



# **socialist**

## *appeal*

# **Revolution in Indonesia**

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# no. 60

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## Editorial

# G8 summit: looking the other way

With revolution on the streets of Jakarta, India letting off some nuclear bombs and the whole of the south east Asian economy heading for the abyss, you'd think the so-called world leaders at the G8 summit in Birmingham would have had plenty to talk about. Unfortunately, they were looking the other way.

The most memorable moment for most people was seeing Bill Clinton down the pub, or maybe it was Yeltsin and the Teletubbies. In a weekend of platitudes they came up with precisely nothing in relation to the real problems facing the world. 50,000 people demonstrated on the issue of world poverty and debt relief. Blair, champion of ethical government, rather than meet the demonstrators who had planned to encircle the International Conference Centre where the summit was being held, led the summitters down the M6 to Weston Park, the 17th century country retreat of Lord and Lady Bradford, for a bit of privacy. The 'leaders' of the big industrial powers were well and truly turning their backs on the question of world poverty.

Only a year ago, Gordon Brown, at the Commonwealth finance ministers

meeting, had called for three-quarters of the 41 poorest countries to be on the way to 'meaningful' debt relief before the end of the century. Now, his boss has changed this strategy to one of taking 'the policy measures needed to embark on the process as-soon as possible.' The G8 leaders, fresh from their Friday evening banquet of guinea fowl and vintage cognac, had once again side-stepped an issue facing billions of people in the developing world.

And this was not the only issue they side-stepped. On Indonesia, what did our world leaders have to say? Nothing. As Larry Eliot writes in the Guardian, '*It is not hard to see why the West feels slightly uneasy, even shame faced, about what is happening in Indonesia. President Suharto has been in power more than 30 years, yet only now has the G8 decided that he is actually a bit of a cad. that's a bit late for the people of East Timor, killed with weapons sold by the West.*'

The summit's conclusion, calling for 'sustainable economic growth' and 'enabling' the developing world to 'integrate better into the world economy,' must sound like so much hot air to the billions throughout the world facing hunger, poverty and unemployment.



**G8 fiddled while Jakarta burned**

# Northern Ireland Workers need their own voice

The leaders shrugged off talk of a world-wide recession. 'Prospects,' according to their final communique, 'have been temporarily set back by the financial crisis in Asia.' Behind the scenes, however, they fear that the south east Asian crisis could spread like wildfire. Tony Blair paid special tribute to the Chinese government for its commitment to 'financial stability.' This was a coded message for the Chinese not to devalue the Yuan, a move that could lead to economic freefall in the region.

Blair and Clinton wanted the big issues to be something very different. Questions like 'reforming' the financial architecture and 'employability' in the face of globalisation and technological change. In other words: whatever the ills, capitalism is not to blame.

The economic crisis in Japan, for instance, is merely a product of its 'feudal' finance system and 'rigid' markets. Or the millions who languish on the dole in Germany are not products of a crisis of capitalism, they are products of their own lack of 'employability' and the Germany economy's lack of 'flexibility.' The message is clear: to survive in the new high tech age of global capitalism we need a dominant and unfettered financial sector and a 'flexible' workforce.

Larry Elliot in the Guardian points out, 'The global economy is at a crossroads. The world may be on the verge of a long upswing to match that of the post-war golden era, with full application of new technology leading to higher growth and increasing competition keeping inflation low. But it is also possible we could be on the brink of something much nastier; a full scale global economic crash, triggered by Asia.'

It was not just the poor of the developing countries that the G8 leaders turned their back on. They turned their back on the very real dangers of their own system spiralling out of control. Tony Blair, champion of soundbite politics, led the pack in telling the world of how 'sound' the world economy really is.

'Free markets work' was the propaganda from the summit. Yes, and the Tories are the natural party of government...

**On Friday 22nd of May the people of Ireland, North and South, voted in a referendum to support the peace deal that finally emerged from the multi-party talks. Now everything seems resolved as the deal has received a resounding "yes" vote. The turnout in the North—more than 80%—was a record. And the result was an overwhelming majority for the "Yes" campaign—71.1% against 28.9%. So is this, then, the end of the "troubles" that have dominated Irish politics for three decades?**

The first reaction of the majority on both sides of the border will certainly be a sigh of relief. People stopped in the street made comments like "I hope it works. I've lost too many friends." and "We just want peace to get on with our lives." This is only natural. Over 3,000 people have died in the period of the "troubles." A whole generation have grown up in the North without knowing any other life than one in the shadow of the bomb and the gun. Now suddenly the war is said to be over, and everyone is claiming victory!

David Trimble, head of the Ulster Unionist Party, claims that the agreement "legitimises the Union." Martin McGuinness, leader of Sinn Fein argues that it is a step in the direction of a united Ireland. But both cannot be right!

## Deal

What does the deal offer? A new elected legislative assembly is to be set up to govern the North; there will be some kind of cross-border structure to establish links between the North and South (a sop to the nationalists) and there will also be a British-Irish "Council of the Isles" which will firmly link the North to Britain (a sop to the Unionists). None of this will solve any of the basic problems that started the conflict in the first place.

The main thing is that the deal, which tries to please everybody, will ultimately satisfy nobody. The contradictions are too great. The border will remain. And the greatest paradox of all is this: that London is no longer interested in holding onto the North, and would be glad to get rid of it. In the past it had both an economic and strategic importance to the British empire.

But now it has neither. The military factor has disappeared, and economically the province is a huge drain.

While legitimising the border, with the south now dropping its claim on the six counties, the new assembly locks in the sectarian divide to everyday politics. Rather than offering a new era, it offers up the same selection of tired sectarians and mixture of Tories. The assembly will not only be elected proportionally, it will also operate through a complicated system of rules where no one 'side' can dictate. Its executive will be drawn up with representation based on how many votes you get, rather than from the biggest party. Legislation will not be able to be passed if 60% of either bloc are against it. This could easily lead to political deadlock. It also assumes that everyone will continue to vote in the same old sectarian matter. The 'new era' is not quite so new after all.

## Alliances

The media is already full of rumours about potential pacts and alliances. Even the idea of a pact between the catholic SDLP and the protestant UUP has been floated.

Throughout the whole process, however, the working class has had no real voice. We've been forced to listen to the Trimbles, Humes, Adams and Paisleys, who have strutted around demanding the world listen to them and take their opinion seriously. Yet it is precisely these politicians who represent the old ways, the 'troubles,' and the sectarian divisions. If 'peace' is not to collapse at the first hurdle then we really do need something new. And it will not come from them.

The trade unions in the north should immediately be preparing to organise a real political voice for the working class. Only a genuine party of labour based on the trade unions can breach the sectarian divide and unite both catholic and protestant workers around a class programme of action to tackle the huge social, political and economic problems that pervade society in the north.

We must reject the stranglehold of the sectarian politicians. *Working class political organisation and a socialist programme are the only real way forward.*

# Walkout at Lite-On

Workers at the Lite-On plant in Mossend, Lanarkshire walked out on Thursday 14th May in protest at management's announcement to close two of its three production lines with the loss of 200 jobs.

Lite-On, a Taiwanese electronics firm, has been producing monitors for IBM at its Scottish plant since it opened as part of the huge *Euro-Centre* development around the big Chungwa factory. Chungwa is Scotland's biggest ever single inward investment, worth £260 million and with the promise of 3,300 jobs.

But rather than the expected 1,000 extra jobs, Lite-On has pulled the plug on two thirds of its production facility, citing 'higher than anticipated' production costs and

the Far East economic crisis as its reasons.

Workers are angry that only three years after being promised long term job security in economically depressed Lanarkshire they are back on the dole and their jobs have been transferred back to Taiwan.

Blair and the Labour leadership are quite proud of the huge amount of 'inward investment' into Britain, but Lite-On proves that genuine economic prosperity can never be built like this.

# News



## Total schooling for Britain's kids

The Labour government's policy on education has received a lot of attention. David Blunkett has trumpeted a whole series of 'initiatives': minimum homework requirements, literacy summer schools, Saturday schools, homework clubs, after-school clubs and even before-school clubs.

And what is the underlying idea behind this huge extension of the school day? The buzz word amongst 'educationalists' is permeability - schools should be opened up to the community, involving not just education for children but also general childcare, adult education and even business.

Cambridge University's David Hargreaves is a champion of 'permeability.' Traditional schools, he says, are outmoded institutions 'protruding from the changed landscape like carcasses of the factories on which they were modelled.' The modern school should equip children for a future flexible labour market. This is where his idea of the 'total school' comes in. One Cheshire eight year old described his experience at one of these new clubs: 'The holiday club is even better (than the breakfast club) because you have tea and toast in the mornings and sometimes you get picked to make it.'

So when we think back to those long, hot days of the school summer holidays when we were kids, think again. If we don't do something about it, the 'total school' will reign in the new 'flexible' Britain.

# Real left slate needed for NEC elections

This year's elections to the Labour Party National Executive Committee will be very different to those of the past. The most noticeable difference is that MPs will no longer be able to stand for election via the constituency section. Of course last years NEC elections provided something of a shock for the Labour leadership.

Peter Mandelson failed to get elected onto the body as he was beaten to it by Ken Livingstone, whose vote shot up by 43%. Indeed the vote for the rest of the left slate increased by around 40%. This was certainly not what was intended when the OMOV system was brought in. Some had assumed that the postal ballot system would favour media friendly candidates in order to eliminate the left by relying on the vote of inert layers to outvote the activists. However these results showed that the critical mood which the activists have felt was also being reflected amongst the whole party.

This good showing should have been the signal to start a serious campaign by the left to mobilise against the Millbank machinations for this year's NEC elections and put forward a proper left slate. Unfortunately what we have seen already is a tendency towards defeatism and an avoidance of a clear programme and strategy. A slate has emerged from a meeting of various left and centre groups and newspapers to garner nominations,

which close on June 6th, for prospective candidates to the NEC constituency section.

Questions should be asked about not only how these names were selected but also why it was necessary to involve the so-called "centre" groups, a renaming of, in the main, the old right wing who have become hostile to Blair. The result has been a weak slate standing on a pretty minimal programme (although we would give support to the drive to nominate Liz Davies, Cathy Jamieson, Christine Shawcroft and Mark Seddon).

### Democratically

It would have been far better to have had a proper slate of the left, democratically elected by the activists (say at an open conference) and around which a genuine socialist campaign could then have been waged. We saw the effect that a relatively half-hearted push around the Campaign Group slate had on the election results last year.

Consider then how much more effective would be a real fighting campaign which could both mobilise and enthuse the activists in the party and unions not only around the candidates themselves but also the need for socialism. Such a campaign should certainly be launched around those left candidates who do achieve nomination this year.

Steve Jones

# Nike: 'just doing it' for the money

In the ruthless search for new markets, the world of sport has come to be seen as a potential area for a quick buck and any ideas of 'honourable' Olympic ideals are fast disappearing. The previously thoroughly working class sport of football is now even more about share prices than the 'beautiful game' or the supporters. Even in the 'amateur' sports, sponsorship from big business is the piper that plays the tune.

by Mark Turner

However over the last 20 years through a mixture of exploitative marketing, aiming in particular at youth, and the appalling exploitation of workers, a rich seam of profit has been mined by the sports clothing industry. The brand name sports companies, whose products are promoted as cool, essential fashion items for the young, have made a killing. In fact, so desirable have they become that you could get killed in certain US inner cities for a pair of cool trainers! Prices are hiked ridiculously high whilst production costs are kept very low. This led to Nike Chief Executive Phil Knight, for example, to go from selling Japanese trainers out of a car boot to being the US sixth richest man, with a personal fortune of \$5.7 billion dollars.

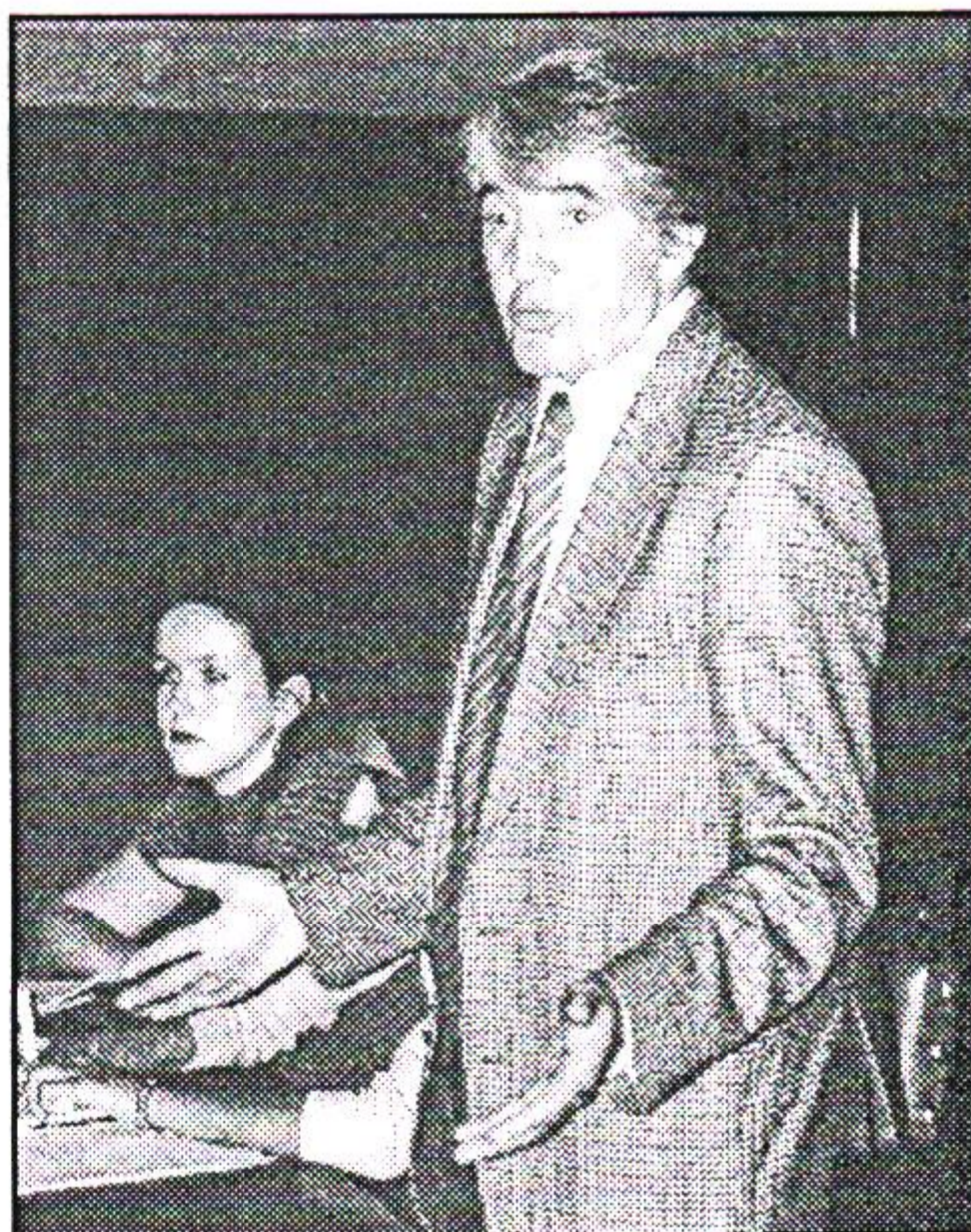
Nike's profits are so 'healthy' due to their policy of 'sourcing and manufacturing' from low wage countries; beginning with Taiwan and South Korea, then as wages started to rise there, China, Vietnam and Indonesia. Nike at first denied reports of wages being below subsistence levels, forced overtime (without pay), unions being outlawed and speed upswings with the threat of dismissal for those who could not keep up. There has even been a report from Dong Nai, Vietnam, of 56 women workers being forced to run around the factory compound in the heat of the day until some fainted resulting in 12 being hospitalised (International Union Rights vol. 4, 1997)

In response Nike have now issued a 'code of conduct' which they claim stops these abuses, specifying no forced or child labour, limits on overtime, recognition of unions and pay levels at least at the country's legal minimum. This may sound very reasonable until you realise that Indonesia's minimum wage, for instance, is £1.40 a day yet the acknowledged minimum level for subsistence in that country is £2.50. Nike's contractor in Vietnam, Sam

Yang, last year paid workers US \$38 per month, way under the minimum of US \$45, and they were forced to work up to 100 hours overtime per month! In Jakarta, Indonesia, when 6000 workers downed tools and walked out over pay, 22 of the union's activists were sacked. A report for the International Textile, Garment and Leather Workers Federation described Nike's Indonesian factories where workers were being subjected to public humiliation and physical violence as being "as much like prison camps as you can find."

But there is a growing movement amongst workers to fight these giant firms. Since 1990, strikes have risen from 21 up to 52 in 1996, with 24 in the first quarter of 1997 alone. Also unions are beginning to establish links to coordinate the struggle for workers rights in these factories. Nowhere else is there such a clear example of why internationalism is an indispensable weapon in the labour movement's armoury. It is essential for their struggle.

But before you reach for an anti-Nike placard and march on your nearest sports shop, remember that the others are no better. A 1995 Christian Aid report claimed that Adidas, Hi Tec and Puma use sweatshop labour in Indonesia, China and Thailand. Fila and Reebok produce in the same areas. If it's 'not the winning but how you play the game' then these companies should be sent off!



## Tory mayor in Doncaster?

In Doncaster, the Labour Party had its worst results for years in the Local Elections. Labour lost 7 seats to the opposition, mainly to the Lib/Dems and Independents. Several of the losses were in solid Labour Wards. The main reason for this is due to Donnygate and the growing hatred of workers towards Tony Blair and the policies of the Labour government.

The best Labour result was in Adwick Ward, which polled the highest Labour vote on the night. This was a significant result as it is the Ward of the Ex-Labour leader implicated in the local scandal. The result is mainly due to a left campaign conducted which resulted in such a high poll, plus it brought out voters who had never bothered before.

Despite the losses the Labour Party still has an overwhelming majority. One of the victims of the night was the Mayor-elect who lost her seat to an Independent. The Labour Group immediately after the elections have decided that what we need is a Tory Mayor, so that it will split the opposition on the council!! However, this is not only insulting to the people who worked for a Labour victory, but to the people of Doncaster, particularly in the mining villages who suffered greatly under the last Tory Government. This shows how out of touch the Labour Group is.

What we desperately need are socialist policies and strategies to improve the lives of ordinary working people, not Tory Mayors!

Gary Gabbitas

## Successful Young Labour meeting on minimum wage

A very successful meeting on young people and the minimum wage, organised by South East London Young Labour, was held at the House of Commons on 19th May.

Over 60 people heard Denis Skinner MP and Rose Griffin of South East London Young Labour speak on the issues.

# Stop the attacks on higher education



The Association of University Teachers is a TUC-affiliated trade union representing all classes of professional staff in the higher education sector - not just university teachers. In fact, over 30% of our members are either researchers, administrators, computer staff, librarians or other professional staff.

Higher education has long suffered under the old Tory government, with staff suffering salary cuts in real terms year-on-year. With a discredited method of negotiating salary increases with the employers, who are given limited funds by central government, once again a pay settlement of just 2.9%, less than inflation which is presently 3.5%, has been accepted.

## Student numbers

This is a reflection of the attitude of New Labour to the importance of the HE sector and is a continued reflection of the price that university staff are paying for the increase in student numbers. The appointment of a pay review body, which is due to report by November 1998, may address the pay issue, however, to secure the funds from government to finance any award, continued activity will be needed, and the threat of industrial action next year is likely if hopes of significant improvements in recent offers are not met.

While pay is a high priority, the continued attacks on the sector are affecting the quality of courses and students are affected by the lack of maintenance grants and the introduction of fees.

The AUT is committed to fighting government attempts to get HE 'on the cheap', by funding degrees through the use of further education colleges. Further education colleges have already been attacked with lecturers having to reapply for their jobs and with contract teaching taking over from permanent employment. Within the university sector, the use of short term contracts has grown over the last decade, and in some institutions 50% of academic staff are on such contracts. This leads to job insecurity and the inability to criticise institutions for fear of victimisation. The use of waiver clauses in such contracts is an issue that AUT has been fighting since their introduction. These clauses sign away the rights of workers to redundancy payments and to claim against the employer for unfair dismissal. Despite promises from Labour, when

in opposition, to make such clauses illegal, the government now seems to regard them in a different light. All staff employed on contracts funded by the Higher Education Funding Council for England must sign away their rights - a situation that David Blunkett does not seem to think requires his immediate attention.

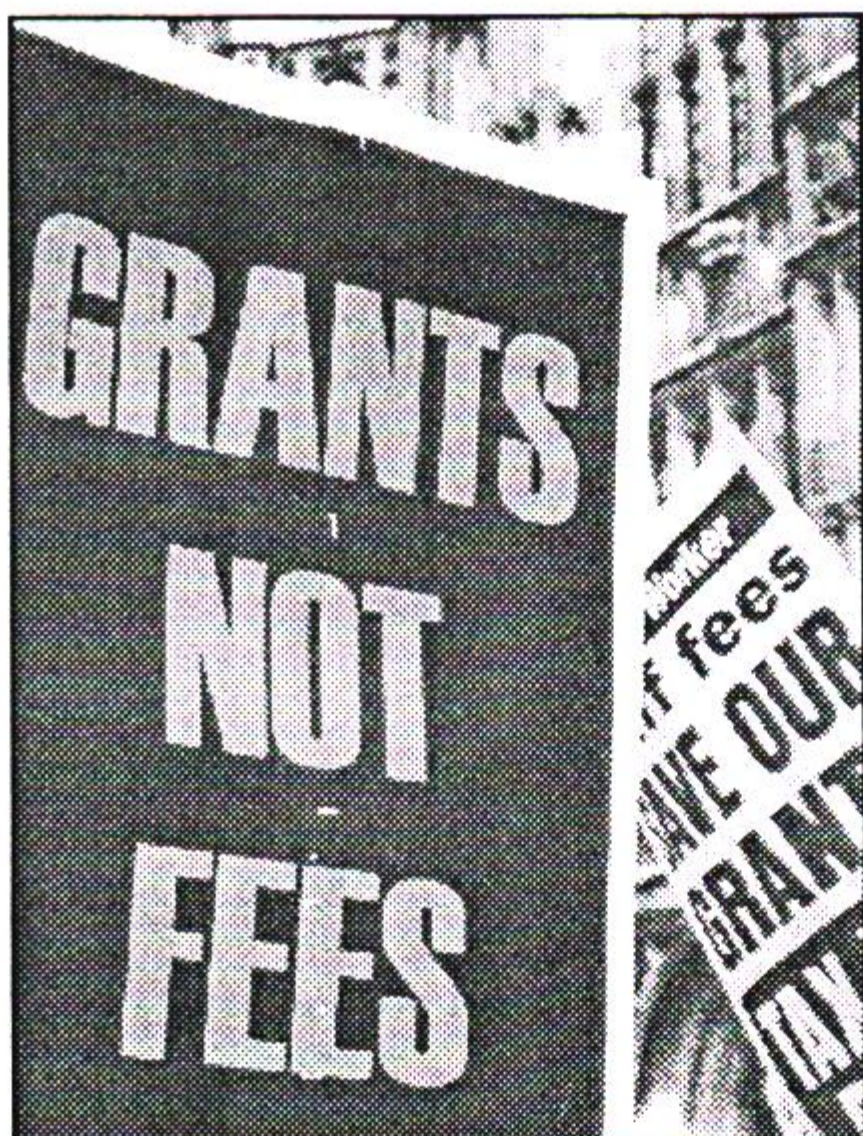
The maintaining of standards in HE can only be met through proper funding of the system. There is no more room for improvements in productivity by staff, and the money cannot be squeezed out of the students. Applications for courses in some areas have fallen for the first time in years, and analysis of the data indicates that, from areas of low income, up to 30% less young people are looking to enter the university system. How can a Labour government think that by having no maintenance grant, and by charging fees of £1000 per year they will open the HE system to all?

## Places

With less students applying, universities will effectively be competing for numbers to fill places. Failure to attract students will result in job losses. The campaign against fees and for the reintroduction of a living grant is being led by the students union, with the full support of AUT as shown by the number of resolutions on the issue passed at Council.

Council ended its business with yet another motion in response to Labour attacks on trade unions. With the government seeming likely to favour the bosses, rather than the TUC's voting figures for union recognition, Council referred a motion to its executive to support a lobby of the Labour Conference in Blackpool this September. The General Secretary undertook to work with the TUC to fight against continued attacks on trade unionists and AUT members by the Labour government. There is still much work to be done in publicising the issues in HE and AUT will continue to fight against the use of short term contracts, imposition of inadequate 'quality assurance' schemes, the introduction of student fees, further cuts in funding and for a realistic pay settlement and the reinstatement of the maintenance grant for students.

**Mark Scrimshaw**  
Secretary, Imperial College AUT  
(personal capacity)



# William Hague's Tory vanishing act

It's a phenomenon worthy of investigation by Mulder and Scully. The Tories, after 18 years in power, have disappeared. Not that we're complaining you understand. But where have all the Tories gone?

Is Michael Portillo, whose defeat we all enjoyed so much, now serving burgers in his local McDonalds? Has John Redwood gone back to the planet Vulcan? In reality, unlike the millions made unemployed by the Tories, when we gave them their marching orders, most found a seat on the board, cushy numbers on a quango, or got booted upstairs to the house of the living dead.

What about those few who managed to hold onto their seats in Westminster? They are the least visible of all, with the exception of those like David Mellor, or Michael Heseltine, scandalously given jobs by the Labour Government. As for the rest, they've brought a whole new literal interpretation to the concept of a 'shadow' cabinet.

With Northern Ireland never out of the news, at the height of the recent talks, the Tories were nowhere to be seen or heard. To some extent this reflects their so-called bipartisan agreement and endorsement of the policy being pursued by Blair, Mowlam and co. - always a worrying sign. It also reflects the fact that while the talks were taking place the Tories' Northern Ireland spokesman, Andrew Mackay wasn't available for comment - he was away on safari!

## Press conference

The spectacle of Blair giving a joint press conference with Major in Belfast, is another disturbing development in terms of the Labour leaders cosying up to the Tories and the Liberals. It also raises the question, where were the current Tory leaders?

William Hague (or Vague as he was known when he was Secretary of State for Wales) must be the first known case of a politician having a *Where are they now?* column written about him while still in office. Stephen Dorrell the education spokesman, is clearly having difficulty finding something to oppose, while Blunkett abolishes grants, introduces fees, and attacks teachers.

We aren't the only people to have noticed this disappearing act. Simon Heffer writing in *The Sunday Times* (19/4/98) describes shadow chancellor Peter Lilley as "painfully demoralised" as he watches "Gordon Brown applying monetarism with a strictness unseen in the Thatcher years."

"Sir Brian Mawhinney wants out and a nation awaits his departure. Gillian

*Shepherd is said to have had enough but is being urged not to go. Michael Howard just looks increasingly embarrassed by the company he has to keep."*

Heffer of course is a Tory bemoaning the demise of his party. We celebrate it. He pontificates about the lack of opposition coming from the Tory front bench. The lack of Tory opposition reflects not just their weakness, but also the sad fact that they endorse much of what the government is doing. A dim light doesn't cast much of a shadow.

As we have consistently pointed out, once the Labour leaders embraced the so-called free market they are forced to obey its rules. The Tories are hardly likely to oppose a Labour government sticking to their mean public spending limits. In any case it isn't opposition from the right that the Labour leaders need. While they continue to dance to the tune of big business rather than standing up for the interests of ordinary working people, the real opposition will come from the left - inside the party and the unions. That opposition is growing now.

We have no desire to rescue the Tory Party. The pain and misery they inflicted on us for a generation should not be so easily forgotten. Labour in government shouldn't be giving them jobs, or cuddling up with them and their friends the Lib Dems.

Labour should finish off the destruction of the Tories they started last May, by implementing socialist policies in the interests of ordinary working class people. That is the only way to win a second term, and drive the final nail into the coffin enveloping a deeply divided Tory Party.

The current state of the *auld enemy* is a

source of some satisfaction. It has a serious side too. The capitalist class is suffering a crisis of confidence internationally. Their main parties have all split over what to do next, just like the Tories in Britain. The crisis in the Tory Party faithfully mirrors the depth of the problems facing the capitalist system. In some cases these parties have actually split apart. That may yet prove to be the fate of the Tories here too.

Nothing would give us greater satisfaction than to see such a historic defeat inflicted on them. What we don't want however are sections of the old Tories and Liberals queuing up to join our party, even getting jobs in the government. We haven't booted them out the front door only to see them sneak in again through the back.

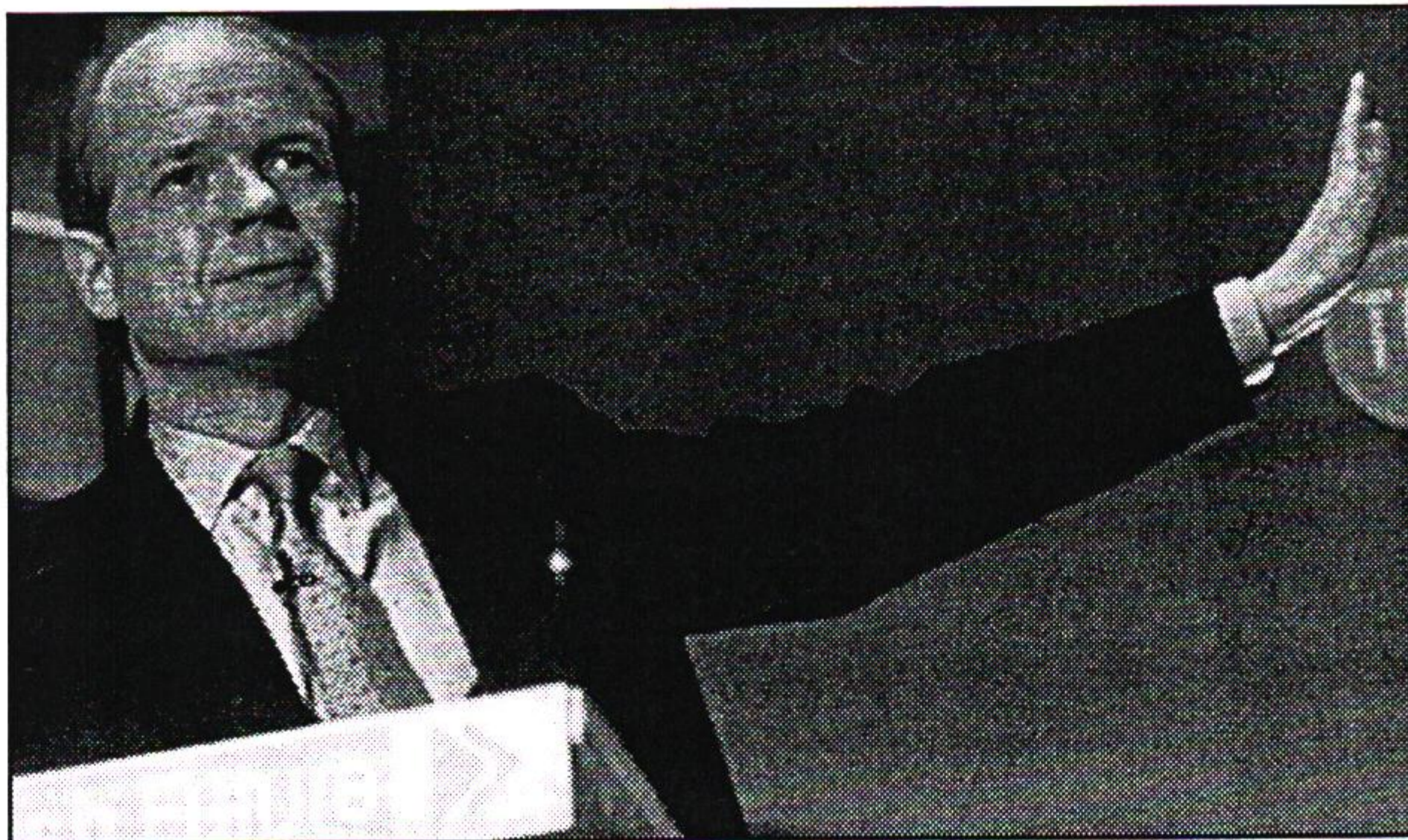
## Tory wounds

William Hague made a rare public appearance in France recently to re-open the Tories wounds over Europe, warning that the single currency could lead to a crisis like the one in South East Asia, leading Michael Heseltine to comment that his leader had used language even more extreme than his old friend Thatcher.

Heffer is none too optimistic about the future of his party, "*It cannot go on like this, or soon it will not go on at all.*"

We could wish for nothing more - except maybe dispatching their discredited policies and the abominable free market off into a black hole with them.

Breaking with big business, and failed Tory ideas, implementing a programme of socialist change could ensure they never make a comeback - driving a stake through the heart of British Conservatism.



# Labour must act on Britain's low pay economy

*"The Low Pay Commission, a nine strong body of Trade Unionists, employers and academics, is thought to have recommended that the rate be £3.60 an hour, rising to £3.70 in June 2000.*

*Workers aged 16 and 17 will be exempt, and those aged between 18 and 20 will be paid a lower rate, of £3.20 an hour (again rising by 10p in June 2000)."*

The Economist - 23rd to 29th May 1998.

by Dave O'Brien

Although many workers will be shocked to hear that the minimum wage will indeed be a minimum, many others will not be surprised that a body comprised of bosses and academics, such as the Low Pay Commission is likely to come up with a figure which will fail to lift the majority out of low pay. The role of the TUC leadership has played into the hands of capitalism when it stated in its evidence to the Commission: "A politically contested NMW (National Minimum Wage) which is met with employer resistance is unlikely to be successful. All stakeholders must have a voice in the process of determining the level of the NMW. It is for this reason that the TUC supports the establishment of the Low Pay Commission." Low Pay Commission: TUC Evidence - 26th September 1997.

Incredibly the TUC document also suggests that the Commission has a continuing role in reviewing the economic impact of the NMW, to recommend future upratings, look at problems of low pay and make recommendations to Government about advice and support needed to assist

employers seeking to improve their performance.

According to the TUC document, the Commission is "...perfectly placed to undertake this task." Some people may wonder why this body is "perfectly placed" to look at the problems of low pay better than the organisation which represents workers, that's right...the TUC!

For more than twenty years, the situation has deteriorated for the majority of workers. The Joseph Rowntree Foundation states that in 1992, the wages of the lowest paid 10% of men is lower in real terms than in 1975 and that since 1977, the number of people living below 40% of the average income has increased by a factor of seven. It also shows that the rate of inequality between richer and poorer families has been greater in the UK than in any other developed country except New Zealand.

The most recent New Earnings Survey indicates that only 5.9% of all workers would benefit from a NMW at £3.50, whilst only double the number would gain at £4. Less than 10% of all women benefit from a £3.50 minimum wage. The Labour Research Department (LRD) found that hourly rates for manual workers under private contractors fell as low as an incredible £1.86 per hour for temps not covered by the TUPE regulations.

Women workers have suffered particularly and although the overall average hourly earnings have risen gradually since the 1970 Equal Pay Act to about 72.6% of men's, this only relates to full time jobs, it therefore overstates women's gains compared to male colleagues. It also excludes overtime, which men have more access to

than women, making the real gap even higher. If part-time work is included then the situation is even worse for women. The Scottish Low Pay Unit found that of nearly 5,300 Job Centre vacancies listed, one in five was for 16 hours or less. Part-time jobs are in areas where women predominate such as cleaning, home help, sales, nursing and care. The same study showed that temp jobs have risen by more than 3 times the number advertised in 1990.

The LRD calculate: "at the current rate of increase it will be at least another 31 years until pay equality between men and women is achieved."

A Unison report showed that black women have less earnings than white women and an EOC 1995 report found that: "Where black workers are employed, they often remain at the bottom of the manual grades and concentrated in the lowest paid, lowest status work."

Young workers will be unimpressed by the decision to exclude many of them, who contrary to what Michael Portillo may think, are used as cheap labour. According to the LRD, 18 to 20 year olds earned over 60% of the average adult wage in 1979; by 1994 this was less than 50%. Under 18 year old's earnings dropped from 42% to 35% of the adult wage in the same period. Young workers feel undervalued and insecure...this situation will worsen if they're excluded from the NMW and of course, employers will attempt to get round the minimum wage by employing younger workers and therefore paying the lower figure, or if they are below 18, by-passing the legislation altogether.

Opponents of the minimum wage claim it will force companies to shed jobs, but even the CBI admits that the research "...does not give a clear-cut answer either way to the question does a minimum wage cost jobs." In addition, a European study found that "Minimum wages clearly have not had the negative effects that opponents in the UK fear." In fact, the opposite is the case, as the Commission for Public Policy and British Business confessed "One reason why nearly one quarter of prime-age males are inactive is because the wages on offer to them in the labour market are simply too low to make it worth their while to come off social security, especially if they have families and mortgages."

Even the OECD has had to drop its insistence that a minimum wage will mean job losses, as the 1996 Employment Outlook states: "...there is little solid evi-





# Renationalise rail and bus

*dence to suggest that countries where low-paid work is less prevalent have achieved this at the cost of higher unemployment rates and lower employment rates for the more vulnerable groups in the labour market, such as youth and women."*

How is the minimum wage calculated? Unison bases it on the weekly figure published in the New Earnings Survey for gross male median earnings. The figure is calculated by taking male median weekly earnings - including overtime and PBR - dividing by the average number of hours worked per week by men and women (excluding overtime) and then dividing by two. The level was uprated last year from £4.42 to £4.61, using the 1997 New Earnings Survey. This is clearly a base from which to start, and anything below that figure will help very few - in fact, according to Unison, less than 1% of Ancillary Staff in the NHS would gain from £3.50 per hour. It is clear that a minimum wage of £3.60 would have hardly any effect at all for the lowest paid and is nothing more than a gesture. The labour and trade union movement must fight as hard for £4.61 and no less, as big business has fought for a lower level. The recent issue of the Economist states of the figure being proposed: *"If the reports are correct, the rate is below the level paid by the old Wages Councils which used to set minimum pay in some trades before disappearing in 1993. According to economists at the London School of Economics, the average of those rates, weighted by employment in each trade, would now be £3.85 if it had grown in line with average earnings."*

Therefore this fair minded body which the TUC has high hopes for, plans to set a minimum wage below the level which was in line with average earnings.

✚ *Socialist Appeal supports a minimum of at least two thirds of the average wage, the figure of £4.61 should be an immediate step toward achieving this.*

✚ *The NMW should be immediately implemented and not left until 1999 or 2000.*

✚ *We should have no truck with the Bosses' Low Pay Commission telling us what level to set the minimum wage at.*

✚ *No exemptions for employers and no lower figure or exclusions for young workers.*

*The government should effectively enforce the minimum wage on those employers who refuse to comply.*

✚ *The repeal of all anti-trade union laws, allowing workers to have effective representation against low pay.*

**The Tories' privatisation of the buses and British Rail have left a deep scar in Britain's transport system.**

Bus privatisation has affected passengers and workers alike. The number of people using buses has fallen countrywide since deregulation. The Office of Fair Trading has received a large number of complaints about buses competing to arrive at bus stops just ahead of their rivals. Fares have risen much faster than inflation since deregulation. In Darlington, the bus wars of 1994 show a damning example of bigger operators pushing out competition. The 90 year old municipally owned Darlington Transport Company (DTC) collapsed after Busways, a Stagecoach subsidiary, ran free buses for five weeks on routes operated by DTC. The wages and conditions of bus employees nationwide have suffered drastically. One of the consequences of driving down wages has been huge staff shortages on the buses. The reality of deregulation of the bus industry has seen no evidence that services have improved whilst attacks on workers pay and working hours have resulted in shortages of experienced staff and serious concerns about health and safety of both workers and passengers.

## Privatisation

The privatisation of British Rail was heralded by the Tories as a cheaper and better way to run the railways. The result is a far cry. During the first ten years of Tory rule subsidies to the railways were halved from £1.28 billion in 1979 to £628 million in 1989. But the privatised rail network is now costing the taxpayer even more with an estimated £1.76 billion subsidy given to the rail operators in 1997. Investment in the fabric of the railways on the other hand has dropped by more than a third from £1.56 billion in 1992/93 (the last year before privatisation) to £933 million in 1995/96. There has been a 23% increase in rail fares between 84/85 and 95/96. Unlucky rail passengers in the South East have seen their fares rise by 29% during the same period.

The rail companies have recently been ordered to improve dramatically their punctuality and reliability figures after a dismal year in which their perfor-

mance was described as unsatisfactory. Punctuality worsened on 35 routes according to figures released by the rail franchise director. The report shows that despite the criticism we still paid out £4.3 million in punctuality improvement bonuses to train companies last year. Railtrack and the train operating companies were also ordered to spend £250 million in safety improvements to prevent accidents. The improvements fall short of the £1 billion of safety improvements recommended after the Clapham disaster.

Workers in the industry have seen dramatic changes to their wages and conditions with each company having different wage rates and different working practices. You can no longer freely move to different depots or even within the same depot without losing seniority and travel concessions.

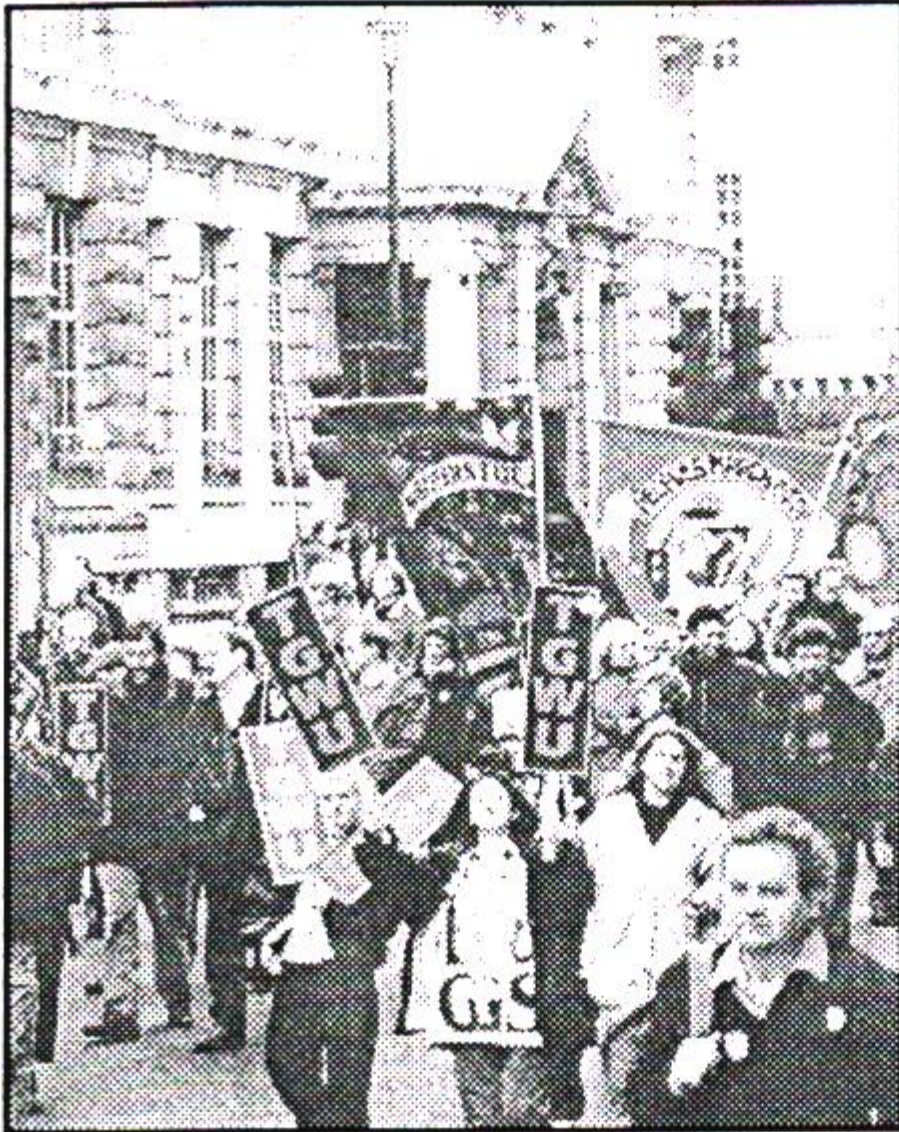
## No subsidy

London Transport has seen fares rise by an estimated 40% between 1984/85 and 96/97, according to transport pressure group Capital. London Underground gets no government subsidy towards operating costs and vitally needed investment on the tube was cut by £700 million by the Tories in the November 1996 budget. The Labour government's 'third way' approach to the underground is a fudge. Though some extra money has been forthcoming from the government it nowhere makes up for past Tory cuts. The idea that private sector finance and construction capacity can be used to upgrade the infrastructure, while London Underground continue to run the service and pay a fee for using the stations and track is a joke. The private sector will not do it for nothing, they will want to make a nice profit.

What is needed is to bring transport fully back into public ownership, properly funded and where the workforce and transport groups have a say in how best to run and integrate all modes of transport.

**Andy Viner**  
**ASLEF (personal capacity)**

# The fight for union recognition rights



The issue of recognition rights for trade unions with employers in Britain is becoming a litmus test as to whether "New Labour" has any commitment to the trade union movement. Desperate to avoid legislation the Government has asked the TUC and the CBI to attempt to reach agreement on this question. The gap between the two sides is so great that legislation will now be inevitable. The question is, which side will the Government fall on?

by Steve Davison

The CBI negotiating team includes a representative from Rupert Murdoch's union-busting organisation and, given the closeness between him and the Prime Minister, few are surprised by the press comments that Tony Blair favours the CBI position as opposed to the TUC position. Despite the apparent complexities of the negotiating stands the issue is fairly simple. The TUC wants recognition to follow a majority vote of members in a recognisable constituency eg. in an engineering company if 50% of the shop floor workers elect for the AEEU then that union should be recognised on their behalf. The CBI, fearing that Labour might honour its election pledge to grant union recognition has gone for a strategy to blur the edges, create more and difficult obstacles to overcome, involve the lawyers and make industrial action to pursue recognition unlawful.

The TUC believed that Blair would honour his pledge to them and have had a rude awakening. They are caught in a bit of a dilemma. On the one hand their credibility is on the line and any failure to deliver recognition having given everything else away, makes them look foolish and inept in the eyes of their members. Wrapped only in the skimpiest of shawls of union recognition they face becoming the "Union Barons with no clothes." On the other hand they are desperate not to come into conflict with a Government that shares the same political and economic outlook as themselves. In effect Labour at any price! This is further complicated by the bigger general unions, the GMB, TGWU and particularly UNISON, who don't want to upset the Government for fear of not getting a good deal on the Minimum Wage which they have promised their members.

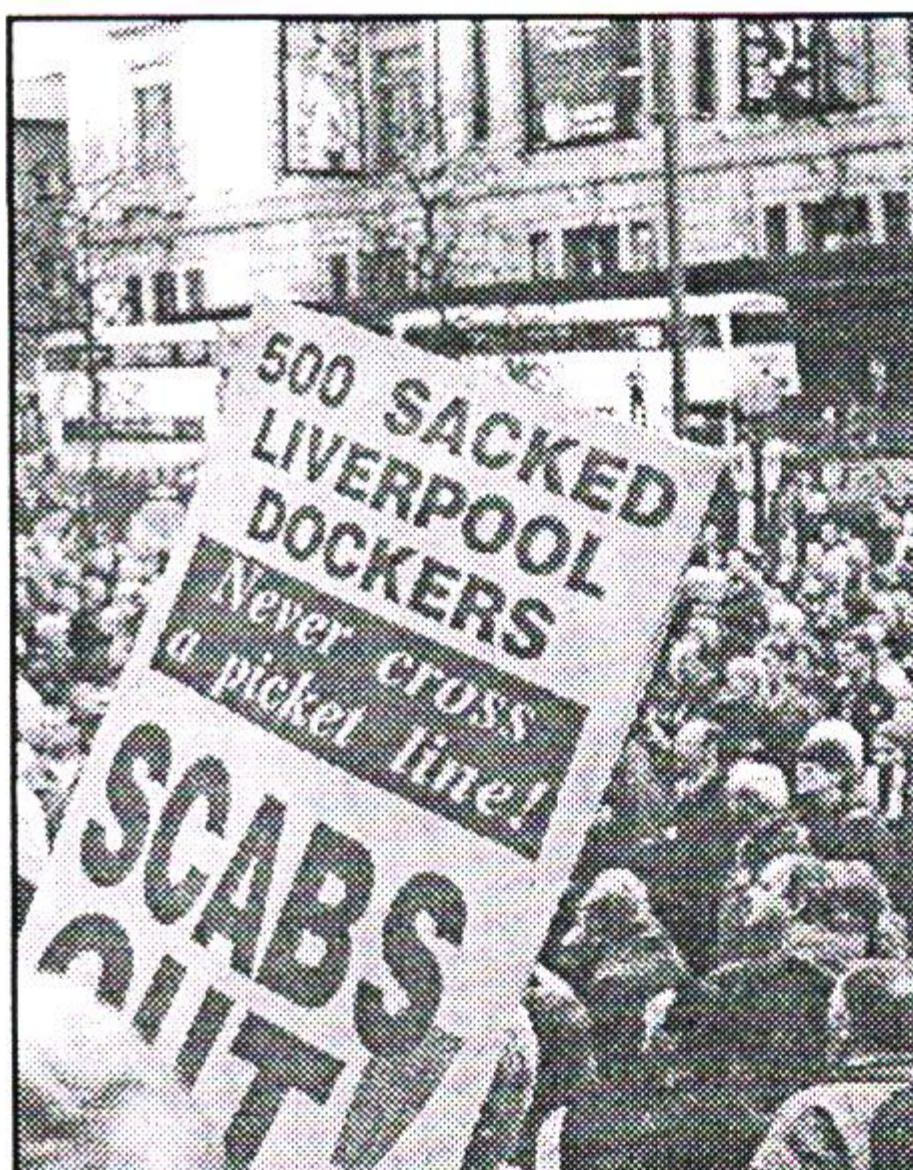
The age old contradiction of the role of the trade union leaders has been brought

to the surface in the form of union recognition. Locked into capitalist society, having long ago abandoned any belief in changing society, the Union leaders are being forced into defending the right of their organisations to exist, without which there is no reason or need for themselves. Beneath them and to a certain extent within their own ranks a potentially important rank and file movement of workers is beginning to grow in the form of the 'Reclaim our Rights' campaign. This campaign has been organised by some of the smaller trade unions and its leadership includes a number of leading executive members. The spreading of this campaign into regional events and the likelihood of a national demonstration in May 1999 is likely to gain significant rank and file support that will spread into the larger unions thus making this years conference season much livelier than last years events. The sense of embarrassment felt by trade union members of the Labour Party will be reflected in conference no matter how hard the party machine attempts to prevent it, and the issue of union recognition could be the 'star turn' at Labour's conference.

## Importance

That this question is of such importance tells us much about the current condition of British capitalism and the contradictions of the modern period. The Blair Government talks about the success of the "flexible labour market" and the need for fairness in society. The historic role of trade unions is to eradicate the flexible labour market, ie. the right for the employer to hire and fire at will and to refuse to consult and negotiate with their employees. Maximum profits cannot be extracted if workers get a 'fair' share of the work that they do because profits are ultimately the unpaid work of labour. Even when workers are highly paid they are not fairly paid nor ever can be under the profit system. That is "New Labour's" dilemma. They are absolutely committed to free-market capitalism which in the context of the increasingly competitive global economy is not in the business of making concessions to workers but is actively working to take away the historic gains of the labour movement internationally.

Membership of the European Union (EU) further complicates the question. The historic compromises that European capitalism made to their respective labour movements after the second world war, in effect to ensure the survival of capitalism itself, was



to make concessions on workers and trade union rights. Essentially every other member state of the EU with the exception of The Republic of Ireland, gives to a greater or lesser extent, automatic trade union recognition, consultation and bargaining rights. These issues are complicated by the Works Councils but effectively give trade unions rights where they have as few as one member in a workplace. On the contrary in Britain you can have 100% membership and no trade union rights in the company. Furthermore in Europe national wage bargaining predominates and trade union negotiations affect the majority of workers irrespective of trade union membership.

**Meaningful**

In essence the argument in Europe is simple. All citizens have the right to be a member of a trade union and for this right to be meaningful, to be realised, trade unions have automatic rights to represent their members unlike in this country. Our trade union rights are essentially negative rights. We have the right to be in a trade union and not to be dismissed for being in a trade union. A trade union has the right to exist and take action providing it obeys the rules that allow it "immunity" from prosecution when their members break a commercial contract. All industrial action is a breach of contract and a worker can be dismissed for taking this action.

It is perhaps surprising to find out that the leadership of the TUC, such fervent Europhiles and EMU supporters are actually proposing an American model of trade union recognition rather than the European model based on recognition following membership. More worrying for members is the fact that the American model is such a failure for American workers and reaching the 50% threshold of membership becomes elusive in the face of the union busting tactics of the employers.

The drive for union membership in Britain is because of the enormous loss of membership since the 1970's which has seen a massive decline in the income of the trade unions. This has led to a feverish drive for trade union mergers which have been of the worst bureaucratic form. Without a massive injection of new members the lavish lifestyles of the union leaders will ultimately be threatened. Their preferred option is for a recognition procedure that guarantees high percentage membership without rocking the boat. By conceding a

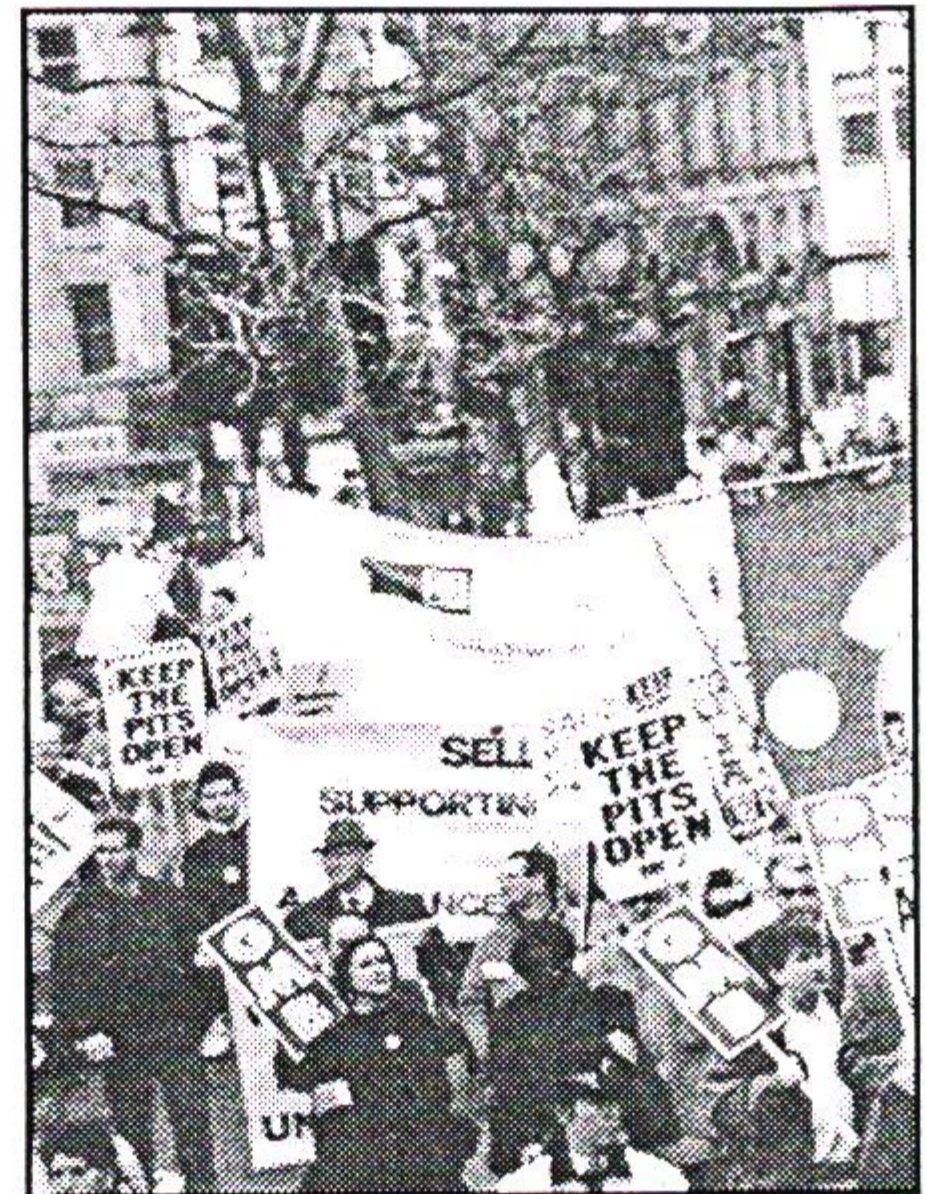
tame role for the trade unions within narrowly defined definitions of activity and acceptance of the anti-union laws to prevent solidarity class action the union leaders hope that the employers will concede their right to exist. This modern form of class collaboration is called "Social partnership" though of course it is not modern but merely a badly reproduced copy of the "Mond-Turner" deal that hamstrung the British trade unions throughout the 1930's.

Historically trade union recognition has been forced upon British employers by the militant struggles of workers themselves often in conditions more hostile than at the present time. However it is undeniable that the more favourable the economic and legal climate is the greater the gains that the trade unions make in membership and influence. The shortages of labour that exist in wartime gave a great impetus to trade union growth in both the first and second world wars and the post war boom of full employment was decisive in taking British trade union membership to 13 millions in the 1970's over the 50% mark of the entire working force.

The fact that most workers join a trade union when they least need to and stay out of them in the millions when they need them most is an apparent contradiction. But it merely expresses the fact that trade union membership is not just a subjective question but also an objective question as well. Writing in the early 1920's, at a time of workers revolutionary struggles, Lenin couldn't imagine that a majority of workers would be recruited to the trade unions. It was to be the long post war boom and the 'new' role given to trade unions in the Scandinavian and Northern European Social Democratic countries that was to realise membership figures of over 70% in some countries. Recent opinion polls indicate that millions would join a trade union if they could and that many more think that trade unions are good things. However turning this to actual membership is an entirely different question.

The trade union leaders think that a mere change in the law will realise this potential. They therefore water down their demands for workers pay and conditions and constantly talk about how good trade unions are for business.

They will find to their cost that the reasons that workers want a trade union are because things are so bad at work that they want a change, they want higher wages, more holidays, an end to compul-



sory overtime and the right to be treated properly at work. Most of all they want the terrible burden of excessive workloads removed from their shoulders. In short the subjective desire for trade union membership is to realise the demands for higher pay and better working conditions. If this was on offer now thousands of workers would be inspired to take the risk, and it is a risk in the present economic climate, of joining the unions. The abandonment of militant struggle and the disowning of those workers in struggle like the Dockworkers, means that the current potential for an upsurge in membership will not be realised.

The CBI are fighting a rearguard action to water down the proposed new legislation. But should they have reasons to fear? They certainly don't have any problems with the union leaders and understand the role that they have to play in policing the working class. Events in France where trade union membership is very low, making the control of workers in dispute more difficult for the trade union leaders, has not been lost on them. So what is the big problem?

**Potential**

It is precisely because the CBI understand the latent potential of the working class when it moves into action and that workers want unions to solve their problems at the expense of the CBI members profits. They understand that when workers throw off their fear of joining a union they are likely to fight for more and more concessions from the employers. A highly



organised, militant, working class would swiftly begin to make inroads into the flexible labour market. The regulation of wages and hours of work, of strengthened employment rights supplemented by the automatic right for trade unions to represent their members in the context of an upsurge of class struggle could be a very explosive cocktail. Having abandoned, in reality, their attempt to stop trade union recognition they now attempt to bog it down in legalities, thus slowing down the whole process and attempting to create a climate in the future whereby workers feel that the whole exercise is futile.

The TUC support for legislation is a reflection of the weakness that they feel, in the same way that they support a minimum wage because of their seeming inability to achieve decent wages for a large section of the workers. The demand for legislation marks the end of a long period of voluntarism that has dominated the British trade union movement. This is expressed in the fact that if workers themselves won't make the effort to join a trade union then there is nothing the union can do for them. In other words it serves them right. This has been the prevailing view of the craft trade unions for many years and is the favourite song of officials of all trade unions. Of course the workers are not queuing up to join. This should not be surprising in a country where the struggle for necessities is the prevailing condition of millions and where those in trade unions don't appear to be fighting, giving a lead, then there are good reasons why workers are instinctively hesitant. Until there is a break in the situation this dilemma will exist; that workers want to be in a trade union but won't join. It is precisely the issue of union recognition (not necessarily

in the abstract, though it could be,) but more likely because the employer will not implement the minimum wage etc that could spark a section of workers into activity.

### New unionism

The New Unionism of the 1880's is remembered for the great dockers struggle but this was the tip of the iceberg of pent up frustrations amongst the unskilled workers. Behind this dispute grew unions representing over one third of a million workers. This would appear to support the argument of voluntarism, that eventually the workers will take the route of struggle and that all will be well in the future. But this is a one sided perspective. The New Unions were almost wiped out in the employers counter-offensive in the following decade and it took a new mass struggle 20 years later to rebuild trade union strength in Britain. During this period the very right to exist for the trade unions was almost eliminated by the Taff Vale Judgement. The 1906 Trade Disputes Act which gave trade unions the legal right to exist and function on behalf of their members was an essential ingredient in the explosive mix of the Syndicalist upsurge in 1910.

The issue of union recognition could open up the pandoras box for them as the new generation of young workers, the most exploited section of the working class, have had no previous loyalties to the trade unions and will not be impressed with arguments of how bad things were in the past or that certain things are not allowed. Hence they approach this question with some care. However they have no alternative but to press their demands because their credibility is on the line. How can you

keep demanding sacrifices from the troops for a Labour government that won't concede the basic demand for the right for trade unions to represent their members? Without legislation their industrial and political programmes are blown out of the water.

Karl Marx and his daughter Eleanor both addressed the question of legislation on workers rights during the nineteenth century. Marx made no secret of how significant the legal concessions on the length of the working day were for British workers. Eleanor addressed the huge May Day demonstration in London in 1890 by demanding the legal implementation of the eight hour day against the right wing trade union leaders who called for a voluntary approach. Modern Marxists still follow this basic approach that the legalisation of the gains made in struggle by workers strengthens the organisation of the working class and consolidates these for further struggle. The working class is not an inexhaustible reservoir of struggle that can constantly fight and fight. As in all battles the victors need a breather to regather their strength. Progressive legislation can play a role in consolidation of the basic organisations of the working class and prepare the legal framework for an easier existence thus giving more time to address the bigger questions.

Legislation can be repealed or swept away. For union recognition legislation to be meaningful it will have to be implemented at the workplace and workers will have to see the benefit of trade union representation. We would draw the line on legislation that locks the trade unions into co-determinationist structures as in Germany where the price of existence is the acceptance of capitalism in the last resort. Legal rights only become meaningful when they are reinforced with strong trade unions. That is why in the modern context the minimum wage and other rights will require trade unions to make them a reality at the workplace.

### Protracted

We have come to the end of a protracted period of defeats for the British trade unions and the question that all trade unionist reflect upon is how the new period of struggle will unfurl? A balance sheet of the strengths and weaknesses of the trade unions are essential in trying to work out this perspective. Union density is still high in the organised workplaces but combativity levels are still low. Strikes have been at an all time low but recent figures would suggest that the corner is just about being

# Build campaign on union rights

turned. Much of the 'old' working class no longer exists and this 'restructuring' has led to a paltry membership amongst the under 25 age group. The average age of trade unionists is now in the early 40's.

It is precisely amongst these new layers of the working class that the new legislation will have its greatest potential effect. The next economic recession will have a further squeeze on workers living standards and the intensity of the workloads will continue to increase. Whilst it doesn't necessarily follow that a downturn in the economy will lead to industrial militancy, in practice it often provokes the opposite response, nevertheless at a certain stage, possibly as the economy climbs out of the recession a mass return to the trade unions could occur. But this will not be a tame affair. On the contrary the experiences of the oppressed layers of the British workers will only turn to trade unionism to attempt to solve their problems.

## Catalyst

The demands for workers rights can become a catalyst for rebirth in the trade union movement as it will put both the trade union and Labour leaders on the spot. Eventually the arguments for rights at work will percolate downwards from the active layers to the mass of the workers who will see the need to organise to solve their problems. In this difficult frustrating period trade union activists have to go onto the ideological offensive around these basic demands linking them to the need to transform the trade unions into fighting organisations again into order to raise the standards of the masses. From this will come the political expression for a Labour Government that will represent the interests of the working class.

**The publication of the governments *Fairness at Work* white paper will be a major disappointment to trade unionists throughout the country. There is virtually nothing in the white paper that interferes with the anti union legislation introduced over the last eighteen years of Tory Government.**

by Stuart McGee

It is still illegal to take solidarity action in support of other workers in struggle, unofficial industrial action is still illegal and the requirement to undertake official ballots under the most stringent regulations makes official industrial action, at best ineffective and at worst impossible.

The white paper gives minimal reforms but is fundamentally a capitulation to the pressure of the CBI. On the question of recognition Mr. Blair and the Labour leadership have reneged on the manifesto commitment that would have secured recognition of a union "where there is majority support amongst the workforce."

Instead of a simple majority of those voting the white paper makes it clear that 40% of the overall workforce must have voted yes before there is a legal obligation for the employer to recognise the union. What this means is that anyone who doesn't vote is effectively counted as a no vote. The sop that the government has thrown out for this is that where there is 50% +1 in the union and that can be proved automatic recognition would be given.

Coupled to this is the acceptance in the white paper of the CBI position that if a union is recognised it is not necessary for all employees to be covered by any collective agreements negotiated. This will enable employers to enter individual deals with individual employees undermining the whole purpose of union recognition and collective agreements.

Perhaps the most disgraceful concession to the CBI is the position in the white paper that exempts firms employing less than 20 employees from the legislation.

This means that over 5 million workers (probably those most in need of union recognition) will not be covered. This will be further undermined when employers start undertaking measures to ensure that it appears that their firms employ under 20 when this is not the case in reality.

It is true that there have been some concessions. The qualifying period before an employee can go to an industrial tribunal has been reduced from two years to one. The fact that many workers will be dismissed after eleven months and that full employment rights should exist from day one of employment seems to have been lost on the Government.

It would appear that that the leadership of the

Labour Party are far more concerned with appeasing the CBI and neutering opposition to the *Fairness at Work* white paper than they are in representing the people who elected them.

Why else is it alright for a simple majority to suffice in elections for example in relation to the proposed mayor for London. Less than 30% of the relevant electorate voted in favour of that proposal.

Why should two people undertaking the same job for different employers be treated differently simply because one employer employs more than 20 workers and the other employer employs less. Why should two people doing the same job not have equal access to a tribunal if they were unfairly dismissed. But if one had been employed for over a year and the other for under that would be the case.

Despite the infantile ranting of Tories like John Redwood that this deal is a down payment by the government to its union paymasters etc. etc. and the cataclysmic predictions by some business leaders that British firms will lose their competitiveness the reality is somewhat different. The comment in the Financial Times of the 22/5/98 "All in all it could be worse," sums up the real position that the employers are not overly concerned. In contrast the response of the union leaders has been muted, while some are still sabre rattling others have effectively capitulated.

Ken Jackson of the AEEU welcomed the deal as an "historic achievement." Genuine trade unionists will see this deal for what it is. While it is possible for the unions to make gains if effective recruitment campaigns are mounted it is essential that the pressure is kept on the government to secure improvements in the white paper.

## Demands

The unions demands should be for:

✧ **The repeal of all anti trade union legislation enacted under the previous Tory governments.**

✧ **The right to strike including the right to take solidarity action.**

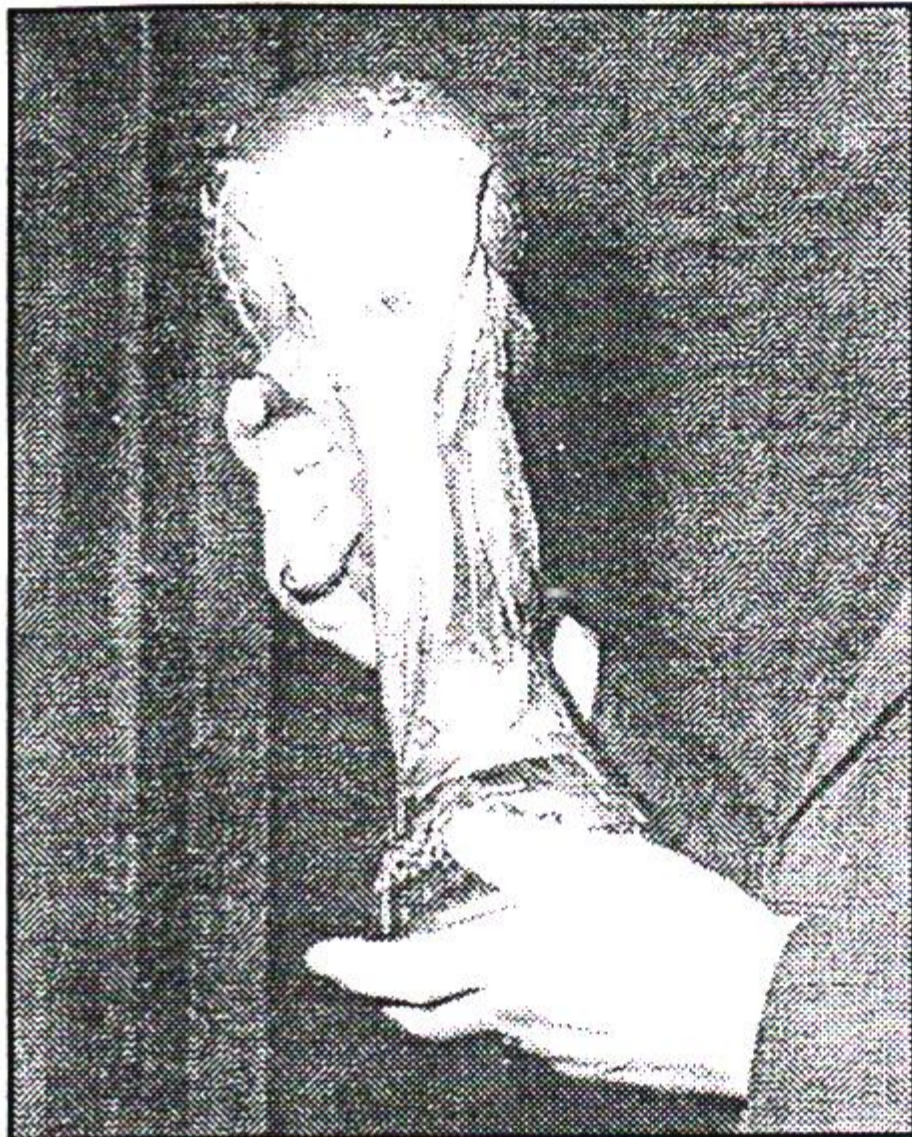
✧ **The right for recognition based on a simple majority.**

✧ **Full employment rights from day one of employment including the right to take an employer to an industrial tribunal for unfair dismissal.**

The *Reclaim Our Rights* campaign, with ten national trade unions affiliated to it, must ensure that resolutions are submitted to this years TUC calling for pressure to be maintained on the government on this issue.

John Edmonds of the GMB sas threatened a countryside alliance style demonstration over this issue. These words must now be turned into action.

# Eat football, sleep football...



World Cup '98. It will be the biggest event in sporting history - the biggest money raising event that is. Billions of dollars will be generated as companies seek to achieve their greatest ever pay day. Of course it is we who will be doing the paying. It was the good old Olympics which led the way in showing what can be achieved by forgetting about sporting ideals and concentrating on the money instead. The members of the governing body of the Olympics, the IOC, have made themselves rich on the backs of the tremendous profits they have been able to bleed out of what is supposed to be a movement based on ideals. Life for them is one long junket of free trips and binges as they travel from country to country, usually making vague promises in return for, well you can guess.

by Steve Jones

Any country interested in staging the Olympics know full well that they will have to butter these people up big time. Everything is conducted behind closed doors and in the worst possible taste. Problems are hushed up as the twin gods of the new Olympics, television and the favoured sponsors, are kept sweet. Only occasionally is their sheltered existence disturbed such as when the Winter Olympics went to Norway in 1994. According to the book *"The new lords of the ring"* by Andrew Jennings, the Norwegian people for some strange reason still believed in the principles behind the original Olympic concept and took umbrage against the rampant commercialism of the IOC (along with the pro-Franco Fascist record of its President Juan Antonio Samaranch).

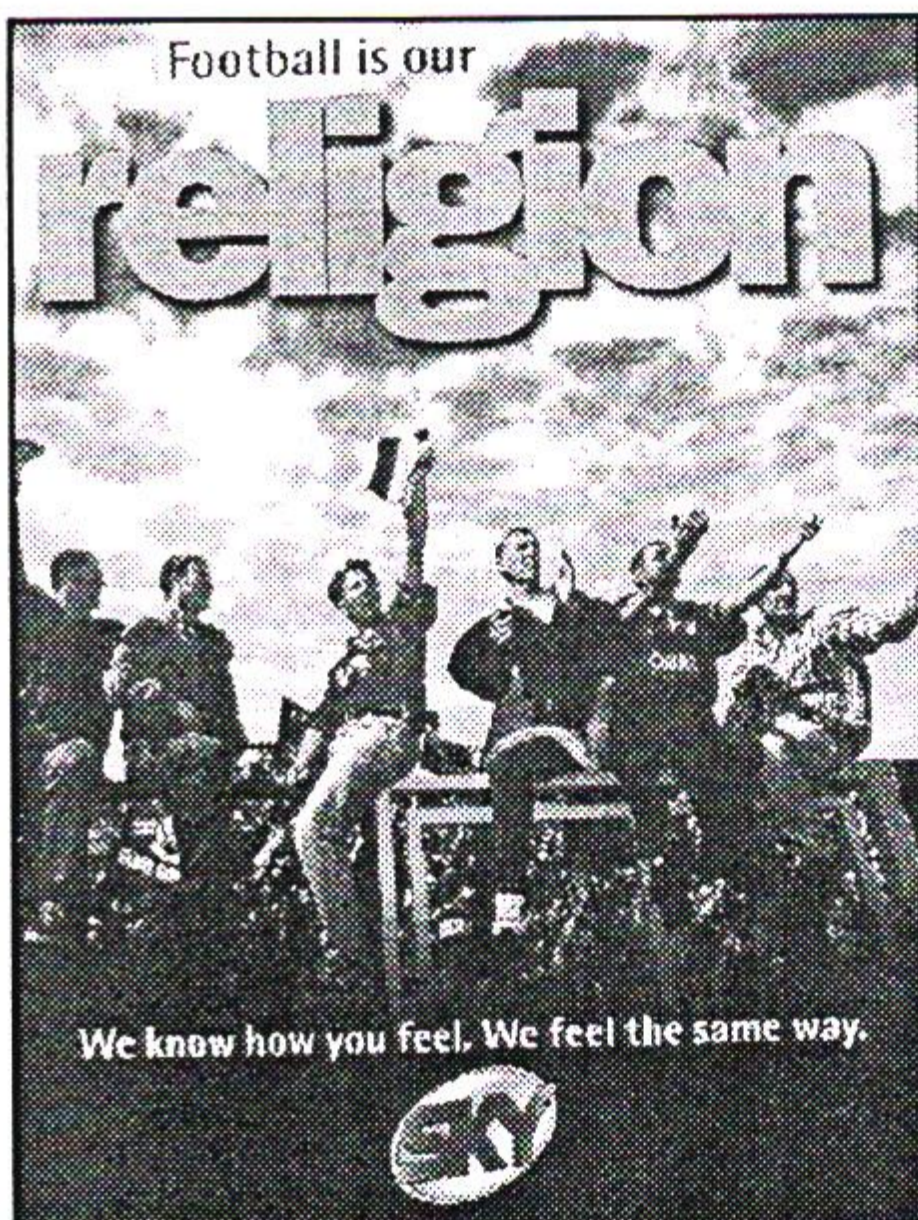
Public hostility was widespread and the Norwegian Olympics ended up being run on exceptionally uncommercial lines in order to pacify the mood of anger. The call from the Norwegian people was: who are the representatives of the IOC? where is the democracy? why do they care so much about money? Samaranch and his gang left under a cloud. But nothing was learnt from this because the status quo was too good for those fortunate enough to be elevated to such high office. The 1996 Olympics were even more commercial and even more lucrative - than ever before.

Naturally their pals in football are all too keen in following suit. So who runs world football? Ex-Footballers? Managers? Supporters? Hell, no. The ranks of football's world governing body, FIFA, are drawn (like the IOC) from a motley bunch of ex-politicians and bureaucrats, well heeled and well

steeled in the art of big business and diplomacy. Ditto for the European equivalent UEFA. Caring more about their own fiefdoms they seek to preserve their privileges and power at any cost. The current mainman, FIFA President Joao Havelange, is coming towards the end of his time in office (he finally retires this month aged 81) and wants his old mate Sepp Blatter, the current general secretary of FIFA, to succeed him as *Capo Di Tutti Capo*. However UEFA president Lennart Johansson is also keen on the job and has called Havelange "a dictator." The job carries no salary but the FT reckons that perks etc. can add up to \$500,000 pa for the lucky winner—plus the prestige. Hence a not inconsiderable amount of behind and not-so-behind the scenes lobbying is going on as the various power blocks manoeuvre around. Needless to say behind the individuals are the big money concerns—the voices who really count in world football. No one knows better than Havelange the importance of these companies—Adidas's Horst Dassler was a prime mover in getting him elected in the first place.

### Friendly unity?

Surely events like the Olympics and the World Cup are about bringing people of all nations together in friendly unity and so on? Far from it, these great occasions are the modern day equivalent of going to war with most of the benefits and few of the costs. In these events the media are all too quick to talk about "our girls and boys" going abroad to achieve "great victories" over the foreigner. The concept of the common achievements of humankind is all but forgotten when national interests are at stake. The American TV coverage of Atlanta '96 was referred to as the *Oprah-isation* of the Olympics as the companies set about abandoning general reporting in favour of an endless montage of "heart warming" stories and American sporting successes. Likewise at this years Winter Olympics, UK media coverage virtually disappeared when it became apparent that no British competitor seemed likely to win a bean. A far cry from the days of national hysteria over Torvil and Dean! We all, of course, remember the Dads Army tone of Euro 96 with the Spanish and the Germans particularly coming in for stick. Anything to keep the masses occupied and the cash flowing in. When companies refer to football as the modern equivalent of religion they might care to remember what Marx had to say about that subject.



This year's World Cup will once again concentrate on the tried and trusted methods of raising cash. Everywhere you turn there are advertisements and TV commercials carrying the officially authorised symbols of the competition. Shops are full of appropriately logoed merchandise. To this can be added the official souvenir goodies of the various national associations. Players are popping up all over the place advertising all manner of rubbish. For some companies there is the additional "honour" of being an official sponsor—for this they get their name in all the best places. Not surprisingly the powers to be were so concerned about sorting out the commercial arrangements that they quite forgot to notice that there might be a problem about ticket arrangements. The French authorities had decided to severely limit the number of tickets for the event which would go abroad. Surely the representatives of the other European nations would notice and object? No way! After all they would have their own tickets already sorted. Indeed for those with the cash to buy the special business packages there would never be a problem about getting tickets. When it became apparent what had happened all hell broke loose. Extra tickets were supposed to be made available but the phone arrangements were nothing short of a disgrace. In reality the authorities don't want fans at the games except as TV extras—and for that the French will do as well as anyone. They seem to have forgotten what happened in Euro 96 when games which did not interest the home fans were watched by half empty stadiums where people were put off by the relatively high ticket prices. For FIFA keeping the TV companies happy counts for much. They pay a wad for televising such events as the World Cup and expect their money's worth.

#### **National game**

We should not be surprised at all this. After all look what has happened to the national game. First we saw the establishment of the Premier League to maximise income for the elite wealthy clubs at the top. Buoyed by a flood of cash from the Sky TV deal, the desire to fleece fans became something of an obsession for more than a few directors. A club's success became noted by the quality of their balance sheet rather than their position in the league table. More and more emphasis on merchandise on the one hand, rising seat prices on the other. When people talk about inflation being under control they obviously haven't tried to renew a club season ticket recently.

When the two Newcastle United directors were caught out rubbing the club replica shirts, they exposed the cynicism which exists in club boardrooms up and down the country. The Newcastle incident was particularly interesting in that the club had helped establish a somewhat lucrative cult by which all fans attending a home game felt obliged to wear the overpriced replica shirts. When they talked about how great the Newcastle fans were, what they really meant was how great their credit cards were. The club had already endeared themselves to supporters by selling one of their key players, Les Ferdinand, seemingly just in order to ensure that the clubs financial report balanced for the benefit of the City of London. When Newcastle walked out to play second best to Arsenal at this years FA Cup final, their supporters must have cried out "Where is Ferdinand, Asprilla and, above all, Ginola?" All sold but at least the slide on share prices has been stopped which will be a comfort!

The Newcastle fiasco over shirts could not have come at a worst time for the leisure industry generally. Firms like Adidas, Umbro and Nike have been pumping millions into the game in loss-leader deals in order to try and reap the potential profits available. All was going well until the collapse of the Far Eastern economies dealt a serious blow to this potentially massive market. Clubs like Manchester United had already been dispatched on tours to the region to help drum up support. Now that market is in decline, share prices are falling and strategies are being hurriedly rethought. These firms now need—rather than hope for—a good World Cup.

The core sponsors are also desperate for a good World Cup. The establishment of such a special status for firms like Adidas, Coca-Cola, JVC, MasterCard and others has been central to sports sponsorship for nearly two decades. These companies pay a king's ransom but in return get the full benefits of exclusivity, pitchside advertising and so on. The establishment of a firm called ISL (International Sport and Leisure) in the early 80's has been critical in tying the sporting federations like FIFA, UEFA and also the Olympics IOC into a closer relationship with key companies. ISL has regularly won sole control of marketing and sponsorship rights for events like this year's World Cup Finals. However after a power realignment in Adidas following the death of Dassler, a new player has been established with German backing, The Event Agency and Marketing AG (TEAM). One of their major clients is UEFA and the establishment

of the Champions League (or rather the Champions and their rich pals league, as some have called it) to replace the European Cup has been their most noticeable achievement. The aim, as one Dutch journalist recently reported a TEAM employee as saying, is to establish "... a golden triangle, it's a field of power we call it—football, television and sponsors" More and more it is the commercial interests which will dominate rather than the sporting ones. The Champions League shows what is possible and they won't stop there.

#### **Sport and politics**

Politicians, especially Tories, are very quick to rant on about sport and politics not mixing when the industry - for that is what it is - comes under attack over issues like racism or supporters rights. But the reality is that sport and politics mix like a hand in a glove as they know all too well. At the slightest hint of "national" success they are the first to jump on the bandwagon. Glory on the sporting field can be quickly converted into votes at either local or national level. Politicians love to surround themselves with sporting heroes in the hope that by association some of the magic will rub off on them. Even Thatcher, who hated football almost as much as public transport, invited the 1982 England world cup squad to Downing Street. It was Thatcher too who realised how the Heysel deaths of 1985 could be turned to a political advantage by creating a back door for the introduction of ID cards. Only the tremendous reaction following the Hillsborough disaster in 1989 scuppered that scheme. So socialists should not feel shy about raising demands as to how football should be run.

This is supposed to be, as the media are forever telling us, the people's game, our World Cup, etc., etc. But we have little or no say in it. We generate the passion but all the officials see are the buckets of cash. The governing bodies of football, both national and international, are remote, out of touch and above all travesties of democracy. So long as big business and the multinationals control the game and shape it in their interests, this will continue to be the reality of things. Words like Club and Association, as against say company or plc, are merely words now and the principles of the game are joining them in that sad status. The fightback should start now, starting with the grassroots supporters groups, to ensure that fans have a say in the game, alongside the players and coaches, and that big business is given the red card.

# Where is Blair taking the Labour Party?



In August 1931, the Labour movement was reeling from the ravages of a world slump and the collapse of the second Labour government. After an intense campaign in the capitalist press, the Labour prime minister, Ramsay MacDonald, crossed the floor of the Commons with a handful of supporters to join with the Tories and Liberals in forming a National Government. This reactionary government unleashed an all-out assault on the conditions of the working class, and especially the unemployed. This event was considered one of the greatest betrayals in the history of the Labour Party. "The memory of Ramsay MacDonald's betrayal of the 1931 government", correctly noted the *Financial Times*, "is etched in blood on the party's memory." (23/4/96)

by Rob Sewell

However, more than sixty-five years later, voices have once again been raised about the need for a radical realignment of British politics and the formation of some kind of coalition. The latest came last month from the main organ of British capitalism, the *Financial Times*, in an article speculating on the likelihood of the leader of the Liberal Democrats Paddy Ashdown becoming foreign secretary in a Blair government. "The idea is being increasingly discussed in Liberal Democrat circles", states the article, "and new evidence suggests the prime minister may not be averse to the idea." (5/5/98).

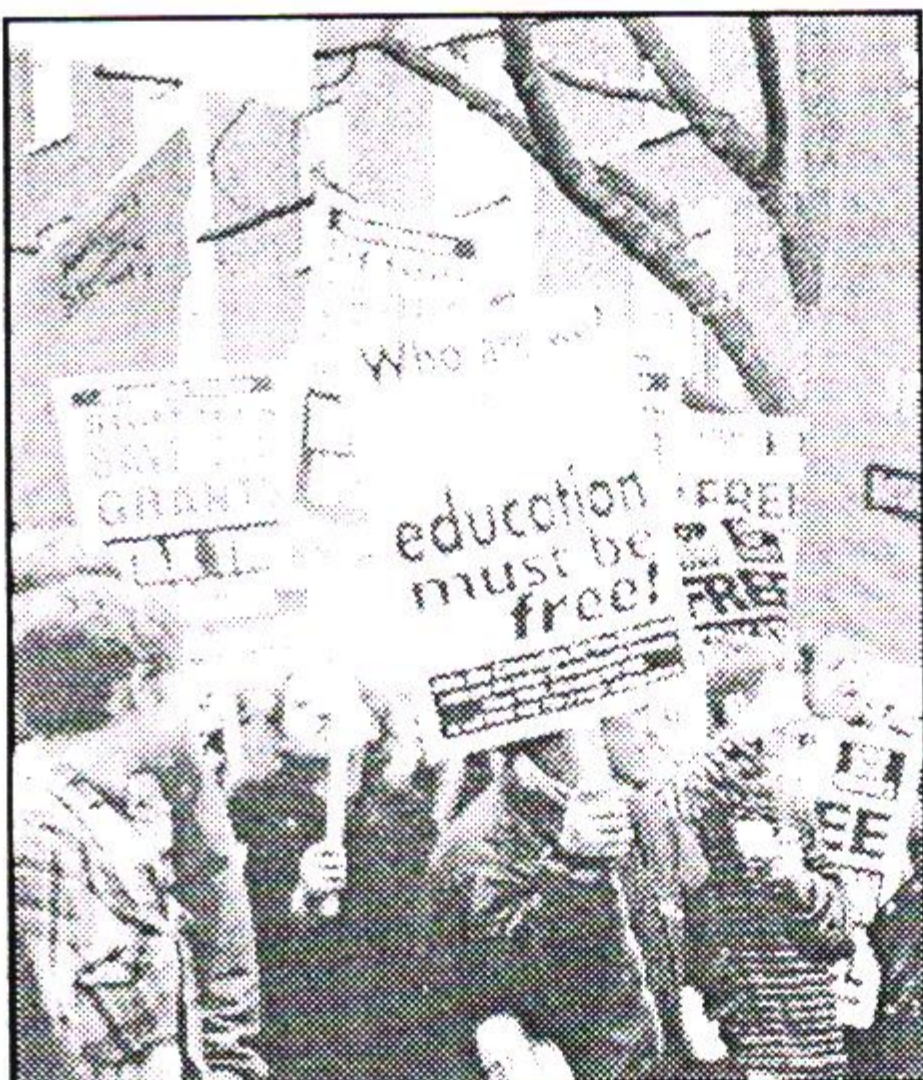
The "evidence" is the close working relationship Blair and other ministers have with Ashdown, especially over international questions. Ashdown, the FT claims, was a regular visitor to Number Ten during late January and early February, where he advised Blair over the Gulf Crisis.

These suggestions, coming on top of a stream of information about a future political realignment, are a serious warning to the Labour movement. "If Blair is the Ramsay

MacDonald of the Nineties," warns the *Observer*, "he could be getting his National Government in early as well." (24/9/95). Tony Benn has also recently drawn parallels between today and the period of 1929-31 and the formation of the National Government. With the shift towards "coalition" or "consensus" politics over the past period by the rightwing leadership of the Labour movement, a new world slump - which is in the offing - could become the catalyst for an all-out campaign to split the Labour movement and for the establishment of a new coalition or National Government.

Is this simply alarmist or are there serious grounds for such a development? Given the massive shift to the right in the Labour leadership and their ever closer relations with the Liberals and even 'left' Tories, Socialist Appeal has consistently warned of the possibility of a future national government. The process now has gone much further than the Butskellism of the 1950s, where there was very little difference between the policy of either the Labour or Tory parties. The election of Tony Blair as leader of the Labour Party - with the full backing of the capitalist press - marked a further shift to the right. Blair stands on the extreme right of the party, which wants to turn the Labour Party into a capitalist party along the lines of Clinton's Democratic Party in America. To do so would mean not simply the abandonment of socialism but a complete break with the trade unions. "I want a situation more like the Democrats and the Republicans in the US", Blair said. "People don't even question for a single moment that the Democrats are a pro-business party. They should not be asking the question about New Labour" (*Financial Times* 16/1/97). In reality, there is no fundamental difference politically between Blair, the Liberal Democrats and the Clarke wing of the Tory party.

Around Blair there is a whole layer of ex-SDP advisers - the 'modernisers' - who jumped on the bandwagon to further their own political careers. As one MP correctly







said, quoted in the Independent on Sunday, "Tony is surrounding himself with people who are clever, able, upper-middle-class and arrogant, and who do not respect the Labour Party." (17/9/95). In fact they have a deep seated contempt for the Labour party, its traditions and its trade union base.

Astonishingly, Blair's true feelings for the Labour Party were revealed at last year's Annual Conference when expressing admiration for Keynes, Beveridge and Lloyd George, he said: "Division among radicals almost 100 years ago resulted in a 20th century dominated by Conservatives. I want the 21st century to be the century of the radicals." In other words, the split of the trade unions from the Liberal Party and the establishment of an independent Party of Labour was a mistake! And he hopes to rectify this 'mistake' by bringing about a realignment of politics and the rebirth of the old Liberal Party. "His aim is to recreate the broad progressive alliance which sustained the reforms of the pre-First World War Liberal Government", stated the Times (22/9/97). Roy Jenkins, Lib Dem leader in the Lords, said of Tony Blair in the Observer: "One of his strongest desires is to heal the split on the centre-left which has existed since 1914..."

### Discussions

Before the general election, Blair was having secret discussions with Ashdown about the possibility of a coalition government. The Financial Times revealed that they met every two weeks or so before the election to consider the appointment of Lib Dem ministers in the Blair government. However, "after the landslide it was impossible to sell coalition to Labour's rank and file." But the FT revealed that Blair phoned Ashdown at 4am on May 2nd to tell him: "We are still on to sort something out between us. I will be in touch."

Of course, the rank and file were kept in the dark about these coalition discussions between Blair and Ashdown, but it shows how far the Labour leadership is prepared

to go. For them, the "affairs of state" are above the narrow confines of party politics. With socialism off the agenda, "politics" comes down to how best to run the capitalist system. Class collaboration at the tops of the movement has been in full swing, and cross-party co-operation is its natural extension. Consequently, Blair has sent his two lieutenants, Frank Field and Alistair Darling, to the Lib Dem conference to address fringe meetings on the need for closer collaboration.

Blair has also made it clear how far right this so-called "centre-left" embraces. Margaret Thatcher, who presided over enormous suffering for working class people in Britain, for which she will never be forgiven, is openly admired by Blair. "She was a thoroughly determined person and that is an admirable quality. It is important in politics to have a clear sense of purpose and direction, to know what you want", he said. "I believe Mrs Thatcher's emphasis on enterprise was right" (Sunday Times 23/4/95). The problem for millions of Labour supporters was that Thatcher represented the cold calculated interests of big business, and carried these through with "a clear sense of purpose." Within days of Labour winning the general election, she was invited into Downing Street to offer Blair advice on Europe. At the same time, the trade unions were told to keep their distance.

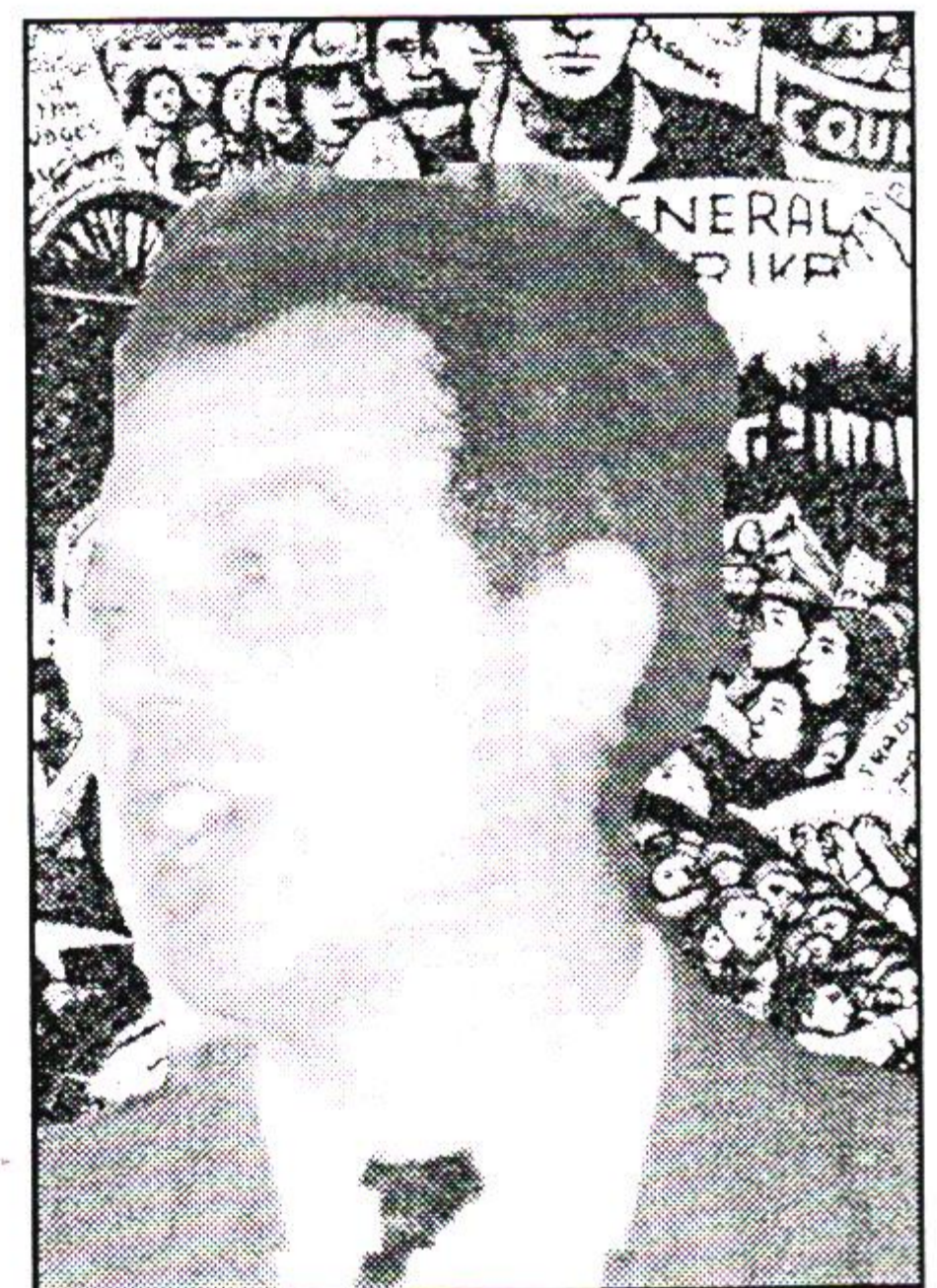
Despite Labour winning a 179 seat majority, Blair has continued to court the Liberal Democrats. Soon after the election he set up a Cabinet Committee on constitutional reform involving the Liberal leaders, and there was discussion over how to broaden this cross party co-operation, to embrace Northern Ireland and Europe. PR was then proposed for the European elections and the elections for the Scottish and Welsh Assemblies. Lord Jenkins has said the two parties needed to work together in a coalition in Edinburgh to ensure a coherent majority. With the rise of the SNP, the Labour leaders will be looking eagerly at such a deal, which will be disastrous for

Labour within a relatively short space of time.

Blair is constantly raising the distinction between 'new' and 'old' Labour as a means of shifting the party further to the right. Tuition fees, abolition of student grants, PFI, privatisation, cuts in welfare benefits, workfare, and the maintenance of Tory economic policy means a continuation of those policies overwhelmingly rejected by the electorate 12 months ago. The rigid spending limits still imposed on local authorities have resulted in swingeing cuts in front-line services - home helps, social welfare, libraries and leisure facilities.

### Low turnout

The low turnout in the local elections is a reflection of the lack of enthusiasm for the Labour government. There is growing disillusionment amongst Labour supporters. In Scotland an opinion poll for the "Daily Record" in April showed that 28% feel things are a little, or a lot, better under Labour compared with the Tories, and 47%



see no change. Their mood can be summed up as follows: "Why are we still waiting for the things we voted for?" In another opinion poll of voting intentions for the Scottish Parliament, which again reflects the same process, the SNP is ahead of the Labour Party. They feel let down on the big promise, not contained on the small pledge card, to undo the damage caused by 18 years of Thatcherism and Majorism.

Instead of that, Blair has chased after big business. "New Labour is pro-business, pro-enterprise... Our aim all the way through is to win another term. And the only way that will be done is by running for office as New Labour and governing as New Labour. That is the key to their business relationship" (FT, 16/1/97). That is why a whole range of business people have been drawn into the government.

Blair has announced that he wants to break down the ideological divide between Labour and the Tories. This approach has been echoed by Peter Mandelson, the great 'pragmatist,' "You don't have grand ideologies of either of the left or right in politics any longer. What you have is different approaches to managing issues.. Let me make the point on the record. There is nothing wrong with capitalism with a social conscience or a human face." Blair later summed this up with his phrase "the Third Way", neither socialism nor hard-faced Thatcherism, but something totally different.

### Third way

But all this talk of a "third way" is mere camouflage for a policy that serves the aims and interests of big business. It is a justification of capitalism "with a social conscience." The Labour leadership attempts to straddle the classes through a policy of "social partnership", but this breaks down as soon as class interests come to the fore. Thus the need for Gordon Brown to be the 'Iron Chancellor', to stick within Tory spending limits and policies of sound finance. This is the language of all past Tory chancellors that imposed austerity policies on the working class. Such policies can never solve the crisis of British capitalism nor satisfy the aspirations of the working class.

A new world crisis would wreck the British economy, throw millions out of work and cause living standards to plummet. To continue with pro-capitalist policies would lead to huge opposition within the trade unions and the Labour Party. This would inevitably reflect itself in the Parliamentary Labour Party. The revolt in Parliament of 47 Labour

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

We should recall that in 1966 Harold Wilson had a majority of 97 in Parliament, but was derailed by the introduction of pro-capitalist policies, which ultimately led to defeat in 1970. The only saving grace today is the malaise within the Tory Party. The resignation of Major and the election of Hague has not solved the Tories problems, but has tended to exacerbate their antagonisms, especially over Europe. There has already been a number of resignations, but the fight between the Eurosceptic majority and the Heseltine-Clarke wing threatens to split the Tory party apart. This has been further reinforced by the decision to 'grant' the rank and file of the Tory Party a greater say over policy and the leadership. The grass roots are far more reactionary than the leadership and can push the Tories even more to the right. As Julian Critchley pointed out: "Any observer who has attended a Conservative Party conference in whatever capacity can only have been alarmed by the prejudices shown by the bulk of the party activists who attend such jamborees. With a few exceptions, the 'floor' consists of rightwing Tories of the most unattractive kind: racists, floggers and hangers and passionate 'Eurosceptics'." (Times, 19/12/97). But these delegates are a true reflection of the grass roots of the Tory Party and would serve to increasingly alienate the likes of Heseltine and Clarke. They could easily split away and fit very comfortably in a National Government under Blair.

In Britain, after the defeat of the general strike in 1926, the bulk of workers looked to the political front to solve their problems. This resulted in the victory of the Labour Party in 1929. The Labour Party came to

power with Ramsey MacDonald as prime minister, and a commitment to reduce the level of unemployment, which stood at over one million. It was a minority government, 38 seats short of a majority, and therefore reliant on the Liberals to get its legislation through.

With the Wall Street Crash in October and the world slump that followed, mass unemployment rose to record levels. In early 1931 the capitalist press, led by The Times, orchestrated a campaign for a National Government. The crisis, they said, was a time to drop party differences and for the best brains of all parties to come together for the national interest. By June 1931, unemployment has reached 2,700,000. To balance the budget, the Labour chancellor demanded orthodox deflationary policies encompassing deep cuts ("economies") in public expenditure. In February the 'May Committee' was established to look at economies and recommend a cuts package to the government. Under the pressure of big business, MacDonald and a majority of the Cabinet capitulated to the bankers and the City.

"Consultations" took place both with the TUC and the bankers. The TUC opposed the 'economies', but put forward no alternative. The bankers demanded more. The proposed cuts resulted in large-scale opposition within the trade unions and the ranks of the Labour Party. This opposition led the Fabian Sidney Webb, also a government minister, to complain that "the trade union leaders are pigs." In August the Cabinet reluctantly agreed to a package of cuts worth £56 million to balance the books. However, an additional £25-30 million were demanded by the bankers. This included measures to reduce unemployment benefit by 10%, and the wage bill of teachers, the services and the police. Under intense pressure from the Labour movement, a minority in the Cabinet came out against the extra cuts.

### Breaking up

According to the historian Colin Bell, "for much of the year all three parties seemed to be breaking up.... These splits and disagreements reinforced the opinion that some new political arrangement was needed; there was a crisis, all three parties were divided among themselves, and all authoritative observers held that it was essential that the country rallied round and accepted a swingeing bout of public parsimony."

Soon after the Cabinet meeting,

MacDonald wrote of those who opposed the extra cuts as taking "the easy path of irresponsibility". MacDonald immediately set off for Buckingham Palace to inform the King of the situation. There he urged the King to send for the leaders of the official opposition parties to discuss measures in the "national interest". The ruling class wanted a strong government to carry through the necessary attacks on the working class. The Labour government went so far, but given the pressure from below, proved unreliable from the point of view of big business.

The following day a National Government was formed with the Tories, a section of the Liberals, and a few Labour renegades with MacDonald as Prime Minister. In the subsequent general election, the Labour Party was dealt a severe blow. The number of Labour MPs fell from 289 in 1929 to a mere 46 in 1931 and its vote fell by two million. Although the National government was able to secure 70% of the vote in the subsequent election, by stampeding the middle class and the politically backward workers, the National Government proved no lasting solution. According to Malcolm Muggeridge, looking back on events: "Once the National Government had performed the surprising feat of coming into existence, its initiative was exhausted. The lamp had been rubbed, the jinn had appeared, but no instructions were forthcoming as to how its formidable powers should be exercised. The Conservative members of the Cabinet believed in tariffs, the Liberal members of the Cabinet in free trade, the Labour members of the Cabinet in continuing to be members of the Cabinet, and the Prime Minister in continuing to be Prime Minister."

### Vicious

Nevertheless, the vicious cuts doled out to the unemployed and other workers served to propel the Labour Party to the left. This was a real danger for the ruling class. "There is a third danger ahead", wrote the Times, "but it is a danger to the nation rather than to the Government. Broadly speaking, the whole of the Socialist Party will be reconsolidated in Opposition - with this enormous difference, that they will have lost the guidance of leaders few indeed in numbers but the ripest of all in practical experience of affairs... The Labour Party ... will now be definitely controlled by its more prejudiced and ignorant elements." (26th August 1931).

Today, the situation has marked differences with 1931. In particular, rather than a

minority government, the present Labour government has a majority of 179. Will this serve to prevent a future coalition? Such a view is over optimistic. The majority of 179 is not only a source of strength for Blair, but also a source of great weakness. As The Economist explained: "Lots of Labour MPs who unexpectedly won their seats in May's landslide have little enough chance of winning next time. If little chance seems to be turning to no chance, they may be tempted to make a splash as parliamentary rebels. If they are going down, they may decide to take a few hundred of their colleagues with them." The article raises the idea of a split in the PLP at a certain stage. That is certainly Blair's fear, and the reason why he is bringing in rule changes to punish and deselect MPs who step out of line. That is the reason for cuddling up to the Liberals. But as the revolt over single parent benefits shows, events can transform the situation and open up a whole series of parliamentary rebellions. As in 1929-31, splits are inherent in the situation.

A deep slump in the world economy would have devastating consequences nationally and internationally. It would completely undermine any illusions in "the market", and serve to discredit the rightwing and their attempt to prop up capitalism. On the one hand, a crisis would see enormous pressure from the working class to change society, on the other there would be intense pressure from big business for the Blair government to launch an all-out assault on living standards. The parallels with 1929-31 are striking. Big opposition in the trade unions and constituency parties - which is inevitable - may therefore convince the rightwing that the party is not worth holding together. After all, Blair's model is the US

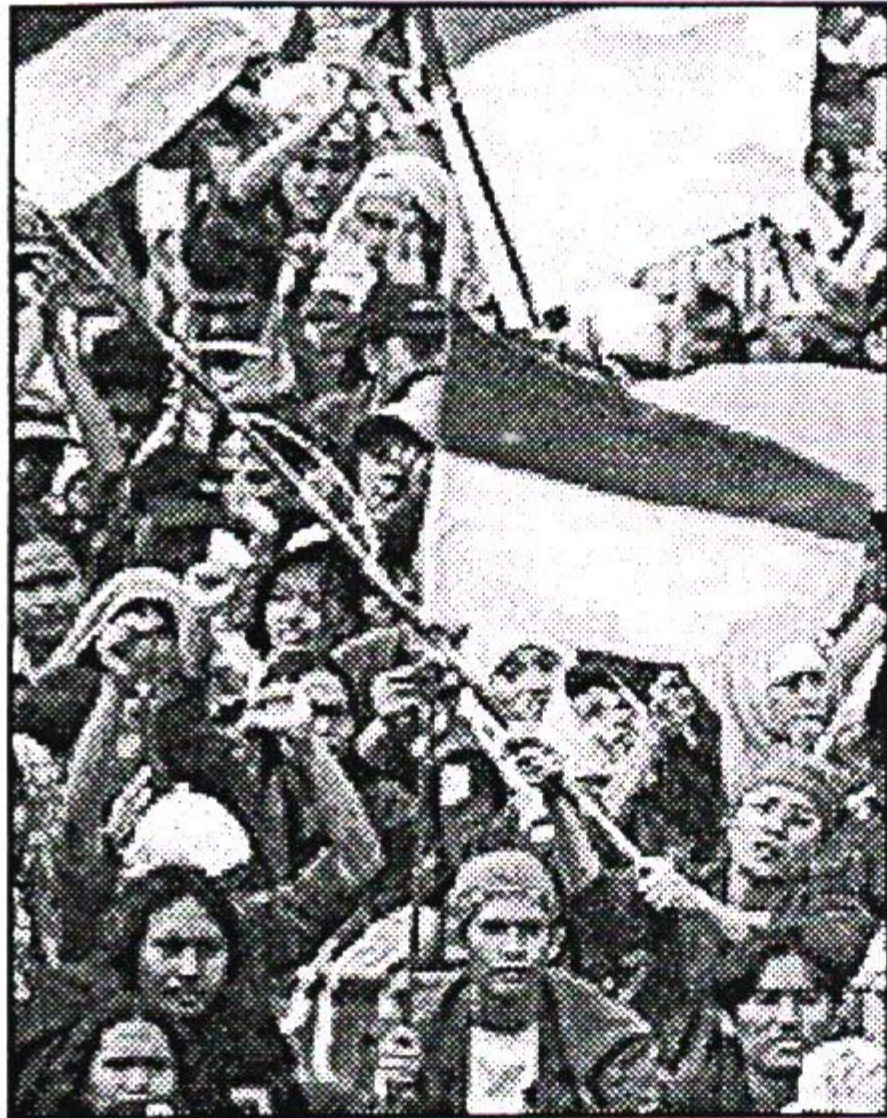
Democrats. A revolt of the rank and file will bring into question the whole "New Labour" project. At a certain stage, unable to satisfy the aspirations of the party's rank and file, they may decide to cut their losses and hold out their arms to the Liberals and "left" Tories as in 1931. But given the strength of the working class as compared with then, a National Government will not be as long lasting. A leftward moving Labour Party would quickly recover.

### Responsibility

Nevertheless, today we have a responsibility to warn of this danger. Labour and trade union activists must energetically counter the ideas of coalition and partnership politics. The Labour government must be forced to break with Tory policies. These policies of patching up capitalism are a disaster for the Labour movement and working people generally. They are leading to growing disillusionment. In the future, those voices in favour of coalition will receive the full backing of the capitalist media. Their aim will be to split the Labour Party and crush it electorally. We must demand the party clearly rejects coalition and coalition politics. The only alternative is a bold socialist programme, based on the old Clause Four. Only by taking over the commanding heights of the economy and planning industry in the interests of the majority can the ills of mass unemployment, poverty and homelessness be eradicated. On the basis of capitalism, the convulsions of the boom/slump cycle and the threat of a world depression can only mean untold misery for working people. No repeat of 1931! Reject coalition politics! For real socialist policies to answer the crisis and solve the problems faced by the working class!



# Revolution in Indonesia!



Suharto forced out of office! The news hit the world like a bombshell. For thirty-two years, this bloody tyrant ruled Indonesia with a rod of iron, having come to power over the corpses of more than a million people. Now he has been blown away like a dead leaf in the wind. The magnificent mass movement of the students and workers has won a great victory. To the very last minute, Suharto clung to power, threatening a bloodbath if the masses continued to defy him. But in the moment of truth the whole edifice of repression collapsed like a house of cards in the face of a popular uprising. This is the beginning of a revolution. It is like 1931, when the Spanish monarchy was deposed and the Republic proclaimed. This opened the flood-gates of revolution. Indonesia has now entered the same road.

by Alan Woods and Ted Grant

The events in Indonesia have caused shock-waves in international capitalism. Just when things seemed to be going nicely for the bourgeoisie, the crisis in Asia struck with the devastating force of a tropical typhoon. Now the economic crisis has begun to express itself in social and political terms. It is essential that all conscious workers are clear on what is happening in this key Asian country. The events in Indonesia have caught the bourgeoisie by surprise. They try to comfort themselves with the thought that this is "just a riot." There have been riots in Zimbabwe and Tanzania, provoked by the ruthlessness of the IMF. That was already a warning that the patience of the masses was reaching its limits. But the Indonesian events are qualitatively different. These are not just riots, but the beginnings of a revolution which will unfold over a period of months and years and will shake Asia and the world.

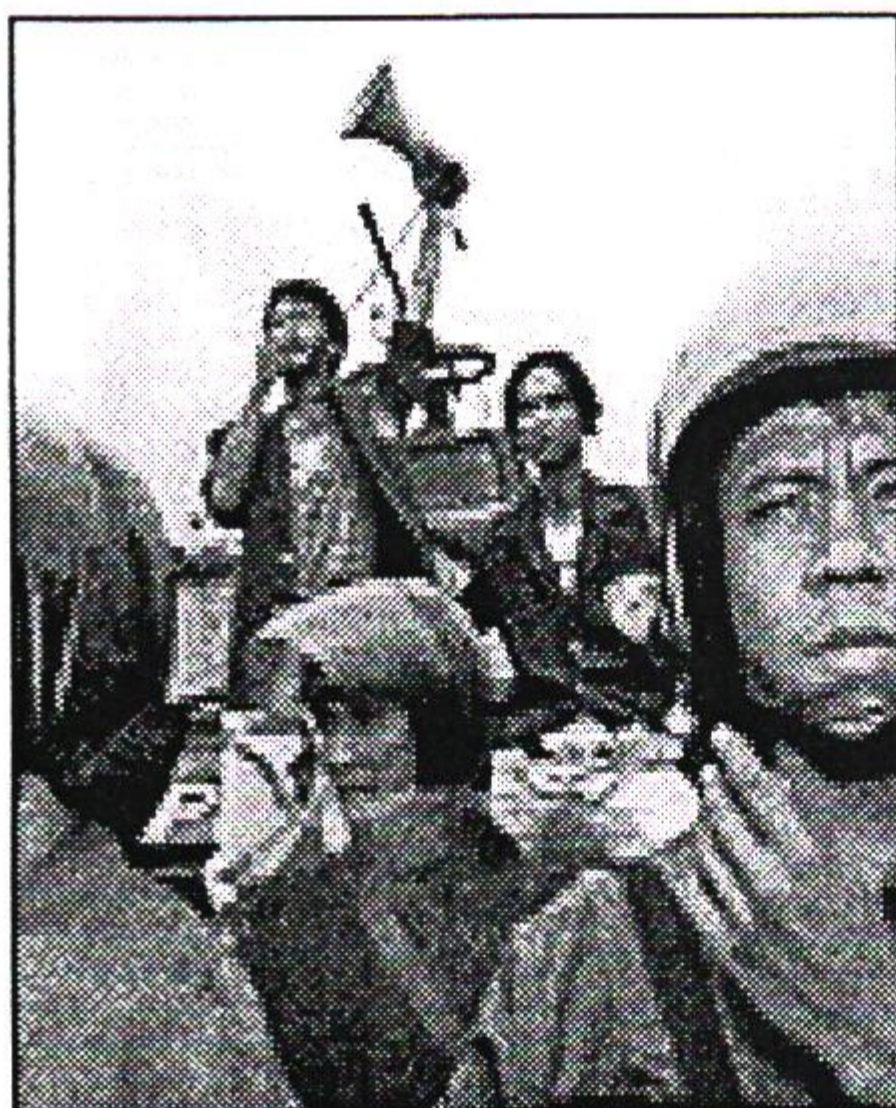
## Crony capitalism

The explosion in Indonesia is not exclusively the result of the recent economic collapse in Asia, although that has undoubtedly acted as a powerful catalyst. It is the result of the accumulation of insoluble contradictions over decades. Indonesia, like all the other tigers, was held up as a shining example of what capitalism could achieve

for formerly backward countries. In point of fact, the large infusion of foreign capital solved none of the fundamental problems of Indonesian society, but merely exacerbated them. What it did do was to strengthen the working class, the only force that can really show a way out of the impasse and bring about a thorough and progressive transformation of society.

In common with all the other bourgeoisies of the ex-colonial countries, the Indonesian bourgeoisie is rotten and corrupt to the core. It has solved not a single one of the basic problems—neither the agrarian problem, nor the national problem, neither modernisation nor democracy, nor even genuine independence has been achieved. The Suharto family have ruled Indonesia like robber barons for 32 years. They own the best part of the economy which they plunder without restraint. The fabulous riches of the ruling clique contrast with the misery of the masses. The crisis in Asia has had a devastating effect on jobs, wages and living standards. Many workers, sacked from their jobs, are now faced with the prospect of savage increases in the price of basic necessities.

The collapse of the rupiah from around the 2,400 level against the dollar last July plunged Indonesia into its worst economic crisis since Suharto took power in the mid-1960s. Inflation and unemployment are shooting up, most companies are in technical bankruptcy and trade has come to a virtual standstill. The increase in fuel prices was part of the IMF reform agreement, but was obviously going to cause terrible hardship in a nation dependent on transport between 17,500 islands spread for 5,000 km (3,000 miles) along the Equator. The per capita income of Indonesians as measured in US dollars has already dropped by at least 60% over the last six months. This is reflected in the inability of an increasing number of Indonesians to get access to basic commodities as prices soar. Prices of basic foodstuffs and cooking oil have increased 20 per cent. Massive hoarding has made some goods scarce, including rice. Fuel prices rose by an average of 47% and electricity prices by 60%. The official Suharto-IMF estimate is that inflation will be at least 20% per year for the foreseeable future, though in practice it will be more. The burden will fall disproportionately on the poorest sections of society. Increased fuel prices will especially hit the 50 million



poor in Java. Since the destruction of Java's forests and the loss of all firewood, the mass of people are dependent on kerosene for both cooking and the essential boiling of drinking water.

On Monday the fourth of May, bowing to pressure from the IMF, the Indonesian government announced an increase in public transportation fares, only a few hours after it announced the price hikes for fuel and electricity. The Minister of Mines and Energy Kuntoro Mangkusubroto acknowledged the price rises would be a hardship for the public, but said the decision was "the best" from a list of "hard and bitter" choices. The "hard and bitter" choices produced a result that neither the government nor its foreign backers, nor the bourgeois opposition leaders, anticipated. There was a sudden and spontaneous explosion. Violence erupted as soon as the increase in fuel and transport prices was announced: "Everybody is now complaining about the prices," said Yayah Syamsiah, a 40-year-old noodle vendor in Jakarta who has six children. "Who will listen to us? Ordinary people are crying." (Associated Press, 5/5/98.)

Once it began, the movement quickly acquired an all-Indonesian character. In the North Sumatra capital, Medan, the disturbances broke out on Monday the fourth, hours after the government announced sharp fuel and electricity price increases. In the ensuing rampage, some 170 shops were destroyed or looted and burned in Medan while 38 cars and 21 motorcycles were also set ablaze, North Sumatra police reported. The reaction of the regime was to resort to force.

The pig-headed stupidity of the strategists of capital, and their complete indifference to the suffering of the masses, was strikingly expressed by the comments made by the IMF's managing director, Michel Camdessus, speaking in Melbourne, Australia, after the riots had already started. He expressed "deep concern" over the rioting in Indonesia, but, with astonishing complacency, said the real cause of unrest was not price rises, but deeper economic management problems which had led to the crisis in the first place. More incredibly still, he insisted that the 71 per cent petrol price rise which led to riots in the city of Medan was "indispensable to the country's economic future", and he urged Jakarta to push ahead with the tough economic programme backed by the IMF. He said the petrol price rise was part of the



IMF's agreement with Indonesia, and described IMF policies as medicine which created more pain at first, but which would lead to a more balanced economy. "Deplorable as these [riots]...can be we should always remember that our programs are not the deep origin of these problems," Mr Camdessus said. (Sydney Morning Herald, 6/5/98.)

#### **An anti-Chinese movement?**

One feature of the riots that has been singled out by the press is attacks on Chinese shopkeepers. This is not a new phenomenon in Indonesia, where Chinese, who account for only three per cent of Indonesia's 202 million people, dominate the commerce sector and control 80 per cent of the 163 companies listed on the Jakarta stock exchange. These have long been the targets of discrimination that occasionally erupted into violence, exacerbated by the fact that many wealthy Chinese businessmen were prominent backers of Suharto. For the mass of unemployed and hungry town dwellers, the temptation to raid the shops—almost all owned by Chinese—and carry away food and other goods, proved irresistible. Tragically, it was the small Chinese shopkeepers who were the main victims.

From the first day, the Western media have tried to use these things to present an entirely distorted picture of events in Indonesia—just as they did previously in relation to Albania. The papers are filled with pictures of looting and arson. In fact, even the rioting reflected a kind of blind protest against the rich and privileged, as when the rioters pulled cars out of the shops and burned them, or attacked banks. As the Suharto family has a monopoly share of the "national car" and is heavily involved in banking, the message was clear. The Guardian correspondent observed that: "Companies owned by Mr Suharto's children, who have all amassed vast fortunes, were the main targets of pro-

testers." (The Guardian, 6/5/98.)

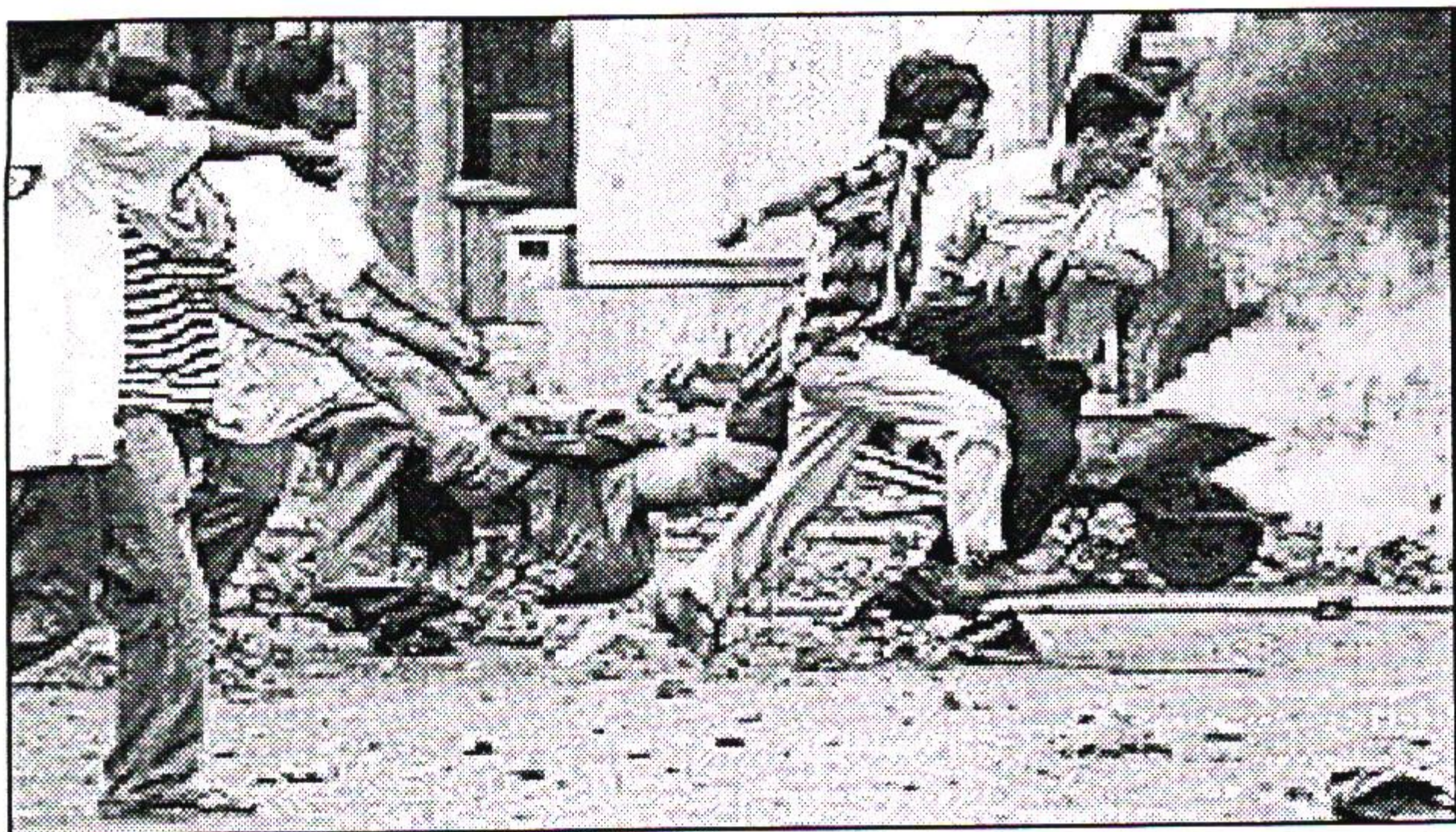
It is not necessary to explain that the burning of shops is very far from being a revolutionary activity, and is rather an expression of the despair and anger of the most downtrodden layers who seek to take revenge on society as a whole for their plight. This fact is even understood by the middle class who fall victim to the rage of the declassed elements, like the hotel owner whose hotel was burnt to the ground who commented: "What do you expect? The people are starving." It is quite likely that the regime's agents provocateurs deliberately incited the lumpen proletarians and turned them against the Chinese in order to distract attention from the rich. But this element is entirely incidental and not at all the essence of the movement.

#### **The revolution commences**

The revolution began as a movement of the students. There is nothing unusual about that. Although the students and intelligentsia cannot play an independent role in society, they nevertheless represent an extremely sensitive barometer which faithfully reflects the moods building up in the depths of society. In Indonesia too the students feel that they are representing a general mood of discontent and opposition in society, and draw strength and courage from this fact.

"Many people can't say openly what the students say," writes The Guardian, "They are still afraid. But they support them. They are glad the students say what they can't," said Ikrar Musabhakti, a scholar at the Indonesian Institute of Sciences." (The Guardian, 13/5/98.)

What is extraordinary is not only the sweep of the movement but also the lightning speed with which consciousness has developed, passing rapidly from an elementary protest against worsening living standards to open political protests. The student protests rapidly spread to many parts of Indonesia, despite threats and



police violence. The most important element in the equation is the fearlessness of the students, their willingness to face beatings, imprisonment and death in the fight for a just cause. Without arms, without organisation, without even a clear programme or perspective, these young people were prepared to confront armed police and troops, and even fight back. When the masses lose their fear, then the regime is doomed. Numerous reports bear witness to the fact that the demonstrators are beginning to respond to the violence of the state with stones and molotov cocktails, and that the police have not escaped with impunity. In one area they even improvised their own 'motorised division': "Students from dozens of tertiary institutions took part in actions in Ujungpandang, South Sulawesi. Thousands of students on motorbikes and other vehicles converged on a city square but were forced back by security forces. They spread out in all directions and started rallying around the city."

As happens in every revolution, under pressure from below, the regime begins to split. One section advocates the use of brute force to smash the opposition, while another advocates compromise. The turning-point was the killing of six students at the Trisakti university in Jakarta during a peaceful demonstration on the 12th of May, either by police who panicked, or more probably it was the work of provocateurs, set in motion by the hard-liners in the government. As *The Economist* wrote, the killings at the Trisakti university were "the spark that ignited widespread frustration into nationwide anger." Before this the demonstrations were mainly peaceful.

Significantly, this was an elite university. As *The Economist* (16/5/98) points out: "Trisakti, the university where the students were killed, is favoured by the rich middle classes. Many had already stopped backing Mr Suharto, but some have still seen him as all that stands between Indonesia and chaos. The prospect of their own children being shot may change that." (*The Economist*, 16/5/98.)

The funerals of the murdered students turned into opposition rallies: "On Wednesday, the students' funerals created a wave of emotion. Orations were given by opposition leaders such as Megawati Sukarnoputri, daughter of Indonesia's first president, Sukarno, who was ousted by Suharto in 1966. Yet the curious thing was that among the mourners was none other than the military commander of the Jakarta area, Major-General Sjatrie Sjamsoeddin, who was given a courteous reception." (*The Sunday Times*, 17/5/98.)

Frightened by the sudden upsurge of the mass movement, Suharto tried to backtrack, immediately cancelling the unpopular fuel and electricity price rises that had been demanded by the IMF. The dictator played for time, offering "reforms"—a move that fooled no-one. The *Jakarta Post* on May 7th quoted former cabinet minister Siswono Yudohusodo as stressing the necessity of immediate political and economic reforms, indicating that a cabinet reshuffle may be needed to help defuse the national crisis. Siswono, also a businessman, warned that economic reform was urgent.

"In certain fields, reform is a must because delay could spark demands for drastic changes that could turn into a revo-

lution," he is quoted as saying. These words are an invaluable testimony to the real state of mind of a section of the ruling class: we must immediately proceed to reform from above to prevent revolution from below. General Wiranto, the Indonesian military chief, sought to defuse the protests, telling students that their demands for political reform had been heard and urging them to end the demonstrations. But his appeals were ignored. The movement derived fresh strength and vigour from every step back taken by the regime. Far from ending the rebellion, the offers of concessions merely spurred it on. They were correctly understood as a sign of weakness.

#### Role of the working class

The most decisive question is the role of the working class. As in Russia a hundred years ago, the influx of foreign investment has strengthened the working class and laid the basis for a stormy upsurge in the strike movement. The growth of industry has created fat profits for the foreign and Indonesian bosses, but has not led to an improvement of the workers' living standards. The massive price rises in fuel, electricity and transportation costs provoked a wave of strikes. About 4,000 workers staged a rally in front of two ceramics factories in the greater Jakarta area town of Tangerang, demanding higher improved benefits and more transparent hiring policies. 1,500 workers at a wood processing manufacturer in Kerawang, West Java staged a pay strike Wednesday, the *Pikiran Rakyat* daily reported. "We know for sure the management kept making huge profits during the economic crisis because our products are aimed for exports," one worker was quoted as saying. "Meanwhile our wages stay the same whereas our daily expenses have skyrocketed". (*Agence France Presse*, 7/5/98.)

Through their own experience, the students were drawing revolutionary conclusions, and seeing the need to appeal to the working class. An Indonesian political scientist, Mr Ryass Rasyid, said the demands of the students and their supporters had gone beyond the limits of the system and warned: "I have heard of student efforts to solicit support from workers," he said. "It is therefore very urgent for the Government to take action to accommodate the people's aspirations." (*Sydney Morning Herald*, 7/5/98.)

From the beginning the workers showed their unerring revolutionary instinct by supporting the students. Numerous reports bear witness to the fact that workers participated on the students' demonstrations: "It's not a pure student protest anymore, because it involves ordinary people," police Lt. Col. Amrin Karim said. "There are thousands of angry people trying to burn houses. They are burning tyres and turning over cars." At least 20 officers were injured and 59 people arrested in Monday's unrest. (Associated Press, 5/5/98.)

And again: "In the central Java city of Solo, 650 kilometres southeast of Jakarta, an estimated 5,000 university and high school students joined with labourers and clashed with security forces in a running battle that left at least 130 people injured." (Deutsche Presse-Agentur - 8/5/98.)

An article by Derwin Pereira in the Straits Times of May 3rd pointed to the fact that workers were participating in the students' protests: "In nation-wide rallies yesterday, thousands of Indonesian students protested against President Suharto's decision to rule out major political reforms in the next five years.

Meanwhile, workers for the first time joined them on several campuses in the capital in a "show of solidarity", to stress students were not alone in calling for changes in the New Order regime."

And one of the workers was quoted as saying: "We are not happy with what is going on in Indonesia. The government is oppressing us, not helping us. More and more of us will be joining the students' cause."

"The workers, who wore red arm bands to distinguish them from students dressed in the yellow jackets of the country's most prominent university, joined 3,000 students in the sometimes carnival-like atmosphere, by singing songs and chanting political slogans calling on Mr Suharto to step down." (The Straits Times, 3/5/98.)

The fact of the workers' participation in the protests of the students is of tremendous symptomatic importance. Only the revolutionary movement of the Indonesian proletariat, uniting in struggle with the students, peasants and oppressed nationalities, can carry through the transformation of society. The Indonesian working class is very strong. Once it is organised to fight under the banner of the socialist revolution, it would be an unstoppable force. In fact, if a genuine communist party existed, it would already be moving towards taking

power. It is only the lack of the subjective factor that prevents this from coming about.

But the decisive factor that is missing is the subjective factor—a revolutionary party and leadership capable of providing the necessary organisation, programme and perspective to unite the movement and guide it to the seizure of power. The slogans of such a party are clear in advance: Factories to the workers! Land to the tillers! For a democratic and just solution to the national problem! For the repudiation of all foreign debts and the nationalisation of all the property of the imperialists without compensation! For the confiscation of all the property of the corrupt Suharto clique and its hangers-on! For a revolutionary general strike to overthrow the regime! For the immediate formation of democratically elected committees of workers, peasants, soldiers and students to take into their hands the running of industry, the state and society! Only the democratic rule of the working class can cleanse Indonesian society of all the accumulated muck and corruption of the past and commence the movement in the direction of a socialist society.

### Internationalism

Such a movement can ultimately only triumph on the basis of internationalism—the overthrow of landlordism and capitalism in the rest of Asia and the world. But the victory of the Indonesian proletariat would immediately transform the situation throughout Asia. Malaysia, Thailand, Korea are all in crisis. In the event of a successful workers' and peasants' revolution in Indonesia, these weak capitalist regimes would be faced with mighty revolutionary movements. The road would open to the extension of the revolution to the rest of Asia.

The Indonesian CP (the PRD) is attracting the most revolutionary and courageous elements among the workers and youth. Their heroism and devotion to the workers' cause is not in doubt. But to succeed, courage is not enough. A serious revolutionary programme and perspective are necessary. But the programme and policy of the PRD leadership is too vague and does not place on the order of the day the seizure of power by the working class in alliance with the poor peasants, but rather looks to the so-called "progressive bourgeoisie" for a way out. Along this road is only defeat and disaster. It was this very

policy that led to the catastrophe of 1965-6.

In a statement issued on July 31 1997, the PRD stated: "The PRD, as a defender of the peoples' sovereignty (?), as a party of the oppressed, will continue to struggle with all its strength, ability, force and stamina to continue the struggle for social justice, peace and democracy. Democracy is the bridge that can lead to a more civilised society, reflecting the peoples aspirations. The PRD believes that "the voice of the people, is the voice of God." And in the middle of the current repression, with the PRD's leaders being hunted down by the regime, in the midst of the regime's propaganda, in the midst of the hypocrisy of foreign governments, the PRD will continue its struggle." True, the PRD also stands for "the nationalisation of the economic assets of Suharto family, his family, his cronies and the multinationals that have collaborated with him in exploiting the Indonesian people." But for such a demand to be carried into practice, it would first be necessary to break with the bourgeoisie and lead the working class to the seizure of power. The expropriation of the imperialists and those who supported Suharto means, in effect, the expropriation of all big capitalist interests in Indonesia, a radical break with capitalism. This will never be accepted by the so-called "progressive" bourgeoisie with whom the PRD is allied. In order to carry this programme into practice, it is necessary to pursue a policy of class independence. The allies that the proletariat needs are allies in struggle, not in words. That is to say, the poor peasants, the urban poor and the students, not the bourgeois career politicians who want to climb to power on the workers' backs. The struggle for democracy can only be won by carrying the fight against imperialism and the oligarchy to the end. That means that the working class must take power into its own hands, expropriate the landlords and capitalists, and carry out a revolutionary transformation of society.

The best of the students are already drawing the necessary conclusions from their experience of struggle. A report in the Australian Green Left Weekly (No. 318), quotes the words of one of the students: "Akiko described the current atmosphere in Jakarta as one where the slogan *demokrasi* is being replaced on the streets by the call for *revolusi*, and she called for us to work hard to help change the Indonesian government and get the prisoners out." The revolutionary trend among the



workers and students will inevitably grow stronger as the movement develops and grows.

The bourgeois try to comfort themselves that things have so far not reached the point of an all-out revolutionary onslaught; 'the villages are quiet', and so on. Thus, a drowning man will clutch at a straw. The revolutionary impulse will inevitably communicate itself from the towns to the villages. There will be new demonstrations and riots, not only of workers but of peasants. The rebellious mood of the soldiers will grow. If a party existed that was prepared to put the question of workers' power firmly on the agenda, the winning over of the army would be a lot easier. But, as Albania showed, even without such a party, where the masses show sufficient determination and courage, the army can be won over in the course of struggle. Increasingly, as the soldiers come to understand that the masses mean business, that this is precisely not a riot but a serious attempt to change society, their mood has been transformed. Instead of beating and shooting at demonstrators, they look on, smile, even wave support. For their part, the students have shown a sound instinct for tactics. They fraternise with the soldiers. The situation is alarming from the standpoint of the general staff. Conflicting messages issue from the tops. Suharto's son-in-law, the head of the crack commando troops, demands a crack-down, while other generals appeal for reason and calm. The Spanish paper *El País* reported one incident where a soldier fired on demonstrators, and was beaten up by other soldiers. The officer had to apologise to the demonstrators. Under such condi-

tions, one serious clash between the army and demonstrators would crack the army wide open.

### **Imperialists paralysed**

The remorseless pressure of the IMF, using the whip handle of Indonesia's external debt of \$80 billion has brought Indonesia to its knees. But now, faced with the imminent danger of revolution, the imperialists have shown themselves to be paralysed. The *Financial Times* moaned that the Group of 8, after its recent meeting, did not even call for the removal of Suharto. For these gentlemen sitting in their comfortable offices thousands of miles away, the problem can be easily dealt with! Just get rid of Suharto and all will be well. Unfortunately, the problem will not be so easily settled. If Suharto is removed that will not be the end of the revolution but the beginning. That is why the G8 leaders made no call for his removal. Their advisers had undoubtedly warned them that if Suharto is removed, that could open the flood-gates wide and remove the last feeble barrier between them and disaster. The dilemma is a familiar one to students of history: reform from the top to prevent revolution from below most often has the opposite result. To remove Suharto would be dangerous. Not to remove him, more dangerous still. Whatever they do will be wrong.

Sensing that the game is almost up, the imperialists are fleeing Indonesia like rats deserting a sinking ship. The same gentlemen in grey suits who yesterday bragged about the fortunes they were making in Asia, now hasten to get out. The foreign investors have pulled the plug on

Indonesia: 'What's happening in Indonesia is beyond economics,' said Walter Cheung, managing director at the Canadian Imperial Bank of Commerce. 'I'll try to stay away from that country'." (*The Guardian*, 7/5/98.)

For three decades they were content to turn a blind eye to Suharto's bloody dictatorship, because he gave them the necessary "stability" to rob and exploit the Indonesian people. Now that people is extracting its revenge. Stability is no more. The merciless rule of imperialism and its local cut-throats has plunged Indonesia into crisis. Foreign capital has fled, and will not return until—they hope—"stability" returns under some new regime—at the cost of the workers and peasants. This means that the Indonesian people will face a prolonged period of terrible economic hardship, unemployment and poverty, unless the working class takes power into its hands and puts an end once and for all to the domination of foreign monopoly capital and its local agents. If the Indonesian revolution is to succeed, it must be a genuinely national revolution—that is to say, an anti-imperialist revolution. But the national revolution in present-day conditions can only succeed as an anti-capitalist revolution in which the peasantry and the rest of the exploited people unite under the leadership of the working class. The tasks of the national-democratic revolution lead directly to the socialist revolution. The bourgeoisie can offer no way out. The whole history of Indonesia since the second world war is proof of this.

### **Suharto manoeuvres**

The resignation of Suharto under pressure of the mass movement in itself solves nothing. In the first place, he has manoeuvred to install his henchman in his place. A transitional government has been announced which is supposed to convene elections in six months time. But six months is a long time in such conditions. The whole country has been brought to its feet. Hopes have been aroused. The resignation of the hated dictator will create in the masses a sense of their own power. On the other hand, the economic crisis will become even more severe as a result of the withdrawal of foreign capital. The collapse of production and trade creates a real danger of hunger. To imagine that the masses will be content to set aside their most burning problems and wait for six months is simply unreal. There will be new



explosions. The question of democracy will inevitably become linked in people's minds with the economic catastrophe and those responsible for it. It will become obvious that Suharto is merely manoeuvring behind the scenes to protect the ill-gotten gains of his family.

The first demand of a revolutionary party in Indonesia would be the expropriation of all the property of the Suharto family and its hangers-on. For decades these wealthy bloodsuckers have plundered the Indonesian people. It is not enough that Suharto should go. He must be stripped of his evil-gotten gains! They must be returned to the people. Suharto attempted to cling to power precisely because he feared that he would lose all his wealth and property. He is manoeuvring to preserve the privileged position of his family, while making cosmetic changes that, in essence, alter nothing. Once the masses realise this fact, it will give a further impulse to the revolution and invest it with an even more implacable character.

Suharto is "for reform", provided he himself says what it is to consist of! As for elections, what credibility can they have, when all the old state machine remains intact? The question remains: Who will convene them? Under what conditions will they be held? The Indonesian people, after 32 years, are too well acquainted with the Suharto regime to place the slightest trust in its promises and "good faith". So the question is not elections with or without Suharto, but the overthrow of the Suharto clique and the revolutionary abolition of the regime of corruption and oppression upon which it rests. The revolution now unfolding before our eyes will not be a single act. It will unfold over months and years, with ebbs and flows. It will develop in scope and intensity, as new layers are drawn in and radicalised. A clean sweep is necessary which will clean out every single person that has been involved in this gangster regime. Those who have committed crimes against the people must be tried and punished. Above all, the wealth stolen by the people must be expropriated.

Such measures cannot be expected from the bourgeois opposition. This fact was made clear when the so-called "Muslim oppositionist", Rais, despite all his anti-regime demagoguery, announced the calling-off of the mass protest demonstration called for the 20th of May. There is no doubt that, had it gone ahead as planned,

it would have been the biggest demonstration in Indonesian history. Faced with a movement on such a vast scale, the regime would have been powerless. The revolution could have been achieved peacefully. The leaders of the bourgeois opposition try to hide behind the excuse of the risk of violence and civil war, but in reality they are as afraid of the movement of the masses as the ruling clique itself. In order to carry through the movement to the end, it will be necessary to sweep aside these so-called "leaders" whose only aim in life is to save as much of the old regime as possible, while haggling for positions, at the cost of the masses in whose name they falsely speak, and whom they will betray at the earliest opportunity. The first duty of any honest and consistent democrat in Indonesia is to unmask these false leaders before the people. No half-way solutions and rotten compromises! It is necessary to go to the end! For this purpose, the workers, peasants and students must put no faith in the rotten bourgeois liberals, but trust only in themselves, in their struggle, in the revolutionary movement of the masses.

### Asian Revolution

This is the beginning of the revolution, not only in Indonesia but in the whole of Asia, and, potentially, on a world scale. The whole of Asia is now a seething cauldron of discontent. On the First of May in Japan we saw the biggest demonstrations of the workers for years—two million people attended rallies in more than 1,000 places, according to the Kyodo news service. The demonstrators denounced the policies of the Hashimoto government. Unemployment in Japan (officially 3.9 per cent, in reality much higher) is the highest since records started in 1953.

The economic crisis is everywhere producing an intensification of the polarisation between the classes. In Korea the attempt of the bourgeoisie to place the burden of the crisis on the shoulders of the working class, hiding behind the government of the "progressive" Kim Dae Joung, has foundered on the opposition of the Korean workers. The Korean Confederation of Trade Unions has responded by calling a mass demonstration and a national strike later this month. The unions want no layoffs and propose instead job-sharing and reduced working hours without loss of pay. "All this," wails *The Economist*, "is a very different reaction to the one given to Mr

Kim at his first town meeting in January, when he was president-elect. That was when his popularity soared with nine out of ten Koreans supporting him. Now he faces a hostile parliament and angry workers.... On May 13th, Mr Kim warned students not to join the unions on the streets." (*The Economist*, 16/5/98.)

It is not accidental that precisely at this time India exploded its first nuclear device. This was meant as a diversion, to head off the development of revolution in India. "India is a great world power!" That is supposed to be the message that will make millions forget their misery and hunger. Temporarily, it will have some effect, as the flag-waving mass of petty bourgeois dance on the streets. But it will not last long. When the fog of chauvinism clears, the Indian workers and peasants will once again wake up to the harsh realities of life. In reality, all the conditions for revolution have matured in India—no less than in Indonesia. The only thing lacking is the subjective factor. The so-called Communist Parties of India are playing a disgraceful role, acting as fire hoses instead of preparing the masses for power.

The revolutionary potential is immense. But, in the absence of the subjective factor, so is the potential for defeat. Over a period of two, three or five years, the question of power will be posed before the working class one time after another. If there existed even a small revolutionary nucleus, the entire situation could be transformed. But in the absence of this, and with the disastrous policies being pursued by the CP leadership, the magnificent revolution in Indonesia can again end in defeat. The revolution will pass through various stages, of which we are now merely witnessing the first act. The possibility of victory for the working class will depend on the quality of the leadership. The students and workers have already displayed great courage and initiative. Armed with a correct programme and perspective, victory would be assured. But if the necessary leadership is not built, then chaos can develop, and even elements of barbarism, as in Uganda and Somalia, leading to the break-up of Indonesia. Either the greatest of victories or the most terrible of defeats—these are the only two options before the Indonesian revolution.

# Danish strike: 'We can run the country without the bosses'

**On Monday, April 27th nearly 500,000 Danish private sector workers went on an all-out strike. The strike, which lasted for nearly eleven days was the biggest movement since 1985 when 1 million workers paralysed Denmark for ten days.**

*by Jordi Martorell*

Negotiations between employers and trade unions in the private sector reached an agreement in the spring which was then put to the vote by the union leaders, recommending the agreement be accepted. But the workers, after seeing the figures for record company profits (60% increase since 1993), and also because of the increase in the pressures at work, voted against by 55%.

Some of the key demands of the strike were for an extra week's paid holiday a year and the introduction of a 35 hour week. It was mainly a strike in which workers were demanding a share in the enormous profits they had created for Danish bosses and also an end to the increasing pressures and stress at work.

The strike affected the food industry, breweries, road transport, buses, ferries, airports, petrol stations, engineering, building industry, newspapers, etc. This in a country with a population of 5 million meant that Denmark was completely shut down for the ten days that the strike lasted.

The bosses launched a propaganda campaign saying that the strike would cause food shortages, people were going to die for lack of medicines, and there would be general chaos and mayhem. But the unions put up posters saying they will guarantee food and medicine distribution in emergency cases and the strike proceeded in a very calm and organised way.

The bosses threatened a lock out affecting the retail service to add to their propaganda. The reply of the strikers was that they would provide for any one in need, making sure that food and medicines were delivered where and when needed.

As one shop steward put it at the national shop stewards meeting: "you see, it is the employers who want to shut down Denmark, not us. They cannot run the country without the workers, but we can run the country without the employers".

And these were not just words. For

instance in order to get petrol you needed an authorisation signed by the transport and general workers union. And they only signed in cases of genuine emergency (ambulances, etc.), without that, not even the police could get petrol. Every general strike poses the question: "who runs society," and the answer was quite clear in the minds of Danish trade unionists.

The strike started in the private sector, because the bosses split the negotiation rounds for public and private sector workers a while ago in an attempt to divide the workers in order not to have to face them all at once. Nevertheless, because the cleaning services in the public sector have been privatised, the strike also affected the public sector. Workers there joined in, using health and safety grounds (rubbish was not collected) to do so.

## Supported demands

Workers in the public sector also supported the demands, and an extension of the strike to the public sector was always a possibility. This would have guaranteed the victory of the movement.

On April 29th, there was a national shop stewards meeting of 1200 in Odense. The meeting agreed the formation of national and local coordinating committees to organise the running of the strike. This was the result of a widespread feeling that the trade union leaders were too busy in negotiations with the bosses to offer any meaningful lead to the strike.

Nevertheless not even the leadership of this shop stewards movement was able to offer a way forward for the strike (i.e. its extension to the public sector).

The May Day rally in Copenhagen was a massive event which marked day 5 of the all-out strike. Between 350,000 and 500,000 workers participated in the rally.

The strike received important internation-

al support despite the deafening silence of the international media about the movement. Airport workers in Sweden refused to handle flights to and from Denmark. The Finnish trade unions also declared that they were not prepared to take on any job transferred from Denmark.

Support for the movement and opposition to government intervention to stop it, was growing throughout the strike with an opinion poll published on May Day showing more than 50% support for the strike (including 2/3rds of Social Democratic voters).

The strike remained solid all the way and the employers started to complain about a "workers' dictatorship" as they had to ask permission from the unions for any movements they wanted to make.

Many foreign investors and foreign companies dealing with Danish firms said that if the strike went on for more than 10 days, they were going to withdraw all their operations. This could have had a long term effect for the Danish economy. Therefore the government (a Social Democratic led coalition), on day 11 of the strike decided to pass (with the votes of the bourgeois parties and the Social Democracy) a law of compulsory arbitration based on the original offer already voted down by the workers.

The mediators' proposal voted down by the workers two weeks ago added one extra day off to the Danish workers' existing five weeks annual holiday entitlement. The new law also gave one extra day off for all workers who have at least nine months' service with their current employer, plus two more days off for workers who have children under 14 years of age (and a further day off for workers in this category from 1999 onwards).

To finance these additional holiday entitlements, the increases in pensions contributions that were to have been paid by

***'As one shop steward put it at the national shop stewards meeting: "you see, it is the employers who want to shut down Denmark, not us. They cannot run the country without the workers, but we can run the country without the employers".'***

employers would be reduced by 0.4 per cent of the wages bill. The government would also cancel the special sick leave levy under which the employers have to pay 325 Danish kroner per employee to the state.

In effect the cost of the extra days holidays is being paid by the workers themselves and by the government and was described by one of the strikers as "feeding the dog with his own tail", insisting the bosses had had enough profits to afford to pay for an extra week holidays without compensation. Another striker said "all the young people we have recruited during the strike would leave the union immediately if we just give them this agreement".

The problem is that the strike effectively had no leadership. The trade union leaders were busy negotiating and offered no way forward. The shop stewards movement which was actually organising the strike had no clear strategy either. In these conditions it is difficult to see how the anger with the government implementing a forced deal could be expressed.

An important meeting of shop stewards took place on May 7th, the same day that Parliament was discussing the arbitration law. It had been planned as a national shop stewards meeting, but it was finally reduced to a Zealand region (where Copenhagen is) shop stewards meeting to discuss the outcome of the strike.

The leader of the national trade unions went to this meeting hoping to convince the shop stewards that this was the best agreement they were going to get and therefore should be accepted.

But the mood amongst the more than 1000 shop stewards present was, as it had been since the beginning of the strike, that the strike was mainly for an extra week holidays, and that anything short of that was not acceptable. Therefore, when a young apprentice stood up in the meeting and said that the national coordinating committee of shop stewards had the responsibility to take the effective leadership of the movement, maintain the strike and fight against government intervention with a general strike, the whole meeting erupted and started to shout "general strike, general strike".

After witnessing this scene the leader of the trade union confederation quietly left the hall and didn't address the meeting as originally planned.

The proposal was raised of calling for a national protest demo against the intervention of the government, and also the need to answer the government intervention with

an extension of the strike to the public sector. These proposals were greeted with enthusiasm but the chair managed not to put them to the vote. After the meeting some 20,000 workers demonstrated outside parliament.

Left with no clear lead of what to do next most workers went back to work on Monday 11th (the first working day after the government's intervention, as Friday was a holiday). Nevertheless, despite the fact that the strike had been made illegal by the government's decision, on Monday in many workplaces meetings were held and the decision was taken to go back home as a protest. This was the case in the massive building site of the bridge between Denmark and Sweden, at the shipyards in Odense and many other workplaces all over the country. The protest movement was especially strong in Aalborg, the fourth biggest city in Denmark and a strongly industrialised area, where there was a demonstration with about 2000 workers. A small demonstration also took place in Copenhagen.

#### **Financial support**

Other groups of workers decided to stop their financial support for the Social Democratic party as a form of protest, as was the case with the Copenhagen airport workers. In general there is a strong feeling of anger against the government for its intervention. This will undoubtedly be reflected in the forthcoming referendum on the Amsterdam Treaty on May 28th. It will also have an effect on the negotiating round for local wage deals which could prove very bitter. Frustration on the part of the workers is particularly strong because of the feeling that, had the strike lasted for another week, they could easily have won.

This strike was remarkable from many points of view: the determination and unity of the movement, its breadth, the fact that it was an offensive movement, how scared the bosses were, etc. But maybe there are two key lessons to be learnt from it: one is that once the workers start to move their power is enormous and can bring a whole country to a standstill, secondly, and even more important, that without a clear leadership with confidence in the workers and a clear strategy for extending the struggle they cannot win. The need to build a militant opposition movement in the trade unions and the workers parties based on socialist policies is the main lesson for activists, not only in Denmark but all over Europe.

## **Russia: from revolution to counter revolution** by Ted Grant

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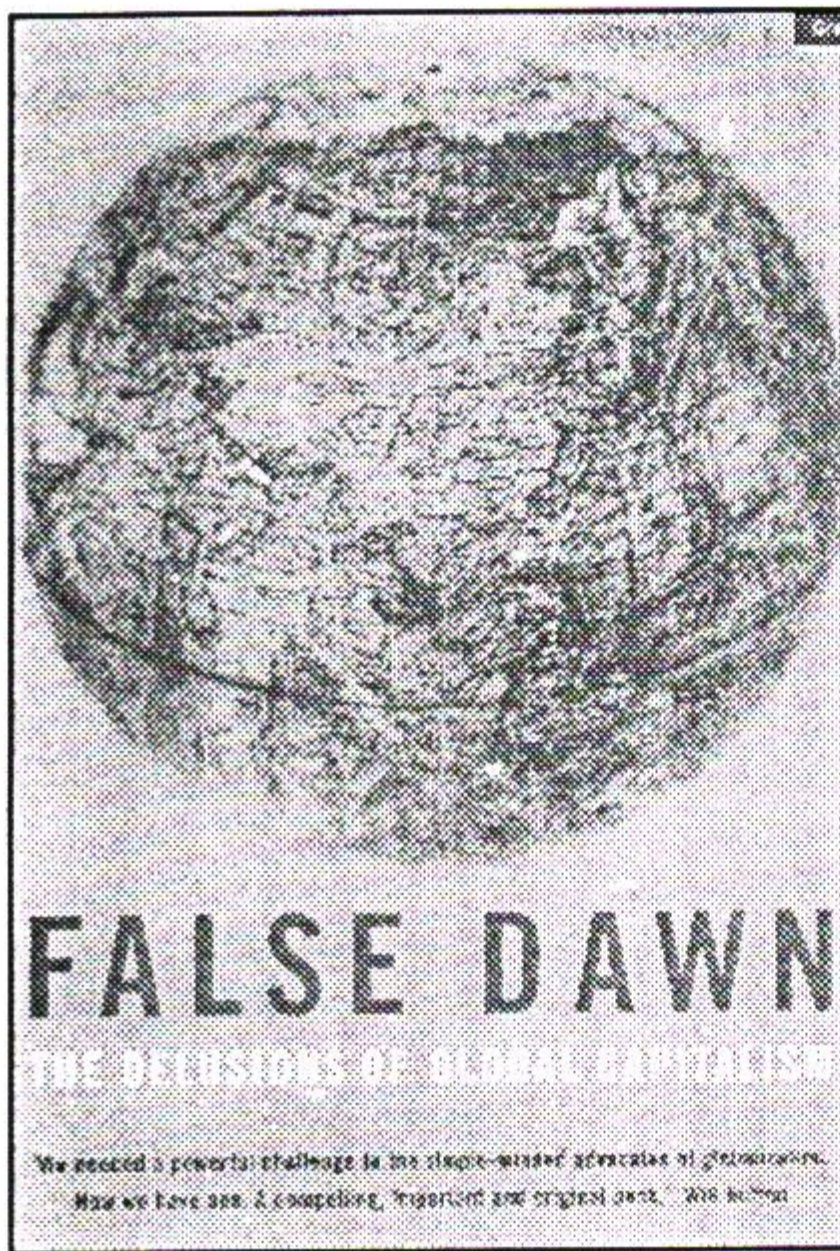


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# False dawn: the delusions of global capitalism



*"The natural counterpart to a free market economy is a politics of insecurity. If 'capitalism' means 'the free market,' then no view is more deluded than that the future lies with 'democratic capitalism.'"*

**False Dawn: the delusions of global capitalism**

by *Phil Mitchinson*

John Gray, a professor at the LSE, and an erstwhile supporter of the New Right, has given us a damning indictment of late twentieth century capitalism.

False Dawn takes us on a world tour of the social devastation being left in capitalism's wake. Fascinating for its factual and statistical data alone, it is perhaps Gray's conclusions which make the deepest impression. The free market he argues will cause disaster, war, ethnic conflict, environmental destruction and impoverish millions. Yet throughout a lucid and empirically remarkable work, Gray offers no hope, proposes no reform and predicts the gloomiest of futures. In essence he argues that the global market economy is fatally flawed and incapable of reform.

Capitalism, through its combat organisations the IMF and the World Bank is trying to impose the anglo-saxon, deregulated model on every country east and west, with potentially catastrophic consequences. Gray concludes that this "is a Utopia that can never be realised; its pursuit has already produced social dislocation and economic and political instability on a large scale...A breakdown of the present global economic regime could well result from current policies."

Powerful stuff, and deeply pessimistic. Reviews in the Financial Times, the Sunday Telegraph, and Sunday Times, have all denounced Gray as overly gloomy, even out of touch with reality. In truth, their nervous response illustrates their own fears for the future.

In relation to Britain, he describes the destruction of those organisations which provide workers with some protection against the ravages of capitalism, "the role of trade unions as intermediary institutions standing between workers and the market had to be altered and weakened...Partly as a result of these policies there was an explosive increase in part-time and contract work. The bourgeois institution of the career or vocation ceased to be a viable option for an increasing number of workers. Many low-skill workers earned less than the minimum needed to support a family. The diseases of poverty - TB, rickets and others - returned."

This is far removed from the usual nonsense about the 'golden 1980s'. Admittedly in this description of Thatcher's Britain, Gray isn't telling

us anything we don't already know, and haven't personally experienced. His conclusions however are more profound. "The innermost contradiction of the free market is that it works to weaken the traditional social institutions on which it has depended in the past - the family is a key example....By 1991 there was one divorce for every two marriages in Britain - the highest divorce rate of any EU country, and comparable only with that in the United States."

Leon Trotsky once commented that no social system could maintain itself for long purely on the basis of military power, a social cement of culture, tradition, routine, religion and so on are needed to hold society together. Now, Gray concludes, "Free markets are the most potent solvents of tradition at work in the world today...The society they engender is antinomian and proletarian."

Not just the family, he argues but "the class culture of deference and respectability which had been indispensable to the free market have been largely swept away."

Moreover "the nation state was held to be supremely important. National culture was claimed to be vital to social order. Yet neo-liberal economic policies prised open the British economy to world markets as never before."

## Consequences

Even more clearly than in Britain the consequences of neo-liberalism as implemented in New Zealand are "instructive and ominous."

"The New Zealand experiment" Gray writes, "is the free market project in laboratory conditions." The same policies of privatisation, deregulation, attacks on the unions and on welfare benefits resulted in the "creation of an underclass in a country that didn't have one before...New Zealand has experienced an astonishing growth in economic inequalities of all kinds...more than in any other western country."

From an analysis overflowing with facts and figures Gray concludes that "In New Zealand, the theories of the American New Right achieved a rare and curious feat - self refutation by their practical application."

In advanced, 'social democratic' countries like Britain and New Zealand the consequences of neo liberalism have been devastating - but they begin to pale when Gray turns to their imposition on Mexico, where economic inequality has been widening "in what had long been one of the world's most unequal societies. Two-thirds of all income is distributed to 30 per cent of the population...The lowest 30 per cent of the Mexican population receives only 8 per cent of national income. The minimum wage in 1993 was less than half of what it was in 1975."

In a most welcome denunciation of one of



capitalism's most obnoxious lies Gray adds, " 'Trickle down' theories of prosperity are implausible enough in advanced countries such as the United States and Britain. They are Borgesian fictions in Mexico."

Many of the passages in *False Dawn* dealing with globalisation will be strikingly familiar to anyone who has read the Communist Manifesto. The basis of today's global market is to be found in the laying of submarine intercontinental telegraph cables and steamships over 100 years ago. Changes in the world market since have been enormous, but primarily in quantity of trade, rather than something qualitatively brand new.

The expansion of the market has been accompanied by an immense polarisation of wealth and a monopolisation of capital. "Multinationals now account for about a third of world output, and two-thirds of world trade. Most significantly around a quarter of world trade occurs within multinational corporations."

This partly explains why the continued expansion of trade no longer acts as an engine of growth for the economy, with trade and competition spurring on investment, when so much of that trade is taking place effectively within different branches of the same company.

### Production

With investment in production no longer a profitable option, much of the wealth we generate for capitalism finds its way into gaming houses like Wall Street and the City of London.

As Gray explains "transactions in foreign exchange markets have now reached the astonishing sum of around \$1.2 trillion a day - over fifty times the level of world trade. Around 95 per cent of these transactions are speculative in nature". This is the limit of capitalism's creativity - variations on the roulette wheel.

While Gray dismisses socialist solutions out of hand, and derides the notion of a peaceful and stable continuation of the free market, he is no less damning in his refutation of reformism, and the so-called social-market economy.

The old social-democratic model of peaceful reform and 'gentle capitalism' is dead and cannot be resurrected. Anyone who attempts to stave off crisis by Keynesian methods of borrowing and public spending will be punished in the world marketplace. Governments are forced back into a pre-Keynesian policy of deflationary expenditure cuts, with this difference, that today the "mechanism of the Gold Standard has been replaced by the house rules of a casino."

In so doing global markets "have made the central policies of European social democracy unworkable. By so doing they have made today's mass unemployment a problem without

a simple solution."

Once you accept the market, you have to play by its rules, and today those rules allow little room for manoeuvre. "No western government today has a credible successor to the policies which secured western society against mass unemployment in the Keynesian era...The social democratic objective of full employment cannot now be achieved by social democratic policies."

How it can be achieved we are not to learn here. Most likely Gray believes it cannot.

32 pages of *False Dawn* are devoted to an astonishing analysis of the United States. Gray takes the right wing demagoguery of Newt Gingrich and the religious fundamentalism of Pat Buchanan to task along with the new mysticism pervading American society which reflects the growing mood of insecurity and despair.

The bulk of his venom however is concentrated again on the social consequences of US economic policy, which he argues has created "levels of economic inequality unknown since the 1920s and far in excess of those found in any other advanced industrial society today."

Gray notes that current US policy is "a game plan for a cultural civil war...In the United States, as elsewhere, free markets evoke powerful social and political counter-movements. The chronic economic risk that they impose on the majority of the population is fertile ground for populist politicians."

The America we get a glimpse of here is a million miles removed from the land of apple pie we get daily rammed down our throats on television. "It is a society in which anxiety pervades the majority."

The myth of the working class being integrated into the middle class has been thrown into reverse, with the middle layers "experiencing economic difficulties similar to those which confront workers who have lost the protective support of welfare provisions and labour unions."

The family is breaking down, crime is rampant, and unemployment is far worse than official statistics would suggest. "One survey suggests that around 10 per cent of the workforce (about 13.5 million people) is underemployed...all estimates of America's employment record must take into account America's incarceration rates: over a million people who would be seeking work if American penal policies resembled those of any other western country are behind bars in the US."

The polarisation of American society is indeed without precedent. The US, Gray contends, is using a "policy of mass imprisonment as a surrogate for the controls of communities which unregulated market forces have weakened or destroyed. At the same time affluent

Americans are withdrawing in ever larger numbers from cohabitation with their fellow citizens into gated proprietary communities. Some 28 million Americans - over 10 per cent of the population now live in privately guarded buildings or housing developments...By the start of 1997 around one in fifty adult American males was behind bars."

Page after page details mounting violent crime and social devastation, the American dream has become a living nightmare for millions living in "a country riven by class conflicts, fundamentalist movements and low intensity race wars. Political solutions to these ills presuppose reform of the free market. It is doubtful whether such reform is a real political possibility in America today."

### Prescription

Finally what prescription are we offered for all of these ills? "A regime of global governance is needed in which world markets are managed so as to promote the cohesion of societies and the integrity of states. Only a framework of global regulation - of currencies, capital movements, trade and environmental conservation - can enable the creativity of the world economy to be harnessed in the service of human needs." A worthy goal, but capitalism's prime mover is not need but greed, not society but profit. Gray concedes that his scheme of global regulation is utopian. Consequently he believes "a deepening international anarchy is the human prospect." *False Dawn* has no happy ending. This vision of the future must keep its author awake at night. Marxism is superior to capitalism not only in its understanding of the nature of society and the laws which govern it, but also in its undying optimism. Not a false dawn, but an unshakeable faith in the working class, in our ability to transform society, in our vision of a socialist future.

Gray believes that "the age of globalisation will be remembered as another turn in the history of human servitude."

We agree, but it is also one page nearer the end of the book. *False Dawn*, in spite of its errors, can provide socialists with a source of inspiration, that the sun is setting not rising on capitalism. Perhaps we should send a copy to the Labour leaders who seem to be about the only people left with any confidence in the future of the global free market.

***False Dawn: the delusions of global capitalism***  
**by John Gray**  
**published by Granta £17.99**

# Final drive for £5000 needed!

With just a week to go (at time of writing) to the deadline for donations to the spring 98 press fund appeal, we still have a fair way to go.

Supporters who have raised cash or pledged it to this appeal campaign should get it in to us straight away so that we can get as close to the target as possible.

To keep a socialist publication like ours on the road needs the active support of every reader. Other publications and newspapers get financial support from huge advertising revenues and if that fails top up donations from wealthy backers. We have to rely on neither but put our trust in the backing of the work-

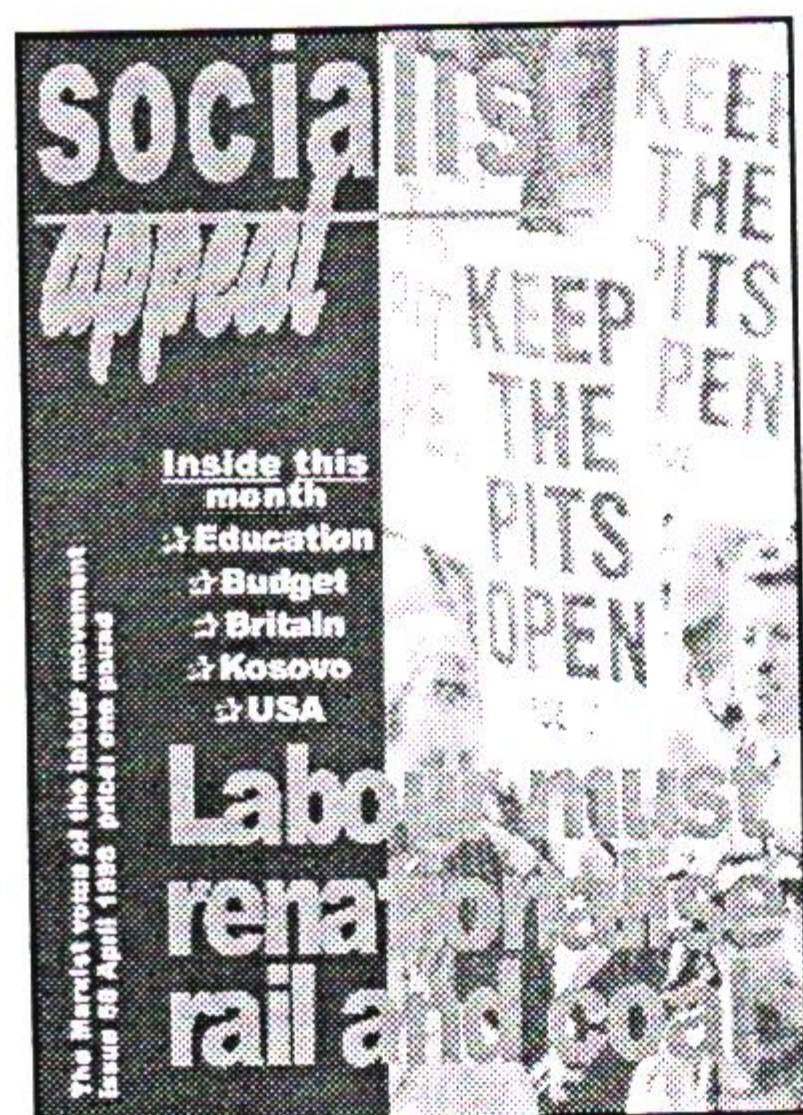
ing class. That means you. Please send what ever you can, as soon as you can so that we can keep the flag flying for socialist ideas in the labour movement, where they belong. Even a small amount can make a difference. Next month we will be launching our summer appeal—so start organising those World Cup parties to raise the cash! Donations should be made payable to Socialist Appeal and sent to us at PO Box 2626, London N1 7SQ. By the way if any reader wants to make regular donations using the convenience of a standing order then this would be most welcome. Write or ring for details of how you can do this.

## Press fund target

Area	percentage raised	Target
Scotland	67%	£600
Northern	43%	£300
Yorkshire	56%	£300
Manch/Lancs	87%	£300
Mersey	33%	£350
Midlands	44%	£250
Wales/SW	18%	£450
London	76%	£1,900
Eastern	109%	£150
Southern	36%	£300
National	14%	£100
Total	59%	£5,000

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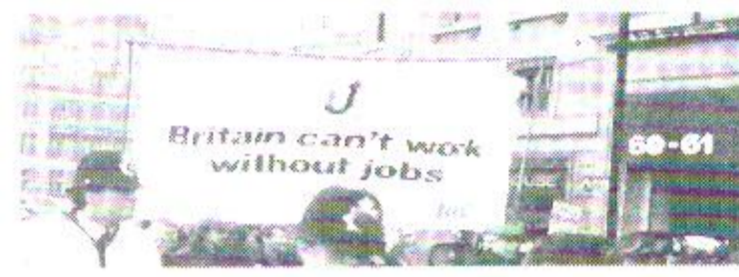
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# A socialist programme for Labour



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



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

✧ A national minimum wage of at least two-thirds of the average wage. Support for £4.61 per hour as an immediate step toward this goal.

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

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

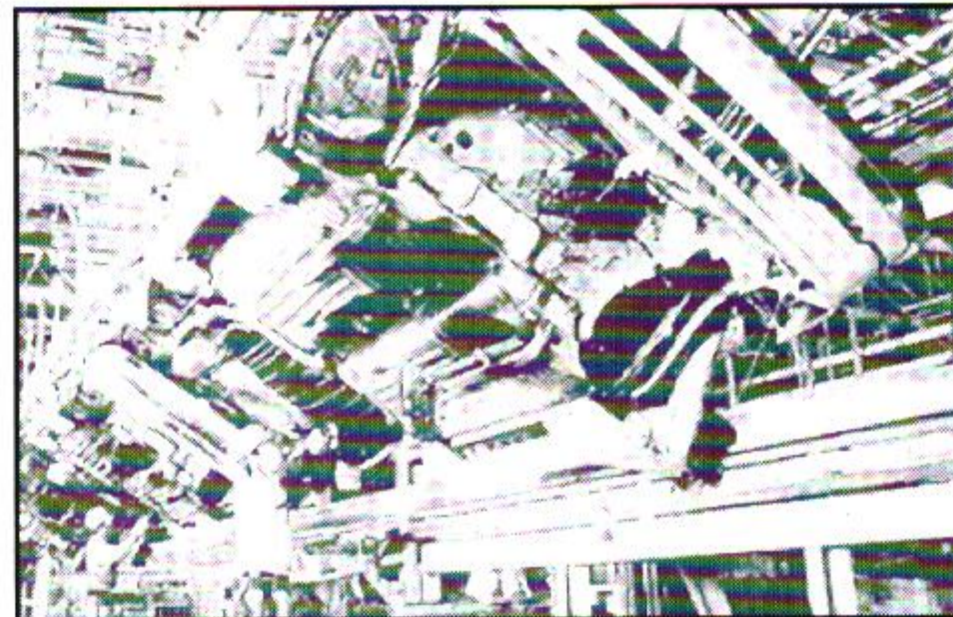


✧ A Labour government must bring in stringent environmental controls and regulations under the supervision of the relevant workforces, consumers and representatives of affected communities. These measures, along with nationalisation of the land, the big petro-chemical enterprises and the major food companies,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



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

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



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

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

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



## Join us in the fight for socialism!

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

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# socialist appeal

The Marxist voice of the labour movement issue 60 June 1998

## Keep big business out of the public sector

The Private Finance Initiative (PFI) and *Best Value* are the latest in a long list of fraudulent pseudonyms for the privatisation of public services. From the early eighties right through to the present we've had a long list of 'new' ideas like Compulsory Competitive Tendering (CCT), market testing, externalisation and outsourcing.

It's all the same thing, done a different way under a different title: private provision of public services based on greed and the market as opposed to direct provision of public services based on peoples needs. In fact if anything PFI and *Best Value* are worse.

Under PFI private consortia raise the finance to design build and operate new hospitals, schools, roads and other public services. The Government then uses our taxes to pay these firms back, ensuring that the loan and the interest on the loan,



plus guaranteed profits, are covered. On top of this the private firms then have certain services handed over to them from which to make a further profit. For example, hotel services in hospitals: cleaning, catering, portering and so on.

### Deterioration

Once the jargon is stripped away and the full costs of such projects are uncovered it always boils down to the same thing. A deterioration in services, increased charges and longer waiting lists for those relying on the service. The loss of jobs and a deterioration of wages and conditions of service and an intensification of labour as workers leave and are not replaced. Just like CCT, market testing and so on, PFI is a con.

*Best Value* is at present a pilot project that is being brought into operation in several authorities. If the project is successful it will form the basis of legislation that will replace CCT.

The criteria for establishing *Best Value* is if the particular service i.e. refuse collection or care of the elderly or whatever service is under review, provides *best value* for money.

Unfortunately there is no recognition that a directly employed, well paid, highly motivated workforce is capable of providing the best service. In consultation papers issued by the government this isn't taken into account.

With *Best Value* the key indicator to judge if a service is providing best value is how it will shape up to com-

petition. The continuing adherence to Tory spending limits in the public sector coupled with the fact that the Tory Government abolished the fair wages resolution, which ensured all firms paid a minimum rate for the job can only lead to one conclusion: an extension of privatisation in local government by cash strapped authorities who will in general accept the cheapest bids possible. This will also effect services previously untouched by CCT.

The Labour Government was elected on 1st May last year because people were sick of 18 years of attacks on public services, on wages and conditions and the introduction of bully boy management whose whole ethos is profit not need. The battle against PFI and *Best Value* must be fought on all fronts. resolutions, lobbies, marches, demonstrations and regular literature exposing these fraudulent schemes must be organised and supported.

### Politically

However, it is politically, through the Labour Party and the trade unions that the real battle will take place. In Unison's APF and in the local party wards, GMCs and Policy Forums trade unionists must fight to overturn PFI, *Best Value* and all the other mechanisms being used to dismantle the public sector and welfare state.

- ✧ *Reject Tory spending limits*
- ✧ *Reject PFI and other moves to bring big business into the public sector*
- ✧ *Socialist policies for Labour*

**Labour needs real socialist policies**