opposition no directive has been issued or campaign launched. This system is based on the idea of agreeing individual targets which at the end of the year will be assessed as achieved, exceeded or fell short of - pay will depend on which of these categories you fall into. The original pay offer made to the IRSF was rejected out of hand by the General Secretary without recourse to the executive and the contents of this offer have still not been divulged.

However the second offer can't be much better - 4% across the board, a lump sum to those who it is regarded would have obtained more pay if the old reporting system had been in place, and the retention of incremental scales until 31 March 1993 and finally more negotiations on issues like the nature of the formula to be used to pay out after performance assessment, and the lack of an appeals procedure. As of April 1, 1993 the grade of typists, Revenues assistant and Revenues officer will be collapsed into one new grade and pay will then be given dependent on what job you are doing.

A job evaluation exercise is underway at the moment. The loss of incremental scales will effect 17,000 in the IRSF and in my own office some 40% will lose out. The vote on the executive over this latest offer was 16 - 7 to recommend acceptance. Out of the seven who voted against, five were Broad Left supporters, one a new E.C. member who increasingly sides with the left and a right winger who is feeling the pressure of the members in his area. The executive want a good yes vote and have taken the unprecedented action of sending executive and secretariat members into every office in the country to 'sell' the deal. In Leicester we are to get two secretariat members in our office and our own executive member (who happens to be a Broad Left supporter) has not been allowed to do the meetings here. With so much at stake the E.C. Broad Left supporters have correctly decided that being out-voted consistently is not pushing the union forward and have now convened a meeting in Crewe on October 5, to discuss these issues. They have written to every branch (120+) in the country inviting them to attend. This should give us the indication of what mood there is for a fight and also a platform to stress the need for a change in the leadership at the elections early next year.

In the meantime the Broad Left will continue to build support against the attacks we face and will campaign for a NO vote in the forth coming ballot on pay.

**Martin Page
IRSF Leicester,
Rutland,
Northampton
College Branch.**

TRADE UNION ROUND UP

DEFENDING UNION LINKS

The TGWU 1/1347 General Workers branch in Brighton has passed a resolution strongly opposing "the attempt being made to reduce the voting strength of the trade unions at the Annual Conference of the Labour Party," believing that "the part played by the unions in the Labour Party needs to be strengthened not weakened."

The TGWU are aiming to build support for their resolution at the union's regional committee, Brighton Trades Council and Kemptown Labour Party.

David Harris, Brighton.

.....

BRING ON THE CLOWNS!

When workers were given shares in the newly privatised North West Water none of the directors could have expected they might have to come face to face with the shopfloor - over the boardroom table!

One GMB official at North West Water stood for election to the board on the platform of cutting senior executives pay.

Supporters of his bid attended the company's annual general meeting dressed as clowns to underline the nonsense of directors paying themselves a fortune at the workers' and consumer's expense.

NATIONAL CEMENT STRIKE

Hundreds of cement lorry drivers are threatening a national strike against derecognition of their union, the TGWU, by Castle Cement. In the ballot, 96% voted for strike action and workers at Castle Cement's plants at Clitheroe, Bradford, Birmingham, Middlesbrough, Newcastle, Ketton, Padeswood and Clyde are threatening to escalate the action if the company refuses to withdraw threats of ending recognition of the driver's union. TGWU national officer Len McCluskey said: "Our drivers are showing that they will not be pushed around. They are determined to protect their fundamental right to be properly represented by the trade union, and also to protect their wages and conditions. There is no doubt that if the company doesn't come to its senses this dispute will escalate."

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The Courses:

a) Socialists and the Trade Union Struggle

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

b) Three Marxist Classics

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

c) Marxist Economics

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

The School will finish with an International Rally:

Workers of the World Unite!

Speakers include Alan Woods, Kevin Fernandes and a guest international speaker.

Sessions will run: Saturday 10am - 12.30pm and 2pm - 3.30pm and Sunday 10am - 12.30pm.

The International Rally is on Sunday 1.30 - 3.30pm

NEWCASTLE - 17 & 18 OCTOBER WALLSEND COMMUNITY CENTRE

Vine St, Wallsend (next to Town Hall.)

Speakers include: Ted Grant, Rob Sewell, John Pickard.

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

International Rally:
Workers of the World Unite!
Speaker: Rob Sewell.

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

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Mass strikes and demonstrations rock Greek government

THE TIDE HAS TURNED

August 1992 will be marked down in the history books as the month the final countdown began for the right wing government of Mitsotaki.

The events in Greece since the beginning of August came as a complete shock to the strategists of capital. Just when everything seemed to be working (or not working) quietly, the government getting on (and away with) cuts, redundancies, privatisations, price increases and so on; the leaders of the trade unions begging the government to consult them; more than half the population of Athens away on holiday and the other half packing their bags and waiting for their turn to get out of the "hell of Athens" (37 degrees and the worst air pollution in Europe), one slogan shook Athens and the tide began to turn.

"EAS will break the government's cuts!"

Government Revenge

Prime-Minister Mitsotaki and his advisers do not understand dialectics. Given the situation described above, they thought the time was ripe to do what they failed to achieve a few months ago - and unleash their revenge on the bus drivers, who had become a focal point for resistance to the government.

The government believed that privatising the EAS (Athens public transport) and defeating the strong bus drivers union during the hot, lazy, sleepy month of August, would further demoralise the workers movement and thus open the way for the introduction of the new National Insurance and Pension Scheme due to be debated in parliament this month.

What they did not realise was that the camel's back was ready to break and, that unlike the camel the workers start to kick before their backs break.

The government first announced 1,000 redundancies which they claimed were to make the company profitable. The workers, about 8,000 in all, went on strike demanding reinstatement of all the sacked workers. To begin with, their union leaders demanded talks with the government, accepting that some of the redundancies were necessary. The TUC leader even proposed that if the government agreed to sack less workers they would share the cost of the redundancies!

Seeing the union leaders unwillingness to lead the workers into an all-out struggle, the government immediately announced, and within three days passed through parliament, a law privatising the bus company. The workers struggle was intensified. Daily meetings occu-

pying the main square in the centre of Athens, paralysing the city, were held, to show the workers determination to fight to the end, to force their leaders to lead them and to win the solidarity of the people of Athens. The strikers raised thousands of pounds and thousands of people attended their rally on August 20th.

Political Slogans

By this stage their slogans were not only concerned with their particular struggle but became political, calling on the government to resign. Morale was and still is high. Mitsotaki's famous smile withered away. In contrast, the strikers and those who supported their rallies were jubilant. This mood was also expressed in the slogans: "Marika, give us a recipe for pigs in uniform!" (Marika is the Prime-Minister's wife, famous for her cooking.)

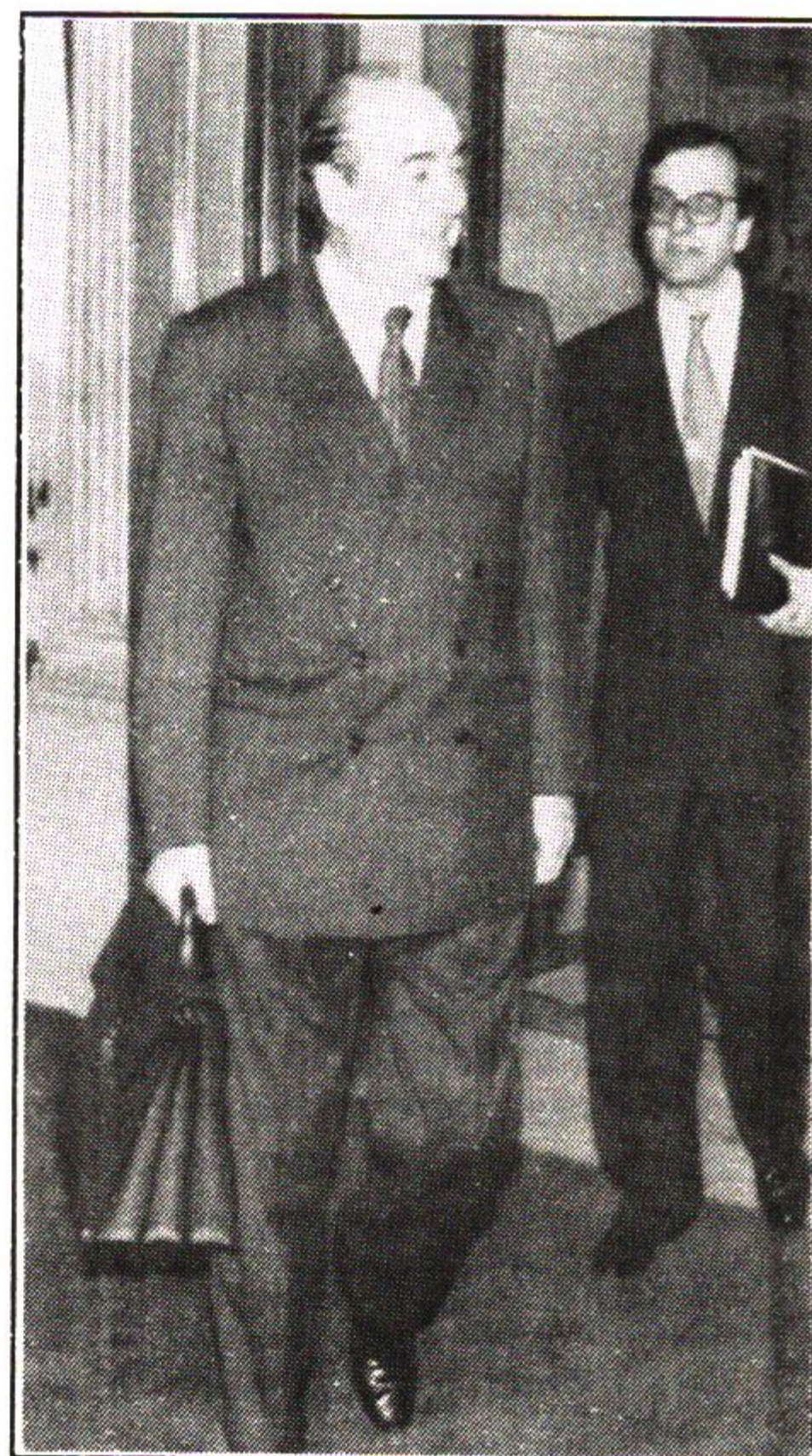
The government responded with riot police and tear gas and dozens of workers were beaten up or arrested as the government tried to take over the bus garages. Within hours of the arrest of the "Greek Scargill", (the leader of the bus workers union,) and four other bus workers, thousands of people had gathered outside the police headquarters demanding their release. By 11pm we forced the government to order their release because they feared a bloodbath. That night we marched to Omonia Square for an amazing midnight rally.

The daily mass meetings of the EAS workers continued, encouraging other sections of the class to put forward new demands. The building workers organised a rally at Syntagma Square which turned into a pitched battle with the riot police. The police went berserk, beating up everybody within reach. Even tourists, running away from the tear gas filled square, got beaten up. **The extent of the police brutality was such that even the capitalist press commented that these methods had not been used since the dictatorship of the generals 18 years ago.**

Discontent grew, day by day, and the people expressed their anger against the government through the bus drivers struggle. Solidarity with the bus drivers was fuelled by the government itself.

In mid-August, when Mitsotaki still thought it was a good time to introduce new measures, he announced new higher VAT rates and other price rises, including a 30% increase in the price of petrol and diesel. **If August was "hot", September was to be even "hotter."**

The new National Insurance Contributions and



Prime Minister Mitsotaki - On the way out?

Pension Scheme was announced in the first few days of September causing an immediate wave of strikes.

The GSEE (Greek TUC) and the civil service union called a 24-hour strike in the first week followed by two 48-hour strikes the following week - and more are planned. The rally on the second day of the first 48-hour strike was attended by a record number of people. 250,000 gathered at Syntagma Square showing their determination to protect their standard of living and their jobs against the right wing government.

Strikes Spread

Power workers in their fourth week of strike action are causing regular electricity cuts all over the country. The prospect for a complete blackout is very real and the government have turned their attention, and the riot police on to the power workers, beating up pickets outside the power stations and employing pensioners and ex-power workers as scabs. Already there has been reports of an explosion at one of the power stations because these pensioners are not, in the main, trained in using the new technology now in operation.

The bank workers have also been on strike for the past three weeks and have no intention of going back to work at present. Every sector of the economy is affected. even the petrol station

owners are planning to strike for two days against the government. Lorry drivers, post office workers, railway workers, telecommunications workers, metro workers have all taken action. The list is endless. All state owned companies have been affected. "Who's on strike tomorrow," is a daily news feature on all the TV news programmes.

As if all this was not enough, the government opened up another front with the students and the university lecturers with their new but outdated Education Bill, changing the structure of the higher education institutions taking them back to the early sixties. Lecturers have already taken strike action and the universities may not be open for the new term. The students have had their own rallies as well as joining officially with the workers demonstrations.

Society in Turmoil

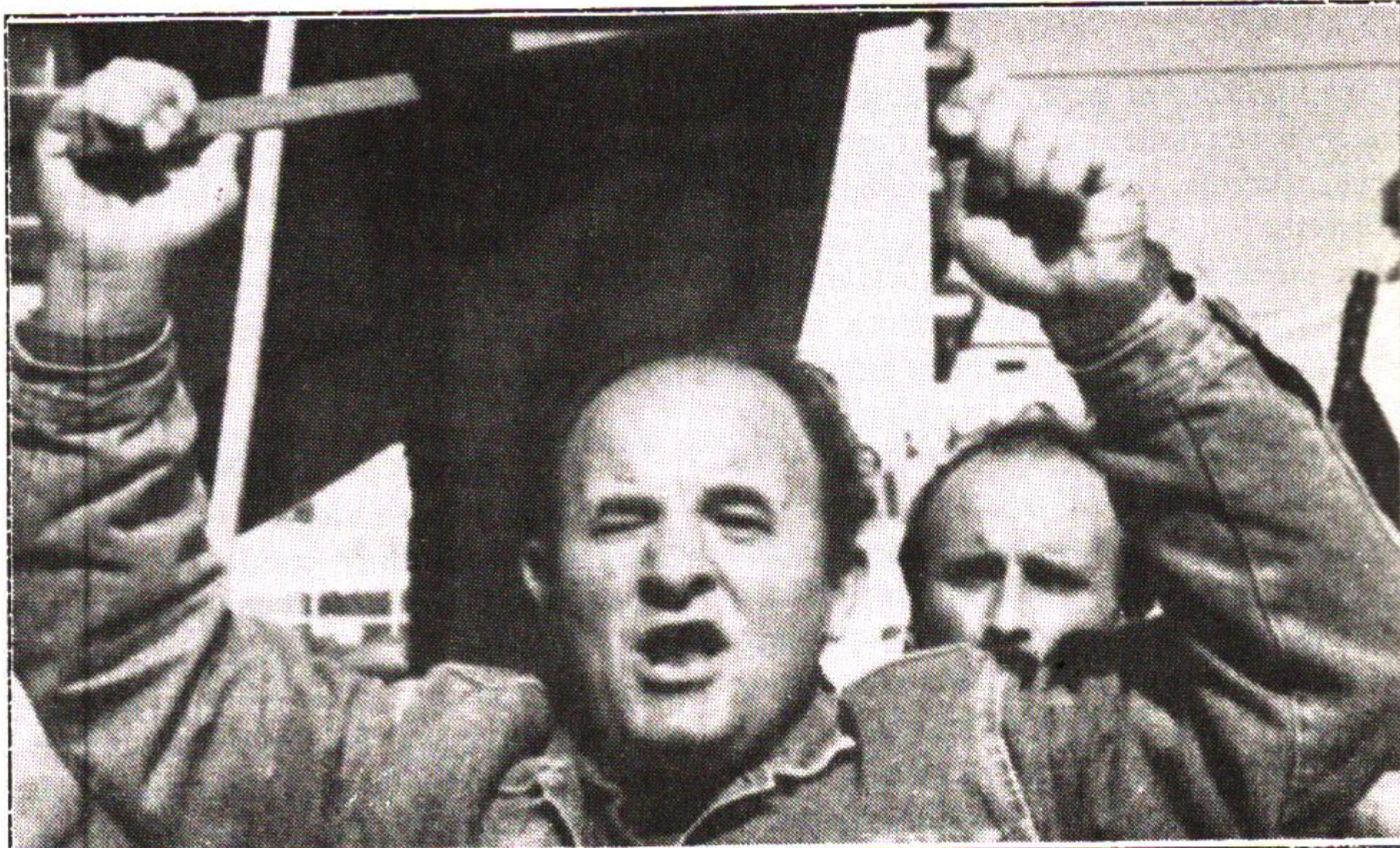
The upheaval and turmoil in Greek society has been reflected in the political parties. The first signs of a serious split in the ruling New Democracy Party have appeared.

Four prominent leading MPs and ex-ministers of this government, have expressed their concern about the effect these measures are having on their party and its chances of re-election. In a letter addressed to the Prime Minister they ask for a meeting with him to discuss the explosive situation in the country. Mitsotaki rebuked them, and although they spoke in parliament against the new National Insurance Bill, they finally voted in favour, fearing the collapse of the government and a return to power of PASOK (the Greek Socialist Party) in the ensuing elections.

The New Democracy has a wafer thin majority of two MPs in parliament. Mitsotaki has turned this fact to his advantage against his critics and opponents from within his party. The threat of going to the polls hangs over their heads and guides their action. Mitsotaki is safe in his position as leader of the party and he has, regrettably, little to fear from the main opposi-

tion leaders.

PASOK, the main opposition party, has played a confused role in recent events. During a prolonged holiday on Crete, Mr Papandreou, PASOK leader, was issuing statements of support for the striking workers and calling for



Workers march against the government's austerity measures

elections but he didn't lift a finger to mobilise the party. Other leading members of the Executive Committee were even asking the government to enter into negotiations with the workers. It was only the magnificent struggles of the workers and the support they got from the rank and file members of PASOK that made the right keep quiet and encouraged the left wing members of the Central Committee to come forward and take an active part in the struggle.

Unfortunately the right wing controls the party and the left is not yet an organised grouping within the party. **The controlling right wing is playing an opportunist role. It is clear that if they really wanted to remove the government the conditions could not be more favourable.** But, no matter what they

say, it is clear from their actions that they want Mitsotaki to continue with his austerity programme, a version of which they would probably have introduced themselves in line with the European Community recommendations. This austerity programme is eroding New Democracy's support amongst a wide layer of people making it most likely that PASOK will form the next government when the general elec-

tion is held in 16 months time.

Promises made by PASOK leaders to repeal all anti-working class laws and to renationalise some of the privatised companies are meant to have a calming effect on the workers. But although the workers welcome such promises

they are very sceptical about the real intentions behind them and contrary to the wishes of the right wing of PASOK, they are not prepared to wait another 18 months. They are fighting now to stop this government, to protect their jobs, to earn a decent wage - they cannot wait 18 months when they are being made redundant, beaten up by the riot police and imprisoned.

The government is clear in its intentions. It wants to smash the trade union movement. It wants to privatise all the state-owned industries. It wants to pass its harsh austerity programme. It is a government of the rich for the rich. The workers know this and are determined to fight. Their morale is high but they lack leadership.

Organise Support

The trade unions should continue with their programme of strikes and rallies even after parliament passes the National Insurance law. PASOK must provide the necessary leadership and organise support for the strikes and rallies in all the major towns and cities.

The determination shown by the Athens bus drivers, who are still holding daily mass meetings and organising demonstrations and rallies should be held up as an example to all the workers. The tide has turned. With the concerted effort of PASOK and the trade unions, the days of this hated government are numbered.

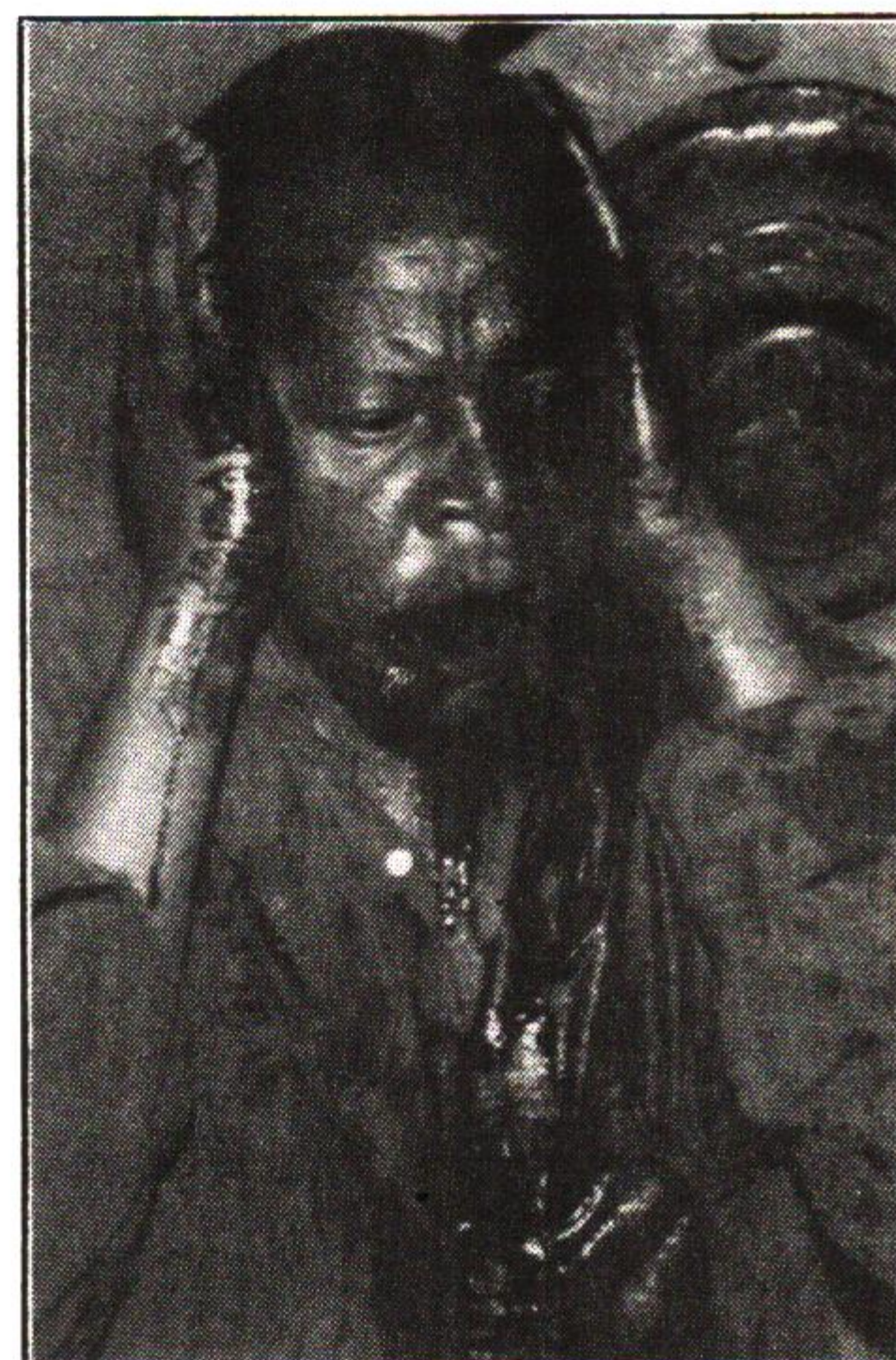


PASOK leader Papandreou must organise support for strikers

DOROS POLYDOROU

THE UNFOLDING SOUTH AFRICAN REVOLUTION

By Anna Bergman, Zola Ngubane and Malcolm Zondi



A victim of the Ciskei security forces violence.

**"There is a mood among the activists that Codesa is nothing, that there is no need for the ANC to go back to Codesa. They believe that by arming the people Gqozo can be overthrown."
(ANC Youth League activist, Bisho)**

The Bisho massacre dealt a severe shock to the prospect of a negotiated settlement bringing peace and prosperity to South Africa. On 7 September around 100,000 ANC supporters demonstrated against military dictator Brigadier Gqozo in the Ciskei 'homeland'. Without warning, Ciskei soldiers opened fire and another bloody massacre filled front pages and television screens.

The development of South Africa's economy was based on the extreme exploitation of black labour. The 'homelands' were artificially created to hold down the black majority in a pool of unemployment, poverty and neglect. The Ciskei is a clear example. Its borders were drawn to include Mdantsane, South Africa's second biggest township, just outside East London.

The Weekly Mail (11.09.92) illustrates what Ciskei independence means: "The Ciskei Council of State signed a treaty with the South African government last year agreeing South Africa would have a more direct control over the homeland's finances and allowing South Africa's assistance in maintaining law and order."

"Now the entire power structure in the homeland - the army, police and Brigadier Oupa Gqozo's African Democratic Movement is controlled by South African security force personnel."

The Bisho massacre has made a big impact

on different layers of the black population. As an ANC Youth League member said: "There is a mood among the activists that Codesa is nothing, that there is no need for the ANC to go back to Codesa. They believe that by arming the people Gqozo can be overthrown".

Although De Klerk is not necessarily directly responsible there is no doubt that units of the security forces have played a vital role in orchestrating the violence.

In packed rush-hour trains people are saying that the South African state is responsible for what happened at Bisho. Why else did they send troops to the area the day before? Who ordered Ciskei soldiers to practice with live ammunition near the scene of the massacre shortly before it happened? On TV, Gqozo himself stated that an army may practice wherever it expects a confrontation.

ANC Strategy

Many people are beginning to doubt the strategy of the ANC leadership. Even older women in the trains are saying that they are fed up with mass action, prayers and vigils. Especially among the youth an anti-leadership feeling is growing. They are frustrated by the lack of results from negotiations.

After Bisho, they want arms - not only to defend demonstrations, but also to defeat Gqozo and other reactionary 'homeland' rulers.

De Klerk is the first South African ruler who has been compelled by the growing strength of the black working class to follow the advice of

Western governments to try to defuse the struggle through negotiations. That is why he has the confidence to call in the United Nations to mediate - knowing that they will back him and put pressure on the ANC to compromise.

The South African government has responded to Bisho by blaming the Ciskei authorities as well as the ANC leadership. The shock of Bisho has increased mistrust among the black masses, making it more difficult for a compromise to be reached between the ANC and government. However, De Klerk will have to think twice before ditching the Ciskei military leader. He may depend on 'homeland' puppets like Gqozo and Buthelezi to form a power bloc against the ANC in the negotiations.

Extreme Right

Ultra-right parties, feeding on white fear and prejudice, also clamour for the representation of the 'homeland' leaders. Reactionary white leaders have an interest in siding with reactionary black leaders. After all, such a coalition would strengthen the bloc against the mass movement.

De Klerk now faces a dilemma. The spiral of political violence has caused a collapse of the Rand and serious hesitation among potential investors. Even if De Klerk succeeds in diluting the influence of the black masses at the negotiating table, he will not find it so easy in the factories, mines and townships. For example, the ANC national working committee decided to call off the march to Bophutatswana (another 'homeland') planned for 12 September without consulting COSATU. The march had been planned by an alliance of

ANC, COSATU and SACP. The Western Cape regional secretary of COSATU reflected the workers response: **"The ANC national working committee had no right to call it off. The committee is sowing confusion through its unilateral action."** He said that "...people on the ground" were angered by the decision.

Majority Rule

The release of Mandela in February 1990 seemed to bring in sight majority rule and an end to poverty and oppression. Now, with negotiations making no headway, impatience and frustration is growing.

Bisho has caused a widening distance between activists and the ANC leadership. As one youth said: **"They (the leaders) do not feel the pressure like unemployed people. They do not understand what it is like to be shot at on marches."**

The lack of confidence in the official ANC strategy is illustrated by low attendance at branch meetings and rallies. At one rally discussing Bisho, a speaker from the crowd told the leadership: **"It is you who is holding us back."**

Many activists are drawing the conclusion that the state must be overthrown as the only way to achieve majority rule. It is clear to them that every challenge will be met by the security forces. Especially after Bisho, many ANC youth agree that they need arms to defend the movement and defeat the regime.

This contrasts sharply with the position of the leadership who have further moderated their conditions for renewed negotiations to a point which even an anti-ANC newspaper calls "almost too mild to suit the definition" of conditions.

However, Mandela and the 'moderates' in the ANC are not only criticised by ordinary members, but also by a more radical wing in the leadership.

The Argus (16.09.92), while applauding Mandela "for being more accommodating in his demands" warns that "he (Mandela) needs also to act further by keeping in check those elements in his alliance who are jeopardising the prospect of renewed negotiations with their silly tales of mass action."

Armed Struggle

An ANC Youth League member makes it clear how the differences of opinion among the leadership are taking shape: **"Many people feel that the ANC should take the armed struggle seriously. Chris Hani spoke in Xhosa on television and said that people should arm themselves in order to defend themselves. People see him as a symbol of militancy. That is why his support is increasing."**

The issue of arming the movement raises many reactions. Firstly, where would the arms come from, as the ANC has officially suspended the armed struggle and chosen the road of a negotiated settlement? More importantly, would arms be the whole solution?

This is a practical question and needs to be taken very seriously as the lives of many comrades are at stake. Arms have become an unavoidable element in the struggle for the emancipation of the black majority in South Africa. But arms alone do not make a movement invincible.

Organised Labour

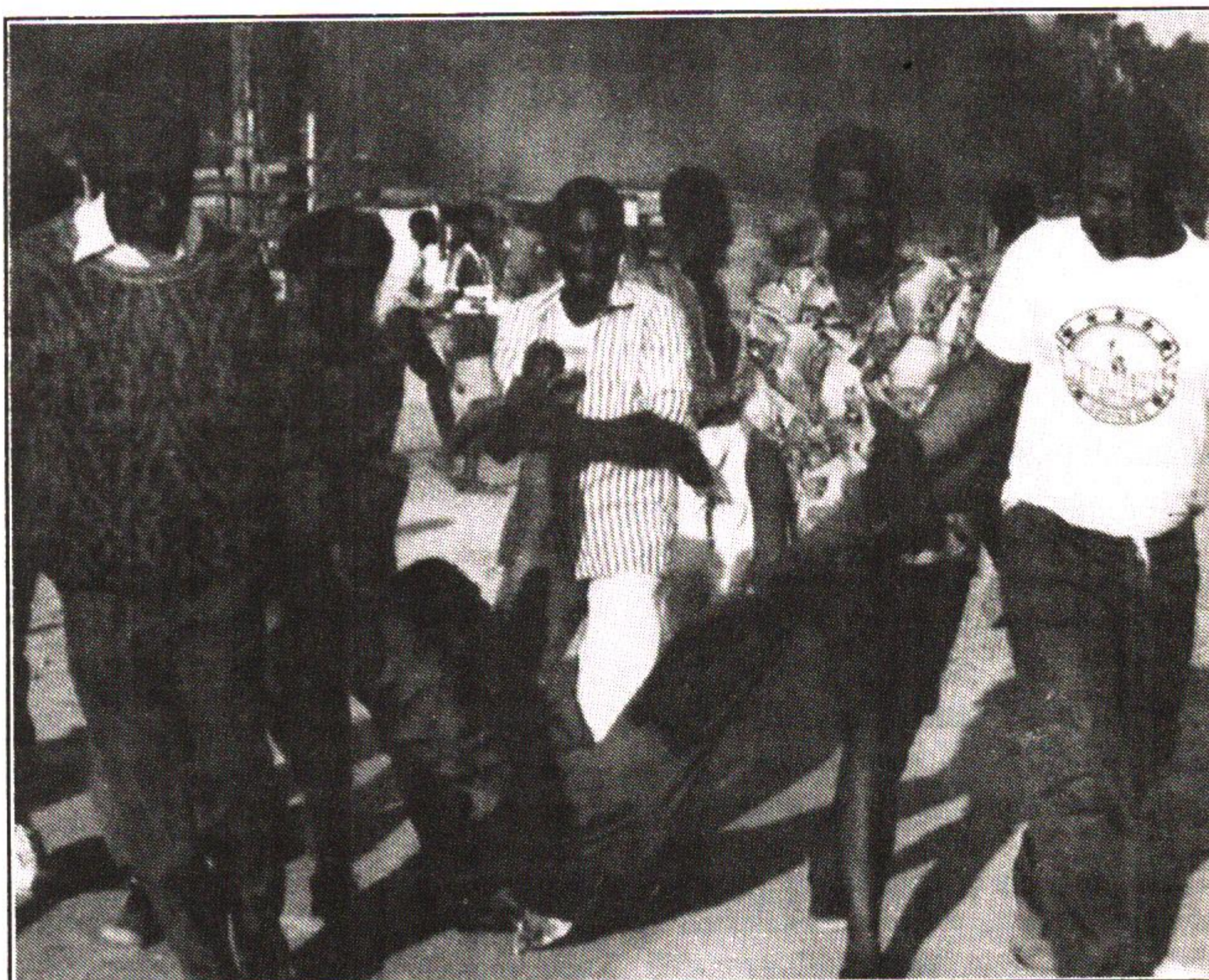
From a purely military point of view, thousands of armed activists could still be crushed by the overwhelming military might

of millions of repressed black workers, socialist policies along these lines would make it possible to increase production to far higher levels than at present.

Workers Sacrifice

These tasks need to be debated and clarified in the ranks of the ANC, civics and trade unions. Only on a clear understanding of the purpose of the struggle can inspire people to make the necessary efforts and sacrifice. The uncertainty, confusion and frustration that is resulting from present policies will in the long run weaken and divide the movement.

At the same time, a programme of social transformation will be the key to isolating the regime from its traditional support among whites. If offered a real alternative, unem-



Unrest in the townships threaten to spread.

of the state if they fight in isolation from the main body of organised labour (as happened in Argentina between 1973 and 1976).

Above all, the movement needs a programme that will be able to unite the black masses by showing how their aims can be achieved - how society can be reorganised to provide jobs, houses, schools and hospitals for all.

There are no easy solutions. The faltering capitalist economy, whether managed by a white or black regime, cannot end mass poverty. Not only the government, but also the capitalist system it defends, must be replaced with a genuinely democratic system based on control by the ordinary working people over the economy as well as the state.

Overcoming the limits of production for profit only, and releasing the creative energy

played white youth, workers and soldiers will think twice before risking everything in a bloody civil war.

That is why Marxists say that the struggle for socialism is 90% political and 10% military. Political clarity will unite and strengthen the workers' movement while weakening the forces of reaction - thus preventing unnecessary bloodshed. It is the duty of socialists in the ANC, trade unions and community organisations to build the movement by discussing the way to change society.

In this process a new generation of leaders will be shaped that will be committed to taking forward the fight for democracy and socialism.

US PRESIDENTIAL ELECTION:

NO SOLUTION FOR US WORKERS

By
**Alastair
Wilson**

Next month's US Presidential election will take place against the background of the longest recession since World War Two. George Bush is trailing well behind Democratic challenger Bill Clinton, failing to make any impact on his big lead in the opinion polls. Clinton needs to overcome a huge Republican majority built up in the elections since Reagan's victory in 1980.

The Republicans have been in power for 20 of the last 24 years, but if Clinton maintains his lead then the era of the Republicans is doomed.

When the Berlin Wall came down the *Wall Street Journal* proclaimed, "We've Won". The "end of history", "the new world order" and "Pax Americana!" all were hailed by the capitalists. Having dealt with the "second world", Bush moved on to the "third" and unleashed the full might of the US military in the Gulf War against Iraq.

In the aftermath of this war, Bush's popularity rating rose to 88%. Now it stands at 33%. The "American Dream" is beginning to turn sour. Not one capitalist economist predicted the recession. Once it broke out, they all predicted a rapid recovery. But this has

not occurred. Last summer's feeble "recovery" fizzled out. Then we had the "double dip". Now there are some signs of a very slow recovery, but the picture is still very bleak.

A report from the US Labor Department in August outlined a gloomy perspective on the jobs front. "This report is part and parcel of a picture of an economy in a rut", said Allen Sinai, of the Boston Company, quoted in the *New York Times*.

Unemployment Rising

In a normal recovery jobs should be created in the private sector at a rate of around 130,000 per month. Yet in June and July of this year only 28,000 new jobs were created. National unemployment is now running at 7.7%. In New York unemployment has risen 40% in the last 12 months to reach 12.1%. Even in "rich" California, the jobless rate now stands at 9.5%. In that state 600,000 jobs have been lost in the present recession, one-third of all US jobs lost.

One of the main factors in the extended recession is the huge levels of indebtedness. Total government debt in the US has now reached around \$400 trillion and is rising at a rate of \$400 billion a year - this year the budget deficit will hit \$365 billion.

The Government is spending \$4 for every \$3 it collects. It is losing \$1 billion a day. Public debt, too, stands at a massive \$3 trillion. It took two centuries to reach a government debt of \$1 trillion, but under Reagan and Bush it has quadrupled.

It now represents a monstrous dead-weight on the economy. Although the Republicans claim to be the party of "financial rectitude" and balanced budgets, this massive debt has been piled up by them over the last 12 years. Because this deficit financing was used so rashly during the 1982-90 boom, it will be extremely difficult to use these methods again to get out of the recession without causing a huge hike in inflation.

Another important element in the boom was the enormous expenditure on arms. But now, given the end of the "cold war" this has come to an end. For the 40 years up to 1990 military spending represented an average of 7% of output, it now stands at 5.5% and will shrink to 4% in 1993. Employment in the arms industry reached a peak of 1.44 million in 1987. In the three years to 1990 it dropped a total of 33,000. It is now falling at a rate of 100,000 a year. 15% of all jobs lost in the present recession have been in the armaments industries.

Even the Raytheon Corporation, manufacturer of the famous Patriot missile used in the Gulf, has shed 10% of its workforce. The armed forces itself has also cut back 160,000 jobs. Big companies like Pan-Am have gone bust and even the "sunbelt" state of California has been in deep recession.

Budget Crisis

California has its very own budget crisis with a deficit of \$11 billion. Since July it has had to issue warrants (i.e. IOU's) to pay bills and wages. \$7 billion of cuts were ushered in last year and a further round is proposed for this year.

All this on a background of increasing poverty. The number of welfare recipients is growing four times faster than the population as a whole. The social explosion of the L.A. riots earlier this year is witness to what is happening in the US's richest state. Republican Governor Pete Wilson has a popularity rating of only 20%. He is only beaten in unpopularity by the state legislature which has a rating of only 10%.

In the 1930s the federal government and California state launched a massive scheme of public works to create jobs, including San Francisco's Golden Gate bridge. But today, because of the massive deficits, this cannot even be contemplated.

The political situation in California reflects the national picture. There is an enormous alienation of the poorest sections of society. In



Running for the White House - Can Clinton keep his early poll lead?

the six poorest council districts in L.A., an area of 1.4 million people, only 37,000 voted in this year's local elections. Amongst the middle class, too, we can see a growing dissatisfaction with the "political process". Of these states 5 million registered Republican supporters only 25,000 have given money to the election campaign fund, compare this to the 1 million Californians who signed the petition for Ross Perot, or the 500,000 who pay \$30 a year to Greenpeace.

California has not supported the Democrats in a Presidential election since 1964. But now Clinton is 21% ahead in the polls. This shows what is happening in US society at the present time.

Ex-President Richard Nixon is advising the Bush camp to forget about California and concentrate on states where they still have a chance. But no President in recent history has got to the White House without winning there. It represent about 20% of the electoral college which elects the President. **"It is extraordinarily significant", according to Californian pollster Mark Baldassari, "if a Republican President running against a Southern ticket cannot do well in the electoral-vote rich state of California, his chances of winning the Presidency are extremely slim".**

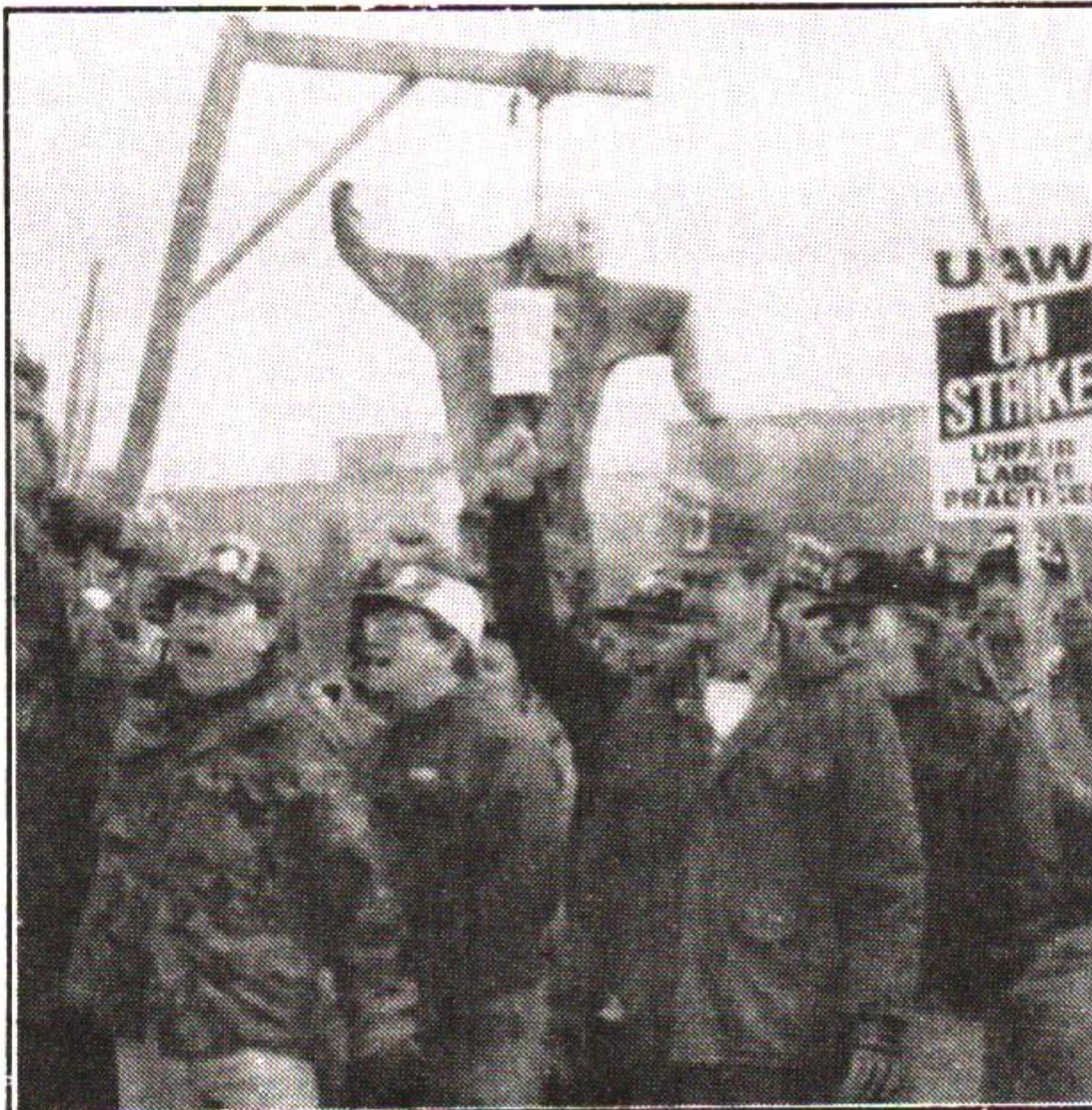
Reagan Democrats

In a 'Los Angeles' poll only 2% of Californians said they were interested in hearing the candidates talk about foreign policy, supposedly Bush's strong point. His claims to have ended the "cold war" are either disbelieved or regarded as irrelevant.

This is the first election where the majority of voters will be living in the suburbs. Typical of these voters are the residents of Macomb County, Michigan, the so called "Reagan Democrats". In 1960, 63% of them voted for Democratic candidate Kennedy, but by 1988, only 38% voted Dukakis.

Clinton has a massive hill to climb to overturn the Republican majority. If he and Al Gore his running partner, won their home state, plus all the states Dukakis won in '88, and all the states where Bush had 5% or less majority (this includes California) he would still fall short.

But middle class America is no longer in awe of the Republicans. Perot's brief campaign as Presidential contender showed what was happening. **"We have a real problem in the suburbs because Perot made it possible for those people to say they are not for Bush",** said one Texan Republican in the New York Times, **"Now they are loose and**



US workers will increasingly need to take action to defend jobs.

we have to get them back in the corral before Clinton gets them". It was this huge "suburban" electorate in the big states of California, Texas and Florida that have kept the Republicans in power, but the recession has hit them mercilessly.

"After the long experience of economic pain, Texans are likely to be sceptical of Republican claims that they are the party of prosperity". (New York Times. 20.08.92.) The real face of US society is startling. 31 million people live below the poverty line: 40% of all blacks, 39% of American Indians, 32% of the Hispanic population and 13% of whites. 26 million people receive food stamps.

During the 1980's, the years of the Reagan boom, real income levels dropped in 24 states and nationally rose a total of 6.5%. Labour costs are rising at their lowest rate for 17 years, only 0.3% in the past year. This is despite an overall 2.3% increase in productivity (4.7% in manufacturing). The stage is set for the lowest inflation for 30 years. **"The gains, however, are a direct reflection of the stagnant economy, which has caused widespread lay-offs, driven unemployment up to a current level of 7.7% and put severe downward pressure on wages".** (New York Times 12.08.92)

Campaign Flagging

The signing of a North Atlantic Free Trade agreement will also increase the downward pressure on wages. A car worker in Mexico receives around 10% of the wages of a car worker in America. US capitalists will be eager to shift jobs "south of the border" under these conditions.

Bush's campaign is flagging. He had to bring in James Baker to buck up his "team", such was the growing disillusionment at the consistently bad poll showings. But to little avail.

Now he is deliberately increasing tensions in the Gulf in the hope of rekindling his post Gulf war popularity.

According to the *Guardian*, **".....the Pentagon has given the Bush administration considerable flexibility, allowing it to choose the level of military action and gear it to his election needs now made all the more urgent by his continuing low standing in the opinion polls".**

Bush's campaign is on the ropes. Attempts to portray him as world statesman have not swung the voters. It is on the domestic issues that Bush is being judged; unemployment, the recession, taxes. People remember Bush's famous one liner, "read my lips", at the 1988 New Orleans convention. But within two years Bush had increased taxes.

Bush Reeling

According to a Washington Post - ABC poll, 59% of voters think economic conditions are getting worse. Bush's weakness on the economy has meant a big turn to "negative campaigning", pushing a picture of Clinton as adulterer, or Clinton as draft dodger. But still no impact on the polls. Now a reeling Bush has pulled out of the first planned television confrontation with Clinton.

Clinton's campaign offers reforms on issues like jobs, health-care and the environment. But economically his programme is little different from Bush's. A *New York Times* reporter at the Democratic convention asked the question, **"Which convention was this, anyway?"**

It is this "me-tooism" that is preventing Clinton from having a landslide victory. Perot's brief campaign showed the ferment that underlies US society. **"Americans long for a leader who will bring back the things they feel they have lost: good wages, steady jobs, safe streets, God given values, pride in the country"** (*Economist* 06.06.92).

The support indicated for Perot was a desperate attempt to call back a past which has already vanished. There is a general sense of malaise and discontent, reflected in a desire to hit out at the "establishment".

Clinton and running partner, Al Gore, are touring smalltown and suburban America, donning checked shirts and leather boots, in their "down home" campaign to woo the votes of "Johnny six-pack", the US equivalent to Essex man. This, rather than real economic policies, is how the Democrats hope to win in November.

The leaders of the AFL-CIO, the US union federation, rather than take an independent stance, have merely endorsed Bill Clinton. As in Europe, the long period of capitalist upswing has finally set the seal on the degeneration of the leadership of the US labour movement. The union chiefs live like the managers of the

big corporation they face across the negotiating table. In many cases they have signed away the conquests of the past in "give back" deals. Union membership has collapsed from 27% of the workforce to 16%. Unemployment and a deliberate policy of the bosses to "shift" jobs to the non organised South and West are big factors.

Bitter Strikes

But there are signs of a change: a series of long and bitter defensive struggles, strikes and lockouts have taken place. The change at the top of the Teamster's union, when Ron Carey won the Presidency last December, on an anti-corruption ticket, shows the potential. One thing is clear, whoever wins in November, the massive problems of the US economy, stacked up over decades, will not go away.

The economic policies of Bush and Clinton offer nothing to American workers. It is in the next period of turbulence and economic crisis that more and more workers will draw the conclusion that an independent position is needed with the creation of a Labour Party and a struggle for a socialist society.

READ HIS LIPS!

Unemployment in the United States rose by 183,000 in August amid fears by some US economic commentators of a "double dip" or "triple dip" recession.

97,000 jobs were lost in manufacturing and US finance professor, Jeffrey Rosensweig said: "*People seem to be hurting now more than they have in a generation.*"

As investment company DRI McGraw said: "It is hard to see anything which will lift us out of it. There will be no economic boom for quite a while."

Didn't George Bush say last year the recovery had begun and a new boom was imminent?

POLICING THE POLICE

Whilst George Bush and other western leaders are calling for Serbs to face war crimes tribunals, an independent war crimes tribunal made up of international jurors and hearing evidence from thousands of citizens from dozens of countries has published its preliminary report on the Gulf War. The report finds George Bush, CIA director William Webster and generals Norman Schwarzkopf and Colin Powell guilty on 19 counts of breaches of the United Nations and Geneva Conventions and the suppression and distortion of information. Still with Bush, Webster, Powell and Schwarzkopf acting as global policemen, arrests are not expected!

YOUR LETTERS

YUGOSLAV REFUGEES: "IT'S NOT OUR WAR."

Refugees are fleeing the former Yugoslavia and bringing with them horror stories. Recently as part of my work I had to travel to an area near the Slovene border and spoke to a number of refugees.

Fatima, aged 21, told how her parents urged her and her 24 year old sister to leave after their home in Serb-occupied territory was invaded by Serbian Chetniks.

"They came round looking for weapons," Fatima explained. "They didn't find any and we were safe. "But they kept coming back. We heard stories of them raping girls as young as seven and eight. "My parents decided we should try to leave, and they gave us all the money they had"

Her Father was a civil engineer, who lost his job when the fighting forced an end to development projects. Now there was no building in their home town - only destruction.

Fatima was one of 21 refugees coming to Britain in one of a convoy of coaches organised by volunteers. The project was initiated by the headmaster of an independent school, motivated by religion. But many other people became involved, hoping that a small, practical gesture could force the government to do more to help these innocent victims.

The passengers who climbed aboard at the Austrian/Slovenian border looked less like refugees than day trippers. All were well dressed in comfortable, clean casual clothes - including designer shell suits and rock tour T-shirts. The women were perfectly made-up with neat, often dyed, hair.

Talking to them, it was obvious they were cultured, educated Europeans - not the "foreigners" the volunteers had expected. A few, like Fatima, spoke excellent English and chatted calmly about the most awful experiences. Many of the others understood most of what we said but did not have the English vocabulary to answer.

The group included a guitar teacher, and a professional dancer. The men and boys loved football. The teenagers listened to the same bands as their British counterparts - some loved heavy metal, others preferred trendy, alternative sounds. They smoked a lot.

One of the biggest surprises was that the girls - with their white skins, cigarettes, dyed hair, and passions for pop stars - were proud Muslims. The Asian "community leaders" in Britain would be horrified, but they had never heard of Halal meat.

All the refugees were bemused by what had happened to their country. They had lived side-by-side with other races, other religions, for years. Then suddenly, next-door neighbours had started shooting each other.

One of the men, Vickoslav, told British officials: "We have no religion. If that is what religion means we are not interested".

Different peoples had lived peacefully alongside each other in refugee centres, even worked together in a refugee theatre group. The truth was that this battle was organised from outside Yugoslavia, for other people's reasons and with other people's money.

They were the lucky ones - caught in the crossfire of some else's war. The terror shows no sign of ending for the people left in the ruins of Yugoslavia. The refugees were desperate for news of relatives and friends left behind. Fatima believes her father could have been drafted into the Serbian army, to be shot by enemies in front or behind him, and has no news of her brother or mother.

In the refugee camps of Slovenia and Croatia, people are desperate, with few clothes or other possessions. Fatima's group spent much of their first week in Britain sorting donated clothes to be sent back there.

There is no prospect of returning home. Vjekoslav said: "If the war was over tomorrow we could not go home. Sarajevo has been destroyed, there is nothing left to go back to".

June Regan, Midlands

WHAT ARE LABOUR'S LEADERS UP TO!

Dear comrades,

Perhaps the most startling thing about the recent Tory-inspired crisis in the British economy has been the reaction of the Labour leadership.

It is no wonder John Smith has been keeping a low profile. His policy is simply a slight variation on that of the Tories. When Labour has the chance to really put Major and Lamont on the spot they end up agreeing on economic policy. Even the TV commentators are finding it hard to see any real difference. Labour should oppose Maastricht and expose the government's failed economic policies and stop coat-tailing the treasury.

An angry Labour Party member

The Truth Behind the Gladio Conspiracy

In the summer of 1990 judge Felice Casson, who was investigating a terrorist attack that had cost three policemen their lives, brought to light the existence of the underground structure Gladio for the first time. In the following months, as the investigation carried on, many details came out about this organisation, its nature and its role.

Gladio was formed in the 1950s, possibly in 1956, on the basis of an agreement between the Italian and US secret services. The agreement provided for the training of several hundred men (the figure given by the government is 600 but it is in reality probably much higher) in espionage, guerilla action and sabotage.

Formally Gladio was supposed to be used in the event of an invasion by the Warsaw Pact, to organise resistance behind the lines. But this was just its cover. Its real task was to do everything possible to prevent a PCI-PSI (Communist-Socialist) government from coming to power in Italy. It was a structure created with the prospect of supporting a coup if the workers' parties got the majority in an election. For this purpose Gladio recruited its members among ex-fascists, army officers and secret service agents.

The history of "democratic" Italy is full of coup conspiracies. At the beginning of the 1960s, there was a crisis of so-called centrism (government based on the DC (Christian-Democrats) and other bourgeois forces) whose main object was to keep the PCI and PSI out of government. At first the DC tried to use the support of the fascists to overcome the crisis but violent workers' revolts broke out in Genoa, Turin and other cities. The attempt failed and the idea of a "centre-left" came into being. The plan was to bring the PSI into the government and get them to carry out the bourgeois programme with the support of the workers.

State Apparatus

Although the programme of reforms of the centre-left was very timid it was enough to lead part of the state apparatus and the bourgeoisie to plan a coup. The plan was drawn up by General De Lorenzo, commander of the *carabinieri*. The coup never took place because the majority of the bourgeoisie feared an open clash with the working class and instead preferred to rely on the leaders of the PSI to hold down the workers movement. This idea worked. Nenni, secretary of the PSI, reacted to the coup by hurriedly watering down his demands and reforms even further.

With a new explosion of workers struggles in the Hot Autumn of 1969, the state resorted to large-scale provocation to derail the movement. Starting with bombs in Milan in December 1969 (17 killed), a long series of terrorist attacks stained Italy with blood for years. Most notable among

these were attacks in Brescia in 1974 (8 killed), in 1980 at Bologna station (86 killed), and in 1984 on train "904" (16 killed).

These attacks were intended to create panic among the population, and increase the demands for "order" in society. By blaming the workers' organisations for the violence the bourgeoisie hoped to prepare the ground for a bonapartist clampdown. The coup plots grew in all sectors of the state apparatus. In 1970 there was a coup attempt (the Borghese Coup). The charges against the coup organisers were shelved in 1980 by the director of prosecutions Claudio Vitalone. In 1972 Licio Gelli's masonic lodge, P2 was founded. A parliamentary investigation in 1981 found plans



Political bombings were a key element of the Gladio strategy

drawn up by the lodge for a coup. In 1973 another coup conspiracy, the Windrose, came to light.

The Gladio organisation was involved in many of these episodes. Among its tasks was the keeping of files on numerous politicians, trade unionists, journalists and so on who would be rounded up and taken to Sardinia in the event of a coup. It is also believed the explosives used in several bombings came from a secret arms dump run by Gladio. In 1972, the then US ambassador applied great pressure for Gladio to be used in a coup plot. Italian newspapers have reported that a meeting between the US ambassador and an American journalist, Cyrus Sulzberger, whose family owned the New York Times, concluded, "The Gladio anti-invasion structure is no longer any use. It must either be overhauled, turning it into a spy network with internal objectives, or the CIA won't give another nickel."

Faced with these and numerous other revelations the response of the government has always been the same. They try to give the impression that it is only a question of a handful of people within a "healthy" apparatus who are against "democracy." And yet the secret services, in spite of all the "reforms" are regularly found, together

with army officers, judges and journalists in every conspiracy uncovered.

In spite of the enormous mass of evidence accumulated over the last twenty years, not one of the trials for bombings has ended with a definitive sentence. Licio Gelli, super conspirator, is living it up at his villa in Tuscany. Edgardo Sogno, a Christian Democrat, ex-partisan, who was involved in the Windrose conspiracy, travels about Italy plugging his book in which he explains his particular concept of democracy. Politicians who belonged to the P2 have returned to their posts, whilst one or two generals have simply had to retire a little early. In recent years appeal court verdicts have overturned sentences against neo-fascist elements for the bombings at Milan, Bologna and on the "904."

Official Secrets

The basic documents concerning Gladio - from its founding documents onwards - are still protected by official secrecy. The archives placed at the disposal of judges were previously "purged" of the most compromising information. All this is no accident.

The existence of structures like Gladio is not at all in contradiction with the capitalists notion of parliamentary democracy - on the contrary. The capitalists, who see things much more seriously than certain "leaders" of the labour movement, are perfectly aware that the fundamental basis of their power is neither parliament nor elections nor any other democratic right. The basis of their power is in the state apparatus, in the army and police, in the prisons and the secret services. Parliament and the "free press" may serve their purpose in "normal" periods, when "order" is not threatened. But when the workers, as happened in the 1970s, are on the brink of revolution, the bosses know perfectly well that they cannot rely only on "legal" means to stop them. This is why Gladio-like structures are created and prepared within the state in every period, ready to be used in moments of "emergency."

All Prime Ministers, Ministers of the Interior and Defence from 1956 were informed of the existence of Gladio and gave their approval for its continuation. It can be said that the permanent conspiracy against the workers' movement is just as much an element of bourgeois democracy as the secret vote and any other right offered under parliamentary democracy. Obviously, what was involved was not just a few fanatical anti-communists but the very core of the state, which was kept at the ready to cancel all the rules of bourgeois "democracy" at a stroke if these proved to be an obstacle to maintaining the power of the capitalists over society.

By
Claudio Bellotti

CANADA: THE FIGHT FOR WORKERS' UNITY

Walking around a bookstore in Toronto, in Canada, I saw a small book called, *Mulroneys' Government's Achievements*. I picked up the book and looked inside to see 50 or so blank pages!

After eight years in power, the Canadian Conservative leader is as disliked as Margaret Thatcher was before she was deposed. Involved in corruption scandals and economic crisis the Canadian Conservatives will most likely face defeat in the general election due in the spring of 1993.

The economy, like all the capitalist world is in deep recession. By far the biggest trading partner is the USA which, in recession, is attempting to off-load some of its problems on to countries like Canada.

Resource Rich

Canada, rich in natural resources of wood, water power and oil, exports 25% of the goods it produces (mainly raw materials and partially processed raw materials) and imports 33% of its manufactured goods and services. It is therefore highly dependent on world markets.

The Mulroneys government has faced a mounting national debt and budget deficits. Today the national debt stands at \$430 billion (approximately £220 billion) and the country has constant budget deficits of around \$30 billion. All this has resulted in the government seeking to off-load the crisis through public sector spending cuts and higher taxes.

In a country with a population of 26 million people, unemployment is over one million, standing at 11% and it is estimated that 21% of all industrial jobs have been lost since 1989.

Three issues dominate the debates in the media, all of which reflect the economic crisis of Canadian capitalism: The North American Free Trade Agreement (NAFTA), Quebec and the national question and unemployment.

Tens of thousands, if not hundreds of thousands of jobs are threatened by a newly agreed NAFTA. This agreement, still to be ratified, comes three years after the Free Trade Agreement (FTA) between the United States and Canada, and is an attempt to broaden and further entrench US bosses control over Canada

and Mexico. In the USA, Bush has said NAFTA will be a great deal for the United States workers and business.

Socialists should oppose NAFTA. It is less to do with "free trade" and more to do with allowing US multinational companies more free reign over Canadian and Mexican workers. The US corporations find the trade unions strength in Canada "prohibitive" and they intend to use NAFTA to weaken the unions and hence lower wages and worsen conditions in their Canadian factories and offices.

Union Strength

The trade unions in Canada hold a pivotal position for socialists. They have retained, and even strengthened their position in some areas over the last decade - this despite some long battles and bitter defeats. Over 3.5 million workers belong to the trade unions. The de-

to intensify after the general election in 1993.

Another issue high on the Canadian political agenda is the constitutional question. Throughout the summer the TV and newspapers reported on the threat of a constitutional disintegration and possible physical break-up of Canada. During the recession all the efforts to maintain the Federation together are being strained to the limit. Talks, aimed at hammering out a new constitution in order to keep the largely French-speaking Quebec province within Canada, have dominated the recent political news in the Canadian press.

Two decades ago, in 1970, the then Prime Minister Pierre Trudeau, leader of the Liberals (and from Quebec) sent Federal troops into Montreal and Quebec City to put down riots. However by 1980 Trudeau had defeated French Nationalists in a referendum on separation (41% voted yes, 59% voted no) and the issue appeared to have taken a back seat in Canadian

CANADA FACTFILE:

Population: 26,893, 000

GDP: US\$ 373,690 million

Unemployment: 9%

Inflation: 4%

**Prime Minister: Brian
Mulroneys (Conservative)**

Growth 1991: -0.8%



cline in industrial jobs and attacks by the employers and the government has inevitably resulted in a certain loss in membership in some sectors but the overall position of the trade union movement has been maintained.

Today about 36% of workers are organised in the unions, down from an all-time high of 40% in 1987. The public sector unions in particular are powerful with more than 90% density and construction at 60% and transport also at 60% are both well organised sectors. In fact, in Ontario this summer, 8000 construction labourers waged a successful strike over a wage claim. The public sector unions are now facing an onslaught through cuts in public spending and attempted privatisations which are likely

politics for a number of years.

Canada has always been controlled by English speaking bosses and the French majority of the Quebec Province have suffered repression, including the suppression of their own language. Since 1970 much has changed with Trudeau bringing in multicultural reforms and making Canada officially bilingual.

Separatism

But the dangers of separation remain strong due to economic factors. The nationalist Parti Quebecois (PQ) at one time applied to the Socialist International for affiliation and has been supported by many Quebecian trade unions. But it has now moved to the right and

clearly identifies itself as a pro-capitalist bosses party and is losing support to the New Democratic Party (Canadian labour party) in Quebec. However, the national question remains a key issue.

The historical division of French\English speaking areas is still immense. Travelling from Toronto, with a population of 3.5 million, to Montreal, with a population of 3 million, the visible differences are enormous, culturally and linguistically. Only a clear position on the national question, putting forward equal treatment of both English and French speakers and the right of both to self-determination within a socialist federation of Canada can prevent the country, suffering from an economic crisis, being torn apart by nationalist rivalries.

National Question

The NDP needs to adopt a very clear position on this in order to make headway against the PQ in Quebec which contains 26% of Canada's population, second only to Ontario with 36%.

The national question is essentially a "question of bread," to use Lenin's phrase. Because of the inability of capitalism in Canada to provide the whole population with jobs, decent wages and so on, nationalist tendencies are given a spur because workers see no other solutions on offer. A clear socialist policy guaranteeing language rights to each province and using the country's resources for the benefit of the whole population to provide jobs for all, a shorter working week and decent housing would gain a big echo, especially in the trade unions and would cut the ground from under the nationalists.

A socialist programme would also guarantee the national rights of the Indian peoples (Indian, Inuit and Metis.) Whilst they only make up 1% of the population they continue to suffer repression at the hands of the Canadian capitalist class.

Many nationalities live in Canada. The population has grown from five million in 1900 to 12 million in 1945 and is 26 million today. It is mainly an immigrant country and each new layer of immigrants tends to be forced into the less well paid and menial jobs, which serves to build up resentment.

New Democratic Party

As unemployment rises and poverty increases, the spectre of racism is raised. Racism and the national divisions of French/English speakers will be used by the capitalists and the right to divide the workers and attempt to break down the unity of workers struggling to maintain a decent standard of living.

A new political party, the Reform Party was recently established, which is already seeking to play on such prejudices and has made some

limited gains in the opinion polls.

The NDP and the trade unions should have no truck with those who seek to divide workers on ethnic, race, colour or any other grounds but explain clearly that poverty and unemployment are not the fault of any particular ethnic group in society but an inevitable by-product of the capitalist system.

It appears most likely that the Liberals will win the 1993 general election. However the NDP has made big strides forward and is the only independent workers party in Canada.

The NDP was set up in 1958 from the trade unions and the Co-operative Commonwealth Federation, an agricultural labour party. It now controls three provincial governments out of ten and in the last general election in 1988 came third but with more votes (18%) and seats than ever before. Opinion polls indicate that at times its support has reached 40% and more than 50% in Quebec province.

However its record in government in the provinces has been one of cuts and attacks on workers as with any party attempting to work within the confines of the capitalist system. The NDP clearly needs democratising so that control rests with the membership and not a few parliamentary careerists.

Economic Programme

It also needs a clear socialist economic programme to offer an alternative to the crisis of the capitalist economy. Such a programme can be fought for within a left movement in the trade unions and the ranks of the NDP.

The principal task for the Canadian labour movement is the struggle to transform the NDP and utilising the tremendous potential power of the unionised workers and their allies to take control of the economy and the society for the majority - the French and English speaking workers - out of the hands of the English and French speaking bosses.

**By
Brian
Beckingham**



Workers wearing masks of Canadian Prime Minister Mulroney protest about unemployment.

CHAD STRIKE LEADER ARRESTED

Workers in Chad took part in a five-day general strike during September in response to plans by the government of Idriss Deby to raise income tax and cut wages. Broadcasting Workers' Union leader Samba Akonso was arrested by para-military police after ordering a stoppage at the state radio station. The Chadian Trades Union Confederation (UST) which called the general strike said the arrest was an attempt to intimidate strikers by arresting one of the main organisers. The UST are planning more stoppages unless the government's plans are revoked and strike leaders have not ruled out the possibility of an indefinite general strike.

RAIL PRIVATISATION MUST BE DEFEATED

by
Steve Martin

Back in May, one MP described railway privatisation as John Major's poll tax - and he was a Conservative!

With little left to sell and a yawning budget deficit, the Tories are to push privatisation of the railways through parliament. The Tories will try and pretend privatisation will benefit the passengers - in reality it will benefit no-one but the purchasers of the dismembered parts of British Rail sold at knock-down prices.

Passengers will loose out as fares rise in the longer term to pay for "investment" and through the withdrawal of subsidies and the loss of so-called peripheral services.

The biggest losers, as in every privatisation so far, will be the railworkers, in terms of wages, conditions and union rights. That is why the Rail unions must unite to fight what will be a disaster for their members.

Profit-Making

The Tories have divided up British Rail into sectors independently accounted to prepare the profitable activities for sale. Railway land sales, freight services and Inter-City have all returned profits. Thatcherite entrepreneurs invest to make money. In any privatisation those who buy the companies will do so to make profit. The return on investment on the railways is currently around 8% in the profit-making areas. The private sector would demand a rate of profit nearer 25%. Therefore they will cut down on investment, attack wages and conditions and run down unprofitable services.

In preparation for this BR has already taken steps - investment in new trains for the West-coast mainline has been postponed and some services have already been axed.

Charterail, a venture using private capital to develop freight services went into receivership in late August among arguments over the price charged for locomotive haulage. One company reverted to road to replace newly installed rail facilities. Then there is the debacle of the channel-tunnel rail-link. While France has an ultra modern TGV link mostly on new routes, in Kent, trains will use lines which have hardly developed since initial electrification in 1959. Private buyers are unlikely to make the necessary investment except in a few lucrative areas geared to business customers not the general public.

Private industry is already showing it cannot develop decent rail services so why are the Tories intent on privatising it?

In the last few years, since measures to worsen drivers conditions and economise on track-installations, there has been a spate of accidents. Notable were several incidences of trains running through red signals, and more than one head-on collision on a single-lead junction. The latter is a direct case of reduction in safety factors.

What price safety on a privatised system? It was always a battle to make the old private Victorian railway companies spend money on safety. After all, it cut dividends. At the present, recommendations of the Railway Inspectorate are NOT binding. They will not be binding on private operators either. Already investment is not being made in vital areas of safety such as cab telephones, data recorders and Automatic Train Protection, all areas identified as necessary in the report following the Clapham disaster. Under a private system such investment will not be forthcoming - a return to Victorian values so praised by Thatcher?



Other aspects of safety will also be affected. Cuts in staff in order to make the services more profitable will mean more stations becoming "staff-free" especially at night making late-night travellers, women in particular, targets for muggers and rapists. Staff will have to work longer hours with the inevitable risks that arise from tiredness and lack of concentration.

Creeping privatisation is already happening. Inter-City has withdrawn services from

London to Shrewsbury, Blackpool, Lincoln, and Grimsby. Other services off the main trunk routes, or "operationally inconvenient", will follow. Stagecoach, a major private bus operator, now operate seated accommodation on overnight London-Scotland trains. Several companies run their own freight trains on BR metals.

It is true to say that more investment has gone into electrification and new stock in the past few years but that only emphasises two decades of neglect previously and the Tories use of public money to prepare the industry for the profiteers when it is sold off.

Outdated Stock

However, much capacity has been cut, and in some notable areas, locomotives and multiple units over 30 years old are still in use with signalling systems to match. The huge costs of railway stock cannot produce enough return to justify private investment. As with the bus industry, private railways will be starved of investment. Old stock and infrastructure will simply increase the risk of serious accidents.

Rail management is attacking workers

conditions. Anti-social hours, and mileage payments will go, as will as many railworkers as possible. The Clapham junction disaster was caused by a mistake made by an engineer working in excess of twelve hour days, both to make up a wage and cover for lack of staff. Last month, a driver of a London-Manchester express had to continue at his job despite suffering trauma after a man committed suicide under his train because no relief was available.

Trains are shorter, early and late services are being axed, fares are rising faster than inflation. Now, disabled rail-card holders will have their discount card reduced from 50% to 33%. This is a sign of things to come under privatisation. On privatised services, will discounts be offered at all?

Campaign Needed

Selling off British Rail will benefit neither rail passengers nor workers. The rail unions must mount a vociferous campaign to keep BR nationalised. The Labour Party must wake up and do the same since it can and must be beaten. We do not want the same old railway system but we don't want privatisation either. We want a railway run in the interests of its passengers and staff with proper funding and an expansion of facilities.

Even Howard Davies, the Director General of the CBI, the bosses organisation, pleads with the government not to cut back public transport spending. But this years "star chamber" has resulted in a likely 6% cut as the Tories economic strategy collapses in ruins. Britain's transport infrastructure, by comparison with that of Western Europe is years behind. Even the much vaunted road lobby only manages to win investment at a level 30% below the EC average. Rail subsidy has fallen to 0.14% of GDP, about £1 billion a year. Britain comes consistently bottom of rail investment tables, with even Spain spending twice as much in 1991. The major "radical" proposals for rail, the Serpell report, and now "privatisation" mean only further closures and disinvestment.

To quote the CBI, "A coherent national transport strategy is now more vital than ever. It is fatally short-sighted to argue that short term economic difficulties must put it into abeyance".

Government Funding

What the CBI wants is government funding of transport infrastructures, as promised by John MacGregor in June, and license for private companies to make money providing services. They complain about a back-log in road maintenance, the costs of road congestion, estimated at £15 billion, and the dire straits faced by the construction industry. The Financial Times calls for more spending, on the basis of wage freeze for public sector workers. The Labour movement must make no mistake. While we point out the disarray of the bosses and their party, we must not conclude that there are common interests. The bosses are only interested in lining their own pockets at our expense.

The main reason why public transport will never receive backing in the way that private individual transport gets concessions, (estimated at £2.5 billion on petrol, parking and

car purchase for company car owners) is profits. A high proportion of the British, and many other modern economies, is tied up in car manufacture, finance and maintenance. What is needed is a public transport system that can give most of the advantages of individual transport but at a fraction of the financial and environmental cost in pollution, waste of materials and space.

Railworkers on BR and London underground have voted for industrial action recently. Isolated strikes have taken place. The unions must not damp down the willingness of their members to defend jobs and wages, because that will inevitably lead to defeat. Privatisation of the railways is unpopular. A united struggle of the rail workers can defeat it.

Any campaign against rail privatisation should draw on the lessons of bus privatisation and deregulation.

Falling Wages

It is undoubtedly the busworkers who have suffered most. Average wages have dropped from above the national average to 4% below. In the last few months wage cuts have been pushed through by Ribble Motor Services, owned by Stagecoach, a major private operator. Throughout the industry, since 1986, minibus drivers have seen a fall in their real wages and now receive no overtime pay and no paid meal breaks. Large companies have introduced differential rates of pay for new starters. Union rights have been attacked.

Competition has meant the concentration of resources on major routes with the abandonment of unprofitable services. On the railways this will mean many rural and off-peak services could be axed.

On the buses it has been a period of instability as companies, both large and small come and go. Several companies have folded with the loss of hundreds of jobs. In South Wales, four council-owned companies have collapsed and this year, the former major national bus company in the area went into receivership, and finally closed in August.

In addition there has been a decline in safety

standards. One private operator had their operator licence withdrawn following an accident involving a coach with no brakes! The fleet was subsequently taken over by his wife with a new operator licence. The police have reported a number of incidents where they have ordered unroadworthy buses to cease operating.

Fewer Passengers

Some purchasers have just simply asset stripped the bus companies they purchased. Stagecoach, within a year of buying Hampshire Bus in 1987 sold Southampton bus station and garages for considerably more than they paid for the whole company. In reality the result has been that despite more miles being run, there are fewer passengers. In Scotland passenger numbers dropped 5% in 1991. If the same occurs under railway privatisation it will inevitably lead to more cars on the road, aggravating traffic and environmental problems.

Private companies are run for profit. To paraphrase the manager of a major company - it makes more sense (profit) to run a full 25-seat bus than run a seventy seater with forty seats empty - that means leaving the extra passengers standing at the stop. Private operators of buses or trains will want to obtain the highest fares they can - from fewer people. Facilities such as timetables, station waiting rooms and clean trains will be run down under private ownership.

Neither rail nor bus privatisation can solve the problems of Britain's transport network. An integrated planned transport system is the only way to overcome the problems of safety while providing a cheap, efficient service for customers.

The Labour Party must commit itself to renationalisation of the bus industry and to proper transport investment and planning. Socialists must campaign for control of a nationalised rail service, not by the old managers or remote bureaucratic planners, but by their workers and users.

PRIVATISATION - NO SOLUTION

Less than one third of people think Tory plans to privatise the railways will result in any improvement in services. The latest NOP poll shows more than twice as many people believe privatisation of British Rail will lead to no improvement in Britain's transport system than those who believe services will improve.

Despite the overwhelming evidence that a properly funded, nationalised railway system is safer, more efficient and cheaper than a dismantled, privatised system and despite the overwhelming public and staff opposition to privatisation the Tories have pledged to carry on regardless. For thirteen years the Tories have given us privatisation, deregulation and cutbacks in investment all of which have resulted in worse services. Now they are offering more of the same.

STUDENTS CAN'T AFFORD TO WAIT!

By Kate Purcell,
Leeds University.

Four successive terms of Tory rule have seen a bitter onslaught against our education system. With the freezing of grants, the introduction of loans and the abolition of the right to claim housing and social security benefits, students are being forced to live in poverty conditions. Not content with these vicious attacks on students' standards of living, the Conservative government, in an attempt to cut public spending further, is also attacking the standard of education.

The Tories have reduced the amount of block grant funding for universities and as this grant is proportional to the number of students registered, universities are having to increase their student intake in order to cover the shortfall. This policy is actively encouraged by the government who can therefore claim credit for record number of young people going on to higher education without any increase in financial cost.

Simply put, Universities only receive the same amount of money they did several years ago, despite rising student numbers. This is leaving universities with the additional financial burden of extra students without having the means to expand facilities to deal with the increase. Major problems of accommodation shortages have arisen and chronic overcrowding in lecture halls is commonplace with a poor student/lecturer ratio.

NUS Leadership

Whilst the blame for this situation lies firmly with the Tories, the leadership of the National Union of Students must share in the responsibility for the implementation of such attacks. Their lack of serious opposition has given the government a smooth and easy ride.

This is best illustrated in their recent anti-loans and anti-poll tax "campaigns." Despite a movement on the ground to fight against the implementation of the loans system, the National Organisation of Labour Students (NOLS), which dominates the leadership of the National Union of Students failed to respond effectively to mobilise and direct this anger. The incompetence of the campaign was a direct consequence of the right wing Kinnockite ideas which have seen not only great defeats for students but also resulted in the fourth

consecutive defeat of the Labour Party.

The Labour Party leadership's condemnation of the anti-poll tax movement was echoed by NOLS. Stephen Twigg, President of the NUS at the height of the poll tax campaign, told conference that he was proud to be paying his poll tax to a Labour council. Despite NUS voting overwhelmingly in support of non-payment, what chance did an NUS campaign have with such bankrupt leadership?

This academic year will see a growth of anger with the Tory government and impatience with the NUS as students return to colleges after a summer of unprecedented hardship. Students have been told by the leadership of NUS to sit



Students march against loans

tight and wait for a Labour government term after term. They waited but the victory did not come.

Unable to claim benefits and unable to find vacation work in a country torn apart by the failure of the Tories' economic policies, students cannot afford to sit and wait another four years.

Already we have seen individual student unions frustrated by the lack of direction from NOLS, misguidedly calling for their colleges to opt-out of their area NUS. Whilst understanding their impatience with paying large affiliation fees and seemingly receiving nothing in return, such moves would only result in a weakening in the overall power of the union. Break-away student unions would become

isolated and could gain nothing alone.

Tory attacks cannot be defeated by uncoordinated local action, therefore any attempt to undermine the NUS closed shop policy, i.e. its compulsory unionisation of all members, must be opposed.

NUS with its 1.5 million members is the biggest youth organisation in Europe and has massive potential. Coordinated regional and national campaigning would place enormous pressure on the government to abandon its destructive educational policies and also on the labour and trade union movement to actively support the rights to a free education, accessible to all.

Fighting Union

A strong fighting union of students should raise not just the issues of student poverty but also the issues affecting the working class and society, particularly with racist attacks on the increase and the far right rearing its ugly head again in both Eastern and Western Europe. The NUS should affiliate to the TUC to build links with the broader labour and trade union movement, especially with the unions involved in the education sector in order to defeat Tory cuts with joint student and workers action.

FIGHT FOR THE FULL CLAIM

The prospect of further strikes in colleges, universities and polytechnics is on the cards after the college employers group rejected Nalگو's claims for a 10% or £1,000 pay claim.

Nalگو members have already held a solid one day strike in August and are now planning further stoppages to coincide with the start of the new academic year.

During the last strike many lecturers and ancillary workers refused to cross Nalگو picket lines and now Nalگو must approach the other unions to seek their support for the action to avoid the possibility of individuals who don't cross from being victimised. The other unions should instruct their members NOT to cross picket lines.

Administrative and technical staff in the education sector have suffered from low pay for years and now there is a chance to begin to ameliorate the situation. It is vital Nalگو win. With real solidarity the full claim can be won.

SOCIALIST

APPEAL

The Marxist voice of the labour movement

**SOUTH AFRICA:
AFTER BISHO
- SEE PAGE 21**

***The Gladio
Conspiracy
See page 26***

FIGHT THE FASCISTS: BUILD FOR OCTOBER 31

It's time to act against the fascists! That was the decision of Walsall Borough Labour Party at its July meeting. Now they, supported by local trades unions, have called a march and rally against the far right National Front and British national Party.

This move comes after months of attacks, provocation and intimidation in the area. Both the National Front and the BNP have targeted Walsall over recent months, threatening Labour Party members and councillors, organising demonstrations and assaulting women who's only crime was to campaign against domestic violence in the area. recently the local newspaper also reported the discovery of KKK material after residents had reported a bizarre and terrifying cross burning ritual taking place near a local housing estate.

**By a Walsall Labour
Party member**

In July the BNP were allowed to march through Bloxwich in north Walsall with police protection. But when anti-fascist campaigners organised a march on September 19 supporters were prevented from carrying banners and an ex-Labour councillor was arrested whilst handing out leaflets for the Labour Party march on October 31.

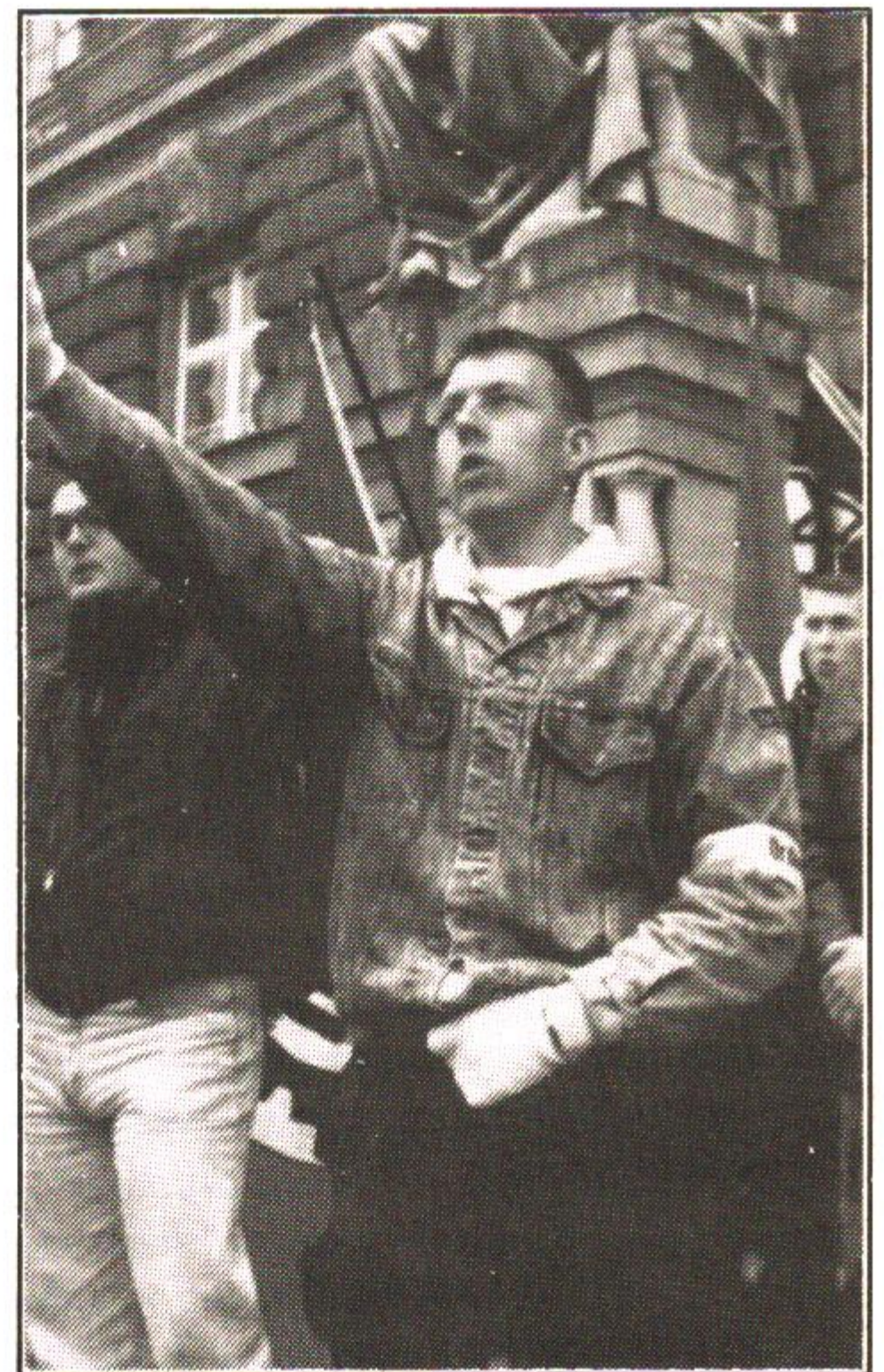
Support for our march is growing. Already the Labour Party has pledged to call a regional mobilisation and the local Trades Union Council is backing the demonstration as are most of the affiliated unions, the Indian Workers Association

as well as the Anti Racist Alliance and the Anti Nazi League. Several unions have also pledged financial support for our campaign.

The Labour MEP has given over his office to help organise the demonstration and local activists have been leafletting housing estates and visiting shops to ask them to display posters.

The purpose of this demonstration is to pull together the anti-racist and anti-fascist forces under a united labour movement banner. The local labour movement of carrying the campaign on and into the workplaces, factories and estates.

Trade unionists and labour movement activists should get in touch with the campaign office and build support for the demonstration, organising transport and making sure we have a massive turnout on the day that will send a clear message to those who seek to use racist and fascist poison against the working class.



**WALSALL BOROUGH
LABOUR PARTY**

**MARCH AND RALLY
AGAINST RACISM
AND FASCISM**

OCTOBER 31

Assemble 12.30pm King George's Park, Bloxwich

March to Walsall Town Hall

For further info: 0922 22586

**NATIONAL
DEMONSTRATION
AGAINST THE
ASYLUM BILL**

**SAT NOV 21
12 Noon Hyde Park**

**Refugees Demand
Justice!**

**FIGHT THIS
RACIST BILL**

**Organised by RAHCAR
For further info: 071-738-6408**