

# socialist appeal

The Marxist voice of the labour movement



The  
**Scargill  
alternative?**

May 1926

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# The Scargill alternative?

**The Staffordshire South East by-election result was another crushing defeat for the Tories, another nail in an already securely fixed coffin.**

Their majority is now reduced to just one.

We are now less than a year, maybe only a few months, away from a general election. For millions of working class people in Britain that day can't come too soon. And when it does come, they will be voting Labour.

In politics timing is of the essence, yet on May 1st, with the echo of the Tories' death rattle still resounding from Tamworth, Arthur Scargill launches his Socialist Labour Party. On May 4th it holds its founding conference. Some of the sectarian groups in the wilderness outside the Labour Party, hoping to find a new shelter in the SLP, are complaining at being "excluded" by its constitution. They are missing the point. Bob Crowe of the RMT, one of the leaders of the SLP, says we should be debating the issues not the rule book, debating socialist policies for education, for health, for eradicating unemployment, not the constitution. He is right. How ironic it is then, that it is precisely changes in Labour's constitution which comrades Scargill and Crowe argue, have forced them to establish their new party. Of course no-one reading this would fail to sympathise with, or even to share, the feeling of frustration felt by a layer of activists at the loss of Clause Four, or the further rightward lurch of the party's leaders, or the absurd image of the new middle class John

Prescott.

Frustration, however is a very bad taskmaster. The Tories are on their way out. They will be defeated by the election of a Labour government. Working class people are practical after all. Voting Labour will get rid of the Tories, voting SLP won't. Splitting now can only be seen as a distraction.

The desire for unity has allowed the Labour leaders to get away with murder, but has also created enormous discontent beneath the surface. In frustration some may leave, but the vast majority will stay and fight.

Many activists will grit their teeth and bear it, for now. After Labour are elected however, any failure to introduce measures in the interests of working people will cause that discontent to explode through the surface. There will be uproar throughout the movement, the whole movement including the Labour Party.

Those leaving today could play a key role tomorrow in transforming the party, outside they will remain spectators on the sidelines, dwindling in defeat, demoralisation and despair.

This is not the first such split in the party's history, nor, we can assume, will it be the last, yet all history demonstrates that it remains the traditional organisations built over decades of struggle, the trade unions and the Labour Party, even if temporarily hijacked, which workers looking for answers turn to first. There are no short cuts.

Outside the Labour Party, you may have the opportunity to keep your ideas clean and pure, but you'll also be keeping them in impotent iso-

lation. That would be a shame because some of their ideas are very good. Take the SLPs demand to create full employment by introducing a 32 hour week without loss of pay. We agree 100%. Or the call for a national minimum wage in line with TUC policy of half male median earnings. Spot on. And how are these to be paid for? By nationalising not only the family silver sold off by the Tories, not only the "lame ducks," but also in Scargill's words the "white swans." Quite rightly, they argue these companies should be run not in the interests of profit, but by the workers themselves in the interests of the whole of society.

Britain's top twenty companies between them made a profit of £32 billion last year, that would build a lot of houses, schools and hospitals. We don't want the crumbs from the table, we don't even want a bigger slice of the cake, to quote Scargill again, "we want the whole bakery." Again we agree, but how is this to be achieved? Not by cutting yourself off from the millions of workers looking to a Labour government, after 17 years of Tory rule. While trade union activists may sympathise with the establishment of the SLP, millions of workers desperately seeking a Labour government won't sympathise with anyone who stands in the way. At a recent public meeting the SLP leaders said they would stand in the election wherever they had the candidates and the resources, regardless of whether the seat was a marginal. That is precisely the way to lose whatever sympathy they may

have.

At last years Labour Party conference a resolution calling on Labour to renationalise the railways within a year of taking office was dropped from the agenda, on the promise that Labour would commit itself to bringing the railways back into public ownership. In his speech to conference, Blair hinted at it, but ever since the Labour leaders have been backing away from such a pledge. How should RMT activists respond to this? Surely by recruiting railworkers to the Labour Party and putting backbone into the demand for renationalisation. 1500 RMT members joined the party during the signalworkers recent dispute, we are told. Why? Because they see it as their party, and they see it as helping to get rid of the Tories. A campaign of recruitment in the other unions could have similar results, and a dramatic effect on the entire party.

The Labour leaders have backpedalled too, on the abolition of compulsory competitive tendering. How should UNISON activists respond? By letting them get away with it, or by getting more of their comrades into the Labour Party to fight for CCTs abolition, and for the implementation of UNISON's policy on a minimum wage etc.

How should teachers respond to backpedalling on selective education? By coming into the party in numbers, and fighting for a socialist education policy.

Instead of simply denouncing Labour for having abandoned its principles, it is surely the duty of every socialist in the labour movement, to say to those millions of workers desperate for a Labour victory, "we are with you all the way, let's get the Tories out, let's get Labour in, but we appeal to you also, to come into the party with us and make it stand up for our class the way the Tories have stood up for theirs in the last 17 years."

**General Election Now!**

**Tories Out!  
Join with us in fighting for socialist policies in the Labour Party!**

**Editorial**



# Massacre in Lebanon

Issue 41  
May 1996

**The aerial and artillery bombardment of Lebanon by the Israeli state has created a further twist in the bloody turmoil of the Middle East. The actions of the armed fundamentalist group Hizbollah in its attacks on northern Israel, as with the individual terrorism of Hamas, was a deliberate attempt to create a backlash against the Middle East "peace" proposals and the collapse of the Peres government.**

As a counter measure to increase his popularity before this month's Israeli general election, the "peace-maker" Shimon Peres ordered the bombing of Beirut and other towns. Hundreds of women and children have already been killed or injured. This followed on from the earlier retaliation against the Hamas bombings in Jerusalem and the closure of the border with the Palestinian territories, bringing ruin to the Palestinian economy and misery to the population. Peres is trying to portray himself as the "strong man" in an attempt to undercut the support for the rightwing bloc around Likud.

The excuse for this military assault was Hizbollah's rocket attacks on Israeli towns on the border with Lebanon. Originally the Israelis had the open backing of the American imperialists, but with the murder of over 100 refugees at a UN camp, which caused revulsion throughout the Middle East, they have attempted to broker some kind of agreement. The Israeli attacks on Lebanon have also served to strengthen Hizbollah. They

never existed before 1982 and the Israeli invasion of Beirut. The occupation of Lebanon served to strengthen their ranks. "I used to hate the Hizbollah," said a student. "But now I admire them. They are the only guys with guts to stand up to the Israelis and keep shooting." It is 18 years since Israel's first incursion into Lebanon in 1978. That was followed by a full scale invasion and the destruction of West Beirut in 1982. Israel was forced to withdraw, but continued to occupy its self-appointed "security zone" in southern Lebanon, roughly 12 per cent of the country's territory. This Israeli occupation led directly to the emergence of Hizbollah, the Shia fundamentalist force fighting the occupation.

In effect Lebanon is a puppet of Damascus. Syria intervened during the fifteen year civil war in Lebanon which was brought to an end in 1990. After the civil war, Syria maintained 35,000 troops controlling security in the rest of the country. Hizbollah operates with Syrian and Lebanese backing, and with financing and inspiration from Iran. Israel has attempted to put pressure on Syria to disarm Hizbollah. Only then will she end the occupation of southern Lebanon.

The Israeli government is hoping the Americans will sponsor a deal to give Peres the credit for a new agreement. Also, while the military operation is continuing, it is difficult for Likud to openly criticise the government for lack of resolve to keep the fundamentalists at bay. The whole affair demon-

strates the impossibility of resolving the Middle East crisis on the basis of capitalism. The United Nations, reflecting the interests of those powers that make up the Security Council, has been totally impotent. As long ago as 1978 a UN Security Council Resolution was passed requiring Israel to withdraw from Lebanon. It remains a dead letter. Imperialist-sponsored deals can never provide a solution to the crisis which is rooted in the poverty and hunger of the masses. This, in its turn, is rooted in capitalism and landlordism. Only the overthrow of these reactionary semi-feudal and autocratic regimes, as well as the reactionary Zionist state, can offer a way forward. Before the war Trotsky explained that the Zionist state would become a bloody trap for Jewish workers. The five wars since 1948 as well as the nightmare situation that exists today confirms this perspective. As long as these regimes remain in power, with their own strategic interests in the region, so will the instability and bloodshed. Only the working class of the region, based on a programme for the Socialist Federation of the Middle East, can draw behind it the broad masses and offer a way out of this impasse. This would guarantee the right of self-determination and full autonomy for all national minorities of the region, ending once and for all the wars and bloodshed that plague the peoples of the Middle East for generations.

*Rob Sewell*

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# Selkent busworkers take on Stagecoach

Bus drivers working for Selkent Buses in South East London are stepping up action over their dispute with owners, Stagecoach.

The dispute arose over attempts by management to introduce new contracts which would substantially reduce existing terms and conditions for drivers. A ballot for strike action was held by the driver's union, the TGWU, which got an 82.9% (515) vote in favour as against 17.15 (109). The Monday before the scheduled strike date on Friday 19th, the negotiating committee presented a settlement which still involved an increased working week and recommended sup-

port on the basis that it was the best deal they could evidently get. However, drivers at all three garages (Plumstead, Catford, Bromley) voted overwhelmingly to reject the deal and proceed with strike action. As the legal mandate for strike action ran out on the Friday, the workers agreed to still hold the first strike on that day. Despite this, the support for the action was solid with over 800 drivers coming out on strike.

A strike committee has now been formed and a programme of action agreed. Further strikes are set to occur on 1st May, 8th May (with a demonstration and rally) and on 17th-18th May (again with

a demo). The bus engineers are also balloting for strike action. This dispute is primarily about defending working conditions—the demand is “not a minute extra on the day”—although pay is a factor as well. All this flows from the privatisation of the bus service and the tendering system used. With firms such as Stagecoach winning tenders by putting in the lowest cost bid, savings have had to be made by cutting staff costs in what is a labour intensive industry. Reports have come of other disputes involving Stagecoach, such as that in Kilmarnock, and now on railway franchises as well.

Stagecoach are Britain's largest bus operator, only being formed in 1981 but capitalising first on the bus deregulation programme of the Tories to acquire other routes and companies, and now also branching into the railways. The main shareholders, Ann Gloag and Brian Souter, have done well enough out of the company to appear at joint 72nd the *Sunday Times* Britain richest 500 list for 1996. With the company achieving profit figures of £20.7 million in the first 6 months of 1995. This has been achieved by the usual methods of British capitalism: grab companies, cut costs. Drivers at Selkent Buses are determined that they will not pay the price for helping Stagecoach's bank balance. They will be taking their fight to other workers both in the industry and in the labour movement generally. A victory for the drivers will stand as a symbol to others facing the consequences of privatisation and deregulation.

**Mark Langabeer**  
**Plumstead Garage Rep.**  
**TGWU branch 1/366**

# Mersey docks: the struggle continues

Over seven months on and the sacked Liverpool dockers are still fighting. Since the 29th of September 1995 when 500 dockers were summarily dismissed by Mersey Docks and Harbour Company (MDHC), the campaign for reinstatement of all the men has grown and grown.

The shooting incident on Monday 22 April is just the latest twist in what has become a bitter struggle. Reports received as we prepare this edition of *Socialist Appeal* indicate that casual workers brought in by the bosses to break the strike may be involved with allegations of threats being made with a hammer and an iron bar against pickets, followed shortly by a report of shots being fired. Dockers have raised concerns not only over the incidents themselves but also over the

handling of the case by the police. Shop Steward Kevin Robinson stated to the press: “We are not happy about police who work with the MDHC dealing with the incident... This is an example of the intimidation and provocation that we have to put up with...”

Meanwhile the campaign in support of the dockers is continuing both nationally and internationally. A major demonstration is due to take place on May 1st, May Day, in Liverpool and striking dockers will be speaking at other events up and down the country to mark international workers day. All over the world, from Norway to New Zealand, action has been taken by dockers and others in support of the Liverpool strikers. Delegates from 15 countries attended an international conference of dockers held in February to

report on and widen the fight world wide. They understood that the enemy facing the dockers of Liverpool is the same worldwide: “privatisation, casualisation and anti-trade laws”. As the slogan on the dockers Internet page (<http://www.gn.apc.org/labour-net>) puts it: “The world is our

*picket line*.”  
**Messages of support and donations should be sent to:**  
**J. Davies,**  
**Secretary/Treasurer, 19**  
**Scorton St, Liverpool, L6 9MS**  
**(cheques/POs made payable to Merseyside Dockers Shop Stewards' Committee)**





# NUT conference - victory for trade unionism

This year's conference of the largest teacher union, the NUT, saw a significant, perhaps crucial, victory by the united forces of the left, active, trade union delegates against the efforts of the National Executive majority group (Broad Left) to enfeeble the Union and maintain their control over it.

The twin strategies of provocation and prevarication used by the so-called Broad Left failed because they had no answers to the political arguments marshalled by the left. Using the flawed results of a series of managed 'consultative ballots' of the membership, the Broad Left tried to persuade conference that proposed rule changes would 'extend democracy' and increase member participation. In fact the proposals would have delivered the union bound hand and foot into the tender hands of the general secretary and turned conference into a meaningless talk shop.

## Provoke

Hoping to provoke the SWP into another Blunkett type incident so that the media could smear the left, general secretary Doug McAvoy had invited Education Secretary Gillian Shephard and opposition party speakers to address us and waste valuable conference time.

But delegates listened in grim silence to Shephard's vicious nonsense and then quickly got on with the business in hand. Having failed with that tactic the Broad Left were confident that they could play the 'Ballots' card and win the day. Their arrogance turned quickly to stumbling despair as speaker after speaker from the left confronted their 'evidence' and exposed a hollow sham.

Conference heard the arguments and went on to reject four proposed rule changes

with steadily increasing majorities against.

Not only was it a great conference for the left in defeating proposals which could have fundamentally changed and weakened the union, delegates also succeeded in using the time well in addressing the issues which really concern our members, the Tory attacks on education and our conditions of service.

## FACE

Conference agreed excellent policy on class sizes and redundancies, and achieved recognition of FACE and other grassroots organisations against the cuts. We reaffirmed and strengthened our union's support for a fully comprehensive, properly resourced education system, laying down important markers for the union's response to a future Labour government. Conference resolved full participation of the NUT in the campaign against the racist Immigration and Asylum Bill. As well as strengthening the union's support for gay and lesbian teachers and pupils, the union crossed an important threshold in agreeing new policy on inclusive education for disabled children and those with Special Educational Needs. Conference was unanimous in opposition to the destructive Nursery Voucher scheme.

Members can expect that McAvoy will try again to undermine conference decisions and to reassert his control over the union, but it will be interesting to see if the 'Broad Left' hacks have any stomach left for the fight. What we need to do though is to continue to involve as wide a base of the union as we can, in the campaigns to protect our jobs, our conditions, and the educational opportunities for working class children.

*Tim Hales  
Leeds NUT delegate*

# £1.11 an hour: BR catering staff go to bottom of wages league

Catering staff on British Rail trains in the Manchester, Sheffield and Hull areas, employed by contractor Chelfields, are going to be amongst the ten worst paid set of workers in Britain.

At the end of the month new contracts are being introduced which will reduce their pay from the already miserly £3 an hour. Some staff will now get a basic wage of £10 for a nine hour shift. Yes, that's £1.11 an hour! Chelfield argue that wages will be topped up with a new commission scheme - the more sandwiches you sell the better you get paid. But there's a big catch, you need to sell over £50 worth before commission applies and on some routes there is little chance of taking more than £50!

Chelfield's operations director claimed that most staff will be better off with the new

scheme. But this seems to contradict the company note to staff which says the new scheme is being brought in "due to poor results and income."

Railway catering workers would have been covered by the wages councils. The legal minimum, if it hadn't been abolished by the Tories in 1992, would now stand at £3.18 an hour.

Chris Pond, director of the Low Pay Unit, said, "If this is happening to privatised staff on the railway, what can staff generally expect on the privatised railway of the future?" One trolley worker said, "For showing up for a day shift you'll get £10 for a nine hour shift. You have to get over £50 to get the extra money. That is impossible on some runs. I usually earn about £140 a week. Now it is going to be more like £70 for a six day week."

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# CPSA conference

## Real left leadership needed

Civil servants used to be considered to be firmly outside the working class; ensconced in secure, well-paid jobs with good pensions and comfortable working conditions and little to do except drink tea all day. This image owes more to myth than to truth and—certainly for the 125,000 clerical, secretarial and administrative workers who make up the membership of CPSA—reality is unfortunately somewhat different.

Civil servants are no strangers to Tory attacks, having borne much of the brunt of privatisation and public spending cuts in the last decade or so. Job security, which was once one of the main attractions of a career in the civil service, has all but disappeared along with promotion prospects which have reduced as the total number of civil servants has declined. The Tories have axed a quarter of a million civil service jobs since 1979. Civil service pay, although never exorbitant, was once the envy of many other workers. Under the Tories it has fallen to such levels that many CPSA members in Jobcentres and Benefits Agency offices are themselves receiving Housing Benefit and Family Credit to supplement their wages. Even during the "boom" years of the 1980's, civil service pay suffered a cut in real terms, as part of the drive against public spending used by the Tories to finance tax cuts and giveaway privatisations for their supporters.

### Combativity

CPSA's lay activists have a proud record of combativity. The civil service is well unionised and the CPSA has a high percentage of young members, the majority of whom are women.

The union is formally one of the most democratic in the TUC, with a large annual policy-making conference attended by approximately 1200 delegates. The conference has consistently supported fighting policies to resist every attack from the Tory government. Unfortunately, during most of the Tories' period of tenure, CPSA members have been saddled with a national union leadership dominated by the right, in the guise of the "National Moderate Group", now joined by the so-called "Democratic Left". The "Moderates", although they have few supporters amongst the union's activists, have a majority on the National Executive Committee (NEC). They welcome Tory Party members into their ranks, and promote them as candidates for the NEC and other positions. Claiming to be "non-political", once adopted these characters are careful to conceal their true political affiliations from the membership—particularly at election time! They rely exclusively on "red scare" tactics, smears against left activists and open abuse of and disregard for union democracy in order to cling to power. The "Democratic Left" bill themselves as an alternative to the Moderates, presenting themselves as the face of Tony Blair's "New Labour" in the union. Although they exclude Tory Party members from their organisation in order to gain some 'left' credentials, they still support these self-same Tories in union elections by running joint slates with the Moderates, standing against Labour Party members on the Left Unity slate. Regardless of the rhetoric, they are politically and organisationally wedded to the Moderates. Their organisation exists with a

single purpose—to sow confusion amongst CPSA members and split the potential left vote in elections.

The Democratic Left split from the Broad Left '84 (BL84) group, itself once part of the CPSA Broad Left, following BL84's decision to join the Broad Left and others around a common programme and common election slate in a Left Unity campaign to oust the Moderates. In the short period of its existence, Left Unity has gone from strength to strength, achieving victories which have included the election of Chris Baugh as National Vice President and, last year, an outright victory in the Employment Service Section elections, for the first time.

### Elections

This year's CPSA elections and conference will be the last to take place before the next general election. John Major's failed and discredited government is hanging by a thread, already down to a majority of just one in the House of Commons. The election must take place by April 1997 and when it does CPSA members will be queuing up alongside other workers to give them a bloody nose at the polls.

Almost everyone now discounts any prospect of the Tories holding on to power and confidently expects to see a majority Labour government take office within the year. The outcome of the general election and the policies of the incoming government will be the single most important factor affecting CPSA members in the year ahead.

The Tories will lose the election because they have nothing to offer except more cuts and more attacks. Even their traditional supporters have deserted them. Labour will win because people want things to change, but a Labour victory alone will not be enough to ensure this. As the economy moves again towards recession, the Labour government will come under tremendous pressure from the bosses and capitalist institutions to continue the Tories' austerity programme; cut welfare spending, drive down wages and benefits. CPSA has a long standing policy in favour of balloting members with a recommendation to vote in favour of affiliation to the Labour Party. Disgracefully, the Moderate leadership, backed by the Democratic Left, has refused to carry out this instruction. CPSA should be inside the Labour Party, fighting for policies which protect our interests and ensuring the Labour government carries them out. By supporting the policies put forward by Left Unity at this year's conference, and fighting for a Left Unity leadership, CPSA members and activists will be laying the strongest possible foundation for the battles of the year ahead.

*Jon Rubidge  
Branch Sec, CPSA  
Employment Service  
West Glamorgan & Dyfed  
Branch (pers capacity)*





# Socialist Appeal campaign fund

## Off to a flying start!

Our campaign fund has got off to a flying start in Scotland and London. At a public meeting in Glasgow over £170 was raised for the campaign, while in Edinburgh over £60 was collected at another readers meeting. Readers Cath and Bob Rice (Blantyre) also donated a magnificent £100.

At a successful Socialist Appeal education school in London supporters gave £325 to boost our funds.

Other areas up and down the country have already started to raise the cash in response to Socialist Appeal's £6,000 financial appeal, launched last month. All areas should be approaching our regular readers and sympathisers for special donations. Public meetings should be organised - Liverpool have organised one on May 8th with Ted Grant speaking. Social events, car boot sales, collections and raffles at meetings etc. are all being organised. However, most important of all are the individual donations. With the announcement of an attempt by the right wing in the Labour Party to bypass the normal decision making

bodies of the Party over the election manifesto with a "ballot", it is clear that voices such as Socialist Appeal are needed to make a stand on behalf of socialism. However whereas the right wing can rely on backing from wealthy benefactors in the media and in industry, we have to rely

instead on support from ordinary people. People like you. This £6,000 will enable us to play the fullest role possible in the build up to the general election and beyond. Please rush your donations in now!

## Donation

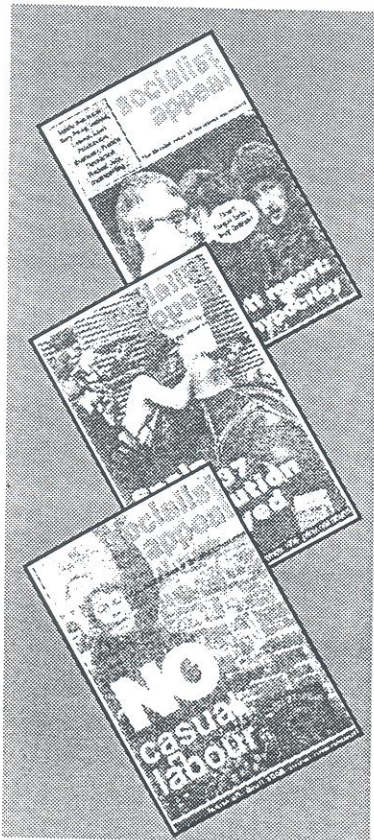
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# New Labour in perspective

As Tony Blair announces his manifesto referendum, *Steve Jones* looks at the consequences...

After seventeen years of savage Tory government we have entered an election year which should see the coming to power of a majority Labour government. Labour continues to have a commanding lead in the opinion polls and the Tory dream of a "turning point" in the Staffordshire by-election turned out to be a nightmare.

With the Tory majority now down to one, the prospect of the government lasting through to next spring is fast receding. The local elections results in May can be safely predicted to show further evidence of the government's extreme unpopularity, with Labour set to make yet more massive gains. All this pressure is starting to show on the faces of the Tory leaders. Mawhinney's outburst during a radio interview, when questioned over the position of Major, indicates that the rumours of moves to ditch the Prime Minister before the next election have some substance. We also have the continuing problems over the Mad Cows crisis, the divisions in the Tory ranks over Europe

and concerns over the economy and the receding hopes of vote-saving tax cuts. Ian Lang, President of the Board of Trade, has not helped morale in the Tory ranks by stating in a confidential note that in manufacturing industry "firms are expected to shed labour over the coming months". So much for the feel good factor! Even when the Tories attempt to reverse the drift of bad publicity for them by producing a newspaper of their own to argue the case for "good news", it all falls flat with those people quoted complaining about being used and stating how little the Tories actually did for them.

## Mood

So it is clear that the overriding mood of both activists in the movement and in society generally is for this government to go—the sooner the better! This reflects the considerable unpopularity of all the Tory policies—privatisation, deregulation, attacks on job security, cuts in local authority funding, the decline of the NHS, and so on. With this in mind, many Labour Party workers are starting to express some disquiet about

the continued shift to the right in policy by the Labour leadership. Just when people are starting to demand an alternative to the Tories and their policies, we are seeing a move by the leadership towards some of those very ideas. According to Tony Blair, the Labour Party is no longer a left party, or a "centre-left" party but now just a "centre" party. Party workers fighting against the Liberal Democrats in local elections may find such a statement hard to swallow. Other cases have also raised concern. A relatively mild statement on tax made by Clare Short on television in the context of personal remarks made about the problems she faced after the death of her husband, was picked up and used by the Tory press to attack Labour. Rather than take up the cynical way in which these remarks were used, unnamed Labour officials weighed in to attack Short for "rocking the boat". Then we see Tony Blair talking, yet again, to businessmen telling them that Labour are the champions of "responsible" deregulation and saying that he doesn't want an "inflexible or over-rigid labour market". The *Financial Times* (23 April 1996) makes clear what this means: "... the old Labour mantra of jobs for life has been dispelled... The priorities of business leaders and Labour Party have converged". Other shifts in policy to be summarily announced include cuts in child benefit, retreats on the taking back of the railways into public ownership, talk of the welfare state being reduced if required and so on. Linked to this are the latest organisational measures presented by the leadership on the crucial question of the manifesto on which the move-

ment will fight the next general election.

Labour's NEC on 27 March was presented with a document called 'Leader's Report—road to the manifesto.' According to this plan a version of the manifesto will be presented to annual conference for approval without amendment and then submitted to the party membership for individual "pledges" of support. Again no member will have the right to amend and they will have to vote on a 'take it or leave it' basis. Although many present at the NEC, particularly from the unions, raised criticisms and it was assumed—somewhat naively—that these points would be taken into account, Blair went straight from this meeting to a prearranged press conference to announce the proposals as a definite fact. In effect this is an attempt to circumnavigate the traditional bodies of decision making in the party, especially the conference, and replace it by a rubber stamping of what ever watered down programme the leadership wishes to present.

## Forums

The manifesto will be discussed first in the National Policy Forums. These are talking shops designed to cut across bodies such as the GMC's and regional conferences. Given the left resolutions passed at such recent conferences as the Scottish and Central regions, it is not surprising that the leadership prefer the more civilised atmosphere of these forums. Best of all, from their point of view, is that nothing is binding here. All views can be "taken on board" and dealt with as they see fit. The reality is that it is the unelected advisers and their friends in the media





who are drawing up policy and deciding what needs to be promoted and what should be dropped.

This ballot will be yet another loaded gun pressed to the head of the party activists and members. They will be told that they have to vote this manifesto through otherwise the general election victory would be jeopardised (yet again!). What would happen if the document received a majority vote against it? No-one knows. The reality is that there is no choice at all—few members will feel able to vote against given that prospect. Just to make certain a process of 'political education' will be launched to convince people to vote for the document. Some may say that this opens up new levels of democracy in that the agreed manifesto will have the support of the membership and therefore cannot be backed out of by the leadership, even if the programme is really weak there will still be the basis of a series of commitments to which the leadership, if they accept their own logic, will be bound to.

### Pledges

However, not so fast! First of all, "specific pledges" on expenditure and taxation will be left out of the document leaving the membership to vote on a pile of mush. Secondly, the leadership still reserves the right to make any changes it likes even up and including the 'Clause V' meeting where the final manifesto is agreed before an election. So the rights of the party to get commitments into the manifesto, say through the traditional procedure where resolutions passed at annual conference with a 2/3rds majority go forward to the manifesto, have been undercut yet the leadership can move the goal posts if required. We are left voting on something which will, according to Gordon Brown, Shadow Chancellor, "give priority to those policies which are vital to the national interest, affordable and achievable... this means not only clarity about tough choices we will have to make but the targeting of clear priorities." I think we all know what is meant by the "national interest" and "tough choices"! Just in case we haven't got the message Blair chimes in with "there are policies that have to be stripped down and others that have to be

*developed... I would rather be rejected by the people for not promising enough than win their support on false promises, only then to lose their trust."* The key words here are "stripped down" as in "let's water down and drop what ever we can".

Blair and the rest of the "New Labour" party-within-a-party imagine that this new trick will undercut opposition to any retreats on policy carried out before and after the next election. However the fact that even at the formerly compliant NEC meetings, cracks have started to appear in the monolith of uncritical support for the Blair leadership shows how things will go. The unions can see how they are being sidelined and, having to take account of the pressure from their own ranks on issues such as full employment, the minimum wage and public spending, are not happy. The modernisers are so arrogant and confident now that they are talking openly of pushing the unions out.

The right have consistently argued that it was the actions of the left, in opposing the retreats of the Callaghan government and then in pushing through measures to democratise the party over issues such as the election of the leader and re-selection of MPs, which cost Labour public support in the late seventies and early eighties. The reality is that it was the retreats of the Wilson/Callaghan government of 74-79 which undermined workers support so that, standing on a right wing programme, they were defeated in 1979. It was that government which attacked the unions, brought in measures of cut-backs in public expenditure and sought at the behest of the IMF and the City to limit wages etc. The mood of opposition in the party and in the unions was a response then to concrete events and will be repeated again if and when a Blair government chooses to go down the same road. An article in the Independent of April 7th 1996 makes an interesting point stating, in relation to support in the party ranks for Blair, that "...there is common agreement that loyalty will wear off over time, if a Labour government does not deliver its promises. One Shadow Cabinet member put the honeymoon period at 18 months". It doesn't seem likely that the membership will be allowed to hold a ballot then to

force the government to change course! Not surprisingly, the more astute of the current leadership also note that there is likely to be some opposition to the actions of a Labour government under crisis and are talking about how this can be neutralised, hence the use of the referendum. Party officials were quoted in the Financial Times of March 28th as saying that "a separate paper would also look at the role of the NEC, which is still nominally the party's ruling body but is seen increasingly by the leadership as a troublesome anachronism." ie. a focal point of possible resistance.

The right wing argue that 'One Member One Vote' (OMOV) ensures the party is not "out of touch" with the membership.

### Dissent

The reality, however, is that the leadership are deciding what the membership are supposed to want, with no avenues for real discussion or dissent. Where things don't go their way—as in the NEC elections or the selection of left parliamentary candidates—then OMOV is thrown to one side. The Blairites wish to turn conferences into rallies and GMC's into "forums" with real decision making being passed to officials and the leadership. The real intention of OMOV is not to "empower" ordinary members, as they put it, but to reduce their rights to that of a series of meaningless postal ballots which will have little effect on the real decision making process. This is what they mean by a modern party—one that will do what they are told, cheer when required and stick out the leaflets at election time.

They know that the ranks of the party will not be unaffected by the struggles that will unfold under a Labour government in crisis. They know that this crisis will come and are desperate to minimise the reaction from inside the movement. Some of these characters are even banking on a pact with the Liberal Democrats to keep them afloat. Whatever Blair and company say about "New Labour" being here to stay, the reality is that they won't know what hit them when the movement starts to respond against the retreats of that government. The seemingly most ardent of the rank and file supporters of the Blair line, especially those who have

recently joined the party through the trade union levy, will be the first to demand to know what is going on and why the promises made are not being kept. However, the Left cannot and should not wait upon events. We should be starting the struggle now in the unions and in the party ranks itself. The demand should be made for a clear socialist manifesto to fight the next election on. The overwhelming majority of people are sick and tired not only of the Tories but of their policies as well. More of the same is therefore definitely not called for. The movement should be demanding not a rule by plebiscite but a democratic process of discussion and voting at annual conference, based on resolutions from the GMC's and union affiliates, to agree what should go into the manifesto. The task for socialists is clear.





China, the South East Asia Tigers... what does it all mean for the future world economy. Mick Brooks investigates.

# Can globalisation save capitalism?

"Globalisation" is the latest hope embraced by capitalist commentators for the salvation of their system. The financial press is full of it. China, India the East Asian 'Tigers' - capitalism has found a new lease of life, they argue. It could go on for ever!

Globalisation expresses the feeling that a new era of unprecedented opportunity is opening up before the world capitalist class. As billionaire James Goldsmith put it, "during the past few years four billion people have suddenly entered the world economy"

Well, if that is so, the system has not passed its sell-by date and we socialists are all wrong. On the contrary capitalism's great days are only now begin-

ning!

It's true that capitalism is a global system. It always has been! Who said so? "The bourgeoisie has through its exploitation of the world market given a cosmopolitan character to production and consumption in every country...All old-established national industries have been destroyed or are daily being destroyed. They are destroyed by new industries, whose introduction becomes a life and death question for all civilised nations, by industries that work up raw materials drawn from the remotest zones; industries whose products are consumed in every quarter of the globe....The bourgeoisie, by the rapid improvement of all instruments of production, by the immensely

facilitated means of communication, draws all, even the most barbarous, nations into civilisation".

Thus said Marx and Engels in the 'Communist Manifesto', written nearly one hundred and fifty years ago.

They go on to draw the conclusion, "The communists are further reproached with desiring to abolish countries and nationality. The working class has no country...national differences between people are more and more vanishing owing to the development of the bourgeoisie, to freedom of commerce, to the world market". World capitalism begets a world wide enemy in the shape of the working class.

## Living standards

Does globalisation mean that living standards will rise throughout the less developed countries as capitalism spreads its blessings throughout the globe? The record speaks otherwise. The overwhelming picture of the recent past is of a massive impoverishment of the poor countries.

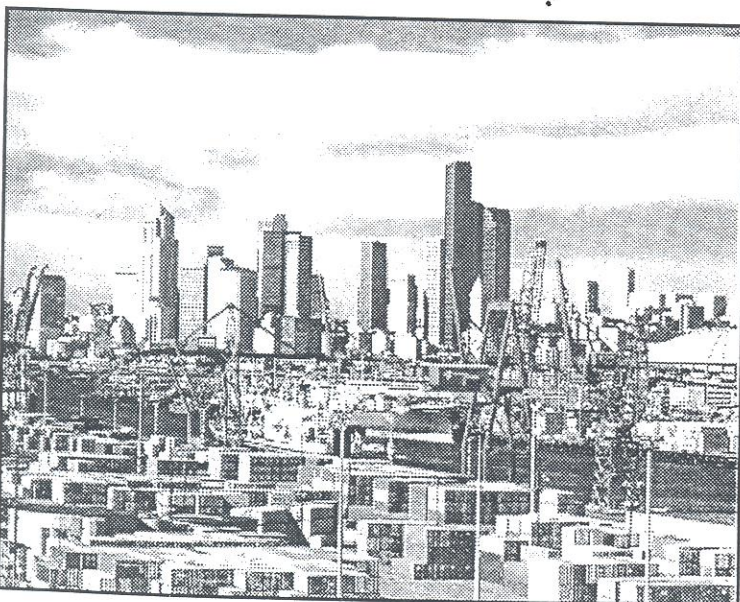
The first clear trend is the dramatic increase in the 1980s of the number of countries suffering absolute impoverishment - that is a decline in GDP per capita. The number of countries suffering a decline in GDP per capita increases from 15 in 1960-70 to 27 in 1970-80 to 62 in 1980-88.

(These figures therefore predate the collapse of the Stalinist economies -MB) This represents in terms of population an increase from 71 million in 1960-70, to 204 million in 1970-80, to 808 million in 1980-88 whose living standards have been in decline. That is, over the last three decades, the number of those in countries suffering absolute declines in GDP per capita has increased twelvefold - with the great bulk of that increase taking place in the 1980s. (Socialist Economic Bulletin).

And it is Marxists who have explained why. Marxists regard the law of combined and uneven development as the motor of the historical process. Imperialism is the way that law of development manifests itself in the modern epoch. Lenin showed how the advance capitalist countries drew the rest of the world into the capitalist orbit through the mechanism of imperialism. In doing so capitalism creates rich and poor nations just as it creates rich and poor within each nation.

The main planks of Lenin's theory were:-

- the increasing concentration of production and creation of monopolies in place of free competition
- the rise of finance capital
- the export of capital, as against goods becomes more important.





•the division of the world among associations of capitalist firms

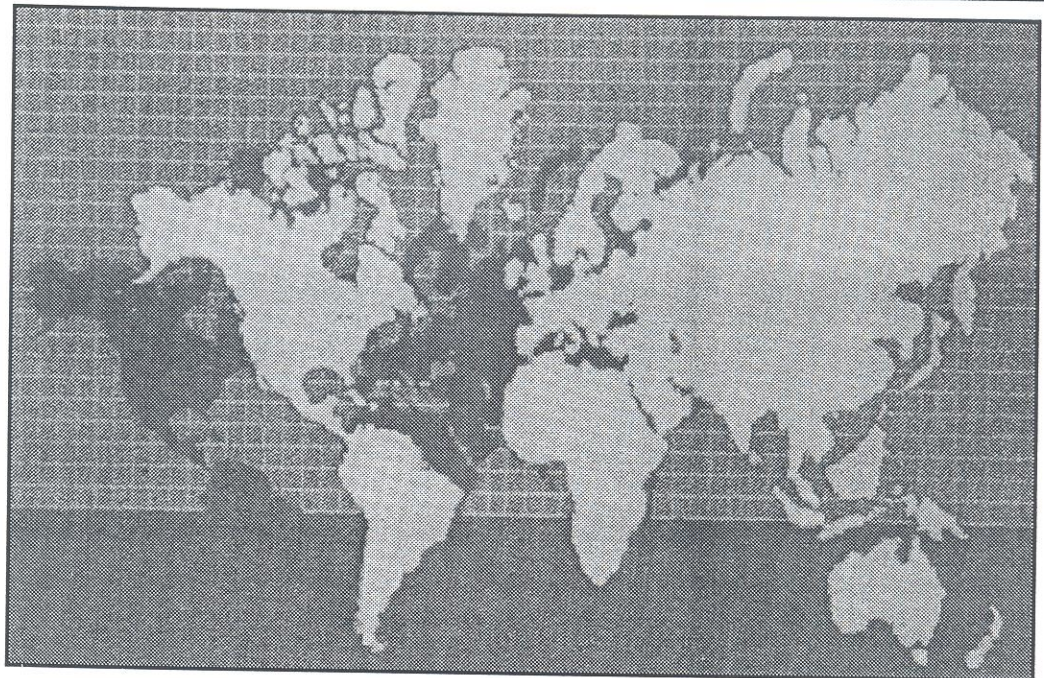
•the division of the world between the great capitalist powers

Point for point, Lenin's theory of imperialism explains what is really happening in the modern world of globalisation.

### Concentration of capital

First, take the concentration of capital into giant multinationals. According to the 'Economist' there were 35,000 in 1990. Between them these multinationals employ more than 65 million workers. In that year General Motors had three quarters of a million on its payroll. GM's sales were twice as high as the entire National Product of Venezuela.

How about finance capital? Globalisation means two things. First there is the globalisation of money capital summed up in the \$25 trillion of 'derivatives' swilling around in the world economy. The arcane financial instruments of swaps, forwards and options were discussed in issue 30 of Socialist Appeal. All this is a bit like betting on a dog. It is obvious that capitalists can make money if their dog wins. It is not obvious how the system gets any richer for running like a casino. If a capitalist can get a higher rate of interest on a piece of paper in one country than another, then you'd expect them all to pile in there. Balance of payments movements used to be analysed in terms of trade. Just like you buy a pound of tomatoes - goods go one way and money the other. Now that's all old hat. The movements of foreign exchange are now no longer the handmaiden of trade. For every dollar that crosses the exchanges for trade, a hundred go for pure speculation. Speculative capital movements now overwhelm trade in their importance for the balance of payments. Financial globalisation has



simply become detached from the real world of surplus value production. Yuppies looking at screens can move money out in nanoseconds. This is a threat to even a mildly reformist government. Going to spend more on the welfare state? Don't even think about it - it's bad for business. So governments bow the knee. The stark message is - financial markets won't wear reforms. The balance of forces has moved decisively against the nation state in favour of global capital.

### The export of capital

For the decade of the 1980s the growth of Direct Foreign Investment (DFI) i.e. investment abroad by multinationals has been far more striking than the growth of trade. DFI grew by 30% a year while trade grew by less than 10%. By the end of 1990 the world's total stock of DFI was reckoned to be \$1.7 trillion. Multinationals now control 80% of world trade. In fact much of this toing and froing is difficult to describe as trade at all, for two fifths of this MNC trade takes place between branches of the same firm. Multinationals have been around for quite a while; US company Singer sewing machines set up in Clydebank in the middle of the nineteenth century. But

the massive acceleration of DFI since the War and particularly over the past decade has only been made possible because of the technological revolutions in communications and containerisation. It is easier these days to shop around for the most favourable (profitable) places to locate. So globalisation is presented as a threat to the day to day working class struggle for better living standards in every country. They're trying to scare us with globalisation. Capital can shop around. What is capital supposed to be shopping for? Cheap labour of course, where workers teem. Places like China where they're "happy" to work a 14 hour day for 50p. And there are four billion new suckers out there to exploit. So that's where they'll be heading. Actually there's not too much that's new in all this globalisation talk if all it means is that international capital is more powerful than individual reforming national governments. Mitterand's French socialist government was brought to heel by waves of speculation against the franc. Three devaluations were forced on them between 1981 and 1983. Even as the elections were taking place, the men of money 'voted' with their cash. The Mitterand government was only trying to

reflate the economy in the approved Keynesian manner - pumping money in to stop unemployment rising. Unfortunately they were partly helping to reflate the German and Japanese economies by supplying them with a growing market for exports into France. The inevitable result was a balance of payments deficit - an excess of imports over exports. So there was good reason for speculators to sell the franc short. The Mitterand government also nationalised 38 financial institutions and 12 major industrial groups. As they were expelled from office in 1993 Rocard, the right wing socialist, admitted, "the world of money was all powerful. It won everything."

### Footloose capital

Technology is important here. The container revolution has drastically reduced transport costs, effectively shrunk the world. Of equal importance has been the information technology revolution which enables designs and patterns to be transmitted instantaneously around the world. Some sectors of capital can choose low wages as the basis of where to locate, for instance when skills are unimportant. There are two important industries where this has happened on the grand scale - textiles and



clothing and consumer electronics. Capital constantly works to break down skills, because of the favourable bargaining position it gives to sections of the working class, only to create other skills elsewhere in the process. We have seen a breakaway of multinationals in these two sectors to low wage zones.

### Division of labour

More precisely, we have seen a new vertical division of labour - a new breaking down of the production process - so that parts of production can be shipped out. So far the capitalist class has been unable to generalise this process, though car production has undergone a partial relocation of components. It is certainly too early to talk about a "New International Economic Order" - the wholesale removal of industrial jobs to less developed countries. Exploitation doesn't always just mean cheap labour. According to the 'Economist' (Survey Oct 1st 1994) labour often only accounts for only 5-10% of costs in today's high tech products.

German capitalists for instance pay \$25 per hour for a worker (that doesn't mean the worker actually gets \$25 - that includes National Insurance and all the indirect costs of employment). So Germany should be an industrial wasteland? Not on your

nellie.

German workers are worth \$25 per hour of any capitalist's money because they're so productive. Investment always beats cheap labour. More generally what capitalists are interested in is what they pay you compared with what they get out of you and the high wage economies are usually the high productivity economies.

Some people like billionaire Ross Perot in the USA try to tell us it's workers in the less developed countries who threaten jobs in the advanced capitalist countries. How much do we spend on manufactures imported from these poor countries? Round about £3.50 in every £100.

Workers in the poor countries are not our enemies. It's the system that tries to divide us.

The logic of the globalisation thesis is that the nation state is becoming powerless and irrelevant. Sure, multinationals can shop around. Other things being equal they'll always go for cheap wage locations - but other things seldom are equal. Multinationals need a technological infrastructure and an educated workforce - they don't want to pay for it, that's all. That's where the nation state comes in - as an enabling institution for global capitalism.

Multinationals are not really rootless. Ford has been

established in the UK since 1912 yet it remains the case that 80% of its assets are stashed away in the USA. This is also the case for more than half the assets of Pepsi and McDonalds, which should surely be regarded as symbols of global capital. And multinationals retain the habit of screaming for the help of their nation state whenever their profits are threatened.

The globalisation thesis suggests that capital mobility is a great leveller. In fact large areas of the globe see the huge flows of capital just pass them by. There was a massive wave of inward investment into Europe in the run up to the 1992 single market programme. It seems 1992 was a damp squib. Capital is turning its attention elsewhere. The lion's share of money is flowing to East Asia at present.

### Regional trade blocs

Moreover, a pattern has emerged of partners in trade and investment. It is now the case that 75% of trade and 80% of production is located within three great regional trade blocs. Western Europe seems to be pulling up the drawbridge. It lays claim to Eastern Europe and the Maghreb. Japan has taken the other East Asian economies under its wing. The USA has always regarded Latin America as its backyard. These three regional blocs are responsible for 80% of world trade. Trade alliances are cementing the relationships. Alongside the EU we now have NAFTA. What else are these regional trading blocs clustered around a regional hegemonic power but the division of the world pointed to by Lenin as a central feature of his theory of imperialism?

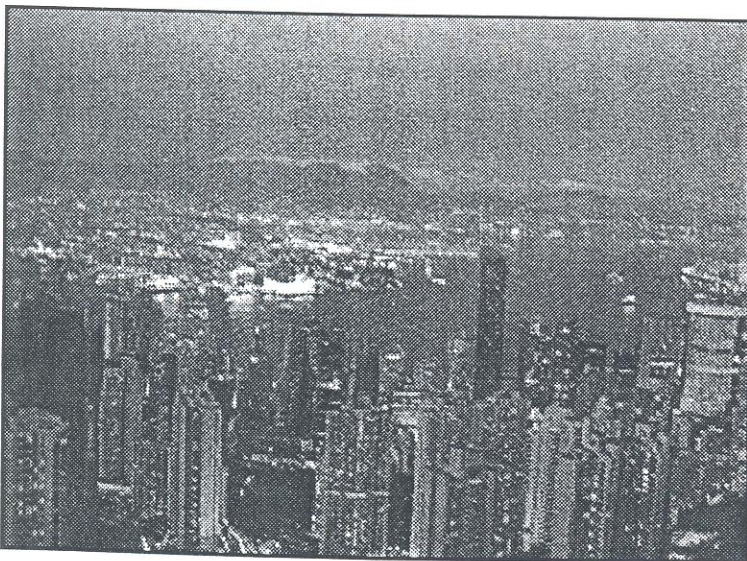
The East Asian economies are now formalising their economic alliance. The USA is trying to muscle in on APEC as a fellow member of the Pacific Rim.

As the opposite of globalisation, it can equally well be argued that the world economy is splintering into regional trade blocs.

### Division of the world between capitalist associations

Where do the multinational firms fit into all this? The position is complex. On the one hand almost all of them have a regional, indeed a national, home base. On the other hand the tendency to global autarchy threatens their global profit-making. In addition the cost of innovation is soaring, threatening the capabilities of even the biggest firms to keep up. If they ever do get round to developing the global car, it's going to cost £2 billion. A new mainframe computer will set the innovators back £500 million. Even IBM is not big enough. IBM is currently in bed with:- Xerox, Siemens, GEC Plessey, NTT, Corning Glass, NEC, Mitsubishi, and Northern Telecom. The name of the game is strategic business alliances. The first thing about IBM's alliances is that it gives them a foot in each of the three camps. SBAs are part of the multinationals' response to regionalism.

Globalisation is only a tendency, not an accomplished fact. There are tendencies working the other way - uneven developments mean a dog eat dog world of firms fighting each other and nation states at one another's throats, at the same time shifting alliances of big business subvert the intentions of national governments and states huddling together against the pressure of international capital. That is the true picture of the world economy. The implications of the globalisation thesis are one big lie. Sure, the world is changing all the time. But we can only understand how it changes with Marxist theory.





# The lessons of 1926

Seventy years after the general strike, we reprint two historic articles.

**The month of May marks the seventieth anniversary of the British General Strike. For Marxists, this event is the most important event in the history of the British working class.**

The General Strike was no ordinary strike. The strike posed the question of power: who rules? For nine days the working class made an indelible mark on British society, threatening to overthrow the social system. For the representatives of capitalism, and their reformist shadows in the Labour movement, this event was a "mishap" or "folly", never to be repeated again. It has been described as totally out of character with the nature of the British working class. The Labour leaders drew the conclusion from 1926: that never again would things come to such a dangerous pitch. Today, the TUC under "moderate" John Monks, preaches "class collaboration" and "class harmony" as the way forward. Tony Blair on the political front sings the same hollow tune. But despite the intentions of our "leaders", things are never so simple. The crisis of capitalism bears down on the workers and serves to intensify relations between the classes.

## Conflict

That was a key aspect of the 1920s and 1926 in particular. Although we have not witnessed such a bitter conflict since then, the British working class has come close to a general strike situation in 1973 and 1984-85. The first episode occurred

around the struggle against the Heath Government and their anti-trade union legislation, where five dockers were arrested in the summer of 1973 for illegal picketing. This resulted in a spontaneous movement from below which pressured the TUC leadership - against their better judgment - to announce an official one-day general strike. This was the first time that such an official call was made since 1926. The TUC leaders were forced to place themselves at the head of the movement or loose control of the situation completely. As a consequence, the Tory government was compelled to retreat and release the dockers. Failure to do so would have resulted in escalating strike action and the likelihood of an all-out general strike. Although under different circumstances, the 1984-85 miners' strike could have led to a general strike on a number of occasions. This was especially the case when the NUM funds were sequestered by the courts and also during the dockers' strike, which could have been linked together and spread by the "left" trade union leaders. Unfortunately, they had no idea of how to take the situation forward. The TUC simply promised verbal support to the NUM, but were incapable or unwilling to deliver solidarity action. This simply served to justify their policy of "New Realism", of class collaboration with the bosses and the Tories. Although today in Britain the question of a general strike is not on the immediate agenda, it has recently raised its head on the European continent - in

Spain, Belgium, Portugal, and most recently in France amongst the public sector workers. The latter movement involving millions of workers struck terror in the heart of the French ruling class and conjured up parallels with May 1968, the greatest general strike in French history. This development is no accident, but arises from the crisis of European capitalism and its attempt to put the burden of the crisis on the shoulders of the working class.

## Strikes

In Britain, despite the low level of strikes in the recent period, the squeezing of the working class has been relentless. In the name of "flexibility" and "competition", the ruling class has engaged in a massive assault on the wages and conditions of the working class. Part-time working, temporary contracts, CCT, Total Quality Management, zero-hours, etc., have all been introduced across the board. All the gains of the past are being systematically undermined. The bosses and their Tory government want to introduce a low wage economy, and drive down conditions to the level of the inter-war period. In that sense, the working class is facing conditions and treatment more akin to our fathers and grandfathers. This is producing an explosive situation under the surface. Even John Monks had to refer recently to the threat of increased militancy.

At the moment, the working class is mainly looking to the political front. Many hope that

the removal of the Tories and the election of a Labour government will solve their problems. However, if Labour remains on the basis of capitalism then these illusions will be shattered. This will push the workers into action. The working class will move on the industrial front, and after a period, strive to change the Labour party as well.

1926 holds colossal lessons in this regard which should be studied by the new generation of Labour movement activists. The most important lesson, explained in Ted Grant's article, was the shameful role of the "left" trade union leaders and shows the need for a conscious Marxist leadership that could take the struggle to a successful conclusion.

Today, there are militants in the trade unions who see in reality syndicalism as the way forward. The remain aloof from "politics", and have instead buried themselves in trade unionism. This is understandable given the difficulties of the past period and the dramatic shift to the right in the Labour movement, especially the Labour Party. However, such an approach is completely mistaken. Others out of impatience have joined the SLP.

This fails to grasp the essential point: only by rearming the leading activists in the Labour Party and the trade unions with a Marxist perspective and programme can the situation be fundamentally altered. There are no short cuts. Events in the coming period, especially under a new Labour government, will serve to transform the Labour movement. The key question is of building a worthy leadership in the Labour movement armed with a fighting socialist programme that can offer a clear way out of the impasse of capitalism. Above all we need to learn from the past in order to prepare for the future. As Ted Grant wrote: "it is imperative that the active layers of the working class, the most conscious politically and industrially, should be armed with the understanding of what is really involved in a general strike, and the history of the great events of 1926." It is with this in mind, we are republishing an article by Leon Trotsky written in 1926 and an edited article by Ted Grant written in 1973 on the lessons of the 1926 General Strike.



# General strike... the sharpest form of class struggle

Seventy years ago, in the midst of Britain's general strike, *Leon Trotsky* wrote a new preface to the German edition of his work *Where is Britain Going?* As a celebration of the strike we reprint this historic article.

A year ago the Conservative government was still on its honeymoon. Baldwin was preaching social peace. With nothing to oppose to Conservatism, MacDonald rivalled it in hatred of revolution, civil war and class struggle. The leaders of all three parties pronounced the institutions of Britain entirely adequate to ensuring peaceful collaboration between the classes.

Naturally, the revolutionary prognosis for the future of the British Empire made in this book (*Where is Britain Going*) was declared by the whole of the British press—from the Morning Post to Lansbury's Labour Weekly—to be hopeless drivel and Moscow phantasmagoria. Today the situation looks somewhat different. Britain is convulsed by a huge mass strike. The Conservative government is carrying on a policy of frantic onslaught. From the top, everything is being done to provoke open civil war. The contradiction

between basic social facts and the fraud of an outlived Parliamentaryism has been revealed in Britain as never before.

The mass strike arose from the imbalance between the current position of the British economy on the world market and the traditional industrial and class relations within the country. Formally the question at issue was one of reducing miners' wages, lengthening their working day and throwing part of the sacrifices necessary for a serious reorganisation of the coal industry onto the workers' shoulders.

## Insoluble

Put in this way the question is insoluble. It is perfectly true that the coal industry, and indeed the British economy as a whole, cannot be reorganised without sacrifices on the part of the British proletariat, and substantial ones at that. But only a wretched fool can imagine that the British proletariat will agree to shoulder these sacrifices on

the old foundations of private property. Capitalism has been portrayed as a system of continual progress and consistent improvement in the lot of the labouring masses. This used to be the case to a certain extent, at least in some countries during the nineteenth century. In Britain the religion of capitalist progress was more potent than anywhere else. And it was just this that formed the foundation of the conservative tendencies in the labour movement itself and especially in the trade unions. Britain's wartime illusions (1914-1918) were, more than anywhere else, the illusions of capitalist might and social 'progress'. Roots of conflict In the victory over Germany these hopes were supposed to find their highest fulfilment.

Yet now bourgeois society says to the miners: *'If you want to secure for yourselves at least the kind of existence you had before the war, you must reconcile yourselves to a worsening of all your conditions of life over an indefinite period'*.

Instead of the perspective of uninterrupted social progress recently held out to them, the miners are invited to move down one step today so as to avoid tumbling down three or more steps tomorrow. This is a declaration of bankruptcy on the part of British capitalism. The general strike is the answer of the proletariat, which will not and cannot allow the bankruptcy of British capitalism to signify the bankruptcy of the British nation and of British culture. This answer, however, has been dictated by the logic of the situation far more than by the logic of consciousness. The British working class had no other

choice. The struggle, whatever its backstage mechanics, was thrust upon it by the mechanical pressure of the whole set of circumstances.

The world position of the British economy did not leave the material basis for a voluntary compromise. The Thomases, MacDonalds and the rest ended up like windmills whose sails turn in a strong wind but fail to produce a single pound of flour because there is no corn for them to grind.

## Reformism

The hopeless emptiness of present-day British reformism has found itself so convincingly unmasked that the reformists were left with no other recourse than to take part in the mass strike of the proletariat. This revealed the strength of the strike but also its weakness. A general strike is the sharpest form of class struggle. It is only one step from the general strike to armed insurrection. This is precisely why the general strike, more than any other form of class struggle, requires clear, distinct, resolute and therefore revolutionary leadership. In the current strike of the British proletariat there is not a ghost of such a leadership, and it is not to be expected that it can be conjured up out of the ground. The General Council of the Trades Union Congress set out with the ridiculous statement that the present general strike did not represent a political struggle and did not in any event constitute an assault upon the state power of the bankers, industrialists and landowners, or upon the sanctity of British parliamentaryism. This most loyal and submissive declaration of war does not,





however, appear the least bit convincing to the government, which feels the real instruments of rule slipping out of its hands under the effect of the strike. State power is not an 'idea' but a material apparatus. When the apparatus of government and suppression is paralysed the state power itself is thereby paralysed. In modern society no one can hold power without controlling the railways, shipping posts, telegraphs, power stations, coal and so on.

The fact that MacDonald and Thomas have sworn to renounce any political objectives may typify them personally but it in no way typifies the nature of the general strike which if carried through to the end sets the revolutionary class the task of organising a new state power. Fighting against this with all their might, however, are those very people who by the course of events have been placed 'at the head' of the general strike. And in this the main danger lies. Men who did not want the general strike, who deny the political nature of the general strike, and fear above all the consequences of a victorious strike, must inevitably direct all their efforts towards keeping it within the bounds of a semi-political semi-strike, that is to say, towards emasculating it.

We must look facts in the face: the principal efforts of the official Labour Party leaders and of a considerable number of official trade union leaders will be directed not towards paralysing the bourgeois state by means of the strike but towards paralysing the general strike by means of the bourgeois state.

The government in the shape of its most die-hard Conservatives will without doubt want to provoke a small-scale civil war so as to gain the opportunity of applying measures of terror before the struggle has fully unfolded and so throw the movement back.

By depriving the strike of a political programme, dissipating the revolutionary will of the proletariat and driving the movement up a blind alley the reformists are thereby pushing individual groups of workers on to the path of uncoordinated revolts. In this sense the reformists go towards meeting the most fascist elements in the Conservative Party. There lies the principal danger of the struggle now opening up. Now is not the time to predict the duration, the course and still less the outcome of the struggle.

Everything must be done on an international scale to aid the fighters and improve their chances of success. But it must be the general strike, realises the need to change its leadership, and measures up to that task.

There is an American proverb which says that you cannot change horses in mid-stream. But this practical wisdom is true only within certain limits. The stream of revolution has never been crossed on the horse of reformism, and the class which has entered the struggle under opportunist leadership will be compered to change it under enemy fire.

The conduct of the really revolutionary elements in the British proletariat and above all the communists is predetermined by this. They will uphold the unity of mass action by every means; but they will not permit even the semblance of unity with the opportunist leaders of the Labour Party and the trade unions.

An implacable struggle against every act of treachery or attempted treachery and the ruthless exposure of the reformists' illusions are the main elements in the work of the genuine revolutionary participants in the general strike. In this they will not only aid the fundamental and protracted task of developing new cadres, without which the victory of the British proletariat is wholly impossible, but they will directly assist the success of this strike by deepening it, uncovering its revolutionary tendencies, thrusting the opportunists aside and strengthening the position of the revolutionaries.

### Strike

The results of the strike, both the immediate and the more remote, will be the more significant the more resolutely the revolutionary force of the masses sweeps away the barriers erected by the counter-revolutionary leadership. The strike cannot of itself alter the position of British capitalism, and the coal industry in particular, on the world market. This requires the reorganisation of the whole British economy. The strike is only a sharp expression of this necessity. The programme for reorganising the British economy is the programme of a new power, a new state and a new class. The fundamental importance of the general strike is that it poses the



question of power point-blank. A real victory for the general strike lies only in the winning of power by the proletariat and the establishment of the dictatorship of the proletariat. In view of the insolvency of British capitalism, the general strike is less able than at any other time to be made a vehicle of reforms or partial gains. To be more precise, even if the mine owners or the government were to make this or that economic concession under pressure of the strike, such concessions could not, by virtue of the whole situation, be of tin native: all or nothing. If the British proletariat had a leadership that came near to corresponding to its class strength and the ripeness of the conditions, power would pass out of the hands of the Conservatives and into the hands of the proletariat within a on few weeks. But such an outcome cannot be relied upon. This again does not mean that the strike is futile. The more broadly it develops, the more powerfully it shakes the foundations of capitalism and the further back it thrusts the treacherous and opportunist leaders the harder it will be for bourgeois reaction to go over to the counter-offensive, the less proletarian organisations will suffer, and the sooner will follow the next, more decisive stage of the fight. The present collision of the classes will be a tremendous lesson and have immediate consequences, quite apart from its immediate results. It will become plain to every proletarian in Britain that Parliament is powerless to solve the basic and most vital tasks of the country. The question of the economic salvation of Britain will henceforth

confront the proletariat as a question of the conquest of power. All the intervening, mediating, compromising pseudo-pacifist elements will be dealt a mortal blow.

The Liberal Party, however much its leaders may twist and turn, will emerge from such an ordeal even more insignificant than it entered it. Within the Conservative Party the most die-hard elements will obtain a preponderance.

Within the Labour Party the revolutionary wing will gain in organisation and influence. The Communists will advance decisively. The revolutionary development of Britain will take a gigantic stride towards its denouement.

### Mighty

In the light of the mighty strike wave now under way, the questions of evolution and revolution, of peaceful development and the use of force, of reforms and class dictatorship, will grip the consciousness of British workers in their hundreds of thousands and millions, with all their acuteness. Of this there can be no doubt.

The British proletariat, kept by the bourgeoisie and its Fabian agents in a state of horrifying backwardness, will now spring forward like a lion. Material conditions in Britain have long been ripe for socialism. The strike has placed on the agenda the replacement of the bourgeois state by the proletarian state. If the strike itself does not produce this change, it will bring it far closer. The exact date we cannot say. But we should be prepared for it to be early.



In 1926, the ruling class was engaged in a direct all-out assault on the wages and conditions of the working class. The Tory Prime Minister Stanley Baldwin, had declared at a meeting with the Miners' Union on July 30th, 1925: "All the workers in this country have got to take reductions in wages to help put industry on its feet".

The miners were to accept a reduction of 13% in starvation wages and to work an extra hour. This attack on the miners and on all sections of the working class was because of the decline of British capitalism. With an antiquated industry, she could only succeed in maintaining a hold on world markets in the face of more modern and up to date rivals, at the expense of the working class.

The working class in solidarity with the miners and in defence of its own living standards, were prepared to resist. The transport unions and other sections issued instructions to black the handling and transporting of coal if the coal owners carried out their threat to lock out the miners. The shadow of conflict loomed.

Despite the complaint of the backwoodsmen of the Tory Party in Parliament, 300 of whom moved a resolution of protest, Baldwin and the government prepared a temporary retreat in order to thoroughly prepare for a showdown with

the miners and with the whole of the working class. A £23 million subsidy was given for nine months to allow the government time to complete its preparations.

At the same time the Samuel Commission was appointed to go into the question of the mining dispute. At the end of nine months they recommended increased hours, lower wages and district agreements, a policy which the miners and the trade union movement generally had already rejected!

The Tory government prepared an "Organisation for the Maintenance of Supplies" (OMS), a civil guard, which the British Fascists joined, Special Constables, and an elaborate network for each county in Britain to confront the TUC and the working class. The working class in Britain had been swinging to the left after the coming to power of the Baldwin government in 1924, on the basis of the forged and notorious, "Zinoviev Letter".

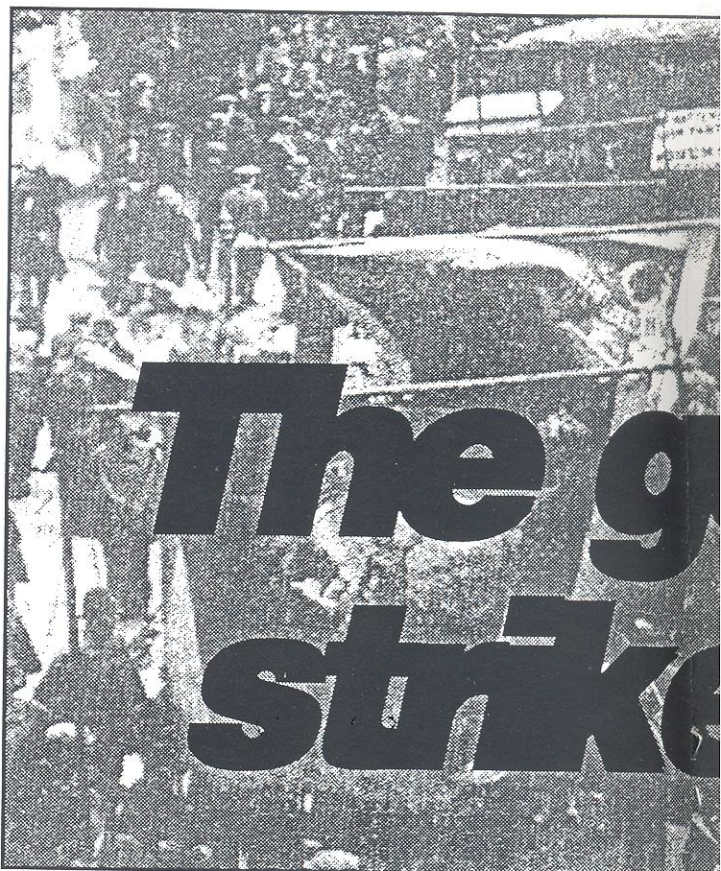
The expression of this move to the left was the organisation of the Minority Movement in the trade unions, with a left wing programme, which succeeded in organising in its ranks 1,250,000 members, or a quarter of the organised trade union movement.

The Left leaders were immensely popular throughout the working class, and gave very fiery speeches, some even coming out for the "socialist revolution". They reflected the pressure of the masses, thoroughly aroused and alarmed at the threatened attacks on an already low standard of living. A.J.Cook went around saying that he was "proud to be a follower of Lenin".

### Capitalism

He coined the phrase "Not a penny off the pay, not a second on the day". This was a fine and decisive slogan to rally the miners and the working class. He argued that a "strike of the miners would mean the end of capitalism". And that 97% of the new recruits to the police and armed services have come from the working class, and thousands of them are miners, who will not shoot against their kith and kin when the order comes.

But even Cook, the best and



most honest of these leaders, had no idea of what was involved or how to organise it. For him it was just radical phraseology.

Because of the enormous indignation of the workers, the General Council, in reply to the refusal of the government to make concessions, threatened to call a general strike. The decision to strike was taken by 3,653,527 votes to 49,911 votes. This historic decision was taken on May 1st. But behind the scenes, desperately, the General Council of the TUC appointed a Committee to try to negotiate with the Conservative Government.

They were prepared even to accept a cut in wages for the miners as the price of a "negotiated settlement". In the Cabinet, the extreme right wing, the Monday clubbers of that day, were exerting pressure for a showdown. Under this pressure, Baldwin used the pretext of the *Daily Mail* printers' refusal to print a vicious attack on the unions and the miners, to break off negotiations.

After the TUC, with great difficulty, had succeeded in getting the printers reluctantly to print the editorial, they returned to the negotiations with the Prime Minister at Downing Street in

the early hours of Sunday morning, where they were told "Mr. Baldwin has gone to bed and cannot be disturbed." Thus the ruling class deliberately provoked and precipitated the general strike as a means of defeating the workers and forcing them to accept a lower standard of living.

### Agreement

They got more than they bargained for! Hoping against hope for some sort of agreement, the TUC tremblingly had made no preparations for the strike whatsoever. But the magnificent capacity of the trade union and Labour movement to improvise and organise came as a surprise to the government and even to the union leaders themselves. The first sections to be called out were the miners, dockers, seamen and workers in transport, heavy chemicals, building (except housing) and production of electric light and gas for industrial purposes.

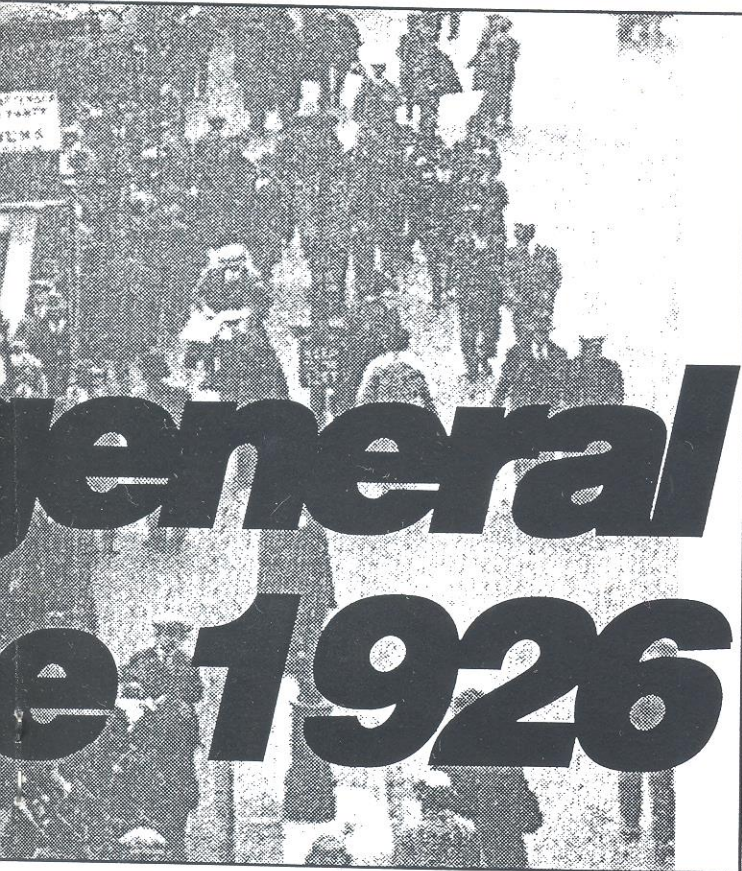
The leaders of the Seamen's union refused to join the strike and organised blacklegging. But in spite of this, the strike was absolutely solid, and the rank and file of the seamen supported the strike.

There was initiative and improvisation from below. The



AJ Cook





# General Strike 1926

Trades Councils in every area formed Councils of Action, and strike committees. In some areas the Co-ops and Labour Parties were involved, and in many less, also the Communist Party. Prominent leaders and individuals were co-opted to the Strike Committee.

The organisation of the strike in the North East, for example, was to form Committees in each area with an overall Committee for Durham and Northumberland. Transport, food, a workers' defence force, publicity and permits were organised. In a sense these were the elements of an alternative government appearing to confront the so-called "legal" government.

Many of the police were sympathetic and troops were held in reserve. Two submarines were used in the Thames for the purpose of providing light on the docks. But a warship which appeared in the Tyne was withdrawn after threats of the Council of Action to withdraw the safety and emergency men. So powerful was the Council of Action on Tyneside that Kingsley Wood, the representative of the government in the area was compelled to negotiate with the Tyneside Regional Council of Action for permits for the transport of food.

Non-unionists joined in the

struggle and joined the unions in droves; in some cases non-unionists even preceded the union workers in coming out on strike! There were militant demonstrations and processions in all the main towns and baton charges were used by the police. There were about three thousand arrests.

The brunt of the repression was felt by the then revolutionary Communist Party. In preparation for the strike, already twelve of their main leaders had been sentenced to imprisonment, and were safely out of the way on charges of "sedition".

## Raided

The *Workers' Weekly* was raided and the press was immobilised by taking away key parts of the machinery. Up and down the country Communists were also being arrested, along with thousands of workers, who were charged with incitement and jailed for terms of six weeks to two months.

The ranks of the workers were solid, and each day more were coming out. But the very success of the strike provoked more fear in the General Council than in the government! They were terrified of the movement they had called into being on May 3rd.

On the eighth day there was a

call-out of the engineers and other sections, although in many cases these were already coming out before the call to action. Thus on the eighth and ninth days the strike was extending. But behind the scenes the General Council were "negotiating" with Sir Herbert Samuel, the chairman of the Samuel Commission who had recommended drastic cuts in wages, an added hour on the miners' day and district agreements. Without consulting the miners, the General Council informed Samuel that the miners would accept a cut in wages. Samuel had "obligingly" come back from Italy, but had no "official standing" to negotiate for the government.

Yet, with no guarantees that the terms of the miserable agreement with Samuel - already a capitulation - would be carried out, the "Lefts" as well as the Rights on the General Council agreed precipitately and asked to see the Prime Minister, who accepted "surrender" terms. Why was the General Council prepared to capitulate to the government when the strike was actually developing and the ranks of the working class were becoming more solid every day? Every day that passed there was a hardening of the attitude of the rank and file, as well as the lower leaders in all the districts in Britain.

J.H. Thomas, the then "leader" of the railmen put it in the crudest terms: "God help Britain in any challenge to the Constitution unless the government won." For Thomas, McDonald and the right wing leaders of the TUC, a victory of the government and thus of the employers was preferable to a victory of their own class. The "Lefts" had no alternative to offer when it was no longer a question of woolly phrases, but of the concrete reality.

The problem of power had been clearly posed. In addition to that, the organisation of the strike was entirely in the hands of the lower ranks throughout the country. The General Council in effect was a passive recipient of the accomplished actions of the Councils of Action and Strike Committees, whatever they were called in the localities. Each day that passed saw a strengthening of the power, initiative and resource of the committees in the localities.

The spectre that haunted the

General Council and gave them sleepless nights was the possibility of their replacement in the struggle by the lower ranks who would threaten to by-pass them. In his book on the General Strike, Julian Symons, not at all a revolutionary, nevertheless was compelled to remark: "They (the General Council) were not rash but feebly timid; they hoped for the collaboration of their opponents and never really trusted the mass of their supporters. They feared the consequences of complete victory more than those of a negotiated defeat."

"The General Council was torn by conflicting desires. First, it wanted to make the strike effective; second, it wanted to make certain that control of it did not pass into the hands of revolutionary agitators."

He quotes Thomas: "What I dreaded about the strike, more than anything else, was this; if by any chance it should have got out of the hands of those who would be able to exercise some control, every sane man knows what would have happened ... That danger, that fear, was always in our minds, because we wanted, at least, even in this struggle to direct a disciplined army." (P.52).

## Panic

In their panic to call off the strike, at a time when it was expanding and growing, the union leaders did not even put forward the elementary demand in every strike that there should be no victimisation and that every worker must be taken back. In his speech on the radio, Baldwin implacably declared that there were no "conditions" and that it was unconditional surrender in the strike. The scabs taken on must have first claims on the jobs. This was a signal for the employers to try and wreck, weaken or destroy union organisation.

The rank and file had greeted the decision to call off the strike with indignation and resentment. They felt themselves betrayed by the leadership. And it was the local leadership and this rank and file which was to save the situation from developing into a rout. When they heard of the conditions being offered by the employers, the railmen, dockers, engineers and other sections renewed the strike. In fact, two days after the General Strike had been officially called off



there were 100,000 more on strike!

The leaders of the different unions then issued instructions to their members to come out on strike - which they were already doing - and not to accept any terms in relation to wages and conditions worse than before the strike. There would be no going back unless there was no victimisation by the employers and the government. Faced with the veritable fury of the working class and the possibility of large-scale clashes in the localities, Baldwin then came forward in his hypocritical role of a "conciliator". He broadcast that the employers must take back the workers on the old terms, and that he would not countenance any attempt to break up the unions. The employers consented.

### Negotiated

The railway unions negotiated an agreement with the railway leaders that there would be no victimisation, but they refused to take back any worker who was guilty of "intimidation or violence". The printers agreed not to hold any more meetings in work time, and on this concession the printers went back. Thus what had begun as a tremendous movement ended up in defeat, and was only saved from rout by the solidarity and militancy of the local leaders and of the rank and file who stood shoulder to shoulder against the attempts of the employers to weaken the organisations of the working

class.

The working class was caught completely by surprise by the betrayals of the "left" as well as the right wing leaders. This was especially so with regard to the Communist Party, where at that time not only the rank and file but also the leadership were endeavouring to create a revolutionary party.

At that time the leadership were interested in developing a revolutionary party and preparing for the socialist revolution. Why then were they disarmed and unprepared by these events? They were caught by surprise because of the policy of Stalin and the Russian leaders who dictated the policy of the then Communist International.

The Anglo-Russian Committee, they had been taught, was a mobilisation of the British and Russian Trade Unions to fight war. They took at face value the speeches of the "left" leaders. At least they were instructed by Moscow to do so and accepted the policy.

In the strike, the rank and file of the Party had naturally been among the most active sections of the workers. After the immobilisation of their press, they reacted by bringing out duplicated papers with a total circulation of over 100,000.

But an examination of these papers indicate that they gave no perspective, either in their speeches or in writing, during the strike. There was no guidance, no perspective for the struggle beyond support for the General Council.

From the first day the General Council had issued a statement to the ranks to "trust the leadership". During the course of the strike, there was not a single word of warning in all the agitation and propaganda of the Communist Party. They were caught completely unprepared and on one foot.

Had they been, even in those days, they would have undoubtedly won over hundreds of thousands of the best workers. People learn far quicker under fire and in the heat of events, especially the active layers of the working class. But the howl of the Communist Party of "betrayal" which was entirely unforeseen and unprepared for came too late to have any effect except to demoralise their own ranks.

### Criticism

They had been taught not to offer any real criticism of the "left" leaders, or even of the General Council, whom they saw as leaders of the struggle. They did not pose a single idea beyond the winning of the strike until it was too late. Moreover, they had not prepared in any way for this inevitable turn of events, given the situation, and the fact that without Marxist perspective and Marxist understanding the "left" leaders had no other course to take, except to join in the betrayal with their right wing colleagues.

The working class being caught completely unprepared by the betrayal from the top, and the Communist Party leadership having failed utterly to warn against this before and during these great events, it was the Communist Party and revolutionary methods which were discredited.

Instead of enormous gains which should be inevitable in a period like that, on the basis of correct policies, strategy and tactics, the back of the Communist Party was broken. The Minority Movement disappeared. By 1927 the trade union leaders, "lefts" and rights, having contemptuously cast aside the Anglo-Russian Committee, by breaking off relations, had turned to 'collaboration' with the employers in the Mond-Turner discussions. They could do this because of the mood of apathy and indifference which pervaded the trade union movement.

After the collapse of the

General Strike of 1926 - too late - the Communist Party tried to make a change and criticise the role of the left union leaders - theoretically and practically. Palme-Dutt, their leading "theoretician" at the time quoted the criticism of the left leaders *made in 1924!* Not a sentence, not a word could he find in 1925, or 1926, explaining in theoretical or practical terms the role of the Left in the material published by the Communist Party.

In the July 1926 *Labour Monthly*, Palme-Dutt wrote in his "Notes of the Month": "The experience of the General Strike has shown that the question of leadership is a life and death question for the workers and to neglect it or treat it lightly is fatal ... The enemy within in fact is most dangerous ... the old reformist myth that it is only the backwardness of the workers which is the obstacle to the progressive intentions of the leaders is smashed. Only a couple of weeks before the General Strike, Brailsford (ILP leader) in his answer to Trotsky, was expressing polite incredulity at Trotsky's statement that the workers in Britain were already in practice far in advance of the ILP leaders, and holding it up as a glaring example of Russian "ignorance" of British conditions. After the General Strike the statement appears as the merest commonplace." (P.393).

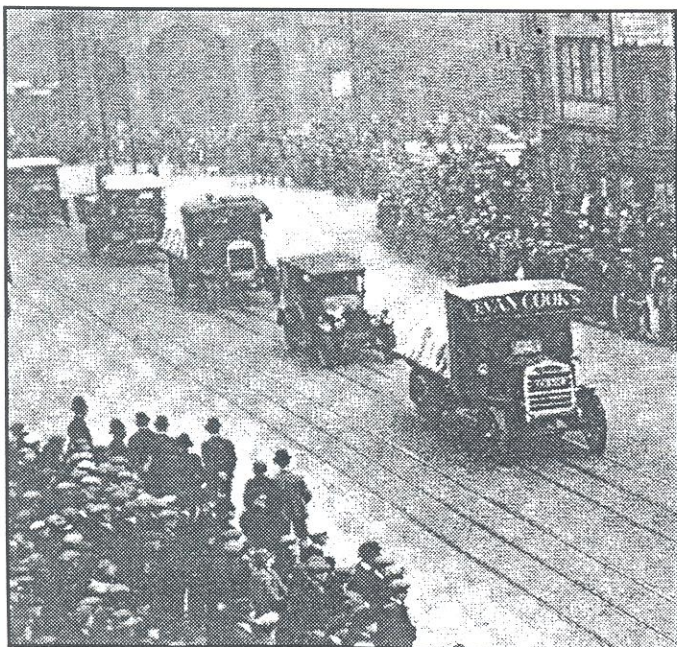
Too late, after the strike had been called off, the CPGB sent a telegram to all parts of the country, emphasising the following points:-

"1) The General Council, despite previous promises and of unanimous demands of workers, has ceased the struggle against lower wages without receiving any kind of guarantee from government.

2) That is treachery, not only in relation to miners but all workers.

3) While the right wing of the General Council and Labour Party has exhibited utmost energy, left wing has tolerated defeatist agitation and not protested against this treacherous decision."

Thus, when it was too late, the Communist Party leadership started explaining the real issues. This is the opposite of the method of Lenin.





# Bolivian workers strike against privatisation

**Just one year after the declaration of the state of emergency by the Bolivian government in order to smash the general strike against privatisation, the Bolivian workers are on the streets again.**

Already in January, the Bolivian government of Sanchez de Losada, was forced to declare a state of emergency in the states of Cochacamba and Santa Cruz to try and put an end to the protests against fuel price rises and the effects this decision had on the prices of basic products. On 11th March, 40 trade union leaders began a hunger strike. Now the total number of trade unionists on hunger strike has reached the 1000 level. This tactic, despite the personal heroism of the leaders involved, reflects either their lack of confidence in the worker's ability to struggle, or their fear that the protests may go further than they want.

## Privatise

The spark for the current wave of strikes was the government's attempt to privatise the oil company YPBF, the proposed education reforms which already provoked last year's general strike and the generalised demand of a wage increase. The teachers, who were already at the forefront of last spring's protests, reassumed their struggle in February. They closed the schools, secondary schools and universities, and went out on the streets with daily demonstrations. The police answered with tear gas and fire arms. A worker in the council market of El Tejar, a poor neighbourhood in La Paz, died during clashes with the police when a demonstration of rural teachers was trying to reach the Education

Ministry. There were violent clashes between police and demonstrators as marches have been de facto banned. The uneasiness has even reached the Army with the High Command of the Army expressing its malaise at the privatisation of the oil company, YPFB, nationalised during the 1952 revolution.

Faced with this situation, the main trade union federation, COB, called a general strike from March 18. On March 27, 30,000 workers marched in the capital La Paz, and were attacked by the police with tear gas and guns. The strike is solid in the education, the mines, refineries and oil fields.

This new explosion of the Bolivian workers is the direct result of the application of the Structural Adjustment Plans of the World Bank and IMF in the last 10 years. The first one of these "Adjustment" Plans was introduced in 1985 and amongst its measures were:

- liberalisation of the foreign trade
- liberalisation of the exchange rate
- freezing of the wages of public employees for four months
- end of subsidies for basic products
- rationalisation of public companies (i.e. massive sackings)
- introduction of "free contract" (i.e. the right to hire and fire at will)

This shock therapy achieved one of its aims, reduce inflation from more than 8,000% a year in 1985 to 9% in 1994. But this was done through sliding the country into a deep slump. Obviously, if economic activity almost ceases, it is very difficult for prices to raise. At the same time the liberalisation of imports has meant bankruptcy for a lot

of Bolivian companies since 1985. We also saw mass sackings of workers from public-owned companies and the destruction of the public mining sector, smashing one of the main sections of the labour movement, the miners. All these factors led to increased competition for the few remaining jobs which in turn led to an important reduction of wages. The average real wages fell by 22% between 1988 and 1991, and the percentage of casual labour went up from 9% to 24% in the same period.

## Poverty

There were some cases where even full time workers sank under the poverty line and were forced to try and get two or three jobs in order to survive. At the same time the shock plan ruined most of the peasants forcing them to grow coca. No wonder, if you take in account that according to the International Fund for Agricultural Development, 97% of the rural population in Bolivia lives under the poverty line, and an acre of coffee produces \$114 while an acre of coca produces \$329. Even a number of

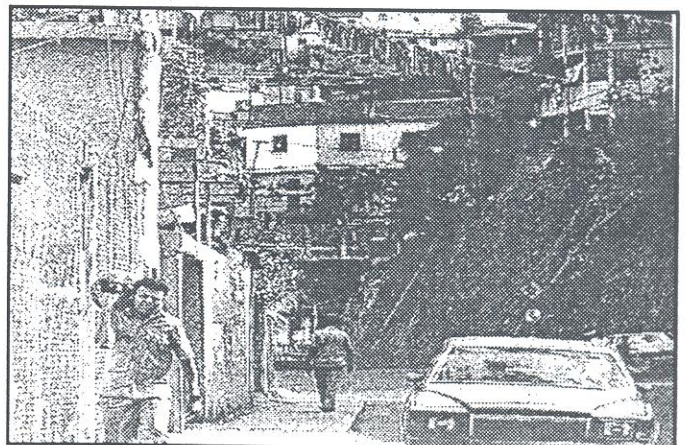
urban workers who had lost their jobs were forced to move to the coca growing areas where the average earnings may even be 12 times those of an average worker.

But after years of hyperinflation, the stabilisation of the prices, after a while had a positive effect for the labour movement which began to recover from the 1985/86 defeat. In 1992, 93, 94 and 95 we saw a pattern of yearly waves of strikes and even general strikes against the privatisation plans of the government.

Struggles against privatisation, which is the current drive of international capitalism to further squeeze Third World countries, are not a Bolivian national peculiarity. In the last few months we have seen a number of such movements in different Latin American countries. A general strike in Paraguay demanding a referendum on the government's privatisation plans. In Mexico we had a 150,000 strong demonstration against privatisation of the oil company, PEMEX. Important social unrest is expected in Venezuela following the introduction of an 'emergency economic plan' by the government. And this are only a few examples.

The Bolivian working class has deep rooted revolutionary traditions. In the last 50 years it has had the opportunity to take power on a number of occasions. But once and again, despite its heroism, the lack of a clear and decisive revolutionary leadership with a clear programme of transformation of society, has led to defeat. The creation of such a leadership is the main task of the Bolivian trade union activists of the COB.

**Jordi Martorell**





# Blair's economics - can they deliver?

Socialist Appeal's economics correspondent *Michael Roberts* takes up the question

**When Labour takes over after winning an election this autumn or next spring, what will be the state of the UK economy and what will Labour do about it?**

The Tories are making strenuous efforts to create a 'feel-good' factor among the British people to win the election. That's meant cuts in income tax last November and now coming into effect. It's meant reductions in interest and mortgage rates designed to lift all those families with big mortgages out of 'negative equity' so that they can breathe more easily and vote Tory. The economy is likely to pick up this year to around 2.5-3.0%, and along with it, wage increases (in the private sector) and sales in the shops. But that sort of growth will make little dent in the unemployment levels, which will still be around 2m on official figures, and 3m in reality.

With unemployment staying high, it means that the govern-

ment will not be able to get its payments on social security down enough and its tax revenues up enough to reduce the level of its borrowing. The government shot over its borrowing target of £29bn for the year ending March 1995 by over £3bn. It's unlikely to meet its target of £23bn this year. That means Ken Clarke will be pushed to find any interest rate cuts this year. If he goes for tax cuts next November, Gordon Brown could find a huge hole in the government's accounts when he takes over next April. And if the economy is growing fast, interest rates and taxes are down, then Britain will almost certainly be sucking in huge amounts of imports and running a big trade deficit. Its payments deficit was £6bn last year, when growth was slow. It could be double this year, putting pressure on the value of the pound.

So there we have it: Britain in debt with its trading partners and the government in

debt to the money lenders. That would be the state of the British capitalist economy. What would be the state of the British working class? We've already mentioned the unemployed. But it is little better for millions in work.

## Longest hours

British workers are paid the least in the G7 top economies of the world, and they work the longest hours. Under the Tories, they've lost most of their employment rights, the right to organise and take industrial action, and health and safety protection. And they've seen their average tax burden, which includes not just income tax, but council tax, VAT and national insurance contributions, go higher than it was when Margaret Thatcher came to power in 1979. As Gordon Brown explained only recently: "In 1979, one child in eight was brought up in poverty, today it is one child in three". This searing poverty is blatantly denied by the Tories.

Social Secretary Peter Lilley claims that poverty is "principally an issue for the Third World", echoing the views of that well-known expert, the TV star Jonathan Ross, who wrote in the Sunday Express (where else?) that 'politically correct' people should stop whinging. Nobody was actually starving and so nobody was poor.

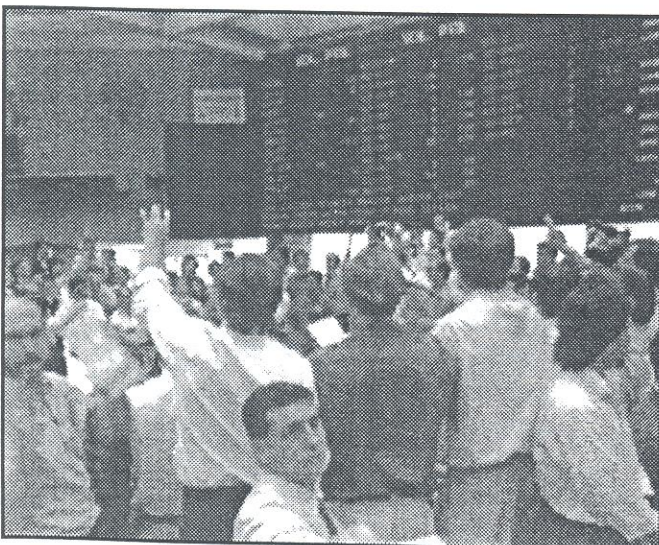
Definitions of poverty which included not having a TV, a microwave, or a fridge "were ridiculous". Really, Jonathan, you try living in the 1990s (and not just breathing) without these things and more.

But what will Labour do about poverty? Chris Smith, Labour shadow social secretary tells us that "we can't sweep poverty away with the stroke of a wand... what we promise to do is make a start... but it's not going to be easy and we're not going to be able to afford everything we might want to do" Sounds less than encouraging, doesn't it? And what about the key demand that the trade union movement and the Labour party has been pledged to in order to reduce poverty: the minimum wage? The average wage in this country is about £17-18,000 a year. That means that half of the workforce earn less. Anything less than £10,000 a year spells poverty. Families only survive if there are two wage earners. A minimum wage of £4.15 an hour, as advocated by the TUC means about £8000 a year. The TUC demand is a poverty wage really. What's the attitude of the Labour leaders?

## Minimum

They oppose implementing such a minimum root and branch. In a recent interview, Tony Blair said: "in respect of the minimum wage, I think you need some threshold but you have to set it carefully in consultation with business". And what does business say? A recent survey of the chairman of the top 100 companies in Britain concluded that the main thing they opposed was the idea of a minimum wage - at any level! So if big business is to be consulted, don't expect Labour to act on poverty.

And what about the rich at





the other end of social scale? Will Labour act against them? There are 200,000 people in Britain getting more than £80,000 a year (that's five times more than the average wage and ten times more than the TUC minimum). Thanks to the Tories, they are taxed at the same rate as those on £40,000 a year - namely at the higher rate after net income of around £30,000. When Clare Short blurted out the idea that perhaps people like her (on £40,000 a year) should "pay a little more", the Labour leaders came down on her like a ton of bricks. As Blair has said: "it's not that we have proposals on taxation and we are simply not disclosing them... all this stuff about top-rate taxes, there are no proposals!" As for the fat cat directors in the boardrooms raking in their huge bonuses and stock options, will Labour act? Here's what Tony says: "I do not believe government can come along and simply legislate" What it's supposed to do then? "I hope that companies will act responsibly and recognise that if there are huge pay awards being made to a few people at the top, then that is bad business in the end". What a hope! So the poor can expect little or nothing and the rich have nothing to fear.

But the crux of the issue on economic policy is this. Will Labour be able to create an economy that grows enough to put people back to work? If there was full employment at decent wages, then the

problem of poverty would diminish rapidly, tax revenues would come in, and the level of tax burden could be reduced while at the same time social programmes could be implemented. But Labour has not strategy for achieving faster growth except to rely on big business to make profits. Moreover Labour's aim is to make it easier for bankers and bosses to make profits. Tony speaks again: "The 1980s were about opening up markets and it is not our intention to dismantle that. Open markets are here to stay and I actually believe in more open markets".

### Industry

Labour's way of helping industry reap bigger profits and hoping this will trickle down to more economic growth and jobs is to boost training schemes and education skills of the workforce. But we must not spend more than we can afford. And how much can we afford? Well, Gordon Brown tells us he will have a windfall tax on the excess profits of the privatised utilities (that will bring in just £1bn). Otherwise one section of the working class will have to pay for another. He now plans to end child benefit to families with children over 15 and use the £700m saved to educate or train over 16 year-olds. Labour calls this a "benefit-to-work" strategy! But it's no good training and educating people if big business won't employ them. Without growth and jobs, all the training in

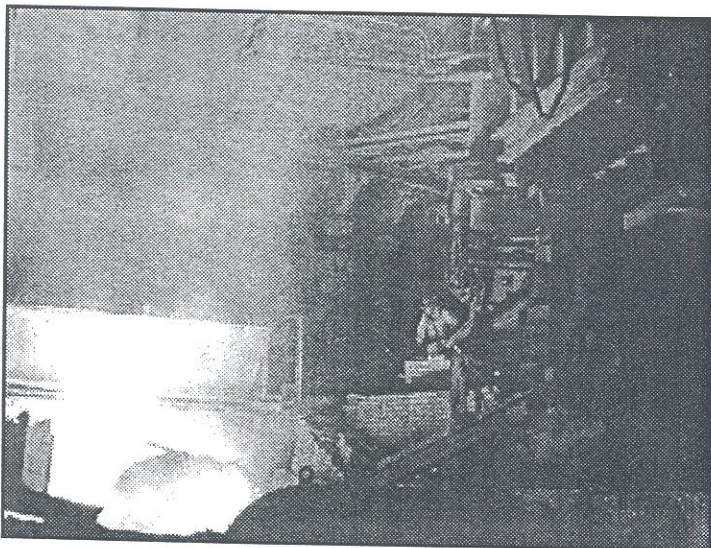
the world will be useless. Just ask the thousands of highly educated immigrants from Sri Lanka, India, Nigeria who come over here for schooling and cannot go back to their countries because there are no jobs. And economic growth in the world capitalist system will never be fast and sustained enough in the future to achieve full employment. It was a brief reality in the 1950s and 1960s in Europe, Japan and North America. Now it is a distant memory and ruled out by all capitalist politicians, and the Labour leaders, as a fantastic dream. And Labour has no intention of trying to change that. As Helen Clark, the immensely unpopular Labour leader in New Zealand commented recently about New Labour and her own policies: "in essence, the approach we are taking is very similar. Both Labour parties recognise that the globalised economy has changed. You can no longer put a wall round a Western economy and expect to do any good." What that means for Helen and Tony is that you can do nothing. You are tied to the vagaries of the capitalist economic cycle of boom and slump forever. And the New Zealand example should be of concern to all in the labour movement if that is Tony's model of the Labour economic policy. In the 1980s Labour was in power in New Zealand. What did it do? It gutted labour rights by introducing an Employment Contracts Act which abolished collective bargaining. It raised the retirement age, it charged school and university fees and charged for health care. Most important, it handed over control of the economy to the Reserve Bank of New Zealand and made it a law that inflation could not be allowed to rise above 2%. That meant that every time prices rose, interest rates were raised to massive levels automatically. Most state industry was sold off. The bankers and the rich have never had it so good. New Zealand industry is less sure as the strong New Zealand dollar has been pricing them

out of trading markets and high interest rates have been destroying their profits. As for the people, inequality of income has widened dramatically and poverty has rocketed. Now there are 'food banks' all over where "families must go cap in hand and ask for food. You cannot imagine how much dignity they shed just to ask for food" said a food coordinator. As former Labour PM of the 1980s, David Lange says: "we have paid a huge price for being economically orthodox...when you let your central bank determine inflation, you hand your workforce over to the wolves". And yet that is exactly what Tony Blair and Gordon Brown are proposing. "We are attracted to the option of giving greater strength and credibility to the Bank of England" by giving the bank control of interest rate policy. And if Labour goes for joining the single currency, that will end national control of exchange rate policy as well.

### Bank of England

To sum up, Labour wants to hand over government economic policy to the direct control of the Bank of England and the European central bank. It wants growth and employment, and with it the possibility of decent wages, to be decided "in consultation with business". And it proposes to do nothing about taxing the rich or relieving the burden of the poor. As for privatisation, Labour is opposed, aren't they? Well, says Tony, "it is not that privatisation is ideologically wrong in all circumstances. It isn't".

So that's it in a nutshell. Labour's economic policy under the leadership of Blair and Brown is exactly similar to that of the New Zealand Labour government of the 1980s. What happened to them? Helen Clark and her friends languish in the polls at 23% from the mid-40%<sup>s</sup>, and are now polling less than a brand-new semi-racist so-called New Zealand First party. That's the future of New Labour's economics.





Bosses get green light...labour movement must prepare for action..

# Australian right wins election

The result of the federal election is clearly a setback for the Labour Movement and for the Australian working class. The incoming Howard Liberal government will move quickly to 'reform' the industrial relations set up, giving employers such as CRA a green light to undermine wages and conditions through individual contracts and non-union collective agreements.

The ability to organise inside a union will be undermined by the relaxing of the unfair dismissal laws, the real purpose of which will be to allow for the victimisation of shop stewards. Sections of 45 D & E of the Trade Practices Act will be revived against 'sec-

ondary boycotts'. How was it then, that with such an anti-union and anti-worker program the Coalition was able to win such a convincing victory from what is an overwhelmingly working class electorate? In fact this was not an election the Coalition won, but one that was lost by Labor.

## Enthusiasm

Not one of the major policy planks of the Liberals generated any real enthusiasm from within the electorate. Even the attempt to buy votes with a bag of tax breaks and spending promises was met with overwhelming cynicism and played no role in the final outcome. Labor lost because it stood on its

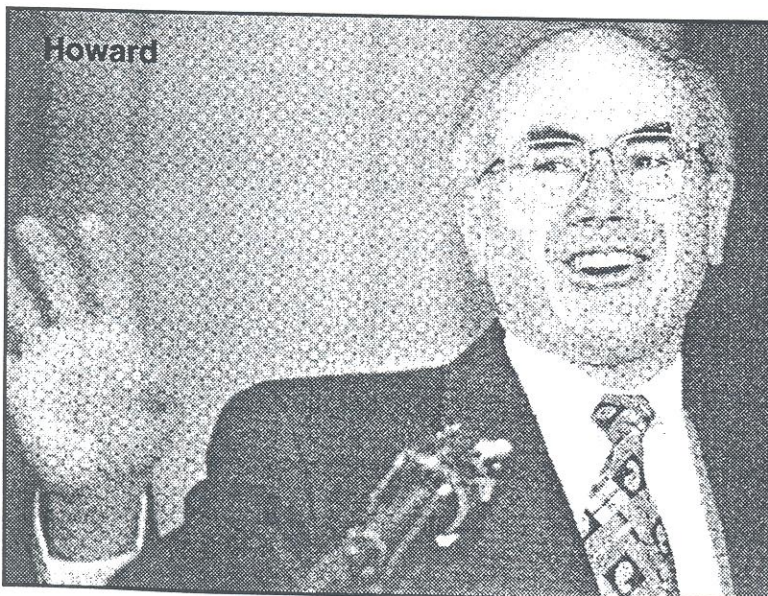
record and promised more of the same. But for working class people the experience of the last 13 years has been one of wage restraint during the '80's boom, justified by the claim that this would secure jobs but in reality followed by a recession during which unemployment topped the one million mark. This in turn has given way to the weakest recovery since the 1930's in which the jobless total has refused to fall below 8%. The few gains of Labor rule, such as free health care under Medicare, were only achieved at the cost of foregone pay rises under the Accord, and in any case have faded from memory with the passing of time. More recent reforms, such as the introduction of paid maternity leave in the 1995 Budget could only be financed through other counter-reforms, namely the sale of the Commonwealth Bank and Qantas. Discontent with Labor's record in power has brought the ALP to the brink of defeat in the last 4 federal elections, each time narrowly escaping only after the Coalition made fatal errors during their campaigns. After the 1993 election, the long awaited arrival of the recovery allowed the Keating government some breathing space and for a while disguised the com-

plete bankruptcy of its economic strategy. The high point of this delusion was reached with the much vaunted statement Working Nation, by which Keating was able to convince the more short sighted sections of the Labour Movement that the government had a viable strategy to bring unemployment down to 5% by the year 2,000, a promise that would have rung as hollow as Hawke's famous phrase on ending child poverty had Labor remained in power. But by early 1995 the recovery had petered out, its unsustainable character revealed clearly by rising interest rates and a catastrophic blow out in the current account deficit. In one of his few comments that caught the real mood of the nation, Howard described the position as 'five minutes of economic sunshine'.

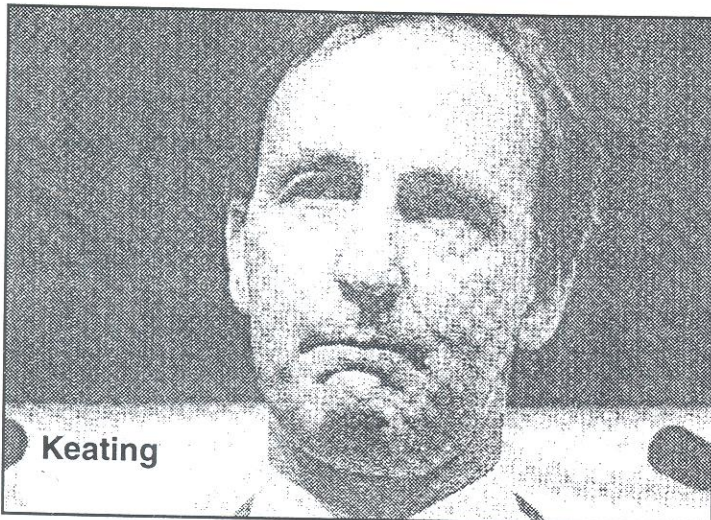
With the passing of the first flush of the recovery, the entire approach of the Hawke and Keating Labor governments to the economy lay in tatters. All the sacrifices of the Accord, and all the pain of the recession, have therefore been for nothing. After 13 years Keating's vision of a modern, advanced Australian economy able to compete on the world market and secure jobs and decent living standards remains further away than ever.

## Patience

But the patience of working class people can not be stretched for ever. When it became clear that the first flush of the recovery was not the beginning of a new era of prosperity, as the government claimed, but merely a brief interruption in the general gloom of Australian capitalism's prospects, then the electorate turned decisively away from Labor. By the same token, however, in no way can the election result be seen as a mandate for the Coalition's anti-working class policies.







Keating

The inability of the Liberals to win a majority in the Senate, unlike the period of the Fraser government, and the difficulties this will cause them in pushing through their program, is no accident but a reflection of the lack of positive support for the Liberals' reactionary policies within the electorate.

In fact this was an election the Liberals won by deception, hiding the real nature of their party and its program from the electorate.

The need for such deception flowed from the real balance of forces between the classes in Australia today. The social basis for Liberalism has been completely undermined by the development of society over the last four decades, which have transformed the country into an

business and the financial markets to deliver a Budget surplus.

For if a right wing Labor government found itself on the receiving end of a relentless push on the part of capital to wipe out the deficit in the federal Budget, then still less will the Liberals be able to avoid the merciless logic of the capitalist system and stand up to the demands of the markets.

Already the initial elation of the Stock Exchange at Howard's victory has given way to a mood of caution with grim warnings for the Coalition should they refuse to rein in their spending promises. Should the Liberal government lose the confidence of the financial markets the A\$ will move into freefall causing a steep rise

disillusion among its supporters. Underlying this dilemma lies the fundamentally diseased nature of capitalism in the world today. This is the real reason for the inability of the economy to grow at a sufficient rate to allow unemployment to fall significantly and for the living standards of working class people to rise.

So long as Labor remained in power and determined to work within the present economic system, then it copped the blame for the failure of capitalism to solve the problems of society. But now that a Liberal government has stepped into Labor's shoes, very quickly it will find itself a victim of the same process.

For the fundamental weakness of Australian capitalism lies precisely in its inability to allow for a sustained period of economic growth. All the factors that caused the 1994 recovery to stall will resurface if a new spurt of growth takes place in 1996 or 1997, for none of the underlying problems in the economy have been resolved.

As a result therefore of the inability of Australian capitalism to sustain a period of growth for any length of time, unemployment will remain higher, outside of a time of recession, than at any time since the 1930's. The diseased character of the capi-

else raise taxes in order to pay for them. However this would undoubtedly cause massive disillusionment from within its own electoral base. Likewise any attempt to place the burden on the states by cutting the level of federal grants will provoke a storm of protest from the Liberal Premiers and risk splitting the party.

In the face of this the government's preferred option will be to copy Keating and postpone the dilemma by selling off Telstra and any other remaining public assets. However the obstacle of the Senate may remove this option too, leaving the Liberals no choice but to attack the jobs, wages and conditions of public servants with a massive reduction in federal spending. Whichever path the government chooses will turn out to be the road to its own destruction. The chronically weak position of Australian capitalism dictates that any government choosing to work within the constraints of the present system will be forced to attack the living standards of working class people who make up the great majority of the electorate, and therefore erode its own electoral base very quickly.

#### Process

The same process that has led to the defeat of a right wing Labor government will also bring to an end the popularity of the Coalition in a relatively short space of time, most likely even before the end of 1996. For all the gloom inside the camp of the Labor leadership in the wake of March 2nd, the conditions exist at present for the ALP to make a rapid recovery in the polls as the bankruptcy of the Liberals' program is exposed. The decisive element in Labor's recovery however, will be the ability of the party to absorb the lessons of its defeat in the federal election and turn away from the course of the last 13 years in recognition of the need for a future Labor government to carry out a socialist transformation of society if it is not to disap-

***How then will the balance of forces inside the party be tilted in favour of the Left? This is the key question. The answer however is not to be found inside the ALP, but in the trade unions. For it is inside the trade union sphere that the decisive developments will take place that ultimately will shape the future of the Australian Labour Movement as a whole.***

overwhelmingly working class nation.

#### Weakness

The weakness in the position of the Liberal government is revealed in the dilemma it faces over the cost of the extravagant promises made during the election campaign and the pressure from big

in interest rates. This in turn will tip an already slowing economy into recession, with higher costs for home loans and rising unemployment meaning certain political death for John Howard.

On the other hand if the government abandons its election promises this will immediately lead to widespread

talist economy will make it impossible for the Coalition to fulfil the promises made during the election campaign. The real state of the federal budget, with an underlying deficit of up to \$8 billion, will place a stark choice before the Liberal government. The easiest solution would be to renege on its promises or



point its working class base once again. Unfortunately it appears most unlikely that the leadership of the party will draw this correct conclusion.

Instead Labor's Right will attempt to move the ALP even further away from the socialist aspirations that inspired the formation of the party more than a century ago. Echoing the sentiment of 'public opinion' expressed in the pages of the Murdoch and Packer press, the Right will move in the footsteps of British Labour leader Tony Blair and try to weaken the link between the trade unions and the ALP.

### Blair

As in the case of Blair, the purpose of this effort will be to reassure big business that in future a Labor government will be free from the pressures and influence of the organised Labour Movement and therefore possess the resolve to implement an even more pro-capitalist program than it did between 1983 and 1996. In other words to transform the ALP into a second version of the Liberal Party, with perhaps some 'middle of the road' 'social democratic' policies tacked on so as to attract voters disillusioned by a right wing Coalition government. Such an approach would be a recipe for the disintegration of the ALP. If a Labor government of this type was ever returned to power, the collision that would follow between the government and the ranks of

the Labour Movement would most likely lead to a split and the formation of a National government in alliance with the Liberals, as took place under Billy Hughes in the 1920's.

However the success of the Right wing's agenda is by no means assured. There can be no doubt that the federal election result has dealt the Labor Right a body blow, not only with the decimation of the NSW Right inside the parliamentary caucus but more importantly with their standing inside the party itself.

For more than a decade the Right have been able to stave off criticism of their anti-working class policies with the argument that under Hawke and Keating Labor had never enjoyed such success at the polls, both at a federal and state level. But now this argument lies in tatters, with the ALP pushed out of office in every state bar NSW, where it holds power with a majority of just one and is deeply unpopular, and now federally as well. The size of the swing in Queensland and NSW has left no one in any doubt as to the contribution to Labor's defeat made by the record in power of the right wing Goss and Carr state governments. How then will the balance of forces inside the party be tilted in favour of the Left? This is the key question. The answer however is not to be found inside the ALP, but in the trade unions. For it is inside the trade union sphere

that the decisive developments will take place that ultimately will shape the future of the Australian Labour Movement as a whole.

The removal of the remaining protection offered by the IRC and federal awards, and the opening up of a new period of bitter industrial conflict, will have a profound effect on the trade union movement itself and on the consciousness of the working class.

The last 13 years have seen both the level of strike activity and the active involvement of union members inside the structures of the movement fall off to historic lows. The Accord played an important role in demobilising the movement, as wage rises were determined behind closed doors often through private agreements between Bill Kelty and Paul Keating. The recession and the rise of the jobless total to one million served to depress the level of activity even further as workers lacked the confidence to take on their employers for higher wages or improved conditions. The onset of the recovery and the implementation of enterprise bargaining has already undermined these factors. This is why the employers and the Liberals are so keen to remove the unfair dismissal legislation, so that it will become easier to victimise stewards and destroy shop floor organisation. But while it is inevitable that the unions will suffer some defeats at the hands of employers and the government in the next period, the overall impact of the change in the industrial climate will be to revitalise the structures of the movement, as millions of workers come to understand for the first time the need to organise collectively inside a union.

It is this change in consciousness, a direct product of the experience of a Liberal government and the onslaught of employers like CRA, that will lead to the fall in the level of union membership being turned around. But more than this, it will see the rebuilding of union organisation at a workplace

level, and the creation of a new generation of class conscious union militants right across the movement.

### Unions

Already this process can be seen in a number of unions, in some cases assisted by a conscious effort on the part of the leadership to involve the rank and file in the life of the union and to train up new stewards and health and safety reps. The campaign by the CFMEU Building Division in Victoria against Kennett's dismantling of the health and safety legislation is one example of such efforts, while the pay dispute being conducted by the Victorian branch of the United Firefighters Union forms another even clearer one.

At some point, as disillusion with the Liberals generates a revival in the electoral fortunes of the ALP, this layer of militant trade union activists will begin to move decisively into the political arena, mobilised by the prospect of the return of a Labor government. Inside the party, the presence of a layer of working class militants will completely transform the balance of forces between the factions, forcing the Left leaders, and even sections of the Right, to express in one form or another the aspirations of the rank and file.

But a mass base alone will not be a guarantee of success. The Left will also require a clear understanding that the source of society's problems is to be found in the diseased nature of the capitalist system itself, for which the only cure lies in a Labor government carrying out a socialist program, taking the major banks and corporations into public ownership and so allowing economic activity to be democratically planned for the benefit of all.

And it is towards this goal that the publication of the *Australian Socialist Appeal* is dedicated.

**Dave Maclean  
Melbourne**



Melbourne students demo



# Italy: historic victory for left

The Italian working class is celebrating the historic victory of the left. For the first time the Communists have now entered government. This has raised great expectations and euphoria. Workers demonstrated their feelings with spontaneous celebrations: 20,000 in Milan, 40,000 in Bologna and similar turnouts throughout Italy.

However, the character of this new government is in essence a 'popular front', a coalition of the former Communist Party, the PDS, with some small capitalist parties. The victory of this alliance has led to reassuring editorials in the bourgeois press and even a surge on the stock exchange.

Why? The answer is: the capitalists need a social contract with the trade unions in order to get their policies through. In 1994 the victory of the right pro-

voled a huge movement of the working class that brought down the Berlusconi government. Dini, Berlusconi's Treasury Minister, then formed a "technocratic government" that discussed all its policies with the leadership of the trade unions. That is how last year's cuts in the pension scheme got through. That also explains why the serious strategists of capital were pushing for a victory of the Olive Tree (the coalition of the PDS together with ex-Christian Democrats, Greens and a new party formed hurriedly in the last few weeks by the outgoing Prime Minister, Dini).

## Confrontation

The big capitalist groups don't want a confrontation with the working class at this stage.

Both the PDS (Democratic Party of the Left) and the PRC (Party of Refounded Communism) increased

their votes, the PDS from 20.3% to 21.1%, and the PRC from 6% to 8.6%. In Turin Rifondazione has gone from 6.28% to 13.76%, in Genoa from 7.8% to 11.2%, in Tuscany from 8.8% to 12.5%, in Rome from 6.6% to 10.7%. A layer of workers shifted from the PDS to the PRC. In fact in some areas, in spite of the overall victory of the Olive Tree, the PDS actually went down. In Rome it lost 2,000 votes, in Turin it went down by 0.3%. Therefore within the overall left vote there has been a qualitative shift to the left. The PDS vote proves that moderate policies do not shift the electorate, a lesson the leadership of the PDS should take on board. Unfortunately they seem to be blind to such obvious conclusions.

The victory of the Olive Tree was not a foregone conclusion. In fact Olive Tree did not win an outright majority in percentage terms. If you exclude the votes of the PRC it would only have received 34.7%; only with the PRC did it manage to get 43.3%. The right-wing Freedom Alliance got 42.1%. In reality the country is deeply polarized Left-Right.

In the North there is the exception of the Northern League which got 10.1% nationally, but in some of the Northern regions it got between 20% and 30%. The League stood on its own and because its vote is concentrated in the North it managed to elect a sizeable parliamentary group. This poses a serious problem for the future. Bossi,

leader of the League, is now talking of "independence" for the North. That is so much demagoguery, but it is a danger signal for the Labour Movement: if the Left proves incapable of putting an end to capitalism then nationalism and racism will inevitably grow. However it is clear that for now the right have suffered a serious defeat. The ex-fascists of Alleanza Nazionale have come out weak: although their vote went up they got much less than expected, and now the knives are coming out inside the party and Fini is taking the blame for having forced an early election. The leadership puts the blame on the fascist split-away grouping of the Tricolour Flame. In some areas of the South and Centre this group got 5-6% enough votes to reduce those of the Freedom Alliance as a whole letting in the Olive Tree candidates.

## Complicated

In spite of all these complicated results the main message for the workers is that for the first time in nearly 50 years "their" party is in the government. That explains why there were big celebrations on the left. The workers in the factories feel more confident. So the bourgeois won't be happy for long. In the short term the workers will probably give "their" leaders time. They are expecting something "for us" from this government.

Unfortunately the economic policies of the Prodi government will be no different





from those of Berlusconi. Already the IMF, the World Bank, the governor of the Bank of Italy, and other "friends of the working class" have come forward with "advice": cut labour costs, more flexible working conditions, cutback on the Welfare state, etc. That is not what the workers are expecting. They will accept such measures for a temporary period of time just as

they did back in 1976, especially considering that the leaders of the PDS and the Trade Unions are saying sacrifices are necessary to sort out the mess caused by the corrupt governments of the past. But when it becomes evident that these policies only increase the profits of the bosses then things will begin to really move. The 1994 strikes against Berlusconi were

only a taste of what the Italian working class is capable of.

#### Fundamental

In all this of course the PRC could play a fundamental role. The PRC is the only party calling for a shorter working week with no loss in pay, a sliding scale of wages, a wealth tax and a programme of useful public works. These radical policies have attracted a layer of more militant workers. The problem is that the Prodi government needs the votes of the PRC MPs, at least in Parliament. Bertinotti, secretary of the PRC, has already said that he will vote for the government when it come before Parliament. The question is what happens after that? Prodi's programme is diametrically opposed to that of the PRC. The PRC will come under pressure in the next period. It has a choice between two roads: one is that of compromising with Prodi with the excuse that it is the only way of keeping the right out of the government, the other is that of a consistent class opposition to the bourgeois policies of Prodi.

#### Powerful

If it follows the latter, in the long run the PRC could become a powerful force of attraction on the left once the mass of workers will have lost all hope that the right-wing policies of the PDS leadership have anything to offer. The leadership of the PRC must stand firm and call on the leadership of the PDS to break with the bourgeois parties in the Olive Tree and form a left front. That is the only way out. Otherwise the left will take the blame for Prodi's anti-working class programme and pay at the next elections, opening up the road for the right as has happened in France and Spain in the recent period.

**Fernando D'Allesandro**  
Rome  
Editorial Board,  
Falce Martello

## Pakistan Trade Union Defence Campaign

# Pakistan trade unionist victimised

The organiser of the Pakistan Trade Union Defence Campaign in Sindh, Hafiz Uqaili, has been suspended from his job at the Thata Cement factory.

The reason is that he had written an article in the labour movement paper *The Struggle* denouncing corruption of the factory management. This is an attack against him because he had been struggling consistently against privatisation. The Pakistani government wants to sell nationalised companies to capitalists. Workers have been continuously struggling against the privatisation of this cement factory. The government tried to privatise it three times but failed to do so because of workers united opposition. Workers in this factory have witnessed the miserable life facing workers in nearby factories which have been privatised like Thata Sugar Mills and PVC Gharu. These nationalised factories were highly profitable for the state. But due to corruption, after their privatisation they had massive "losses", and this was used as an excuse for their closure by the private owners, forcing their workers to unemployment, which is already a huge problem. As a result workers are organising around the Pakistan Trade Union Defence Campaign against privatisation. Sooner than later, the workers will make these private capitalists accountable for their looting of state property.

Contact the PTUDC to get a speaker or for more information at:  
PO Box 6977  
London N1 3JN

## Election results

### Seats in Parliament

Olive Tree:	284
PRC:	35
Freedom Alliance:	246
Northern League:	59
Others:	6

To have a majority a minimum of 316 MPs is necessary. The Olive Tree with 284 MPs, therefore needs the support of the PRC.

### Seats in the Senate

Olive Tree:	157
PRC:	10
Freedom Alliance:	116
Northern League:	27
Others:	5

To have a majority a minimum of 158 senators is necessary. However the Olive Tree can count on two South Tyrol senators from the German speaking minority and on several senators nominated for life to the Senate, such as all the ex-presidents of the Republic etc. Therefore in the Senate the Olive Tree can do without the PRC.

### Percentage of votes for each party

PDS	21.1
PRC	8.6
Greens	2.5
Popular Party*	6.8
Dini	4.3
CCD-CDU**	5.8
Forza Italia	20.6
Alleanza Nazionale	15.7
Northern League	10.1
Fascists	0.9

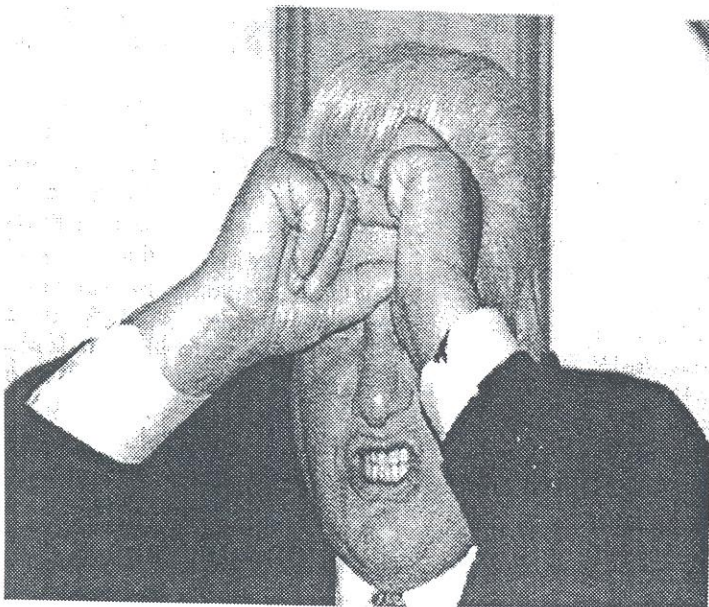
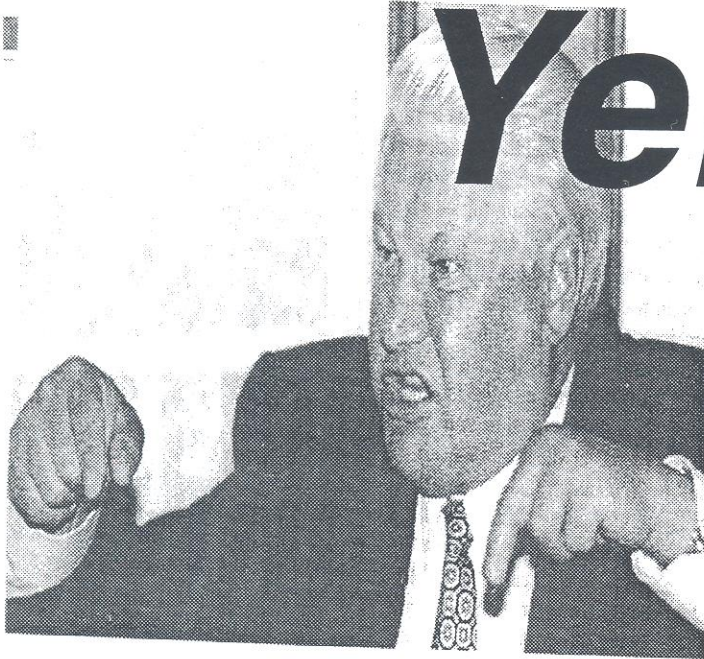
\* together with South Tyrol People's party, Republicans, Democratic Union and Prodi

\*\* ex-Christian Democrats allied to Berlusconi and Fini





# Yeltsin's June Days



**"The noes seven; the ayes one. The ayes have it."**  
Abraham Lincoln.

On June the 16th Russia goes to the polls to elect a new President. The constitution, originally drafted by Yeltsin and his clique to prevent a hostile parliament from interfering with their programme of capitalist counter revolution, concentrates immense power in the hands of that President. It may yet turn on them.

December's Duma elections therefore solved nothing. Such elections are rarely decisive, in themselves anyway, but they do mark another important, turning point in the unprecedented process now unfolding in Russia. They also offer the best guide we have to the likely outcome of June's even more significant Presidential election. What exactly did December's results tell us? They constituted a crushing vote of no-confidence in Yeltsin and his cronies, but more than that, the victory of the "Communists," and those parties opposed to the "reform" programme, illustrated that huge obstacles remain in the path of establishing a stable capitalist regime in Russia.

The infamous Vladimir Zhirinovskiy's extreme nationalist LDP saw their share of the vote halved to 11%. "Russia's Choice," former pro-capitalist Prime Minister Gaidar's party, received less than 5% of the vote. Worse still from Yeltsin's point of view, the current Prime Minister, Viktor Chernomyrdin's party, "Our Home Is Russia,"

with all the resources at their disposal, couldn't quite manage 10%.

The "Communist" Party, meanwhile, together with their allies the Agrarians and other parties describing themselves as "communist," got about one third of the vote. They won 190 out of 450 seats, while Zhirinovskiy won 51, and Our Home Is Russia, 55.

In the first place, therefore, these results go a long way to confirm our analysis that a stable capitalism has not yet been achieved - there has been no decisive, irreversible change, at least not yet. Nor is it by any means inevitable that they will succeed. On the contrary, these results suggest that the movement towards capitalism is in serious trouble.

They have gone a long way, it seems, in privatising the economy. However it is difficult to be accurate, there are many conflicting figures available for the levels of privatisation completed. There is a great deal of confusion too, over just what this privatisation consists of, very often it includes so-called "joint ventures," or "co-operatives," whose actual status is unclear.

## Statistics

In any case, such statistics alone cannot solve what is, at the end of the day, a struggle of living class forces. Probably the clearest indication that the process has not yet reached a "successful" conclusion is the attitude of Russia's newly rich capitalists, who have been hurriedly stashing their ill gotten gains abroad, and the



attitude of the western powers, who have reacted with panic to the CPRFs victory in the Duma, and their continuing lead in the polls. December's result would suggest that Yeltsin is finished, and certainly given his record of economic devastation he should be. The destruction of the Russian economy could only be compared to a massive defeat in war. In addition there have been the real wars, in particular, the one still taking place in Chechnya, for which the majority of Russians hold Yeltsin personally responsible. An opinion poll in December gave Yeltsin just 6%. Today he trails the CPRF by up to 20%, depending on which polls you read. This support for the "Communist" Party, reflects something more than a simple longing for the "good old days," a nostalgia which has been illustrated in opinion polls for some time now. It is evidence of the first conclusions being drawn by Russian workers from the last 5 years experience of market reform. Until now, the decisive factor in the situation has been the passivity of the working class. But that is beginning to change. Already this year there have been important strikes by groups of workers, like the teachers, who haven't been paid for months. Perhaps most significant have been the strikes of the miners, many of whom previously had illusions in the market, but have learnt from bitter experience. The creation of mass unemployment, factory closures, and being sent home from work for weeks on end, make it very difficult to take industrial action. Many Russian workers have therefore turned to the political front, in the first place to the elections, and the Communist Party to solve their problems. The next stage, in this process then, will be the Presidential elections scheduled for June the 16th. This will be a battle between Yeltsin, and the CPRF, the other candidates won't get much of a look in. Zhirinovskiy's ultra right wing nationalist demagoguery is for the present falling on rocky ground despite taking lessons from France's Le Pen, and Italy's Fini, on how to distance himself from his more openly fascist supporters. The military would be forced to step in if there were any serious threat from this madman, the conse-

quences would be too unpredictable for them to risk. Alexander Lebed, the so-called "hero of Moldova," a keen supporter of Pinochet's Chile, had a very poor showing in December's elections, winning around 4% of the vote, and though his military history may see his vote rise in June, the election looks increasingly like a two way fight. Who will win and what consequences will the result have? While obviously none of us have a crystal ball, the West are clearly terrified. "I think the West is right to panic," comments Michael McFaul of the Carnegie Endowments Moscow centre.

### Imperialism

Yeltsin is clearly the candidate of Western imperialism, and that is more likely to hinder than to help his cause. Bill Clinton, on a timely visit to sign nuclear test ban treaties, has been outspoken in support of his friend. Jacques Chirac has said Russia should be allowed into the G7 group of world leaders, in an attempt to bolster Yeltsin's image as an international statesman. Major and Kohl have been backing him strongly too. But actions speak louder than words. The IMF has granted Yeltsin its second biggest ever loan - \$7 billion, and what's more they've threatened to take it back if the "Communist" Party win. In the last month, Kohl has given a further \$1.8 billion, and Chirac, \$260 million. Their friend Boris has a lot of votes to buy. Indeed a lot of back wages can be paid with this money, which may help to boost his vote a little. To further bolster his vote Yeltsin has been trying to cobble together a peace plan for Chechnya. He recently declared a unilateral ceasefire. Even if it had succeeded, such a deal wouldn't have won him the election, when he is seen, especially by the military, as being responsible for the debacle in the first place. It seems to have broken down anyway. Now he's threatening to send in the Cossacks, offering to restore their ancient privileges in exchange for their 12 million or so votes. Given the history of the region, this would be like dousing a fire with petrol. With so much riding on the outcome of this election it could not be ruled out that it may be

rigged, like the earlier constitutional referendum. The CPRF meanwhile have placed all their hopes in the so-called democratic process. Instead of warning of the danger of ballot rigging, Zyuganov, the CPRFs candidate, is content to sit back and wait to be handed power. He prefers to make reassuring speeches to western businessmen, rather than warning of the dangers of a coup, a threat inherent in the current unstable situation. A genuine CP would be warning of these dangers, and setting up action committees in the factories, the barracks and the farms ready to defeat reaction. The mass of workers could be mobilised in this way to defend democratic demands, to fight for their wages and so on. Linking these questions to a programme of a nationalised, planned economy under the democratic control and management of the working class, the CP would win overwhelming support. Despite leaning on the working class for support, however, the truth is that the leaders of the CPRF fear the workers as much as Yeltsin does. If the election isn't rigged, then the CPRF are clear favourites. How can this be explained? In the past the CPSU was neither communist nor a party, in reality it became an arm of the

There are some former high ranking officials like Nikolai Ryzhkov, the last prime minister of the Soviet Union. In addition there are, particularly through the trade unions, a layer of workers. The CPRF is certainly the biggest party in Russia with well over half a million members. In the absence of any alternative they are playing a role analogous to that of the traditional workers parties in the West. What a lesson that is, in the dialectical way in which even the most monolithic organisations can be transformed by events. This does not mean that workers accept Stalinism, but that they recognise that things were better before. They want all the advantages of the planned economy, but without the monstrous totalitarianism. In other words they are groping in the direction of a genuine workers democracy. What does this "Communist" Party stand for? That all depends on who you listen to. Zyuganov has been preaching a slower, but continuing process of "reform." Speaking in Davos recently he promised to create an environment safe for the West to do business in. He has the illusion of becoming a kind of social democratic President in a Western style democracy. This is the ultimate

***But actions speak louder than words. The IMF has granted Yeltsin its second biggest ever loan - 7 billion, and what's more they've threatened to take it back if the Communist Party win.***

state. Today there are, of course, still a layer of old bureaucrats, mainly lower ranking local officials, factory managers, the so-called 'Red Barons' and so on. Most of the upper echelons are busy feathering their nests with the spoils of privatisation.

### Transition

Incidentally, the transition toward capitalism has done little to wipe out bureaucracy, on the contrary there are more bureaucrats in Russia today than there were in the whole of the former Soviet Union. Scratch away the capitalist veneer, and you'll find many of the same bureaucrats underneath.

confirmation of Leon Trotsky's prediction that the theory of "Socialism in one Country" would inevitably lead to the national and reformist degeneration of all the Communist Parties. To continue along the track to capitalism it would be necessary to drive down even further the already miserable living standards of the working class. For that a brutal dictatorship, not "liberal democracy," would be necessary. But its not entirely up to Zyuganov what path will be taken. Harsh reality may force them along a different track from the one they intend to travel down. Western economists quoted in the *Sunday Times*, point out



that in a few months their currency reserves would be used up by election promises of "a return to the good old days when workers received holidays paid for by the state, and, in many cases, salaries for doing nothing. The economy would collapse. They will start printing money and provoke hyperinflation. Their only recourse would be to state intervention, because its the only thing they know, and it wouldn't work. The whole thing will just unravel."

The threat of hyperinflation or devaluation when the rouble is now trading at 5000 to the dollar, is hardly likely to deter workers from voting for the CPRF. As for the claim that the economy "would collapse," Russian workers are all too well aware, not in the realm of statistics, but in their everyday lives, of the catastrophic collapse that the transition towards capitalism has already caused. The idea of "salaries for doing nothing" would be a certain votewinner, in a country where many workers slog their guts out week after week, without being paid for month on end.

The process of capitalist restoration could indeed "unravel." But there is no reason to assume that some form of neo Stalinism could not work, for a time.

Tackling the mafia, who are in any case indistinguishable from the capitalists, could prove very popular, so would keeping factories open, and paying wages. Sooner or later of course such a regime would come up against the same obstacles that pushed them along today's path. A planned economy will inevitably suffocate unless it is sustained by the oxygen of workers' democracy.

Whatever direction Zyuganov would like to take, it is not at all clear that he has control over his party, in any case.

Zyuganov lost control of the recent discussion in the CPRFs parliamentary faction on a motion condemning the Belovezhsky pact between Russia, Belarus and the Ukraine which effectively ended the existence of the Soviet Union in December 1991. According to Michael McFaul again, "Lukyanov ended up dominating the faction. Zyuganov never would have phrased the motion in such an aggressive way. Its a good example of a man who is no longer in full control of the party and is becoming isolated." The policy of restoring the Soviet Union, supported by

Lukyanov, has gone down like a lead balloon claims the *Sunday Times* correspondent. Yet a week later the same paper reports a poll in Russia showing 69% want it back.

Anatoly Lukyanov is typical of the hardline elements in the "Communist" leadership. A former Chairman of the Supreme Soviet of the USSR, he spent 18 months in jail for his part in the attempted coup against Gorbachev in 1991. Now he is tipped to become Attorney General or Justice Minister in a new Communist administration. "We will no longer tolerate the subjugation of our country into a western colony," Lukyanov commented in a recent interview, "If the west continues to threaten our borders with NATO expansion, adequate responses will be taken." He is very strong on anti-western demagoguery, "The more advertising the West puts all over the streets of Moscow," he continues "the more the west pumps its films on to our television, the more the Russian people will oppose them."

He doesn't hold with Zyuganov's western style parliamentary reformism "We are the same Marxist-Leninist party," he claims, yet there is no mention of mobilising the working class to defeat Yeltsin. Some of his demands may prove popular in the short run, though. For example, the future for Yeltsin if this man has his way looks very bleak, "Do you think that the parents of those who died in the White House in 1993 will forget? Yeltsin has committed genocide."

### Newly rich

Moscow's liberal press teems with stories of newly rich Russians preparing to flee in preparation for a new "Communist" revival. "So what?" says Lukyanov, "But if they take any money with them, we'll hunt them down and get it back." Zyuganov has warned recently, in response to Lukyanov's outspoken comments, that the immediate seizing of private property would lead to "shooting from Kaliningrad to Sakhalin." Given a clear lead the Russian working class could be on the brink of power. Instead, in the absence of such a lead, the threat of a civil war is indeed a serious one. Trotsky predicted that any attempt to restore capitalism in Russia would lead to such a civil war. With two

coups, wars in Armenia, the Caucasus and Georgia, the process so far can hardly be called peaceful.

A genuine Communist Party, would be calling for the setting up of workers' councils as the basis for a new regime of workers' democracy. It goes without saying that it is the duty of every socialist to support the "Communist" Party against the Yeltsinites, while at the same time explaining that only the independent action of the workers can rid Russia of both capitalists and bureaucrats. However, the failure of the CPRF to introduce measures in the interests of the working class will prepare a bloody settlement, one way or the other, either in the shape of a coup or even a civil war.

### Failure

The Nationalists would be the first to gain out of the CPRFs failure. If not the madman Zhirinovskiy, then there are no shortage of candidates for the role of Russia's new Bonaparte, starting with Alexander Lebed. What direction a new Bonapartist regime would then take remains a moot question. They would have to tackle the mafia, because of the enormous percentage of the country's GDP they are swallowing. But that might itself mean challenging the new capitalists. This too could lead to civil war. There are many factors involved in determining which direction such a new regime would take. A sudden upturn in the world economy could provide the impetus to complete the capitalist counter revolution. At present that seems highly unlikely. Above all the decisive factor in the Russian equation is the working class. They are slowly beginning to stir from the nightmare of the last few years. What all sides fear is an explosion of the workers. Such a movement

could even overthrow the current rotten regime, and take power as we saw in 1956 in Hungary. The entire world situation would be transformed. Although such a movement is inevitable in the long run, while it is delayed the current impasse cannot continue indefinitely. The stage is being prepared for a coup. If they succeed in restoring capitalism, the conditions will rapidly be prepared for a new October.

Neither the CPRF, nor a coup, could succeed in recreating the Stalinist regime of the past. That was constructed on the bones of the revolution. While a return to centralised planning might spur the economy on for a time, the regime would be a weak and unstable one. Once the workers began to move it would crumble to dust.

The historical detour may yet go through a few more twists and turns before reaching a new October. If this were the Communist Party of Lenin, this election would indeed mark an important turning point, alongside the mobilisation and organisation of millions of workers in the country to halt the march toward capitalism, and to retie the knot of history so brutally cut by Stalin and his successors. A new beginning along socialist lines would be on the order of the day, not only for Russia, but Eastern Europe and indeed the rest of the world.

For now, the Russian "Communist" party is all the Russian workers have, along with the unions, this will prove to be an important school for a new layer of workers who will rediscover the genuine traditions of Lenin in the years to come. History will prove to be, as Trotsky wrote in the 1930s, more powerful than the most powerful General Secretary, or bonapartist president.

Phil Mitchinson





In 1746 the last great land battle was fought on British soil. What was it all about? *Alastair Wilson* tries to put it in its real context.

# Culloden

Two hundred and fifty years ago, in 1746, the last military battle was fought on British soil at Culloden. This anniversary has been marked by numerous newspaper and magazine articles and TV programmes. Some have taken the traditional 'tartan and heather' approach, while others have tried to make a more serious analysis. But how should we really see the events that surround the battle - romantic last stand of the doomed highlanders or something more?

Sixteenth, seventeenth and eighteenth century Europe was a period of revolution and Scotland was not isolated from any of these developments. In fact it started early in its attempts to overthrow the old feudal order. By the middle of the sixteenth century many of the gentry and virtually all of the urban population of the burghs had adopted the protestant faith.

In 1560 an army was raised, the Army of the Congregation, they ended the centuries old "auld alliance" with France by besieging and defeating the French garrison at Edinburgh. The new rulers would now look, more and more, towards England as ally, and for material aid and assistance.

The reforming parliament that

met finally broke the link with the Roman church and established an independent church based on the Calvinist model. In many respects these years saw the first steps in Scotland's bourgeois revolution.

But the revolution could never really be stabilised or developed. Years of civil war, intrigue and murder followed.

When Cromwell's Commonwealth was ended in 1660 with the restoration of Charles II, England had a prospering economy and had become a powerful trading nation. Scotland was still poor, its young bourgeois and mercantile class weak and impotent. Scotland's 'restoration' parliament was in the hands of the nobility and they soon rescinded the most progressive legislation of the past period and outlawed the Presbyterian faith.

## Absolutism

Bishops were reintroduced and the power of the monarchy, although sitting in London, was shifting towards absolutism. Rebellion followed. This was the time of the Covenanters, the most radical faction of the Presbyterians.

The Covenanter's rebellion was suppressed in part by what became known as the "highland host." Thousands of highlanders were quartered in the western and south western counties with

orders to disarm the rebellion. When they departed with their booty they left behind an enduring hatred and contempt for themselves.

The Glorious Revolution of 1689 brought an end to the rule of the Stuart King's and the first Jacobite rising. The Jacobites were to rebel again in 1715, 1719 and 1745 before the final defeat at Culloden.

The years at the turn of the eighteenth century were disastrous for Scotland - the failed colonial expedition to Darien in Central America, state bankruptcy, widespread poverty and even famine. At least a section of the ruling class saw the only way forward as a union with England. Along with bribes from the English treasury, parliament voted for that union in 1707.

One of the great tasks of the bourgeois revolution is the creation of the nation state, yet the Scottish state did not control vast tracts of its 'own' land.

To the north and west the clans had been a law unto themselves for centuries. Despite attempts to 'pacify' the Highlands this was still the situation when the act of union was signed. This was not just a case of thwarting authority - it was also an economic drain. Many of the clans made their livelihood from robbery, pillage, kidnapping and blackmail. There was a massive black market in stolen cattle.

This situation was not the best in which to create a modern economy that could compete with England or other northern European states. As far as the young bourgeois were concerned the 'pacification' of the Highlands was a vital necessity.

After the union a whole series of forts and roads, financed from London, were built throughout the Highlands to aid this process. Highland society was still based on a clan system, but it had been corrupted by many elements of feudalism. In fact many of the clan chiefs, particularly in the eastern Highlands could trace their ancestry back only as far as

the Norman invasion of the eleventh century.

Although the ordinary highlanders were to see the chief as a father figure who they would fight and die for, the chiefs increasingly removed themselves from the old system. They might have had houses in Edinburgh, London and even Paris. And they needed money to keep them up. The old land management system of the clans had been replaced by a system of "tacks" and tenancies.

The need for the chiefs to upkeep the grand style was also a major reason in the continued raiding, plunder and strife throughout the region.

When the Jacobites rebelled, many of these chiefs raised their clans to fight for a monarchy that had been totally discredited throughout the rest of the country. But they saw the opportunity to try and rest the balance of forces in their favour.

Clans like the Campbells, on the other hand, had sided with the revolution throughout the seventeenth century, they were now integral to the development of a bourgeois Scotland.

## Rebellions

The rebellions were crushed by a combination of the British state and the popular distaste of the majority of Scots who well remembered the reactionary brutality of the Catholic and Episcopalian rulers of the past. They remembered the "highland host" and the atrocities meted out towards them. Little surprise then that their were more Scots than English wearing red coats at Culloden.

The defeat of the 1745 rebellion was one of the final acts of the long struggle for the supremacy of the bourgeois in Scotland. Only after the bloody occupation of the Highlands and the virtual outlawing of the highlanders language and culture could the power of the British state be said to run throughout the land.

Ironically, while the nineteenth century bourgeois in Edinburgh and London were busy denying their revolutionary past and creating the mock romantic myths of the highlander's society and history, in the works of Walter Scott and others, the real highlanders were being burned from their homes and driven off their land. This forced exodus was to take the highlanders down into the factories of Glasgow and the burgeoning industrial revolution, and across the Atlantic to join the growing working class of America. A new struggle was about to begin.





# The Great British Tradition



by Beatrice Windsor

## Riot, Riot! Wanna Riot!

After the 1981 inner city riots, Thatcher muttered darkly that there had been mass deprivation before but "people hadn't resorted to rioting." This load of hogwash was racially inspired, designed to divert attention from the miserable failure of her economic policies. Rioting is in fact as British as Fish n' Chips. Its heyday was at the turn of the 18th century, at the onset of the industrial revolution.

The method of random destruction as a form of protest was a result of the alienation created by capitalist society. In previous societies, rioting always had a method and an objective. In the Peasants Revolt of 1381 for example, when Watt Tyler and his army stormed London, they only burnt down the properties of their enemies, and smashed their jewellery and possessions rather than steal them. The objective was to deprive the rich of the wealth that gave them the power.

In the many uprisings in the latter part of Medieval society, much vandalism was aimed at the hedgerows and fences that were depriving the peasants of their economic freedom.

Even the Luddites - a 'doomed class' of individual knitters and weavers who found themselves marooned in the new age of machinery - directed their fury at the machines that took away their livelihood.

But the new age of capitalism collectivised the masses, herding them together into appalling living conditions, and then drove them to madness with intolerable pressures. They became a volatile mass, ready to explode at any given moment.

The ruling class were the first to utilise the phenomenon, whipping up 'Church and King' mobs to attack the Jacobin radicals. But the monster they created soon turned on their masters, as the Napoleonic wars brought new hardship to the desperate masses.

The most destructive outburst were the Gordon Riots of 1780, when London was emersed in twelve days of rioting, arson and looting. The trouble followed 'No Popery' protests, but this almost became a side issue: it was an explosion of anger by the new breed of London slum dwellers. It was only suppressed after the Bank of England had been stormed for the third time. 75 people were killed, over 200 injured and 62 rioters later executed.

Riots were common in most cities throughout this period. The army were called into Nottingham to restore order after a petition by local weavers for better pay was rejected. In 1831 the authorities lost control in Bristol for several days as rioting flared, while in 1838 there were four days of continuous rioting after meetings were banned from the Bull Ring.

Indeed, such was the volatile nature of early capitalist society that the most trivial of issues could spark a conflagration: there were even three nights of rioting outside Covent Garden Theatre after ticket prices were increased (sounds a good idea to me!).

But these explosive outbursts were not to go unchecked by the ruling class - especially when riotous mobs began to identify with those radical forces struggling for reform.

**Next month: the Peterloo massacre**

## Steakholder of the month



At last! Confirmation that the Tories can't even run a whelk stall.

For reasons best known to themselves, the population of South Korea have developed a ravenous appetite for the British whelk.

This in turn has caused a Klondike-style rush down on the South west coast, where fishermen are reaping in the resultant profits, egged on by the Tory government, ever keen to cash in on the 'Tiger economies' (or in this case Tiger Prawn economies) of South East Asia.

The trouble with capitalism is that everything is never so straight forward. If ever there was proof that unbridled free marketeering doesn't work, it can be found in the Gastropod wars currently being fought on the beaches of Dorset.

The whelk boom has caused chaos in the crab market. Fishermen are using crabs as bait to catch the profitable whelks. The result is a chronic shortage of crabs in the fish market, with prices rocketing through the roof.

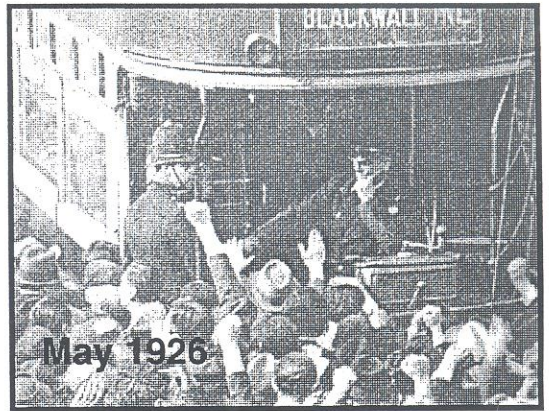
As prices soar, demand for crabs has plummeted which is putting crab fishermen out of work - so many are giving up their centuries old trade and switching to 'whelking': much to the annoyance of established 'whelkers' who, according to Radio 4's Farming Today, are near to blows with the 'crabbers' down on the beaches of Bridport.

With everyone switching to whelking, the crisis of overproduction looms: prices are falling given the over abundance of whelks. Meanwhile, the falling prices mean more and more whelks must be fished to protect profit margins, and the overfishing is rapidly depleting whelk stocks. If this continues, both crabbers and whelkers will all soon be 'dolors'! And the green lobby will be handing out "Save the whelk" badges. Under socialism, by introducing a plan of production, supply and demand could be controlled, instead of the current boom-bust cycle. The work would be shared out on an equitable basis between the crabbers and the whelkers, and the Koreans would get a steady flow of supplies. Everyone would live happily ever after - except the whelks of course who would still end up in the pot.



# socialist appeal

The Marxist voice of the labour movement



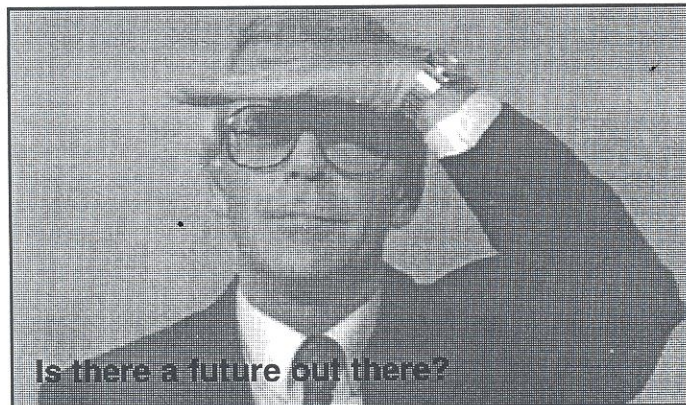
# Tories: from mad to worse

**"It seems to me like when you watch a Western - you have these herds of cattle and there's a flash of lightening and the cattle all get edgy and someone drops a frying pan and the whole lot stampedes off in a thousand different directions. I think that's the Conservative Party."** Lord McAlpine, ex-Treasurer of the Tory Party.

The Tory government is hanging by a thread. After its disastrous performance in the Staffordshire SE by-election its majority has been reduced to one. The May local election results have been an additional body blow. On top of this, this month's scandal of Tory Westminster council's "votes for homes" policy will add to increasing allegations of Tory sleaze and corruption. As the Tories are buffeted from one crisis to another, Major could be forced to cut and run. The general election could well be called in the Autumn. Major's decision last year to resign and stand again as Tory leader in order to restore his credibility has turned to dust. Divisions over Europe within the Tory party have again resurfaced and threaten to tear the Tories apart. The Mad Cow episode and their

sabre-rattling over the European ban on British beef, shows how vulnerable the government is. This all reflects a government in crisis, heading for a major disaster in the general election. The "feel-good factor" still remains a "feel-bad factor." Kenneth Clarke's boasted during the SE Staffordshire by-election

amongst wide layers including the middle classes. 10.5 million people - one in four of the working population - has spent time out of work since the 1992 general election. Between then and the end of last year, the number of people working part-time because they were unable to find a full-time job increased by



that the result would reflect the new "feel-good factor" and would carry the Tories to victory. The fact that a 7,000 Tory majority was turned into a 14,000 Labour majority shows the real situation. This 22% swing to Labour means the Tories have experienced the second worst by-election result since the war. Mass unemployment and the attacks of the bosses have created enormous insecurity

180,000, and the number of people forced into temporary work rose by 300,000. Although the Tories have cut direct taxation, the burden of indirect taxation - which hits the low paid - has continued to grow. The Major government has raised taxes 22 times since they came to power. The Tory government can limp along - even when their majority has been wiped out - with the

support of the Ulster Unionists. But given the general malaise affecting the Tories, such a situation cannot last for long. With the Tories trailing in the opinion polls by 20-30 points, no government has ever recovered from such a deficit. They are a doomed party which explains the desertions of Alan Howarth, Emma Nicholson and other Tory MPs, as well as big business companies switching their allegiance to Labour. The Labour Party is heading for power after 17 years in opposition. However the only way mass unemployment can be eliminated, a decent minimum wage introduced, and the Tory cuts in health, education and welfare be reversed, is for Labour to adopt bold socialist policies. It is not a question of "evil" Tories, but the capitalist system which is the problem. Only by taking over the "commanding heights" of the economy under workers' control and management can production and society be geared to people's needs and not the profits of the few. We must fight to get rid of the Tories, but we must also fight for socialist policies within the Labour movement. Only then can the aspirations of working people be fulfilled.

## Labour to power on a socialist programme