

FOR AMERICAN LABOUR
PERSPECTIVES

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Plus....
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Election result a prelude to future storms

THE RESULT of the general election must have been a bitter blow to the hopes and aspirations of millions of workers, desperate to see an end to the years of Tory rule. Indeed the striking feature of the election was the enormous polarisation between the classes. This was revealed in the fate of the Liberal/SDP Alliance. Only a month before the election the media were trying to push their creation into second place ahead of Labour. But the capitalists' dream that they could recreate the position of the past of two alternating capitalist parties, like the Republicans and Democrats in the USA, was rudely shattered. Contrary to the myth of the capitalist commentators, that the class divisions have been 'blurred' in the south, even in London the Alliance vote fell at the expense of both Labour and the Tories. While in Scotland, Wales and the North there was a crushing defeat for the Tories and a victory for Labour. This is an anticipation of what will happen in the whole of Britain tomorrow.

In the 1955 election in Scotland, the Tories gained over 50% of the votes. In the course of three decades, they have been reduced to 24%. In Liver-

Editorial

By Ted Grant

pool, because of the peculiar development of events and the decisive role of Marxism, the disasters have been even worse for the Tories. They secured 36% of the vote in 1979, 29% in 1983 and only 17% in this election. In Scotland the Labour Party has now 42% of the vote. But in Merseyside they received 47.5% and in Liverpool alone they have already reached the figure of 57% of the vote.

The Merseyside and Liverpool results show the superiority of Marxism over reformism. They are a direct consequence of the battle that was waged by the Council over four years, involving the mass of the working class population of Liverpool. They demonstrate that the policies of struggle, of mobilisation of the masses and leaning on the working class for support, are the means not only for successful struggle but also for electoral

success. That also is undoubtedly a mirror of the future.

Yet, despite the evident class polarisation, the election result represented a severe defeat for the Labour Party. The scale of the Tory victory was entirely unexpected to everyone, including the Tories themselves. Prior to polling day Tebbit himself was extremely reluctant even to anticipate a majority of more than 50 seats. In the event, the Tories secured a majority of 101 and Labour increased its vote from 27.5% in 1983 to 30.8% in 1987, receiving less votes than when it lost in 1970. Even in pre-war elections Labour won at least 33-35% of the votes: in 1945 they won 48%. That the Tories could achieve such a victory after eight years of Thatcherism, of consistent attacks on social services, pensions, health and education, is an absolute disgrace for the labour movement. How can the scale of Labour's defeat be accounted for? Trotsky explained that, "a political prediction does not have the shape of a finished plan, it is a working hypothesis." A perspective is not a blueprint; it can only delineate the main processes taking place in society. It is

not possible to work out concretely all the developments because of the multiplicity of divergent factors **especially the subjective factor**, in this case, **the campaign and attitudes of the labour and trade union leadership**.

In reality, the campaign was an absolute disaster. The labour and trade union leadership, especially the right wing, are responsible for what has taken place. The left was excluded and consequently the right should bear all the odium for the defeat.

Thus, according to the exit polls, only 43% of trade unionists voted for the Labour Party. Yet in the ballots for the political levy, in practically all the unions, between 80-90% voted for affiliation to the Labour Party and for the right to conduct political activities. A campaign along socialist lines could have mobilised a big majority of trade unionists to vote in their class interests and against the interests of big business. But the class issues were never raised during the election. The attempts to conciliate with the city and big business which were pushed forward by Kinnock and the other Labour leaders flew in the face of the day-to-day class struggle which is inevitable under capitalism.

Labour's campaign

The Labour leaders did not even conduct this election campaign on the lines of those in the past. The campaign concentrated on health, education, social services, pensions and the day-to-day needs of the masses, which was correct. But this was not linked to the need to change the system as the only guarantee of working class living standards and conditions. No vision was given of what a socialist change would mean, even to the extent that it had been done in previous manifestos and previous campaigns of the Labour Party.

The way the campaign was conducted on defence and taxes were two of the main factors in the defeat. If the question of defence had been presented in a Marxist manner, it would have been an issue on which Labour would have gained votes instead of losing support. But the Labour leaders did not puncture the delusion that the minor nuclear arsenal that British capitalism could afford, could ever be a 'deterrent'. And with their determination to spend the money saved from Trident on conventional weapons, they could not explain what social reforms could be achieved by scrapping nuclear weapons.

Even more, the way in which Hattersley, Smith and other right wing leaders presented the question of tax-

ation can only leave the conclusion that if they had desired a defeat they could not have presented it in any other way! They learnt nothing from history, or from the experience of the working class in other countries. Walter Mondale suffered a disastrous defeat for the Democrats in the 1984 American Presidential elections when he said, in effect, 'vote for me, and I'll increase your taxes', imagining that by putting forward an 'honest' position he would gain support. Yet he won only one out of the 50 states in the United States as a result.

Had the question been presented in a correct way, explaining that the Tories had raised taxes for the working class more than any other government for many years, while giving lavish concessions to big business and the rich, then it could have been an election winner, especially as the Tories two pence cut in the level of income tax will be very temporary. It is inevitable, as the *Daily Express* inadvertently blurted out on its business pages, that whatever government won the election, on a capitalist basis, there would be an increase in the level of income tax of 4 points after the election. Thus the cut was merely a confidence trick played on the electorate by the Tories.

The campaign on the ground also was not waged in the same way as in the past. The Labour Party campaign was conducted from the top with a reliance on the TV and the right wing leaders of the Labour Party. There were very few meetings in the constituencies apart from the set pieces, by ticket only, at which the audience was vetted by Labour Party officials. In no way did they take advantage of the election to raise the ideas of socialism. In reality, there was not a fundamental difference in the campaign waged by the Liberals and the campaign waged by the Labour Party. Apart from incidentals, they more or less put forward the same demands and the same approach.

However, in addition to the subjective conditions leading to defeat, there are also objective conditions. 43% of the population lives in poverty, but the skilled section of the workers and those receiving high wages in private engineering and manufacturing industry actually increased their standard of living in the last two years. Of course Thatcher and her Cabinet were strenuously opposed to the wage increases which were given. Moreover, the increases have not been obtained by greater investment in machinery and plant, but by the increased exploitation of the workers, by rationalisation through the loss of jobs, and the in-

creased productivity of labour, in other words, through the sweat, muscle and sinew of the worker. Nevertheless, on the basis of the big profits bonanza in the last two years due to the 'boom' it was possible for the employers to give increases in wages and thus raise standards of living. In effect they agreed to give a share of the surplus extracted from the labour of the working class to the workers to avoid a struggle. The working class does not go on strike for the sake of it, but either in defence of living standards or to improve conditions, or in defence of trade union rights. Therefore there were no big struggles in private industry.

Thus while the official inflation figures were 4% a year, sections of the skilled workers and the top layer big earners in the working class in private industry had their standard of living increased, according to one calculation by Micheal Meacher, by 20% in two years. Ivor Crewe in the *Guardian* pointed out that the months before the election saw a marked shift in people's perception about the state of the economy. In September 1986 those who believed that 'the general economic situation had got worse' outnumbered those who believed it had got better by 32 percentage points. By polling day the figures were reversed with 45% believing that the economic situation was improving against 30% who believed it had got worse, a lead of 15 percentage points. It was these factors in the West Midlands and in the South of England which were instrumental in the victory for the Tories.

A new recession

However, there is a new recession looming in the next one, two or three years, far deeper than previous recessions. The 'candy floss' economy which has been built up on the basis of an artificial boom engineered to make certain of a Thatcher victory in the months before the election, will peter out. But nowhere was this perspective explained by the Labour leaders or the real catastrophe facing British capitalism outlined.

As the economic situation deteriorates, the employers will no longer be able to give concessions and will be compelled to savagely attack the standards and conditions of the workers. This will result in an explosion of struggle on the part of the workers such as has not been seen in Britain during the course of the last ten to twenty years. This is shown by the developments among the public sector workers. The customs officers, formerly a politically and industrially backward section, went on strike during the



Photo: Jacob Surton

The right wing Labour leaders imagine that the next five years will be a repetition of the past. But the renewed combativity of the miners, just two years after the most bitter struggle since 1926, gives just a hint of what is to come.

general election. The civil servants, post office workers, and teachers, also previously privileged and politically backward sections of workers, have also conducted a massive struggle against attempts to limit their wage increases and cut their standard of living.

The same process that we see among the public sector workers will take place in manufacturing industry, especially in engineering, in the coming period. Big battles are inevitable, in the South East as well as in the Midlands and the rest of the country. While the union leaders, at least in the first period, might move to the right as a consequence of the election defeat, the active rank and file will begin to move to the left.

In France, the Tories gained a victory over the Socialist and Communist Parties and imagined that they could proceed with an enormous offensive against the working class. But after eight months they had to draw back, faced with a movement of millions of students and workers and the possibility of a virtual insurrectionary or pre-revolutionary situation unless they gave concessions. A similar situation could develop in Britain. The incipient split within the Tories between the 'wets' and the 'hards' still remains as an inevitable development in the future. Thatcher and the right wing Tories, despite the changes in government which have tilted it further to the right, may not be able to carry through the programme which they have set themselves.

The government will be blown apart by the crisis which will develop in the coming years. In reality, it is a pyrrhic victory for Thatcher. What we have seen in Wales, Scotland, the North East, Merseyside and the North West, will take place inevitably in the Midlands, East and West, and in London and the South East. The attempt to picture it as a North-South divide and not as a class divide is utterly false. Regional general strikes, and even the possibility of a national general strike, loom in the not too distant future. The development of a recession will have an enormous effect on all classes and on all parties.

The Labour Party

What will be the consequences of the Tories' election victory within the Labour Party? The active rank and file of the trade unions and the Labour Party will want to know why there was another defeat after the debacle of 1983. The media is still enthusing over the Labour leadership's 'brilliant campaign'. In particular the venal, rotten, degenerate and corrupt capitalist press which savaged the Labour Party during the campaign, is now prepared to describe the campaign in glowing terms. That is because they are in favour of the non-class, so called 'one nation' policy put forward by Kinnoch and the right wing of the parliamentary party. The ruling class want Kinnoch to remain leader of the Labour Party because they think the right wing will

maintain its position so long as he maintains the leadership.

Having attacked the Labour Party in the most foul and scurrilous language, they now offer hypocritical 'advice'. They are vociferously demanding the so-called 'one member, one vote', which in reality would dissolve the Labour Party and its structures into the broad mass of Labour supporters. They want to take the right to select and deselect MPs out of the hands of the trade unions and of the active layers in the constituencies. Then they might be able to have an effect, by hysterical and scurrilous attacks, on the candidates the Labour Party would choose.

Although it is still possible, it is unlikely that there will be a further split off of the right wing, at least in the immediate period ahead. Frank Field openly stated in the weeks before the General Election that, in the event of Labour losing, especially by a big majority, the extreme right wing of the Parliamentary Labour Party of between 20 and 50 Labour MPs, would be prepared to split to form some sort of alliance with the Liberals. Of course that is still possible in the future. However, the polarisation that took place during the election, which meant that the media could not give the same friendly support to the Alliance as in the last election for fear of taking votes away from the Tories rather than the Labour Party, resulted in a big defeat for the Alliance.

Now the Alliance is on verge of collapse, with the possibility of the

disintegration of the SDP. Steel is pushing for a merger, primarily to absorb the SDP rank and file into the Liberal Party as a bolster against the 'radical Liberals'. Such a merger will be a recipe for a future split in the Liberal Party itself.

Consequently, with no future in the Alliance, Labour's right wing, careerists *par excellence* and not known for their enthusiasm to commit suicide in pursuit of an 'ideal', will hesitate more than once before they decide on a split. Of course this process will depend on the development of events in the Labour Party in the coming years.

Within one, two or three years a world recession will have a disastrous effect on the British economy and on industry generally. Once again unemployment will begin to rise, the conditions of the masses will be attacked and this will have an enormous effect within the Labour Party. **Developments in Liverpool are a glimpse of the future within the Labour Party in all regions of the country.** A new period opens up worldwide, but in Europe and especially in Britain this will be of a stormy and turbulent character. The years between 1970 and 1974 were stormy, leading almost to a revolutionary situation within Britain. That was followed by the Labour Government and a further reaction in the Thatcher years of 1979-1987. Now there will inevitably be a new swing of the pendulum to the left.

Leftward shifts inevitable

In the last five years, the shifts in the trade unions and in the Labour Party have largely been to the right, with exceptions in certain industries and areas. Now in all areas, in all industries and within the labour and trade union movement itself, there will be massive shifts towards the left. It is true that for the immediate period ahead the right wing might even reinforce its grip on the Labour Party, but this will inevitably change as a consequence of the battles and storms which lie ahead. If one takes 3, 5, 10 years as a basis, the future will be one of the most turbulent and stormy periods in the whole history of the British working class.

The active layers in the unions - and many more will become active - will transform the shop stewards committees and union branches. The processes of change and development in the trade unions and in the Labour Party do not proceed in a straight line. Periods of reaction will be followed by stormy periods of transformation and re-transformation.

One layer after another will be involved in struggle. On the council estates

and amongst tenants generally there will be stormy battles. The struggle against the Tories 1972 Housing Finance Act will pale by comparison with the movement that will unfold against the poll tax. Within the YTS, slave conditions and the conscription of 16 to 18 year olds will have, as an unwelcome by-product for the ruling class, the disciplining and the revolutionisation of the youth. The youth in the inner cities will inevitably explode as they face further attacks on conditions and standards. There will be stormy developments and battles amongst students too.

The very fact that workers have gained concessions in private industry in the last two years, particularly the upper layers, means that when these are taken away from them they will struggle even more ferociously to defend their standards and conditions. As workers begin to move towards the left and towards struggle, they will pull behind them large layers of the middle class, small businessmen and small shopkeepers. Many white collar workers too have already been affected. There has apparently been a 25% swing away from the Tories among teachers, a privileged section which previously overwhelmingly supported the Tories. As with teachers, so also with other professional layers. All sections of society will be involved in the ferment which will take place among the classes.

The right wing leadership of the Labour Party imagine that the next five years will be a repetition of the years through which we have gone. Of course, these were not free of enormous struggles by the miners, printers, railwaymen and other sections. But in reality we are on the threshold of the most turbulent and stormy period. In such an atmosphere, support for Marxism will grow feverishly. All the attempts to turn the Labour Party into a new version of the Liberals or the American Democratic Party will fail on the basis of the struggles of the workers, and the workers in turn will transform and re-transform the Labour Party and the trade unions many times.

The working class will learn, in the course of experience, the need to transform their organisations and to change society. It required the experience of the Labour government of 1974-79 to push the Labour Party and the trade unions far to the left. Since then there has been a reaction. As all history has demonstrated, periods of revolution are short and periods of reaction are long, and the reaction has lasted roughly 5-6 years in the Labour Party and the trade unions. Even then, it has not been a consistent movement

of reaction, and there has been enormous support for the ideas of Marxism within the youth, sections of the Labour Party, the unions, on the estates, among the mass generally in Liverpool and in other areas of the country. This will be reinforced in the course of experience. In spite of flurries and zigzags to the right, which are inevitable, the pendulum will swing rapidly towards the left, even before the election of a new Labour government. In these stormy struggles, the ideas of Marxism will reveal their complete superiority over all other tendencies in the labour movement.

'A momentary snapshot'

This election has once again been a laboratory test of the difference between reformism and Marxism. It was a feature of the election, unprecedented in modern times, that the 'Militant Tendency' was attacked by the leaders of the Tory Party, the Liberals and the SDP, and also by the Labour leaders. But where Marxists fought, there were big victories for Labour. Even in the seats contested by the official 'left', they did not get any better results because of their timidity in putting forward socialist ideas and a socialist campaign.

One would search in vain through all the material of the Labour Party and the trade unions for an explanation that the Tories attacks are a consequence of the crisis of capitalism on a world scale and especially in Britain, and not the whims of Thatcher. It is as a consequence of this crisis that, inexorably, as a result of the experiences they will undergo, the working class will more and more come to understand the need to transform the Labour Party and to transform society. An election is just a momentary snapshot of the processes and of the attitudes in the minds of people at one moment in time and history. Far more decisive than the votes in the election are the processes of the class struggle, the processes of history, the development of the national and international crisis of capitalism which, in the last analysis, will determine the attitude and the response of workers, youth, students, and all sections of society.

The future lies with Marxism. No amount of witch-hunts, no amount of persecution, in industry, in the unions, in the Labour Party, in society as a whole, will be able to hold back the development of Marxism. Marxist ideas will conquer in the Labour Party and in the trade unions, preparing the way for the overthrow of capitalism and the transformation of society.

Help us build the MIR

THE EVENTS of the past few months have shown again the urgent need to increase the frequency of the *Militant International Review*.

The last issue of the *MIR*, printed in February, led with an editorial on the new stage in the European revolution. But since the last issue appeared every sphere of the unfolding world revolution has been touched by momentous events! Thus, Latin America witnessed the officers coup in Argentina, aborted by a mass movement of workers. Asia saw elections in the Philippines, city general strikes in Pakistan, revolutionary turmoil in South Korea and new twists in the crisis facing the Gandhi regime in India. There were important developments in South Africa too, not least the magnificent victory of the black railway workers, showing the undefeated militancy of the black working class as they recover from the blows inflicted by the state.

Australasia saw the re-election of the Labour government in Australia, and a military coup in Fiji. In the Stalinist countries, a strike wave by over 28,000 workers marked the beginning of the political revolution in Yugoslavia. While Europe has seen elections in Ireland, Italy and Britain and a strike wave in Spain.

All of these events, while they have been reported on in the weekly *Militant*, could justify further detailed analysis examining the general processes behind the immediate developments. And probably every reader could draw up their own list of issues raised during the British general election alone - from the defence debate to the future evolution of the Alliance etc - that they would like to see further amplified.

Of course, a twice-weekly *Militant*, as the next step to a daily *Militant*, would be more able than the weekly paper to analyse current events in depth and draw out the key lessons for the labour movement. For this reason alone every reader is urged to join the campaign to increase the sales of the *Militant* and raise the finance necessary to move as rapidly as possible to a twice-weekly. But alongside the steps forward for the *Militant* must go the development of the *Militant International Review*.

The *MIR* is an invaluable supplement to the *Militant*. This is not a technical question of how much space is available in a paper compared to a journal but rather the different character of the tasks, allowing of course for a considerable overlap, that both publications try to fulfill.

A Marxist paper aims to introduce

Marxist ideas to the widest possible layer of workers. It draws on the struggles and experiences of the workers to explain the *conclusions* of a Marxist analysis, in other words the programme, strategy and tactics to take the struggle forward. Above all, it links the day-to-day experiences of the working class, the events which unfold nationally and internationally, with the need for the socialist reorganisation of society.

Bi-monthly target

The main function of a theoretical journal on the other hand, is to educate its readers in the *method* of Marxism, to show how the *conclusions* are reached by tracing all the steps of a Marxist analysis. In this way 'theory becomes a guide to action': the reader is enabled to draw the correct programme, strategy and tactics for future struggles from current and past events.

This task becomes ever more important as Marxists increasingly come to the fore of workers struggles: where 'action guided by theory' becomes decisive. In fact, just in the period since the last *MIR* appeared significant advances in the influence of Marxism have been made. While one chapter ended with the disqualification of the 47 Liverpool councillors a new one began at the May council elections, with Marxism still heavily represented in the victorious Labour Group. Electoral successes have been recorded not only in Parliamentary seats but in the National Union of Students and in the executive elections for the CPSA, USDAW and the NCU as well. And with the nomination of John McCreadie

to the TUC General Council, from September the authentic voice of Marxism will be represented on the 'General Staff' of the Trade Union movement.

Finally, again since the last issue when the movement had not been concluded, the Marxist led Spanish School Students Union achieved an unprecedented victory, winning free school education and free university education for working class students for the first time in Spain's history. Increasingly the role Marxists play has been decisive to the outcome of various struggles.

The *MIR* aims to become an indispensable aid to every serious Labour movement activist. But if the *MIR* is to adequately analyse just the issues raised by the advances of Marxism in the trade unions, or in the leadership of the struggles of the youth and students, *its more frequent production is essential*.

The Editors believe that the next step forward for the *MIR* should be as a 32 page journal printed bi-monthly. *But to do this we are entirely in the hands of our readers.*

Consistently good sales have been achieved in Hull, Bristol, Bedford, Lee Valley in London, West Lancashire, Teesside and other areas. Often this has been the result of a few readers taking the initiative in pushing sales of the *MIR* on all possible occasions. But every reader must see themselves as an ambassador for the *MIR*, selling it in their Labour Parties, trade union meetings, Womens Sections, LPYS branches or student Labour Clubs. Only with the full support of our readers will our target for the more frequent publication of the *MIR* be achieved.

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The South Korean revolution has begun!

Weeks of protests and clashes on the streets of South Korea's cities culminated on the 26 June in 'peace marches' of over 1 million participants. A quarter were students, who formed the front-line troops, hurling rocks in running battles with the riot police. But in Seoul and Pusan even businessmen in suits, clutching brief-cases, yelled anti-government slogans. "We are all demonstrators" said a young stock broker, one of Korea's new middle-class elite, having left the office early to stand in front of the Seoul City Hall and be tear-gassed." *Sunday Telegraph*, 28 June, 1987.

The human tide had become unstoppable. Two days later in a dramatic climb-down, the ruling Democratic and Justice Party announced a sweeping programme of democratic reforms that took the world by surprise. After 80 years of foreign occupation and military rule with hardly an interlude, direct elections were promised. Assurances were given on press freedom, releasing political prisoners, restoring civil liberties, attacking corruption and reforming education and local government.

Unstoppable tide

Faced with revolution, the ruling class preferred reform! Since 10th June—the day President Chun had announced his 'successor'—over 17,000 arrests had been made, 351,000 tear gas shells fired (\$7m worth), 35 regional offices of the DJP and 262 police stations had been attacked, and 164 vehicles damaged or destroyed. The forces of the state on numerous occasions had been overwhelmed. Riot police had been surrounded and disarmed. As conscripts, they had no heart for the fight. In Pusan, Korea's industrial capital with 3.5 million inhabitants, the authorities had lost control of the inner city for three days. The army had been ordered in but the authorities wavered and eventually withdrew the order. In Kwangju, focal point of opposition to the regime over decades, nearly half of the one million population had been on the streets on June 26th.

The dictatorship was at an end; a mighty victory. But the bloody history of Korea teaches caution in relation to promises of democracy: 'We have been cheated so many times' is a widespread feeling. As if 'to make assurance doubly sure', on Friday 10th July one million Koreans came onto the streets once more for the funeral of the student martyr Lee Han Yol, killed by a tear-gas cannister. The message to the military rulers was clear: 'Down with dictatorship, once and for all!'

In South Korea, the masses moved to

By Clare Doyle

take power in society. Indeed they paralysed one of the most powerful dictatorships in the world. They will not be easily satisfied and will not give up their gains without a struggle.

The South Korean revolution has begun and a period of instability opens up. Dictatorship gives way to democracy; democracy may yet prove too fragile to last. That depends on many factors—in Korea and internationally. The Korean workers will enter the fray, using a period of 'democracy' to forge powerful weapons for their own battles—trade unions, workers parties etc. They will search for a lasting solution to the myriad horrific problems they face. They have suffered long enough in the giant labour camp of South Korea under American domination.

The Economist hails South Korea's 'jump to instant democracy' as an experience "that could be invigorating for other countries in this region of one-party states, soldier politicians, racist governments and simple dictatorships: a region of few genuine democracies, although every country calls itself one". One year ago, when 'People Power' forced the dictator Marcos out of the Philippines, speculation was rife as to the fate of all these regimes, particularly that of Chun in Korea. But "compared with General Chun, Mr Marcos behaved like an angel," an exiled Korean journalist commented.

Signing a petition was an offence. One of the thousands of political prisoners cited by a Human Rights Bulletin, "suffered weeks of electric shocks, water torture, and beatings. Finally he 'confessed' to being leader of a movement for the establishment of a democratically elected government in South Korea."

Chun's police force, 120,000 strong, was known as the most brutal anti-riot machine in the world, despite being a predominately conscript force. In July, ie even after the government's declaration for 'the grand harmony of the people' a 22 year old South Korean riot policeman was beaten to death by his officer for disobeying an order! In the 700,000 strong army, conditions are so gruelling that six young soldiers died within the space of a few months.

The Korean state has been backed up by the US Government, with more than 40,000 troops in the country. American Generals command the combined US-South Korean forces. The dilemma for US imperialism, as in the Philippines, Haiti, Panama etc, has been how to effect a 'cold transition' from dictatorship

to democracy, once the population shows its capacity to take things into its own hands. To hold down the lid forcibly would lead to an explosion that threatened the whole system. Lifting the repression, even by a fraction, could make way for a flood of expectation and wave of revenge which could also sweep aside capitalism itself. The general strike in Haiti and the problems which beset the Aquino Government in the Philippines indicate the rocky road ahead for capitalist democracy after the overthrow of autocracy.

Koreans—especially the students but also farmers and workers too—have a long history of heroic struggles which have toppled governments or led to dramatic reforms.

History of struggle

The first decade of the century saw revolt and insurrections and the formation of an 'army of liberation' of soldiers, workers, peasants and intellectuals. The Japanese could only consolidate their rule by political suppression, economic exploitation and the abolition of the right to speak in the Korean language. 17,000 insurgents were killed in the period 1907-1911, 36,000 wounded. In 1912 50,000 Koreans were arrested, in 1917 130,000, in 1918 140,000.

In 1919 more than 2 million Koreans participated in nation-wide demonstrations; a general strike involved shops, schools, factories mines, offices and transport. 7,000 demonstrators were killed, tens of thousands arrested or forced into exile in China and in Siberia (Koreans had aided the Bolsheviks against the Whites and Japanese during the Russian Civil War). The tiny Korean working class formed the backbone of the movement but the middle class student leaders had failed to provide a clear lead.

In the 1920s, Marxist ideas and workers' organisations, including a Communist Party, developed through strikes of fishermen, miners, railworkers and other struggles. 1929 saw a major student uprising against the Japanese. During the Second World War an heroic guerrilla campaign was conducted.

A US Commander reported that by 1945, "when we came in, we found the Communists actually ruling and controlling South Korea." US troops drove them off but then faced waves of strikes in the cities and a 'peasant October' uprising in which 2 million took part. A massacre in Cheju in 1948 saw 30,000 dead.

In the 1950s, Syngman Rhee, a puppet of US imperialism, was forced by the extent of the revolt in the countryside to put through a wholesale land reform. Millions of small scale land holdings were



established in place of the semi-feudal system that existed under Japanese rule. Reforms were thus the by-product of revolution.

By 1947 manufacturing had declined to 15% of 1939 levels! By 1960 per capita income was only \$50 per annum and Syngman Rhee's dictatorship had lost its momentum. It crumbled in the face of student demonstrations. US aid poured in at the rate of \$2.2bn in a year, but was largely squandered. Unemployment reached 4 million. The newly elected Second Republic was as corrupt and incompetent as the previous regime.

Anti-Government demonstrations led by Socialists and Communists gripped most of the cities of Korea but were snuffed out by the military coup of Park Chong Hee in May 1961. Fifteen political parties were dissolved, and 230 social, labour and student organisations. In the first week of its rule 22,000 were jailed and 41,000 Government employees were sacked.

The world economic upswing and the development of the Korean 'miracle' kept Park Chong in power until 1979 when he was assassinated by the Korean CIA who thought he was on the verge of making concessions to yet another wave of student protests. In the ensuing period clashes between the population and the military came to a head. In April and May, student riots, labour disputes and strikes broke out. In four weeks in Seoul, 80,000 workers in 100 industries were on strike.

Three days of rioting took place in a mining town, Sabuk. Marshall law was declared but in Kwangju an attack by

Paratroopers swelled demonstrations from 2,000 to 100,000. The paratroopers were forced to flee. Workers and students raided the armouries, miners occupied their mines and brought dynamite to the town. The 'Committee of Citizens and Students of May 18th' controlled Kwangju for nine days.

The insurrection was brutally crushed under the orders of Chun Dae Woo and the American Generals. Up to 2,000 were murdered. Human beings were mutilated and mangled. Women had their breasts cut off; young men were disembowelled. 'Communists' were blamed for the unrest, and local activists victimised. Opposition leader Kim Dae Jung, who comes from that area, was sentenced to death for sedition. Only US intervention saved his life, but he is still subject to a 20 year suspended sentence. The present aspiring DJP president, Roh Tae Woo, was at the head of his troops in this massacre. Whatever he does now to try to prove his 'democratic' credentials, no one will forget, let alone forgive, the bestiality that he and Chun Dae Woo were responsible for that day in 1980.

Workers' conditions

Since then there has not been a year without violent anti-government demonstrations and protests. The students have been drawing more and more revolutionary conclusions. Some have adopted guerilla, terrorist ideas out of frustration. Some have organised and linked up on a national scale. Some have made a deliberate turn towards the working class getting involved in struggles for

trade union rights, against victimisations and black-lists and for a 'livelihood and security for the people'.

Various organisations have been thrown up bringing together the victims of different aspects of state repression—'Dismissed Professors', 'Sacked Journalists', 'Persons arrested in Kwangju' etc.

With trade union membership and strikes punishable by arrest and torture, as well as by wholesale dismissal, workers have nevertheless moved into action time and time again. The Labour unions that have been established have been predominantly workplace based. In some cases they have been tolerated by management, in others brutally suppressed. The Korean Workers' Welfare Council has attempted to link up workers' organisations on a national scale. Taxi drivers and garment workers have been in the vanguard of the struggle.

Taxi drivers are 'lucky' if they earn \$1 an hour. Working all hours, most drivers are on stimulants and pain killers. They are under constant threat of dismissal and black listing. Garment workers are 'lucky' if they get \$3 or \$4 a day. They work 10, 12, 14 hour shifts, six days a week, sleeping in overcrowded dormitories or even on their cutting tables.

Even in the ultra modern industries of South Korea hours are long. Women work in offices from 9 in the morning until 10 at night with Saturday working the norm. In heavy industry likewise. Wage rates are far below those of the advanced capitalist countries. Even in the booming ship building industry they are one third below those of European workers.

In the car industry, steel, mining etc they range from \$250 to \$600 per month.

Not surprisingly then strikes have taken place in these industries as well. There was a ten day strike at Dae Woo Motor in 1985, a short coal miners strike last year and some stoppages in textile factories. Posco, the state owned steel company, run by a vicious ex-army General, broke a union in one of its production operations during a bitter strike. Some of the steel plants draw thousands of workers together in production sites of up to 2,000 acres. The rapidly forced growth of the South Korean economy has brought more than 12 million people to the cities in the period 1957-82.

The development of new and heavy industry in South Korea has illustrated, yet again, the basic laws of Marxism. Capitalism is creating its own grave digger in the form of the working class. The power in society of the industrial working class, even where, as in Korea, it is still a minority of the working population, is far greater than the weight of their numbers. As one taxi driver in Seoul expressed it recently: "one worker is worth ten students".

Industry develops

The wind of revolution, however, blows the tops of the trees first—the students and the middle layers in society. A mass workers' party has not yet arisen—due to repression and also to the lack of appeal of the Stalinist dictatorships in North Korea and elsewhere. Opposition, even revolutionary, politics have been expressed through the church. A Christian publication, exposing the horrific injustices of the regime, the tortures etc, has a circulation of 700,000 a week. A pastor, released from jail under the new amnesty, Moon Ik Hwan, is chair of a federation of dissident groups called Mintongyon.

It is no accident that there has been a dramatic increase in the number of 'practising' Christians to the figure of 9 million—one quarter of the population. Preachers of the liberation theology like Cardinal Stephen Kim (friend of Manila's Cardinal Sin) and organisations like the Catholic Farmers Union, have opened the doors of the churches and cathedrals to 'practising' anti-Government demonstrators. Even Buddhist monks have found themselves getting uncharacteristically angry when hit on their unshaven heads by the riot police! As Trotsky explained in relation to Nazi rule in Germany, the church under such conditions is forced to play the role of the absent workers' parties in channelling political protest.

In June this year the groundswell of opposition to the regime was turning into a flood. Last year the democratic opposi-

tion parties had been opposed to the students' demonstrations, organising instead petition signing campaigns for which they were nevertheless persecuted. It was Protestant churchmen and other religious activists who set up the National Coalition for a Democratic Constitution. This grouping was behind the latest demonstrations, bringing together all the contending elements, including the main opposition party, the Reunification and Democratic Party led by Kim Young Sam and Kim Dae Jung.

The new wave of revolution takes place, not against a background of economic crisis and collapse, as was the case in the Philippines, but of an unprecedented and sustained boom. The strategic importance of South Korea for US Imperialism—as a bastion against 'communism'—and favourable factors in world economic relations, have seen massive US aid and \$50bn of bank credit increase South Korea's GDP 30 fold in 20 years! South Korea is now the fifteenth largest trading economy in the world and attracts the second largest net inflow of capital.

Manufacturing exports have increased from \$104m in 1965 to \$22,240m in 1983 (more than 200 fold). Even since then, manufacturing has been growing at an average of 20% per annum and last year grew by a massive 23%.

In a series of five year plans the state has assisted (with 40% of all investment) in a rapid expansion of heavy industry. In 1983 machinery production went up 40%. In shipbuilding, South Korea is second only to Japan with more than a 15% share of the world market. Steel production will reach 20 million tonnes by next year and is forging ahead towards 30 million, fuelled by the still massive investment in car making, electronics etc. Electronics exports increased 38% in 1984. Korea already has 8% of the world market in semi-conductors. The South Korean economy as a whole has increased by an average 9% over the last 20 years—12% last year and 15%, on an annualised basis, in the first quarter of this year. GNP per head, at more than \$2,000, is higher than that of Portugal.

But few, if any, of the benefits have reached the mass of the population: 80% still live on poverty wages. Workers have suffered wage-freezes and brutal measures of intimidation in the workplace on top of insufferably long hours. A leader of the Workers' Welfare Council explained "If you see the drastic increase in labour accidents you can understand who bears the cost of growth. Fifty-eight workers out of 100 suffer from work-related diseases and one worker dies or is seriously injured in a labour accident every 1.15 minutes!

"Tuberculosis is still common among workers.

"Enterprises on the contrary have richly profited: 322 showed a 37% increase in profits. The top ranking 30 companies accounted for 60% of GNP... as well as 48% of all bank loans. The net profit of 199 companies showed a 56% increase... you can see how unbalanced is the so-called economic miracle in Korea."

The giant conglomerates have spread their tentacles into the countryside, taking advantage of the crushing indebtedness of the farmers to force them off their land by fair means or foul. Two million farm families had debts of more than 2.7m Won each (800 Won equals one dollar). The smallholdings, averaging today less than one hectare each and supporting a rural population of nearly ten million, are anyway unviable. A fully developed co-operative system is required. The Co-ops that do exist have been strangled by state appointments and corruption. Subsidies have only gone to the favoured few.

Tied to US market

Half of government aid goes to the 30 industrial monopolies—more than 1 trillion Won to each. Yet only 500 billion in capital was made available for agriculture. A third of farming families' income does not come from the land, but 'side-businesses', students getting jobs in the towns, etc. Farmers use much needed money to hold parties for bankers and co-op officials in desperate attempts to secure loans. Many run away and abandon their farms. Suicides by ingesting agricultural chemicals are increasingly common.

A crisis in agriculture has taken Korea from being 95% sufficient in food in the 1960s to little more than 40% now. Farmers frequently vent their frustration through public burnings of imported foodstuffs. But little or nothing can be done to modernise farming technique, given such a widespread parcelisation of the land. The growth of agri-businesses does nothing to increase the supply of food for domestic consumption.

On the other hand, an indication of the advanced nature of the South Korean economy as a whole is that 91% of all exports are manufactured goods rather than raw materials or agricultural products.

Both the land reform and the rapid industrialisation of Korea were the result of US imperialism's need to stem the tide of revolution sweeping through China, Vietnam, North Korea, etc immediately after the defeat of Japan. Korean capitalism was too weak to stand on its own. At the end of the civil war, which took a toll of up to 2 million lives and left the country divided, US capital financed 75% of investment and 50% of all public spending. South Korea needed to be like the West Germany of Asia. Without improvements

benefitting the whole population, the attraction of the results of state planning in the North would have been too great.

The growth in the economy has brought with it considerable improvements in social conditions compared with most countries of Africa, Asia and Latin America. Infant mortality has been more than halved in the last 20 years. The ratio of doctors to the population has improved 100%. Life expectancy has dramatically increased from 55 to 65 for men and 58 to 72 for women. A higher proportion of Koreans are literate (98%) than Americans. More Koreans than Britons get higher education (24% compared to 20%).

These improvements bring with them further contradictions. Expectations are aroused. The middle layers in society, as well as the youth, will not tolerate the ignominies and injustices that have been their lot under military rule. They want the right to elect the President and Parliament of their choice, the right to move about freely without petty restrictions on passports, (only 70,000 citizens are allowed them at present), the right to read about what is going on in the world and in their own country, (without daily 'instructions' to the media from a body of government censors). In summary, South Koreans want the right to do what they like and say what they like without fear of arrest and torture.

The wave of street demonstrations that toppled the dictatorship were sparked off by the particular case of a student tortured to death in police custody and inflamed by Chun's decision to postpone the presidential election and to nominate another general to head the government.

Enormous contradictions had accumulated. Modern industry and technique had developed rapidly but an archaic political system persisted. Even from the point of view of capitalism such a situation had become intolerable. As *The Economist* explained on the 20th June: "Authoritarianism can have economic virtues in the early stages of industrialisation, but it becomes a political and economic hindrance when carried on too long. Politically, because people enjoying freedom as consumers start craving other kinds of liberty as well; economically, because, as a country starts to move up-market, it needs the unruly skills of individual creativity more than it needs disciplined kow-towing in big factories."

Resentment has grown against US imperialism—against the continued 'occupation' of the country, and against its open support of Chun's brutal dictatorship until the eleventh hour. Particularly resentful are the youth: two thirds of the population in South Korea is below the age of 30. They were expected to be grateful for the role America played in the Korean war, and to honour the 'Great

Benefactor' and 'Upholder of Democracy', but they have seen through this image.

No one now wants Korea to remain divided. Chants of 'reunification now' were common during the street demonstrations. The newly formed opposition party (RDP) inscribes reunification on its banner. Each regime—North and South—uses the other as a threat to cow its own workforce. Only on the basis of the socialist transformation in the South and the establishment of workers' democracy through the political revolution in the North could the country be reunited.

The main target of the street protests has been indicated by the burning of effigies of Chun and Reagan and the burning of the Stars and Stripes. Another element of resentment that persists, however, is the legacy of Japanese rule.

The Koreans were denied the right to use their own language, form their own organisations, or derive any benefit from their own labour. Between the wars, more than one million were forcibly removed to labour in Japanese factories. Those who remain in Japan and their descendants (a total of 600,000) are not permitted to become citizens of Japan unless they take Japanese names. Japan is seen as a rival for Korean products on a world scale. It also takes out of Korea more than it puts in: \$1.39bn Japanese capital is directly invested and far more has gone in via joint ventures, especially in the building of hotels and service industries. South Korea's adverse balance of trade with Japan is reaching \$7bn.

Prospects for democracy

The beginning of a recession in the Japanese economy will nevertheless adversely affect the economy of Korea which sends 15% of its exports to Japan. More catastrophic will be the development of the crisis in the American economy.

Already bills imposing controls on imports of 24 Korean products are going through the US Congress. A shrinking American market will provoke a collapse of the Korean miracle. More than 35% of Korea's exports go to the US. Exports are increasing generally at a rate of 50% this year. A world recession will lead to an unimaginable crisis. Four fifths of all cars produced are exported; 40% of industry depends on export. With poverty wages there is no scope on the home market.

The Korean boom has depended heavily on cheap oil—since 75% of its energy is imported; low interest rates; and a cheap dollar, to which the Won has been tied for most of this period. Korea's massive debt to the world banks has increased \$20bn in the last five years. At

\$46bn, it is the world's fourth largest debt—more per head than in Mexico or Brazil. This has been no problem while exports have been going up at such a phenomenal rate. But the South Korean economy will have a massive price to pay for any increase in interest rates, for any attempt to call in capital and for any contraction of the world market.

Even the small recession of 1979 led to a dramatic drop of Korea's growth rate. In fact the economy contracted by 5.2%. Inflation reached 30% and the whole distorted economic structure began to rock on its shaky foundations.

The prospects for any government coming to power with a new world recession in the offing are grave. A 'democratic' government in South Korea will bring with it new headaches for the capitalist class.

In 1984, with just a slight lifting of elements of the repression, workers moved to create their own weapons of struggle in the form of trade unions, and to take control even of the state-run labour organisations. As many unions were formed—160—in the course of 9 months of that year as had been created in the previous 4 years. This will seem as nothing compared with the mushrooming growth of workers' organisations that will take place now that the dictatorship is crumbling.

Democracy is not an abstract question to the oppressed. *The Financial Times* commented on the 4th July 1987, "the new democratic atmosphere has prompted several groups to voice complaints... representatives of a village near a new nuclear power station held a meeting with their National Assembly member and the Korea Electric Power Corporation to ask for compensation for the loss of income from fishing and tourism when a local beach was closed to build this plant. Taxi drivers in Taegu held a sit-in at their members' office asking for help in getting licences from the city administration. Two small strikes, one at a leather factory and one at a grinding company, both in the western city of Inchon, were reported. Meanwhile in the first indication of what democracy might mean for business, the Economic Planning Board said that the Fair Trade Commission was to crack down on unfair business practices by public sector corporations."

State funding has assisted the big monopolies but now a large proportion of the subsidies and up to 40% of foreign loans go directly into private pockets. Maintaining a military police state and a corrupt bureaucracy has become a massive burden. 'Defence' swallows up to 30% of the budget. Generals are paid off with sinecure jobs in industry or agriculture. All appointments are under the direction of the President himself.

The interests of capital were indicated by the record rise of share prices on the day the Government conceded the new reforms, faltering when progress towards democracy appeared to be in danger.

Although the DJP has altered its cabinet to appear more 'neutral', the tentacles of the military are going to be difficult to remove. Seventeen ex-generals, admirals and colonels are among their parliamentary representation where at present they can veto any opposition proposals.

How will a new democratic government dismantle a military apparatus that has seized power twice to prevent 'subversive' disorder in the past 27 years? Just the prospect of one of the opposition Kims coming to power, even though they promise 'no reprisals', is enough to frighten some of the military into contemplating yet another coup. Yet it is most likely that the army tops will bide their time, and wait for an RDP government to get into difficulties.

There seems little doubt that with the youth of the electorate, with two thirds never having voted before, the RDP candidate will receive a massive vote. In Seoul 70 per cent of the population are for them. In past elections the opposition have won a majority even if robbed of seats through an electoral system weighted heavily against them where a city constituency might have 5 times as many voters as a country constituency. With electoral reform and a massive build up of expectations, the RDP should sweep to power. Few in Korea will not hold tremendous illusions in what democracy will bring for them.

With the granting of most of the opposition's demands, ex-General Roh is trying to steal their clothes. But the memory of his role in Kwangju, and the heroism of the opposition leaders—in the case of Kim Dae Jung, arrested, kidnapped, nearly assassinated, sentenced to death and to 54 different house arrests—will ensure the defeat of Roh or any DJP candidate.

The RDP is an uneasy coalition of diverse elements. Even the 'radical' Kim Dae Jung holds up capitalist West Germany as his model. He is against the power of the big conglomerates but in favour of less state intervention. He is for the re-unification of the country but after the withdrawal of US troops. American imperialism, which regards Korea as a vital strategic base, will only be forced out by a movement that would strip it of all its interests.

Once in power the RDP will be under enormous pressure from big business and imperialism on the one hand, and from an aroused working class, middle class and the students on the other. Under the pressure of the movement, especially if its leaders are forced to take up the reins of

government, the RDP will itself begin to polarise along class lines, with the left wing striving to find a road to a fundamental change of society.

If the RDP is pushed into power, in spite of the limitations of the leadership, the radicalised workers and students will push for the immediate implementation of the promised democratic rights and reforms. Any such gains, moreover, will be seized by the workers as levers to redress their class grievances. Far from satisfying all those who have been exploited for so long by the Korean capitalists and landlords under their military protectors, democratic concessions will intensify the demands for trade union rights, jobs, improved wages and conditions, and decent housing and health services.

The movement will dig at the roots of the ruling class's power. Any attempt by the leaders to hold the movement back, to preach restraint and constitutional propriety, will build up frustration and create the conditions for even bigger explosions.

Marxist programme

In the situation which is opening up, revolutionary Marxist ideas will gain an enormous echo. The Korean Communist Party, which has had a shadowy existence in the underground, may make some gains in the new situation. But Stalinism has completely failed to offer a way forward in the ex-colonial, bonapartist states. In South Korea, given the example of the ruling bureaucracy in the deformed workers' state in the North and the crisis and national conflicts of the other Stalinist states of South East Asia, the Communist Party will have even less attraction for the workers and youth.

The mighty strength of the growing proletariat of South Korea, the 12 million who have come from the land to the slum conditions of the cities, the impoverished farmers, the indignant middle classes could be rallied behind a clear socialist programme. Such a platform would link the struggle for all basic democratic rights, and the call for a revolutionary constituent assembly, with the demand for the nationalisation of the 30 Chaebol conglomerates. It would also campaign for a minimum wage, maximum hours, the abolition of small debts, the appropriation of foreign capital, a state monopoly of foreign trade.

A genuine mass socialist party would appeal to the workers in the whole Pacific region to move to take society into their own hands—both in the shaky capitalist nations and the crisis-ridden deformed workers' states, where the bureaucracy stifles the development of the nationalised, planned economies. A Marxist leadership would call for a complete purge of the army and the police, for trade union

rights for soldiers and police conscripts, the right to elect officers, control training etc and for labour movement control through joint committees etc.

The Korean capitalist economy is so dependent on low wages and higher returns on capital that it cannot continue to develop, or even maintain its present level, on the basis of democratic conditions which would bring mounting demands from the working class. Faced with the threat of revolution, the ruling class has little choice but to make concessions—encouraged at this stage by US imperialism. Some of the radical democrats, in spite of the world crisis, are under the illusion that there can be a further stage of development for Korean capitalism within the framework of democracy. Other capitalist representatives undoubtedly calculate that it is expedient to make concessions now, in order to re-consolidate the economic position and political power of big business later, when the leaders of the new democracy become discredited and the movement, they hope, will have cooled off. Some of the big capitalists closest to the dictatorship, however, are already straining at the leash, impatient to launch a bloody counter-revolution to smash the workers' movement.

The course of events will be determined by the struggles, above all by the extent to which the working class comes to the fore as an independent force. The workers will keep their bearings only if they recognise that none of their gains can be guaranteed within the framework of capitalism; until a fundamental socialist change is carried through, the threat of reaction will still be there.

If the Korean working class fails to carry through the movement to victory, there will be the prospect of a bloody dictator who will make Chun look 'like an angel'!

The revolution that has opened up will not move in a straight line because there is no party of Marxism to draw the lessons and conclusions on how to guarantee the basic rights and freedoms so longed for by the working class. The Marxist party required to ensure the success of the revolution will be created in the furnace of the revolutionary struggles to come. International developments, both in terms of the world economy and political upheavals in the South East Asian rim of the Pacific, will have a profound effect on the course of development of the Korean revolution. Once on the march, a successful socialist revolution in one country would spread like wildfire through the area. At last the Asian peoples would be released from the slave conditions they have faced through the centuries.

The recent South African white election marked the beginning of the disintegration of the social base of the white state. It also dealt a shattering blow to illusions in a 'negotiated settlement'.

Cracks widen in apartheid 'fortress'

THE RECENT white election in South Africa confirmed the massive support for the ruling National Party among the white electorate while it registered a significant shift to the right. But it can have given no comfort to a ruling class besieged by economic problems and threatened by social revolution. The movement to the right is an indication, small at this stage, of the beginning of the break-up of the National Party monolith, despite the reinforcement of its huge parliamentary majority.

Although it has no vote or legal political voice, the black working class was, nevertheless, the only real issue. Every debate revolved around the central question of if, how and when South Africa should move towards black majority rule. Every newspaper article agonised over whether and how the banned African National Congress - supported by the mass of the black population - could be brought to the negotiating table to thrash out a 'deal' with the Government.

A great deal of attention was paid during the election campaign to the so-called 'liberal revolt' against the Nationalists. A number of leading NP members resigned to stand as Independents, the most notable being Denis Worrall, former ambassador to London. They were opposed to the 'slowness' of the Government's reforms, but did not themselves support any proposals for genuine democratic change. Worrall was even opposed to the release of those detained under the State of Emergency. In practice, what they were putting forward was merely a new prescription for white control of the state and guarantees for capitalism, cloaked in the guise of reform.

As the election results have shown, the majority of white voters are still, at this stage, backing the NP. Even though many whites express support for some reform, it is their fear of losing their increasingly precarious privileges that holds them to the NP, which is seen as the party of the strong white state, the main bulwark against revolution. Opinion polls frequently show wide support among whites for the policies of the Progressive Federal Party (PFP), but it is not 'trusted' by the white workers and middle class to defend what they now have. While their reform policies often rate as high as 40 per cent in polls, the PFP vote in this election slumped to only 14 per cent. This miserable showing has caught the 'liberal' establishment completely by surprise because they were hoping for a 'realignment' to the left of the Government. The

By Joe Jackson

election, demoralising for PFP supporters, must put a question mark against the very existence of the party.

The results have also come as a shattering blow to those elements in the United Democratic Front, the only legal opposition with mass support among blacks, who had similar illusions in a realignment to the left of the NP. The radical *Work in Progress* magazine commented before the election (April issue): "Its outcome may decide the sort of white power bloc the ANC and its allies will ultimately sit down with to discuss the dismantling of apartheid and a transfer of power."

The 'Independent' candidates did better than the PFP, Worrall only failing to beat Minister Chris Heunis by 39 votes. But that was precisely because they distanced themselves from the PFP, were not associated with its 'weakness' and in fact presented themselves as dissidents, 'shaking the Nationalists' tree a little'.

Strike movement

The greatest haemorrhage of support from the NP was to the right. The total right wing vote went up from 14 per cent to 30 per cent: 27 per cent for the Conservative Party (CP), eclipsing the 3 per cent for the Herstigte Nasionale Party (HNP) which was the only right wing party in the field in 1981. The increased right wing vote is due to the economic pressures and political insecurity faced by the white working class and lower middle class which have pushed many into losing patience with Botha and his constitutional dickerings over the last six years. White South Africans are under greater economic pressure than at any time for years, facing inflation and unemployment, and the demagogues on the right are not slow to blame this on the increasing power of the black trade unions and the 'weakness' of the Nationalists' Government.

In practice, however, all the parties in the election shared common aims. The PFP, the Independents, the National Party, the Conservatives and the HNP wanted above all to preserve the white state and capitalism from the threat of the black workers' revolution, differing only on the best means of doing it. The different social bases of these white parties mean that they have different illusions: either in the possibility that a few paltry

'negotiated' reforms can head off the black majority or, alternatively, that repression alone can save apartheid.

The giant capitalist monopolies - the biggest four of which control 83 per cent of the Johannesburg stock exchange - feel themselves the most secure economically and are therefore the most able to grant a few grudging concessions to their workers. This explains the apparent paradox that the biggest capitalists are seemingly the most 'liberal', financing the PFP, and opening up contacts with the ANC.

Conversely, the section of the capitalist class most buffeted by economic crisis and recession, most burdened by debt and most immediately threatened by the black working class are the smaller businesses and the farmers. These form the main social base of the Conservative Party and, in contrast to the liberals, have the opposite illusions; that increased repression can restore law and order ('within 14 days' as one CP candidate put it) and that the black trade unions can be simply banned.

But between the PFP and the CP, the National Party, still commanding the support of over half the white electorate, embodies the dilemma of the ruling class, trying to face both ways at once. Through the medium of the Bonapartist presidency, PW Botha is desperately trying to manoeuvre a way out of a doomed position by tacking this way and that. The background to the poll was the most explosive strike movement for a year.

On election day, millions of black workers and youth were on strike - outnumbering those voting by at least three: two - in protest against the election itself and the apartheid government's brutal attempts to suppress the railway workers' strike. This strike in turn was an echo of what was the greatest-ever movement of the black working class in the country, between 1984 and 1986. In any other country the scale and intensity of this uprising - with general strikes, occupations, rent and consumer boycotts, incipient soviets in the form of street committees, no-go areas and struggles of millions of youth - would have overthrown the old regime and brought a popular government to power.

But the South African working class came up against a powerful obstacle in the form of the South African state, one of the most formidable anywhere in the world, resting on the support and cooperation of the privileged white workers and middle class. At least for the moment this obstacle proved too strong.

However, although the workers' movement ebbed back in mid-1986 and suffered from the imposition of the State of Emergency in June, it is a long way from being broken. Despite thousands of arrests and detentions there has been a spate of strikes in one industry after another.

The bitter ten-week strike of workers at OK-Bazaars, ending in February, resulted in a marvellous victory with the workers winning a rise across the board of R100 a month. Within days, another supermarket chain, Pick n' Pay gave their workers the same rise, rather than face a similar strike. But the strike by black workers of the South African Transport Services (SATS) has been the most explosive of all the movements that have taken place under the State of Emergency. 25,000 workers have thundered out a message of defiance to PW Botha.

The strike began over the dismissal of a single black worker, which proved to be the last straw for workers suffering one of the most racist and oppressive managements, even by South African standards. The rank and file members of the South African Railway and Harbour Workers Union (SARHWU), which has recently made many gains at the expense of the company-sponsored union, were eager to demonstrate their strength and organisation.

The regime's dilemma

The reaction of the Government was to sack the strikers and launch a massive police assault on the headquarters of the union and the main black union federation, the Congress of South African Trade Unions (COSATU), with the result that a number of workers were shot dead. It was in response to these attacks that COSATU called for a two-day 'stay-away' on election day and the day before.

Over the years it has been this growing economic and industrial power of the black working class that has forced the apartheid regime to manoeuvre with so-called 'reforms'. The old apartheid theories of 'separate development' have collapsed in the face of the increased urbanisation and concentration of the black workers, a process which is the inevitable result of the development of capitalism itself. Repression, pure and simple, is no longer a viable long-term strategy to deal with a powerful working class increasingly organised and aware of its enormous social weight.

The change in the class balance of forces, not any democratic 'conversion' by Botha, has led him in the direction of his fake reforms. The State President has been able to use his powerful constitutional position to manoeuvre between reform and repression. But while he cannot even consider relinquishing control of the state, or allowing it to be weakened

in any way, Botha is forced to try to draw into government a layer of black collaborators, if he can find them, in an attempt to defuse the ever-present threat of revolution.

As if struck by a divine revelation, Professor Sampie Terreblanche, close advisor to Botha for many years, has now discovered the deceit behind the Government's 'reforms'. These were "little more than a public relations exercise," he writes in the South African *Sunday Times*, "to improve the image and the effect of apartheid, but in a manner that would not endanger Afrikaner (or white) control" 15 March 1987.

But black workers and youth are not fooled by 'reforms' that mean nothing, like the Coloured and Indian parliaments introduced in 1984. For the working class, genuine freedom and democracy are not abstractions, but means to an end. Real freedom would mean opening a floodgate of demands and struggles by the mass of the black population. The demands would be for jobs for the millions unemployed, decent wages and an end to racial privileges, homes for the homeless, adequate health and educational services. Workers would demand the scrapping of all the apartheid laws, the 'homelands' policy and the dismantling of the white police state from top to bottom.

It is because of what the black masses would expect from real democracy that makes it totally incompatible with capitalism in South Africa. The whole thrust of the 'reforms' mooted by the regime and by most white liberals, including the Progressive Federal Party (PFP), is an attempt to give the **impression** of genuine democracy, while maintaining the white state and capitalism.

The fundamental dilemma of the regime - how to deal with the threat posed by the black working class - will not be changed by the election even if the increased right wing vote has complicated the picture by promoting the Conservatives to the official opposition, increasing the pressures against 'reform'. As one liberal commentator, Allister Sparks, remarked, *Cape Times*, 26 February 1987:

"It is the great township upheaval of the last two and a half years that has caused these trends (in white politics) to develop. Although the unrest seems to be receding now and we may be in for a bit of a lull (this was written before the SARHWU strike - Eds), the crisis has produced some irreversible changes. Chief among these has been a breakthrough by blacks of the psychological barrier which caused them to doubt their ability to end white domination. Blacks now know that, though it may take some time yet, they are going to win in the end."

Referring to Botha's switch from the

'reform' track to repression, Sparks goes on, "I don't believe this can succeed for long, because the people the Government are occupying instead of governing are the primary source of the country's productive capacity - its labour force. The occupation will aggravate their discontent, and next time there is a flare-up it will be bigger and more serious than the last one and all the trends that have now emerged will be accelerated."

Under these pressures, Botha, or his successor, will be forced again and again to attempt to defuse the threat of revolution. Without relinquishing the iron fist, perhaps even intensifying repression, his policy will inevitably include a programme of cosmetic reforms. The gloom of the liberals notwithstanding, there will be pressure from the working class on the left of the regime, as well as from the right, and Botha will be forced to respond to it. The election was called to enable him to do that from a position of maximum strength in relation to the white electorate, but in the longer run, the pressures of the Conservative opposition on the one side and the masses on the other, will only lead to further splits and disintegration within the Nationalist regime. Even the Conservative Party itself will be subject to a similar two-way pull, its extreme right wing tending towards the fascist AWB.

Trends among whites

Yet even among right wing parties there is at least a dim realisation that some sort of change is necessary, that society cannot go on as before. As Allister Sparks comments, "There has been an end to the monolithic certainty of the whites that they can remain permanently in power. Apartheid is dead and there is nothing to replace it as a formula for preserving control. Even the far-rightist Afrikaner Volkswag now believes that black rule is coming and is looking to the idea of an Afrikaner 'homeland' as a last refuge."

But although this consciousness is gradually beginning to dawn on white workers, there still remains a stubborn determination to defend the privileges of the past against the uncertainties of the future, which explains the swing to the right. Within the white population, there is a **class** polarisation developing, which at present is manifested as a swing to the right. "Class rather than language has increasingly become the determinant of voting patterns." *The Financial Times*, 8 May 1987.

White workers are increasingly likely to move to the right in the coming years - even a proportion to the fascist AWB - in a vain attempt to find a way out of their insecurity by the forceful suppression of the black working class. It will be the **failure** of white reaction to crush the

25 million strong black working class, however, that will lay the basis for eventually splitting white workers away from the racist state. The programme of the socialist revolution does not appeal to more than a small minority of whites at present. But faced with increasing economic insecurity and the indomitable will to struggle of the black working class, there will be no other avenue open for them.

It is only a small indication of the way white workers will move in the future that, according to the South African *Weekly Mail*, an Afrikaner worker in the Transvaal joined the black Food and Allied Workers Union, the first white member of that union, and there are other 'black' (in reality, non-racial) unions with a small proportion of white members. As one social and political convulsion after another rocks South Africa, many more white workers will come to realise they have much in common with black workers struggling with the same white bosses.

Student struggles are always an anticipation of later movements among workers and last month's demonstrations at the University of Cape Town, South Africa's 'Cambridge', are a pointer to the movement of other white youth in the future. Over 3000 were involved in fierce clashes with the police and for the first time ever live ammunition was used against white students.

Despite the apparent return of the National Party 'monolith' to Parliament, this election marks the **beginning** of the disintegration of the NP and the social base of the white state. White politics is experiencing its greatest ferment for 40 years. A record number of MPs, 37, chose not to seek re-election and there were a record number of candidates, over 400. Almost every party suffered defections to the right and to the left. The fissures that have now begun to open up will broaden and will be even more pronounced by the time of the next white election only two years away.

Capitalism in South Africa cannot go on as before. Apartheid is in its death throes. The ruling class understand that it relies on the cheap labour guaranteed by apartheid and when the racist system is overthrown, capitalism must inevitably go with it. It is the overwhelming feeling among black workers and youth that the struggle for democracy, freedom and socialism are one. Even the weekly *Financial Mail* admitted (20.9.85) that "77 per cent of urban blacks" want socialism.

For the black masses, their struggle against apartheid is not an end in itself, but a fight for jobs, homes, education, health care and decent living standards. The Freedom Charter, adopted by the movement in 1955, is for them a **socialist** programme and nothing less. The black

workers have been held down for too long in poverty, disease and squalor to be content with just an 'X' on a piece of paper. But capitalism cannot reconcile itself to these material needs of the South African masses. Hence its desperate attempts to forestall the revolution by one means or another.

Unfortunately, the leadership of the ANC, and the South African Communist Party which has a decisive influence in the former, appear to share the same illusions as the liberals, the PFP and the South African monopolies in a negotiated 'compromise'. Even Winnie Mandela recently said of Chris Ball, managing director of the First National Bank - formerly Barclays South Africa - that there was "no greater patriot."

"Until recently," writes Allister Sparks, "the prevailing credo in the African National Congress and like-minded activists within South Africa was that a transition from the apartheid system to majority rule could take place only by what they called a 'seizure of power' ... No longer. I have spent much time in the townships in the past few years and held lengthy discussions with key ANC figures in Lusaka, Dar es Salaam and Luanda - including, last week, an eight-hour conversation with Pretoria's *bete-noire*, Joe Slovo - during which I have become aware of a shift away from this viewpoint towards a belief that the transition is more likely to take place at the negotiating table. This does not mean that the ANC is about to abandon its armed struggle. Indeed it seems intent on trying to intensify it, but more as a **means of increasing the pressure for negotiation** than with any realistic hope of being able to win a military victory." (our emphasis).

'Negotiations'?

Whoever Allister Sparks was speaking to in the townships, it was certainly not the youth and the workers, who still believe, overwhelmingly, in an armed struggle and, moreover, in 'a fight to the finish.' But a part of the interview with Joe Slovo, general secretary of the SACP (and at that time Chief of Staff of the ANC guerrilla wing, MK), published in the London *Observer*, confirmed the changed line of the leaders:

"I believe that transition in South Africa is going to come through negotiations," he said. He continued to advocate a broadened anti-apartheid alliance, "even to include forces he did not regard as revolutionary, but who nevertheless shared the goal of ending apartheid."

"Once a non-racial democracy was established, ideological differences between the various elements of the alliance could be resolved in a democratic way ... he hoped and believed that if a non-racial

democracy would be established, true socialism would 'flow from it' naturally in time ... The party (SACP) also accepted that there was no inevitability about a move from non-racial democracy to Communism."

There should be no misunderstanding what these statements mean: although the mass of the working class (77%) want socialism, a fact acknowledged by Slovo in his speech in London last year, for the leaders of the 'Communist Party' it is not 'inevitable'. On the contrary, it is relegated to a 'hope', and even that.... 'in time'. And while the movement would sit around, presumably accepting the denial of its majority wishes, its leaders would sit around a table with the big monopolies - because that is who is meant by the 'allies' - to negotiate away apartheid, and, while they are about it, peacefully settle the differences of interest between the black working class and their age-old exploiters!

Neither should there be any misunderstanding about what kind of 'settlement' the South African bosses would need to negotiate. Like the PFP and all the other 'liberals', these 'allies' would seek to foist onto the leaders of the movement a 'compromise' that abandons one-person-one-vote in a unitary South Africa and the socialist aims of the Freedom Charter, in favour of the preservation of capitalism and guarantees for white control of the state.

These 'compromises' - representing no more than a new formula for maintaining the old regime - are in fact those being touted by the Russian bureaucracy. As reported in the *Weekly Mail*, 15 January 1987, Gleb Starushenko of the USSR Academy of Sciences, suggested the idea of a settlement based on capitalist relations and a white veto. The ANC, he said, should "not advance plans for a broad nationalisation of capitalist property", and should be "willing to give the bourgeoisie the corresponding guarantee."

But what the capitalists, the SACP and the Kremlin overlook is the fact that what they regard as a 'compromise' would never be accepted by the mass of black workers and youth. It is for that reason that such a 'settlement' is ruled out. Ironically, the swing to the right in the elections will have dealt a severe blow to the ideas peddled by the SACP, as much as to the utopian ideas of the white liberals. With the white workers and middle class moving to the right, and with the NP in danger of losing ever more votes to the Conservative Party opposition, Joe Slovo's chimera of a negotiated settlement looks even more remote.

The mass of the working class want socialism. What better reason could there be, therefore, for the leaders of the movement to openly proclaim and advance the

programme of socialist revolution? A socialist South Africa, as part of a federation of Southern African socialist states, is the only way out of the nightmare facing the sub-continent. On the basis of a socialist programme, the leadership could not only provide the basis for the unification and organisation of black workers, but could also appeal to the white working class. No concessions to white privilege would be necessary, but because there is no other way out for the whites, and because a socialist South Africa would be able to raise all living standards, enough white workers could be split away from the white state.

The huge social convulsions facing South Africa will put all past struggles and uprisings in the shade. But there can be no way out for the black working class that does not involve splitting white workers away and thereby undermining the powerful racist state.

The apartheid regime has appeared to stand for decades like an impregnable white fortress. But the beleaguered occupants are beginning to realise that it is built in an 'earthquake zone', and the first tremors of the black revolution have already opened up cracks in the walls. As each earthquake follows the next, as they surely will, the walls will be breached wide open and eventually the white stronghold will be razed to the ground.

May 1987



On election day black workers and youth outnumbered those voting by three to one.

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World economy heads for slump

We are now nearing a new turning point in the development of capitalism, a qualitative change in economic and political perspectives. On the surface, Britain is in a period of boom. The same is true for America, and for Western Europe.

But the basic crisis of capitalism, which has been spoken about by Marxists for three generations now, means that the capitalist system has reached its limits. Rather than develop the productive forces, because of the restrictions of the nation state on the one hand and private ownership of the means of production on the other, it has become an absolute fetter on the development of production. Of course this does not mean that there will be no further increases, and then falls, in production, but that the rhythm of slumps and booms will be ever more convulsive.

The enormous economic upswing of world production between 1950 and 1975 seemed to have cancelled out the laws of capitalism. Capitalism partially succeeded in this period in overcoming the organic crisis of capitalism, which has existed now for about 60 or 70 years, by an enormous development of world trade of about 12.5 per cent a year. This in its turn gave a huge impetus to the development of the productive forces, to a greater extent than ever before in history.

In addition, the organic crisis of capitalism has been disguised to a certain extent by the simultaneous crisis of Stalinism in Russia and Eastern Europe, shown by the recent reforms of Gorbachov. All the major journals of capitalism, the *Financial Times*, *The Economist*, *The Banker* etc hammer home the point that centralised planning does not work. Of course, **bureaucratic** planning does not work once you have a sophisticated, developed economy. But democratic workers management of industry and the state would work.

Undoubtedly, this crisis in the East has had an effect on the intellectuals, the ideologues of capital, who say 'that is not the way out'. The fact that the 'mixed economy' was not able to prevent the development of the capitalist crisis meant that it too has been abandoned. The bureaucratic nationalisations in Britain, France, Germany and even in America, measures which in reality are not socialism but state capitalism, do not work for the same reason that bureaucratic centralised planning does not work in the Stalinist states, but with the additional fact that the major part of the economy is in the hands of monopoly capital which determines the development of the economy. Because the mix-

By Ted Grant

ed economy does not work and does not prevent the possibility of slump there has been a big swing against state ownership, not only in the countries where the Tories are in power but also where the so-called Socialists are in office.

Thus, in Spain and in Sweden there has been denationalisations and in France the Socialist Party is not putting up a vigorous struggle against the denationalisation that Chirac wants to carry out. To a certain extent 'Socialism' has been discredited and under these conditions the idea has developed that 'untrammelled capitalism' is the means to develop the economy. The capitalist countries will suffer all the consequences of this in the next slump.

For the process whereby capitalism was able to partially overcome the organic crisis of capitalism in the period between 1950 and 1975 has now reached its limits. This is proved by the nature of the 'boom' that capitalism has experienced from 1981-87. This has dragged on for 6 years, but in the language of the bourgeois economists it has not been a boom but a 'growth recession', in the sense that production has only crawled ahead at the rate of just 2-3 per cent overall. This compares to the period of economic upswing when growth in output of 6-8 per cent was quite normal in the countries of Western Europe, and when American output too grew in some years by 8 per cent. In Japan, there was sometimes a 12 per cent or even 17 per cent annual growth.

'Boom' prolonged

This latest 'boom' should have collapsed long ago. We thought that it had reached its limits and predicted its end 2 or 3 years ago. In fact, the boom **would** have reached its end before now if it had not been for the massive armaments programme of the United States, now reaching \$375 billion a year, and the budget and trade deficits built up by the US.

This colossal arms expenditure puts into shade Hitler's re-armament programme prior to 1939 which absorbed 7 million unemployed. In the US the capitalists claim to have created 30 million new jobs in the last 20 years. But 9 out of 10 of these new jobs are in the service industries, completely dependent, in reality, on the development of industrial production.

Germany reached the limits of its armaments boom in 1939 and was faced with a choice of either going to war, and Hitler had always intended going to war, or a collapse of the economy. Now the enormous armaments boom in the US, which is principally for the benefit of the military-industrial monopolies in America but is also a means of proping up American imperialism against the colonial revolution and of course against the mortal enemy of Stalinism, has also reached its limits.

The armaments boom of Hitler prepared the way for either war or a devastating slump in Germany and in the West. In fact, at that time America was not spending much on armaments, about 1 or 2% of GNP. But in 1938 they had a slump which threatened to rival the slump of 1929-1933 and therefore they saw in war a solution to their problems. But today the capitalist powers cannot find a way out through world war as they could have in a different period—not while the trade unions and political parties of the working class continue to exist and the democratic rights which go with them—although there will be 'little' wars perhaps, like the Vietnam war.

America's armament boom was a form of 'negative Keynesianism', 'guns instead of butter'. Reagan's deficit financing, spending more than the state income, has not gone to improve the infrastructure, social services, pensions etc. On the contrary, growth has been partly at the expense of those sectors and partly at the expense of the working class in America where real wages have fallen by 14 per cent in the last ten years.

Nonetheless, a by product of the American armaments boom and the budget and trade deficits was an expansion of the world economy, of Western Europe and particularly Japan, by expanding the market in the USA. The US Government's spending sucked in goods from other countries and created a huge trade deficit for American capitalism. Japan and Western Europe have had their market increased by at least 1% as a result of the expansion of the American market.

To finance the massive budget deficit, America sucked in enormous amounts of capital from her rivals and even the under developed world, but predominately from the developed world and especially Japan, by paying sky-high interest rates. That in its turn drove up the value of the dollar to the highest level it had reached for decades, in comparison to the currencies of the other developed countries, thereby further weakening America's trading position and building up enormous contradictions for the future.

Another reason for the continuation of the boom in the last few years, has been the fall in the prices of raw materials, oil and foodstuffs. The advanced capitalist countries have prolonged the boom by shifting the burden onto the back of the colonial world, by worsening the terms of trade with the advanced industrial countries. This has meant an enormous increase in the foreign debts of the colonial countries. One thousand billion dollars worth of debt has been incurred in Latin America, Africa and Asia. Now the real average per capita income in 1984-87 is 14 times higher in the developed world than in the underdeveloped world, the same ratio as 25 years ago. This is the result of the growth of the developed world and an actual decline in growth in Latin America and Africa and in some of the countries of Asia. In the underdeveloped world people and countries actually became worse off in absolute terms, in Africa, Latin America and in most of the countries of Asia, apart from Hong Kong, Singapore, Taiwan and of course South Korea.

These factors, the US armaments programme and the shift in the terms of trade in favour of the advanced capitalist countries, gave an initial impetus to the so-called 'boom'. But even with all these factors production has crept forward. There has been nothing like the growth reached during the world economic upswing of 1950 to 1975.

End of US 'hegemony'

At the same time, as an indication of the complete sickness of capitalism, in this period of boom only 80 per cent of productive capacity in all the advanced capitalist countries has been used. That means, in reality, that capitalism is in a crisis of over-production which reveals itself, because of the monopolisation of production, not in the actual over-production of goods but in over capacity. For example, only 68 per cent of steel capacity in all the capitalist countries is being used, and this in a boom. What is it going to be like in the slump that is coming?

This overcapacity has continued despite the capitalists' policy of 'Luddism' that developed at the time of the last slump, ie the destruction of ship building, textiles, steel etc. During this boom, the EEC has reduced steel capacity by 31 million tons. Now the EEC is demanding that another 20 million tons of steel capacity be destroyed.

All the factors are being gathered together for a slump within the next one, or, more likely, two or three years, a slump much deeper than anything experienced in the post war period.

With the armaments boom reaching its limits, America has become the biggest

net debtor in the world, with a foreign debt of \$410 billion, 4 per cent of GNP. In 1986 the US had a budget deficit of \$200 billion and a trade deficit of \$170 billion. In 1986 the total US debt, federal and private, topped 7 trillion dollars, a trillion dollar rise in a year. The total debt is 1.7 times the Gross National Product, the highest ratio since the depression of 1929-33. This is a time bomb ticking away under US capitalism.

America's accumulated trade deficit for the 1980s totals \$630 billion. Manufactured goods account for 68 per cent of US exports and 75 per cent of US imports. The US trading balance in manufactures is 84% of the deficit. Now in the USA, service industry employs 75 per cent of the workers with only 25 per cent in manufacturing industry although, incorrectly, they include transport and building in the service sector.

All these figures show the complete change in the situation that has taken place in the world economy. The *Wall Street Journal* recently spoke of the disintegration of the world economy. It tried to find analogies with what happened with the collapse of the hegemony of the British empire in the 1870s and 1880s, which prepared the way for the First World War and the slump of 1929-33. It identified three fundamental factors which it said were the disintegrating forces of the world economy then, which are present today: rapid changes in the world economy producing protectionist pressures; the stagnation of domestic economy; **and the end of the 'hegemonic' position of any one power.**

Japan today challenges America on a world scale. Japan's Gross National Product per head of population, its per capita GNP, is higher than the USA. Japan now has a \$50 billion surplus of trade with the USA and the dollar has plunged by over 40 per cent against the Japanese yen.

Japan has also become the world's leading exporter of finance capital, \$650 billion in 1985 compared to the USA's \$600 billion. In 1986 Japan invested \$50 billion in US government bonds and \$15 to \$20 billion in Eurobonds to become the world's largest creditor.

Japanese capitalism is a peculiar capitalism. The Japanese capitalists have succeeded partly because they refuse to waste resources on arms spending, which is still only just over 1% of GNP, and also because Japanese capitalism is a highly monopolised capitalism which is intimately connected with the state. Despite all the bleatings of Thatcher, Chirac, Reagan and so on about the 'free economy', it was with the help of the state that Japan produced the cars, motor bikes and electrical equipment etc, which took away the market from their competitors.

At the same time, Japan has protected its home market by having more real bar-

riers to trade than other countries. While the average tariff rate in Japan has been reduced to 3 per cent, compared to 4 per cent in the USA and 4.9 per cent in the EEC, the real barriers are the non-tariff trade barriers.

All the contradictions that make for a devastating slump are piling up. The price of stocks and shares is not in proportion to the economy. It is fictitious capital. Enormous quantities of fictitious capital are being piled up. The bankers and the stock brokers are under the illusion that the increase in prices in stocks and shares will lead to an increase in production to match it. In fact they will have to come down with a bump as they came down in the past. Stocks and shares will have to come into line with the real economy.

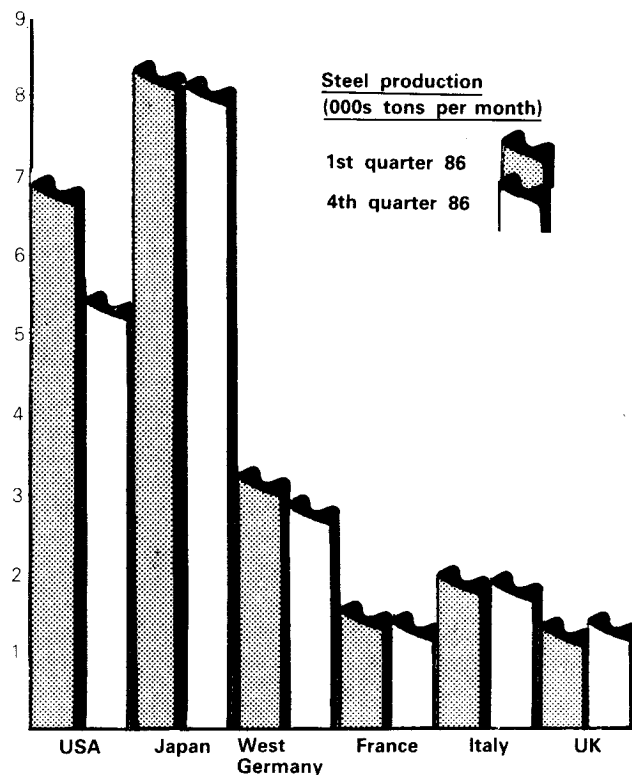
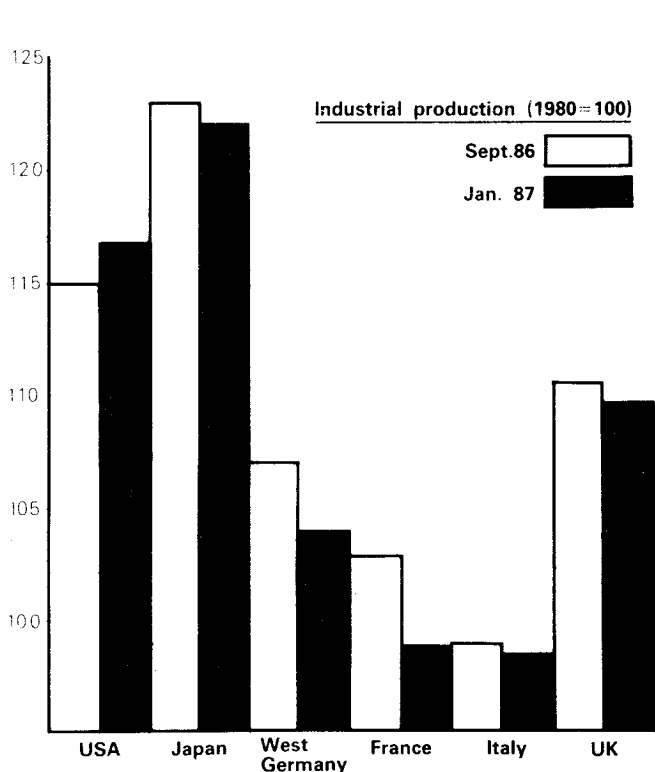
Inevitably when capitalism goes beyond the limits of the capitalist system the pendulum swings back. Marx already explained in relation to credit that it results in production developing beyond the limits of the capitalist system. Expanding consumer credit to unprecedented levels initially increases the market but then inevitably limits it. You can't spend your money twice. If you spend your money on mortgages, hire purchase and so on, you can't spend it again.

Financial collapse

At the same time, the US government's budget deficit and the debt being piled up by the colonial countries threatens a financial collapse. In the US, in this period of alleged boom, 135 banks failed in 1986 and 1,486 were in difficulties. Two Canadian banks failed, the first failures in Canada since 1923. Japan's 6th largest bank was rescued from failure. In Hongkong there has been a collapse of banks, and this is one of the world's financial centres.

The US banks have loaned out \$1,400 billion, the seven biggest banks \$550 billion, much of it to the colonial countries which will never be able to repay. \$375 billion was added to the debts of the Latin American countries between 1975 and 1985. Ironically, nearly half of that disappeared in investments by Latin America into the US and the other developed countries of the world!

All these events are the first heat lighting of the coming storm. New contradictions have been generated over the last 6 to 7 years especially. Japan's comparative advantages are becoming disadvantages. There is not only a surplus of capacity but also a surplus of capital piling up in Japan. What we have seen in regard to GEC in Britain, one of the biggest manufacturers which has over £1,000 million in the banks collecting interest rather than being invested in industry, we now see in regard to the big monopolies in Japan. They have a colossal surplus of



Even during the present 'boom', as these graphs illustrate, production in all the major capitalist countries has only inched ahead, or even weakened further. NOTE: The index for Industrial Production shows the level of production in each country compared with previous levels in that same country (the 1980 level is taken as 100). It does not compare the levels of production in the different countries with each other.

capital lying idle in the banks. There is nowhere they can invest it in Japan and nowhere they can invest it abroad. While in the US we see the same phenomenon as in Britain with feverish speculation in takeovers and mergers, because there is no profitable investment possible in new industry. There has been \$88 billion worth of mergers in 1986 and they expect there will be \$135 billions worth in 1987.

Another condition of slump appearing at the present time is the cut in the top rates of taxes. This is something that Thatcher and Reagan think they invented but in fact is nothing new. In 1926 the reactionary Premier Poincare cut taxes by 50 per cent in France and in the USA President Coolidge slashed the top rates by half allegedly in order to encourage production. That is not a nice augury for what happened three years later in 1929! Yet that was in a real boom, from 1924 to 1929 when there was a genuine boom in production. In other words tax cuts will not solve any of the problems of capitalism.

The organic nature of the crisis is revealed by the fact that even in this alleged boom there has been an increase in unemployment. There has not been a fall in unemployment in any of the developed countries, except in the US in service sector jobs. This level of unemployment is not the 'normal' reserve army of labour of capitalism in its heyday which would disappear in a boom, but a permanent drain on the economy and society.

At the same time wages have been held

down, further cutting the market for the capitalists. They are faced with the insoluble problem of capitalism that they want to increase their profits and therefore they hold down the wages of the workers. But as a consequence they cut the market on a world scale. In 1986, overall growth in world manufacturing trade was only 3 per cent in volume terms—the lowest for 30 years despite the US trade deficit of \$170 billion. And it is expected to slow down further to 2.5 per cent in 1987.

Capitalists' dilemma

The capitalists are faced with an insoluble dilemma. Reagan's armaments boom, which in accord with the unplanned nature of capitalism was a sheer accident and not planned at all, did result in a 'boom' throughout the developed world, providing an enormous market in the USA. But, as explained, this only built up enormous contradictions for US capitalism, weakening America's trading position. So the dollar was allowed to devalue with the intention of increasing US exports by making them cheaper.

But all the capitalist nations have massive surplus capacity and they are all clamouring for markets. The dilemma is this: if the falling dollar increases US exports, it must mean an increase in imports in Japan, West Germany, Britain and other countries, and decreased exports to these countries. Thus the US is demanding a 20% share of Japan's market in

semi-conductors by 1991 even though Japan's share in the US market is only 15%. But Japan cannot provide a market for further substantial US imports. Total imports presently only take 5% of Japan's home market.

Similarly, all the other capitalist countries can not allow their exports to decline or their own home markets to be taken over by further US imports. They will not be able to accept that. And therefore there is an undeclared trade war, with competitive devaluations of each country's currency, just as happened from 1929 to 1939.

The dollar has fallen 35 per cent in two years: against the Yen, 42 per cent, and 48 per cent against the Deutschmark. Out of 52 countries' currencies, 20 manufacturing nations' have risen against the dollar since 1985.

The trade war has begun with devaluation. But as a first tremor of what will come in the future we have the dispute over semi-conductors between the US and Japan. There is an enormous overproduction in computers and semi-conductors in Europe, the US and Japan.

As a sideshow we had the dispute between Britain and Japan. But the British capitalists are too weak to imagine that they could take on Japan and therefore they were forced to compromise. They did not even get backing from the EEC. They ran to their brothers and partners in the EEC, or their alleged brothers and partners, who just pushed them off to officials to 'discuss' the question. In other

words they were not backing Britain at all because they are afraid of an open trade war.

The dilemma that they face is that unilateral action in relation to tariffs always triggers off retaliatory actions. That is why the idea that is still being put forward by the Labour leaders, especially the Stalinists, that through import controls capitalism can solve its problems, is false.

Trade wars put the burden on the weaker nations. The United States has 25 per cent of world imports, but the exports of America are only 6 per cent of the Gross National Product. So if it comes to a trade war, America will be affected, but not as much as the other capitalist economies—Britain exports about 33 per cent of her GNP, West Germany the same, Holland, Sweden and Belgium 50 per cent. They will be hit harder by a slump than American imperialism, although the latter will be hit hard.

Trade war

The bourgeois economists point out that the US trade balance will improve this year, not because of the fall of the dollar, but because of slower domestic growth. Protectionist pressures in the USA will mount and attacks on the EEC's Common Agricultural Policy are likely to become more violent. Trotsky, during the inter-war period, spoke about agriculture as the 'kept whore' of industry in Germany. What he meant by that is the capitalists deliberately subsidised agriculture for social reasons, in order to subsidise the peasantry. There is very little peasantry now but in Germany, France, Britain and other countries, the farmers have been subsidised throughout this period, on the one hand as a market but also for social reasons to balance the rural areas against the industrial areas.

Inevitably, the moment it comes to a slump, those countries which have currencies that have appreciated will then devalue. The Japanese will depreciate the Yen, the Germans the Deutschmark or, if they do not do that, they will turn to open trade protection to keep out the goods of the other countries.

Some of the serious capitalist commentators are really worried. They say that the 'liberal economic order' is now at stake. 'Free trade' is only possible when world production and trade are expanding. When it is a question of a general crisis of capitalism the law that operates is 'every man for himself and the devil take the hindmost'.

The industrial countries' imports are the major part of world trade: the proportion actually rose in the 1980s. Imports from the underdeveloped world fell from 20% to 13% of the world total. That is a programme for revolution in the

underdeveloped world. The smaller countries in Asia, South Korea, Singapore and Taiwan, which were given a privileged position in the US market in the post war period to head off the threat of revolution, and which are therefore largely dependent on the US market, will suffer greatly once tariff barriers are mounted against their goods.

Moreover, with a trade war, Japan will become one of the weakest countries, because she has built up an enormous productive apparatus that is completely dependent on foreign markets. Therefore Japan will be effected worst of all. They already have 3.5% unemployment. With 30 million jobs in services a slump would be an absolute catastrophe in Japan.

If it were not for the threat to the capitalist system presented by the planned economies of Eastern Europe and Russia, the second most powerful country in the world, then undoubtedly the world would be on the road to war, between Japan and the EEC, between Japan and the US, or possibly a war between the European powers and the USA.

There is no 'collective imperialism' as is sometimes imagined. The contradictions now between the US, the EEC and Japan are greater than the contradictions which lead to war in 1914-1918 and 1939-45. The reason for the drive to war in the 1930s was that world trade in industrial products by the eve of World War Two was less than at the eve of World War One. The world output in industrial products had doubled in the inter-war period but trade had actually dropped. But now there is Russia and Eastern Europe and war is impossible under present conditions.

The contradiction between capitalism and the planned economies of the Stalinist states represents the basic contradiction of this epoch. However, an actual war between the capitalist powers and the USSR could only take place in the event of the physical destruction of the organisations of the labour and trade union movement in the US, Western Europe and Japan by the capitalists. This could only be achieved through civil war and the installation of military police dictatorships in the major capitalist countries.

Full-scale war between the capitalist powers and the USSR is ruled out at present. First of all nobody could win the war. If there was a nuclear war then there could be no winner, as everyone would be dead. The 'victors' would not add to the market or gain any loot. But a conventional war is also ruled out as the Russians, because of the balance of forces, would win easily. Therefore there will not be a new world war in the next period.

But at the same time international competition is greater than it was in the period before 1939. A trade war will undoubtedly

break out, probably next year. Because there is no way out, with war ruled out, there will be a slump. A slump is absolutely inevitable in the period that lies ahead, prepared for by a trade war.

This year and possibly next year they will avoid a slump, a slump being an actual fall in production. Production will probably crawl along as it has done at the rate of 2-3 per cent. In Britain it is projected to be 3 per cent, France 2 per cent, the US 2.5, Japan from 2.5 to 3 per cent, and West Germany 2 per cent. Next year, in 1988, they may also avoid a slump. But if they do then in 1989-90 there will probably be even bigger falls in production. In the last slump of 1979-81 there was only a fall of half a per cent in production. In the next one there will be falls in production of 2, 3 or 4 per cent, if it is a 'normal' slump. This is compared to 1929-33 when production in America fell by 40 per cent and by 11 per cent in Britain.

Can slump be deferred?

It is correct to raise the possibility, not the certainty, of another 1929. All the factors that made 1929 are there at the present time: the undeclared trade war through competitive devaluations; the stock market speculation; the consumer credit explosion; the massive debts; the advanced overcapacity, which never happened in the pre-war period in the same way. There was overcapacity for a time, but the constant, continual overcapacity means that capitalism really has reached its limits and which ever way they turn, there might be another 1929. What is likely, is that there will be a deeper slump in one to three years time than any slump in the post war period.

But at all times we must make a caveat. We must take into account the enormous resources that have been created by the labour of the working class, by science and technique, in the course of the last 50 years. Under conditions of slump capitalism may have to use up much of these resources.

Can they defer the onset of a fresh recession, given the accumulation of the US budget and trade deficits? It is possible, temporarily, but it would depend on a whole series of circumstances. Are the capitalists prepared to waste the resources accumulated in the course of the last 50 years? They will do, but only under the impact of a political movement of the working class. In *The First Five Years of the Comintern*, Trotsky makes that position quite clear—when there was an enormous offensive of the workers of Germany, France, Italy, or Spain, the bourgeoisie drew back for a time and gave concessions in hours, wages, conditions and so on. Then within a matter of months or years as the case might be, once the movement had receded, they

then took back what they had given and a bit extra as well.

That is the situation that they could face—and faced with revolutionary developments it is possible that they would carry through Keynesian measures. We must remember that there will be a complete transformation of the Labour Party and of the Socialist parties in Europe, possibly even the 'Communist' Party in France. There will be upheavals in the Italian 'Communist' Party. The 'left' leaders will be talking about Socialism, about revolution, and will remember all the things of the past once the crisis assumes an organic form.

Could America force Japan and Germany to reflate? Of course they tried it and got a dusty answer, just as when Europe and Japan asked the Americans to reflate about ten years ago. America refused and took no notice of what the Europeans were saying. Now Japan and West Germany aren't going to pull the chestnuts out of the fire for American imperialism at the cost of their own economies. Therefore, at this point in time, they are not prepared to reflate, which would result in an explosion of inflation and stimulate again the class struggle in those countries.

However, circumstances might arise where Japan might go for arms expenditure as a means, of course, of boosting the economy rather than as a means of fighting with other countries. What gave Japan an enormous advantage over the last forty years was the 1 per cent that she spent on armaments in comparison with the 6-7 per cent that the other capitalist economies spend on arms. Even now she hasn't allowed herself to be cajoled into spending much. It is a fraction over 1 per cent now of GNP that they spend on arms. Therefore it is possible that the military industrial complex in Japan might go for arms expenditure. If they did build up the arms economy, it could have the same effect as in America, although under the present conditions and with the present world situation, the result would be an enormous inflation in Japan.

The capitalist countries will increase trade with Russia. Even the Americans have now done an 180 degree somersault from when they were deliberately trying to limit trade with Russia by threatening all sorts of reprisals against the economies of Western Europe and Japan if they traded in goods that were allegedly of defence significance. Now they are hurriedly scrapping the list and will trade with Russia. That happened at the time of the 1929 slump when the capitalist powers saw a market in Russia. But this will not solve the problem. All it indicates is that the capitalist countries are in a desperate position for markets.

At all events, the economic policies of the different capitalist powers aimed at

avoiding a slump will only exacerbate the problems in the long run and will only serve to make the slump deeper when it finally comes.

All this indicates the background to the situation which is developing in Europe and in the world. Capitalism is at an impasse. From a period of developing relatively the productive forces, it is now a reactionary brake against their development. This is the eve of great movements of the working class, of great developments everywhere. The working class is fresh, there have been no really serious defeats in any industrial country, nothing like the defeats that there were in the inter-war period in Germany, Spain, Italy, France and other countries. There will be an enormous change in the political situation, enormous movements of the working class.

Already, as a portent of the storm and stress ahead, we have had the movements in Scandinavia, Spain, France, Germany, Holland, Belgium, Canada, the US, Australia and so on—movements which, of course, are not reflected in the capitalist press. All these are a dress rehearsal for the future. Capitalism has held down the wages of the workers, but it will pay the price in future political and social upheavals. Even the reaction in France has failed to stem the tide. After eight months, faced with a movement of the students and workers, Chirac had to capitulate and make concessions temporarily to the students for fear of what would happen. Now in Spain, in reality, the socialist revolution has begun.

Great struggles ahead

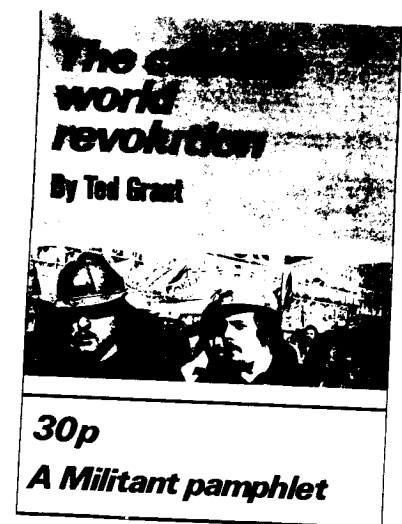
Of course, when these events unfold, always belatedly, the left reformists and possibly even the right reformists, will come forward and try to out-bid Marxism in their attacks on capitalism. In the last period there has been a virtual collapse in all the capitalist countries of left reformism. At the same time we have the collapse of the 'Communist' Party reformists which are splitting in all directions at the present time.

In fact, the crisis of capitalism has had peculiar consequences. Under 'normal' circumstances we would expect that with the crisis of capitalism there would have been a more organic development of reformism, including the development of the Stalinist parties where they are important, such as in Italy and France. Instead we have the peculiar fact, dialectically, that the crisis of capitalism is a real crisis of reformism, and above all a crisis of left reformism.

Of course, this is also in accord with the laws of history. The bourgeoisie as a whole jeered at the Marxists in the period of economic upswing. The Great God Keynes had solved all the problems, there

would never again be difficulties under capitalism, never again unemployment, poverty and all those horrors of capitalism that we have seen during the course of the last 10 or 15 years. The reformists in particular based themselves on that programme. But with the complete collapse of Keynesianism, with the return with a vengeance of the problems that Keynesianism claimed to have solved, they are incapable of facing up to the issues. That is one of the reasons why there is a complete rout of the left in all the main advanced capitalist countries. But, on the basis of future events, left reformism will arise again from all sorts of intellectuals, and workers leaders as well, with demagogic appeals for socialism and so on.

There will be revolutions in the under-developed world and revolutions in the West, that is inevitable. Every active worker must understand the situation in which they find themselves, understand the processes taking place in the world, not to be put off by a victory of Thatcher, of Chirac or whoever else it might be in Europe, not to be put off by a conservative reaction, because that will prepare an even greater reaction on the part of the working class. In fact, this analysis shows that there is a world revolutionary process taking place simultaneously—a crisis in the under-developed world, a crisis in the Stalinist countries, and a crisis in the developed world also—an unprecedented situation in history which will prepare changes in the consciousness of the working class across the globe.



Written in 1984 Ted Grant's pamphlet unveils the processes at work in every sphere of the world revolution. Many of these have been brilliantly confirmed and illuminated by subsequent events. Every socialist should have a copy of this pamphlet. Available from World Socialist Books, 3/13 Hepscoot Road, London E9 5HB. 50p including postage. Cheques to World Socialist books.

Perspectives For American Labour

The American working class is one hundred million strong. It is the largest and potentially the most powerful working class in the capitalist world. Nineteen million American workers are organised in trade unions. This is the largest trade union movement internationally. The processes taking place within this powerful working class will have a major effect on international developments. The developing world revolution must be viewed with the US working class in mind.

During the years of the post war boom US capitalism experienced rapid economic growth. Because of this, and because of its dominant position as the most powerful of all the capitalist powers, it was able to reap super profits. These made possible concessions to its own working class when the great strike movements of the 1940's, 1950's, 1960's and early 1970's took place.

As a result, US capitalism was able to contain the movement of the working class within the boundaries of capitalism. The strike movements did not seek to challenge private ownership of the means of production, distribution and exchange, nor capitalism's control over the state apparatus. Politically, organised labour remained tied to a capitalist party, the Democrats.

Boom

During this period the labour leaders committed themselves totally to making gains within capitalism. Given this stance by the labour leaders, and the economic upswing, illusions in capitalism were strengthened among the working class as workers found it possible to buy a home, a car or even two cars, to send some of their children to college and have an annual holiday. By 1972 US workers had the highest living standards in the world. **The boom, and the domination of US capitalism over its rivals, created the material basis for a rise in illusions in capitalism and the relative quiet and the non-socialist character of US labour in the post war years.**

The post war boom ended with the recession of 1974-75. World trade and world investment have since been growing at half the rates of the 1950's and 1960's. In this new economic environment, and with its world markets and home market increasingly eaten into by its rivals, US capitalism has broken with the traditions of the 1950's and 1960's. Now instead of concessions being won by the working class concessions are being demanded from it. All that was gained in

By Sean Heron

the boom is now under attack.

The intention of US capitalism is to drive the US working class into poverty over the next ten years. The US economy is to be changed from a high wage economy into a low wage economy.

The minimum wage in 1958 was 58 per cent of the average non-supervisory wage in the private sector. By 1981 it was 51% and by 1986 it was down to 38%. Between 1963 and 1978 28 per cent of new jobs were at poverty or near poverty wages. Between 1978 and 1984 48% of new jobs were at poverty or near poverty wages. Unrealistically optimistic forecasts of US capitalism predict that 11 million new jobs will be created in the next ten years. They also predict that 90% of these would be at minimum wages, ie below the poverty level.

Two tier wage systems are being pushed through in industry after industry, with newly hired workers being paid less than the existing workforce to do the same job. New contracts in many industries contain cuts in hourly rates. Workers are being laid off and work rules changed to increase the work load on those left. Work is being transferred—out-sourced—from union shops to non-union to reduce the cost of wages and benefits.

Safety controls in the workplaces are being reduced. Health-care costs are increasingly transferred to the workers. Social programmes are being cut. Education cuts are increasing, grants are being reduced and students forced to take out loans to pay for their education.

Fourteen per cent of Americans and 20% of American children now live in poverty. Thirty-one per cent of black Americans and 29% of Latinos live in poverty. Between 1972 and 1984 real earnings fell by 14%. In the 1950's an American worker could buy a house, one of the essential features of the American dream, for 14% of one gross income. By 1986 it took 44% of one gross income. For today's younger generation of workers buying a house is no longer possible.

The material basis which allowed for the strengthened illusions in capitalism and the relative quiet and non-socialist character of US labour in the post war period is now being dismantled. As this process continues the illusions will also be stripped away. The movement will rediscover the militancy of the 1930's and will also begin to turn to political action and to seek alternatives to capitalism.

This will not be an even process. The sustained attacks on living standards since the mid-1970's have been accompanied,

not by a rise in strike activity but by a fall in the number of strikes. A short pause where the movement drew its breath after the strike wave of 1970 to 1975 was all but inevitable. However the reason for the decline in strikes lasting from 1975 through to 1985 has been the role of the union leadership.

When the employers came looking for cuts in wages and benefits, a process started with Chrysler in 1979 and continued ever since, the union leaders went along with their demands. The employers said that unless costs were cut jobs would be lost to imports or the work being done by union labour would go to non-union labour in the United States.

Alternative

The union leaders have no belief that the working class can build an alternative system to capitalism. As a result they believe that mobilising the working class can only lead to chaos. With the belief that there is no alternative to capitalism they bow to the laws of capitalism and its god - profit. These leaders campaigned among their members for wage and benefit cuts. They assured the workers that they would only be temporary and that they would save jobs. Foreign labour costs and non-union US labour costs must be undercut, they argued.

Despite the union leaders campaign for concessions the workers demonstrated their desire to fight. This was evidenced in the Solidarity march in 1981 when half a million marched in Washington, the strike wave in the last five months of 1983 and the rise in strikes in late 1985 and throughout 1986.

1986 saw the longest steel strike in US history and a wave of strikes in transport, communications and manufacturing. Municipal workers also came out for the first time since 1980. Previously non-militant sections such as flight attendants and nurses also took action. The employers met this strike wave with the biggest number of lockouts in post war history.

In spite of the workers desire to fight, the employers' offensive, coupled with the role of the top union leaders, and the lack of any unified nationwide alternative at shop floor level, resulted in the movement being thrown onto the defensive over the past decade. Most strikes have resulted in concessions being wrested from the workers.

The policies of the union leaders which lead to this are now being exposed in the eyes of many union members. In Dallas construction union leaders advised cuts in wages and benefits to compete with non-union construction labour. When union wages had been brought down to the level

of non-union wages the employers raised non-union wages above union and smashed the unions. In auto, after billions of dollars in concessions, and with the economy still growing, General Motors has announced 29,000 more jobs to go. Most of the blue-chip companies in the US such as IBM and General Electric have also recently announced new job losses. Events are showing that wage cuts do not save jobs and that the employers demands for concessions are not temporary.

These developments are giving rise to increased opposition in the rank and file of the unions to the leadership. One of the most prestigious journals of US capitalism, *Business Week*, recently stated that the gap between the union rank and file and the leadership is the widest since the 1920's. In the United Auto Workers (UAW) a new opposition is crystallising. Called 'New Directions' it is opposed to any concessions and is fighting for a 32 hour week. Opposition groups such as the 'Teamsters for a Democratic Union' are also gaining support.

Coupled to their agreement with the employers' demands for new concessions, the union leaders have been raising the demand for import controls. Their acceptance of capitalism as the only system leads them to agree not only with cuts in wages and benefits, but also to campaign for protection for US capitalism from its rivals.

This demand for protectionism is getting a powerful response from US workers. Because the union leaders offer no socialist alternative it appears the only way out. The truth is that it will lead to a catastrophe.

In 1930 the Smoot Hawley Act was passed. It sought to protect US agriculture and industry from its rivals. By 1932 US exports were one quarter of the level of 1929 as retaliation struck. Auto exports were worth \$541 million in 1929. By 1932 they were worth only \$76 million. By 1933 approximately 15 million were unemployed—an equivalent figure today would be 30 million—and wages had been cut by 45% throughout industry.

The reality is that there is no way out for US workers on the basis of capitalism. The exceptional period of the post war boom is over. US and world capitalism is once again trapped in the crisis of overproduction as explained by Marx. With the extent of monopolisation that exists today, and with the use of computers, demand can now be more accurately forecast, so the tendency to overproduction increasingly expresses itself as overcapacity.

In upswings 80% of capacity is used. In recessions 70% is used. With this spare capacity the profits that are extracted from the working class are not ploughed



Reagan has never received more than 27% of the votes of eligible voters in the US. Voter turn out in Presidential elections is just over 50%. In the November 1986 mid-term elections 112 million eligible voters—63%—did not vote.

back into new factories and machinery. Instead they are used for speculation in the stock exchange, in property, and in currency dealings. As a result new inflationary pressures are created. As capital spending slows—it fell in the US by 2.5% in 1986—the onus for keeping economic growth going increasingly falls on consumer spending.

Reagan has been keeping the economic upswing going by increased arms spending—the production of scrap metal—and by heaping debt on the consumers and the Federal government. By 1986 27% of US consumers had no savings left, up from 19% in 1985. The Federal debt remained at over \$200 billion for 1986 and is unsustainable over the medium term.

Recession

A new recession will strike in the coming one to two years. Unemployment will rise from the present 7% to 12% and more. Inflation will explode as the effects of a falling dollar, the deficits, the speculation and the arms spending take hold. Protectionism will also explode. In 1975 8% of imports were restricted in some way. In 1980 12%, and in 1986 22%. The coming recession will at least be deeper than the 1982 recession. It is not totally excluded that it could assume 1929-33 proportions.

This coming recession will further drive home the new situation of US and world capitalism. US capitalism can no longer afford to keep US workers at the living standards of the last 40 years. In the 200 years up to 1980 the US National Debt rose to \$914 billion. In the last 6 years it has doubled to \$2,000 billion. The US is

now the number one debtor nation in the world. It owes \$200 billion more than it is owed.

No amount of concessions on wages or benefits can solve the crisis. In fact the lunacy of the union leaders' policy is shown by the fact that the more wages are cut the more the fundamental crisis of the US and world capitalist economies—insufficient demand—is exacerbated. With all the capitalist countries moving to cut wages and thus demand, US and world capitalism faces the greatest economic crisis since the 1930's.

It is a law of history that no class gives up what it has gained in struggle without a fight. In spite of the setbacks of the past ten years the US working class will brilliantly confirm this law. An indication of the movement to come is the strike wave of late 1985 and 1986. The mood to fight back is hardening in US workers. Anger is increasing as living standards fall. Insecurity strikes deep into the psychology of the workers and prepares the basis for a powerful rage that will explode in the coming period. The lack of a future for youth on minimum wage jobs or as unemployed prepares the youth for struggle and increases the anger of the older workers as well.

In spite of the role of the leadership a new movement will unfold. The greatest movement of US labour took place in 1936-37 when the sit-down strikes built the Congress of Industrial Organisations (CIO). The defeats of 1929 to 1933, the fall in union membership from 4 million in 1920 to 2.6 million in 1934, the determined opposition of the majority of the American Federation of Labour (AFL) leaders to organise the unorganised, were all overcome in a magnificent wave of sit-

down strikes which increased union membership more than threefold to 10 million members during the years 1933 to 1937.

The traditions of US labour are of periods of lull and setback followed by explosive leaps forward. The coming fightback of US labour will follow this pattern. A new movement into the unions will develop. Union membership reached 22 million in 1975 up from 15 million in 1950. It has since fallen to 19 million. This was mainly due to plant closures in the most highly organised sectors.

The fall in union membership is small, at approximately 15%, compared to the 40% between 1920 and 1933. This fall has also been slowing up. In 1984 union membership declined by 377,000, in 1985 by 344,000, and in 1986 by only 21,000. In California union membership increased overall in 1985. Eighty per cent of the new members were women. In healthcare over 20% of the workforce is now organised.

Unions

Fifty-eight per cent of the population approve of unions. Seventy-five per cent believe that unions improve wages and benefits. Fifty-three per cent of non-union service workers are favourably inclined towards unionisation. This is in spite of the terrorism of the employers against workers who seek to organise and in spite of the union leaders' role.

Union wages and benefits are 30% higher on average than non-union. Yet the union leaders refuse to campaign to organise the unorganised around this fact. As in the fight against concessions they are paralysed in the struggle to organise the unorganised by their refusal to challenge the laws of capitalism. They accept the argument of the employers that the economy cannot afford higher wages.

They fear to highlight the 30% gap between union and non-union income as the employers would try to use this to argue for more cuts.

Twenty per cent of US industry is unused, 35% of cultivatable agricultural land is unused, the surplus extracted from the working class is squandered on speculation, mergers, arms building or forced as loans onto poverty stricken underdeveloped countries or US farmers and consumers who cannot afford to pay these loans back.

If the union leaders highlighted this reality and campaigned for a \$10 an hour minimum wage, guaranteed jobs and houses for all, a free health service and free education, then the unorganised would stream into the unions. In spite of this lack of lead a new movement will develop and the unions will be doubled and trebled in great sweeping unionisation drives over the next 5 to 10 years.

The role of the union leaders, the role of the Democrats, how quick the movement can change and the balance of forces in US society were demonstrated in recent developments in Seattle, Washington State. The employers united to support Lockhead shipyard in locking out its unionised workforce and replacing them with non-union. Lockhead argued that the lock-out was the result of an industrial dispute and in this way denied the workers unemployment benefit.

The union leaders looked for help to the Democrats who controlled the state legislature. The workers followed this lead. The Democrats refused to help. When this became clear the mood changed in hours. From passively waiting on the Democrats the workers raised the demand for a state wide general strike. The talk was of the 1919 Seattle general strike, how it had closed the city and how this could be done again. With support beginning to appear in other workplaces, including Boeings the biggest employer in the area, the employers took fright. Within hours they backed down and the workers won their benefits. **This incident showed with what speed the movement in the US can change. It also showed how the militant traditions of the past will be revived in the coming years. And most of all it showed the real balance of forces in US society.**

The working class is the most powerful force in US society. Whenever it moves to mobilise its power and rely on its own resources, US capitalism will be driven onto the defensive. This is the perspective for the coming years. The whip of the employers' counter-revolution will unleash the beginnings of the process of revolution in the US, and in the course of this the working class will rise to its feet. It will transform and extend its industrial organisations and it will also move to independent political action.

The US is the only advanced capitalist country where the working class has no political party. This means that while the workers seek to defend themselves against capitalism in the workplace through their unions, at the ballot box they vote for the representatives of capitalism. They are fighting with one arm tied behind their backs. Events in 1986 underlined how the lack of a mass political party weakens US labour and strengthens US capitalism.

As 1986 grew to a close the economic crisis in the oil and farming states, and the accumulation of attacks on living standards over his six years in office, threatened Reagan's control over the Senate. His negotiations in Iceland with Gorbachev, which he hoped would paint him in the colours of a peacemaker, backfired. The speculators he had made rich were being exposed as crooks as the 'insider-trading' scandal exploded in Wall

Street.

The ballots were still being counted showing his loss of the Senate - overall the Republicans won 48% of the total votes cast to the Democrats 52%—when the Iran/Contra scandal struck. Reagan's popularity fell 20 points in three weeks, an all time record. One third of Americans polled in March 1987 felt that he should resign. The most vicious anti-union President in over 50 years was on the ropes. An opportunity was presented to labour.

With no Labour Party as an alternative the Democrats, while winning over secondary details, were able to step in and prop up the threatened presidency. US capitalism does not want two Presidents brought down in the course of two decades, as this would weaken further the institution of the Presidency and their ability to influence events at home and abroad.

Labour

The AFL-CIO leaders made no comment on the Iran/Contra crisis. After all they had been giving support to Reagan's foreign policy. They could have launched a campaign of demonstrations to call for Reagan to be driven from office, linking this to demands for decent jobs and decent wages, adequate and affordable housing, a free health service and free education, and an end to US capitalism's support for capitalism and landlordism internationally, which condemns the workers and peasants of the underdeveloped countries to starvation and vicious repressive regimes. This would have laid the basis for a mass Labour Party to be organised around the union locals, the Labour councils and the internationals.

This absence of an independent political voice of labour results in opposition to Reagan being reflected in an increase of support for the Democrats. This lack of a Labour Party will see increased illusions developing in the Democrats. 1988 will most probably see the Democrats hold their majorities in the two Houses of Congress and win the Presidential election.

However the Democrats, if they win in 1988, will hold office in an entirely new period. The worst recession since the 1930's will be unfolding. The crisis of US capitalism will force them to attack the workers' living standards. The result will be that the very crisis that will put them in power will begin to undermine their support and begin the process of cutting labour's links with the Democrats and laying the basis for a Labour Party.

This process will not develop in a straight line. In spite of the crisis US capitalism, faced with a new offensive by the working class can make temporary

Iran/Contra scandal is not Watergate

No direct parallel can be drawn between the Iran/Contra scandal and the Watergate crisis of the early 1970's. *At that time US capitalism was faced with the unsustainable cost of the unwinnable war in South East Asia. It was faced with the disintegration of its armed forces, the black revolt, the anti-war movement at home and a massive strike wave against its efforts to unload the economic cost of the war onto the backs of the working class through increased taxes, inflation and wage controls.* Withdrawal from the South East Asian war was necessary.

Nixon, as President, instead escalated the war in an attempt to get a result he could claim as a victory. At home he moved increasingly in a parliamentary bonapartist direction, concentrating more and more power into his own hands and weakening the control of the Houses of Congress, the legislative branch, over the Presidency, the executive branch. Nixon's repressive measures at home, his escalation of the war abroad and his consequent discrediting of the institution of the Presidency in the eyes of the US working class and middle class deepened further the severe crisis then facing US capitalism. As a result US capitalism moved to push Nixon out, putting the blame for the crisis on his shoulders, and at the same time restoring the balance between the Houses of Congress and the Presidency more in favour of the former.

The Iran/Contra scandal is rooted in the impasse of US capitalism. It needs to turn around the mood at home to allow it to step up its intervention against the colonial revolution abroad. Over 60% still oppose support for the Contras in Nicaragua. This mood was reflected in the decision of Congress to cut off aid to the Contras for a period in 1985-86. On top of this 78% of Americans believe there

should be a cut in arms spending.

Reagan attempted to change this mood with his rhetoric against the 'evil empire' of the Soviet Union and by exploiting the insane tactics of the individual terror groups abroad. He trumpeted that he was going to stand up to these terror groups and that he would never deal with them nor with the regimes that backed them, including Iran. He bombed Libya supposedly to send a clear message to these groups and regimes that US capitalism would not stand idly by. The real reason for the bombing of Libya was to test and prepare the mood at home for further escalation of military activity in Central America.

The defeat of US capitalism in South East Asia in 1975 and the effect this had on the mood of the US working class and middle class, the increased power of the working class and peasantry in the underdeveloped world and the increased power and sweep of the colonial revolution have tilted the balance of forces on a world scale further against US capitalism. It can no longer impose its will on the colonial world by sending in the marines on every occasion when it is faced with a crisis.

Confused

This balance of forces compelled Reagan to negotiate and even sell arms to the Khomeini regime in Iran in an attempt to regain US capitalism's influence in the area. And he was forced to finance the Contras, in spite of this being illegal at the time, as Central America is an area of key strategic importance for US capitalism.

It is out of these contradictions which are rooted in the balance of forces worldwide that the Iran/Contra scandal exploded. Reagan's own ineptitude is at most a very secondary factor in the crisis.

Reagan's role as President was

seen by US capitalism as one of a good public relations man—the 'Great Communicator'. The policies of his administration were to be determined and implemented by US capitalism through its representatives who made up Reagan's cabinet and advisors. As the crisis of US and world capitalism intensified and the contradictions became more severe these advisors increasingly split over policy.

At the same time the administration was increasingly consumed by the short term electoral needs of the Republican Party. Reagan's own confused ideas made up from a mixture of old political slogans and half-remembered movie scripts began to intrude more and more into policy making. The contradictions facing US capitalism which would have inevitably surfaced were exacerbated by this development.

Unlike with Nixon in the Watergate crisis US capitalism sees no need to, and does not want to bring down Reagan. On the contrary it wants to prop him up. It is now doing so while at the same time it has removed some of his cabinet members and replaced them with others through whom it can more directly and firmly re-establish control over the administration. It is putting Reagan back in his role as PR man in the division of labour which makes up the regime in the White House. It is very unlikely that Reagan will be pushed out as Nixon was.

If it becomes absolutely clear that Reagan had broken the law directly and with full knowledge in the financing of the Contras, it is possible he could become so discredited as to make him unable to carry on as President. In this situation his health would be found to have 'deteriorated further' and he would resign for 'health' reasons. However even this is unlikely as the 1988 elections are only 18 months away.

concessions. New Deal policies will be dusted off and used again. The recently passed Clean Water Bill, a Transit Highway Bill, and the proposed introduction of catastrophic health insurance to be provided for the elderly by the state shows the kind of measures that will be carried out in the future. New Deal policies will not overcome the economic crisis. Roosevelt's New Deal did not prevent a new and sharper recession developing in 1938. Nor did it prevent the explosive movement of the CIO. To the ex-

tent that they do influence events they will give confidence to the workers to fight back.

It is possible that the new recession could result in a brief hesitancy among the working class to go onto the offensive as unemployment increased rapidly. A 1929 type slump could possibly stun the workers for a short period. If this was the case then a new economic upswing, when it would come, would revive the movement, increase its confidence and unleash a powerful offensive. The 1936-37 move-

ment which built the CIO coincided with the upswing of 1935-1937.

It is also possible that in spite of the recession the Democrats could win again in 1992. The resistance of the union leaders to take independent political action for fear of the expectations that this would unleash makes this possible. Another factor would be that while more advanced sections of the working class would see through the Democrats and begin to move towards building a Labour Party, the less advanced sections would

be only just moving into political activity. These sections, given the role of the union leaders, would initially have illusions in the Democrats and continue to provide a base for them for a period.

What is decisive however is that capitalism has no choice but to try and take the working class back to the conditions of the 1930's. The power of the US working class and its expectations will mean that US capitalism will have to use all of its resources in the battle. The Democrats will be forced to expose themselves as no different from the Republicans during this onslaught on labour. At some stage over the next five to ten years this will result in labour taking independent political action and setting up a Labour Party.

This general process of US labour rising to its feet will be shot through with cross currents and contradictions. This is especially so given US capitalism's world role. At present it is attempting to turn around the mood of the US masses to allow them to intervene with large scale military activity in Central America. Given the increasing revolutionary upheavals in this area US capitalism will be pushed more and more in the direction of such large scale military intervention.

War

Such a development is not absolutely certain however. The revolution in Latin America could reach such heights that US capitalism could not invade as it would be like pouring petrol onto the flames. However US capitalism will not let its control of Central and Latin America slide away from it without the greatest possible exertions.

If large scale US military intervention does take place it could possibly effect the 1988 elections. If it took place just in advance of these elections it could possibly strengthen the Republicans and it could not be excluded that they could win in the elections. This is not likely, however, as the eight years of falling living standards under Reagan are likely to be decisive. Even if, as seems likely, an arms deal is signed with the Soviet Union it is still likely that the Democrats will win in 1988.

If large scale US military intervention does take place it could possibly affect the could temporarily develop in large sections of society. This could cut across the developing mood to fight back. However US capitalism would get bogged down in an unwinnable war in Central America. Over a period a mass anti-war movement would develop against the deaths of the young soldiers and the cost of the war reflected in increased taxes and inflation. A similar process to that which developed from 1968 to 1975 would open up.

During that period the armed forces disintegrated with the rank and file mov-

ing into opposition to the war, and the black revolt and youth revolts were merging with the anti-war movement and the strike wave of 1970-75. Nixon could not win in South East Asia, nor could he get a peace that he could portray as a victory. Out of this contradiction Watergate exploded and Nixon was forced to resign.

If there had been a mass revolutionary party in the US at that time, a pre-revolutionary or even a revolutionary situation could have resulted. If US capitalism does get involved in a war in Central America in the future it will not be able to win and it will not be able to pull out, as capitalism and landlordism would be overthrown in its wake. **The opposition to the war among the working class, middle class and youth would merge with the rising class anger and US society would be propelled into the front rank of revolutionary events worldwide.**

Entry into a war could push back the class upheavals and the radicalisation of the US working class for a brief period, only to unleash this process with even greater ferocity at a later stage. The movement when it would come would be at a higher level due to the experience of the war. Entry into a war would not fundamentally cut across the perspective of the greatest movement of the working class in US history.

Not only international events will enrich the movement of the working class that is being prepared in the US. Explosive movements among the specially oppressed minorities will add to this process. Latino workers poverty level has risen from 22% to 29% between 1979 and 1985. It is now only 2% below the poverty level of US blacks. Events in Central America will combine with this and produce powerful movements of the 20 million strong Latino population.

The 28 million black Americans with their heroic traditions of struggle will produce even greater explosions. The gains made by US blacks in the mass revolts of the 1950's and 1960's have been whittled away in the 1970's. Under Reagan attacks on blacks and a racist atmosphere has increased. **The increased poverty and repression which has developed has merged with the inspiration US blacks have received from the revolt of South African blacks and the general upsurge in the colonial revolution from the Philippines to Chile, to create a new mood of militancy.**

A young black construction worker was killed by white racists in New York City in December 1986. Thousands took to the streets. In Georgia 20,000 took part in the largest Civil Rights march in the US since the 1960's. It was against blacks being excluded from an all-white area called Forsyth County. US capitalism felt the first stirrings of a new black revolt. They scuttled to undercut it. Reagan was forced to condemn racism, a special pro-

secutor was appointed to prosecute the white racist youth in New York City, the National Guard protected the Georgia march and beat up and arrested Ku Klux Klan members.

US capitalism needs racism to divide and rule the working class. However it wants it to remain on the back burner at this stage. It is terrified that it might boil over and result in a new black revolt unfolding. Twenty-seven per cent of the US armed forces are black. A new black revolt would radicalise blacks, Latinos and large sections of the youth and working class as a whole. Entry into Central America would be made extremely difficult by such a development. A new black revolt would also make US foreign policy as a whole in the colonial world and especially in South Africa much more complicated.

While it looks like the measures taken have cut across a new black revolt in the immediate months ahead, such an explosion is inevitable in the coming period. When it does develop it will increase the tendency to struggle of all workers, and it will increasingly unite and merge with the movement of the youth and workers as a whole to fight for a decent life. Out of this struggle the need to organise in the unions, to build a mass trade union and Labour Party will become more clear. In the course of this development the unity of the working class, black, white, Latino, Asian, native American, men, women, young and old will be strengthened.

Powder Keg

The post war boom was a temporary aberration: US capitalism could concede enormous increases in living standards to the majority of workers. Yet even in that period US society was convulsed with upheavals. In the 1940's there was World War Two, the great strike movement of 1946 and 1947 and the McCarthyite purges. The 1950's saw the Korean War and the beginning of the black revolt. The 1960's saw the Vietnam War and the movement against this war merge with the black revolt and in the early 1970's a massive strike movement took place and the crisis of Watergate unfolded.

The upheavals over this period illustrated the correctness of Trotsky's analysis of US capitalism. He explained that because of its world role all of the 'powder kegs' of the world were built into its foundations. As the world revolution unfolds in the coming years these powder kegs will be detonated.

The past ten years have been exceptionally quiet in US society. There has been no prolonged foreign war, no revolt of specially oppressed minorities, and no strike movement such as those that took place throughout the 1945-1975 period.



A union organiser for the Longshoremen on a recruitment campaign in the 1930s. A new movement will develop and union membership will double and treble in great sweeping unionisation drives in the next 5 to 10 years.

There have been no political crises such as Watergate. This period saw US society draw back in an attempt to avoid the impending cataclysm.

However, during this period all the contradictions of US capitalism were intensifying below the surface of society. In the coming years the tidal movement which is rooted in the economic crisis worldwide, and in US capitalism's special crisis, will sweep US society into the most explosive period since the Civil War of the 1860's.

This time it will not be the capitalist class against the slave-owning class. It will be the working class, uniting all the specially oppressed minorities with it, drawing the middle layers behind it, and rising to oppose the capitalist class.

US society is increasingly polarised. The top one per cent own more assets than the bottom 90%. Between 1963 and 1983 the share of wealth of the top half per cent rose by 38% while the share of the bottom 90% fell by 20%. Five hundred corporations, presided over by between five and ten thousand directors, none of whom were elected by the American masses, control between 70% and 80% of the economy and constitute a dictatorship over US society.

The movement to come will shake US society to its foundations. Internationally it will weaken US capitalism even fur-

ther in its efforts to oppose the colonial revolution and the development of revolution in Western Europe and the movement to come in Japan. The sight of the US working class taking action will at the same time inspire these revolutionary movements to even greater heights. It will also inspire the process of the political revolution in the Stalinist world.

Socialism

Leon Trotsky, writing in 1928, saw the revolution coming first in Europe and later in the United States. In the coming five to ten to fifteen years the processes which are maturing in the United States could result in the US working class taking the lead in revolutionary events on a world scale.

The US working class will rise to its feet in the years ahead. If a Marxist leadership is built in the unions and in the Labour Party that will develop in the future the US working class can overthrow capitalism and establish a socialist society in the United States. Such a development would end capitalism and Stalinism, put the working class in power in workers' democracies worldwide, and open up the way to the construction of a socialist world order.

Perspectives For The United States of America

Rob O'Neill
and
Tom Williams

January 1986

A Labor Militant Publication

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The recent election in the Irish Republic failed to establish a firm majority for any of the capitalist parties. But it did free the Irish Labour Party from the disastrous coalition with Fine Gael. DERMOT CONNOLLY explains how, if Labour adopts socialist policies, it can mobilise the growing anger of Irish workers.

A new opening for Irish Labour

THE GENERAL election, held in February of this year, has brought a minority Fianna Fail government to power in Southern Ireland. Despite the almost universal hatred for the outgoing coalition government of Fine Gael and Labour, Fianna Fail, under the leadership of Charles Haughey, were incapable of winning an outright majority of seats in the Dail (Irish parliament).

Fianna Fail therefore has to depend on the support of the other capitalist parties, Fine Gael and the recently formed Progressive Democrats. This loose alliance of the capitalist parties may last for a year, or two at the outside. **But it represents an unstable and extremely unsatisfactory outcome from the election for the capitalist class.** Despite the massive funding of these parties, over £4 million was spent by them in the election, and despite the fact that the capitalist parties have 90 per cent of the vote, the ruling class still do not have a stable party capable of winning an outright majority and carrying out in full the programme of big business.

The pressures of the crisis facing capitalism has brought about the present alliance in the Dail. In order to gain the support of Fine Gael, the Haughey government have adopted Fine Gael's economic programme of massive cuts, and dropped any talk of "renegotiating" the Anglo-Irish Agreement. Fine Gael on the other hand, cannot vote against the government while it is carrying out policies for which they themselves have been arguing.

In fact, the budget introduced by Fianna Fail last month goes even further than anything attempted by Fine Gael. The budget amounts to a declaration of war on the working class (See p29).

Overall, the budget will have a severe deflationary effect on an economy which has not yet recovered from the recession of 1981-2. It is estimated by the government itself that growth in 1987 will be below one per cent. Between 1982 and 1986 GNP actually fell by 1.2 per cent, with gross investment falling by 14.6 per cent. The budget will continue this trend of stagnation in the economy. It is now likely that the economy will go in to the next world recession without any recovery since the last one.

The capitalist class have attempted to resolve the crisis by a ferocious onslaught on the living standards of the working class. The Irish Congress of Trade Unions (ICTU), have estimated that the living standards of their members have been cut by 20 per cent since 1980. The capitalists have sacrificed living standards, jobs,

SINCE THIS article was written in April an explosive movement has developed against the Fianna Fail government. Tens of thousands of workers in the Health Service have taken part in strike action and protest demonstrations in every town and city over the last two months. On Wednesday 24th June at least 50,000 workers took part in a four hour general strike in support of the Health workers. In Dublin over 30,000 took part in the demonstration. In the short space of four months since this government took office, every town and city has seen the biggest workers demonstrations since the tax marches of the late 1970's.

Despite this the government is still determined to press ahead with the cuts. In the autumn the cuts will also start to bite in education. There is a

growth in the economy, have cut education, and the minimal social and health services that exist, but the crisis in the state's finances has actually worsened. Debt has actually doubled since 1982.

The total public sector debt now stands at 148 per cent of GNP. In a recent speech to his parliamentary party, where there was an outcry about the severity of the budget, Haughey stated that unless massive cuts are carried out now, the debt would reach £36 billion by 1990. According to Haughey, the economy would not be able to service a debt of this magnitude in two or three years time. The servicing of the debt at present is just below £2

Debt crisis

billion a year, about 15 per cent of GNP, and a quarter of the amount of current government spending.

The attempts to resolve the debt problem by monetarist cuts in spending only makes the situation worse. Spending on education, housing and health has been reduced in real terms each year since 1983. Increases given in social welfare payments have barely kept place with inflation. Yet government spending on social services rose from 28.9 per cent of GNP in 1980 to 35.6 per cent in 1985.

Unemployment has now grown from 10 per cent of the workforce to 20 per cent at present. An all time record of 250,000 are officially registered as unemployed. Apart from the social cost of soaring unemployment, in purely economic terms, what the government saves on the

strong possibility that funding for the local authorities will be cut by 10 per cent over the summer, while the government are also trying to impose a wage freeze in the public service. All the indications are there for a massive confrontation if not during the summer then almost certainly during the autumn. A general strike is now implicit in the situation.

The Fianna Fail government has already faced its first crisis in the Dail. They survived a vote on the allocation of funds for health only on the basis of the abstention of Fine Gael. While the two main capitalist parties are still working in a loose alliance all the pressures building up on them by the movement of the workers will most likely see the fall of this government within a relatively short period of time.

one hand through cuts, it loses through rising unemployment and poverty on the other. Haughey himself has stated that if the unemployed were productively engaged in the economy, £4 billion could be added to GNP. This would be an increase of 20 per cent in the nation's wealth.

There is no way out of the crisis on the basis of capitalism. By adopting a tough monetarist approach in the budget, Fianna Fail hopes to reduce interest rates by lessening the government's demand for credit in the home economy. Interest rates at present are running three times the rate of inflation. By reducing interest rates the government hopes that it can stimulate investment in the economy.

The declaration of war on the working class in the budget is intended as a signal to big business that their profits and wealth will be safe in Ireland. Fianna Fail hopes to convince those capitalists who have been exporting capital out of the country to invest at home. This is a forlorn hope. It is not just high interest rates which have prompted the capitalist class to move their funds abroad. They have lost all confidence in their system in the South. Faced with the debt crisis, high interest rates, low productivity in native industry, stagnation and crisis in every section of the economy, and a depressed home market, the capitalist class have engaged in what the *Irish Times* has referred to as "a strike of capital."

£1.5 billion, the value of two months exports, was spirited out of the country in 1986. This exodus of capital is now referred to as the Black Hole Mark II. In

1984, an economist in Trinity College used the term 'the Black Hole' to account for the expatriation of £1 billion in profits out of the country by the foreign multinationals. Between the black holes, mark I and II, and the servicing of foreign debt, huge amounts of money are now leaving the economy every year.

While the capitalists engage in an orgy of speculation on the stock exchange, of investment abroad, of the illegal shipping of capital and profits out of the country, the local economy is going down the tubes. The number of workers employed in manufacturing has fallen from 227,000 in 1981 to 185,000 at the end of 1986. Industry is completely dependant on state aid.

The same situation holds true for agriculture. This is an important sector of the economy, accounting for 40 per cent of exports. Although less than 15 per cent of the workforce are directly employed in agriculture, a total of 500,000 jobs are involved when processing and farm servicing is taken into account. Agriculture is also completely

Black hole

dependant on state and EEC funding. For example, the South produces only 4 per cent of milk production in the EEC, but holds 10 per cent of the butter mountain. The general crisis of agriculture in the EEC, given collapsing markets, the fall in the value of the dollar, the inability to continue funding the Common Agriculture Policy, means a particularly severe crisis for farming in the South.

The severity of the economic crisis, along with monetarist government policies, has led to an explosion of poverty.

The situation would be far worse if it was not for the re-emergence of mass emigration. 100,000, mainly young people, have been forced to look for a future elsewhere over the recent years. A report from a voluntary organisation formed to highlight this problem, estimates that if the present level continues, 50 per cent of the 15 to 29 year age group, or over 150,000 people, will emigrate over the next five years.

If this were to happen, it would represent an absolute catastrophe for the country. Most likely, while emigration will continue at a high rate, the onset of a new recession in the world economy, will cut off this avenue. As it is, most of the emigrants are working as illegals in the USA, where they could end up on the streets in a new recession, or are working in the service and construction industry in the South East of Britain, especially London.

The exodus of young people is not only economic in character. It also reflects their despair at Irish society, the lack of

The budget amounts to a declaration of war on the living standards of the working class. Pay As You Earn (PAYE) income tax will go up by 14 per cent in 1987 as a result of the budget. The income levy for health care has been increased. Pay related benefit is to be cut by 50 per cent. In addition, 4 years social security stamps instead of 3 years will now be required to qualify: 39 stamps instead of 26 will be required to qualify for flat rate unemployment, disability or maternity benefit.

There will be a £10 charge for outpatient hospital visits, and a charge of £10 per day for inpatients in public wards. An indefinite wage freeze has been declared in the public service from July onwards. The ban on recruitment to the public service has been extended to cover all vacancies instead of the existing situation whereby one out of every three was filled.

40,000 new places on employment schemes were announced. Participating in these fake training, cheap labour schemes is to be made virtually compulsory. 150,000 of the unemployed are to be "interviewed". Refusal to take part in a scheme would lead to a loss of benefit. The rates of pay on these schemes varies from £30 a week up to £65 a week for so called trainees in the public service.

any co-ordinated struggle by the leaders of the labour movement, and a mistaken impression that the recent defeat of a referendum on divorce, and the passing of an anti-abortion referendum earlier, means that the Catholic church is tightening its grip on the country. The development of mass struggles can change the situation. The political effect of mass

Militancy

emigration, while it to some degree denudes the working class of some of those workers who have been its best fighters, is on the other hand, a further confirmation to the youth and the working class that capitalism offers no future.

The youth that remain, whether on the dole, in cheap labour schemes, or in dead end jobs, will have no option but to fight to change the system. 50,000 are on fake training schemes, but the majority are in low paid jobs, both in the private and public sector. An ICTU report has found that 72 per cent of workers under 20 years old are low paid. 50 per cent of all school leavers get less than £55 a week in their first job, while 75 per cent get less than £70 a week, and 12 per cent get less than

Payments on one scheme, the Social Employment Scheme, will be cut from £70 to £60 a week for all single people who enter this scheme from now on.

In total, cuts of £246 million in current spending, and £77 million in capital spending were outlined in the budget. These cuts, plus the tightening up and continuation of the recruitment embargo, will have devastating effects.

The health service is already tottering on the brink of collapse after five years of cutbacks. People already queue for hours for outpatient treatment, and for months for a bed in a public ward. This latest round of cuts can push the already overloaded system into complete collapse.

The budget abolished at a stroke a £5,000 surrender grant for people moving out of local authority housing, a £2,500 grant for the purchase of new houses, and all house improvement grants. This affects thousands of working class families who had already applied for these grants. In some instances people could even have been left homeless, because they were unable to complete house sales and purchases due to a loss of these grants. Since then the government has slightly amended these proposals, but the measures will still effect thousands who had applied for grants.

£30 a week. The average industrial wage is £160 a week.

10,000 civil service workers are low paid including 1,000 who get less than £6,500 a year. In general workers in the South work the longest hours, receive the least holidays, for the lowest wages in the EEC outside of Spain and Greece. They also face taxation rates and a cost of living similar to the richest Scandinavian countries. Along with the youth, women workers and workers over 50 years are the most exploited. Wages for women are on average only two-thirds of the general industrial wage.

Every section of the working class has been hit by the crisis. The country is being pauperised by the failure of capitalism. Yet the bourgeois are preparing through the new Fianna Fail government supported by Fine Gael and the Progressive Democrats, to tighten the screws even further. This can only result in a massive explosion of the class struggle in the period ahead.

When Fianra Fail won a record majority in the 1977 election, within a year they were faced with the biggest ever movement of the working class. At that time a boom in the economy restored the con-

fidence and fighting spirit of the working class after the recession of 1973/4. The number of strikes grew dramatically in 1976 and 77. Then in 1978, 500 workers threatened with redundancy in Waterford staged a demonstration through the town. They found that the army had been called out to block a bridge leading to the town centre. A few days later 20,000 workers struck throughout Waterford and the surrounding area in a protest general strike.

Throughout the whole period of national industrial unrest that followed, Waterford remained one of the most militant areas. A shop stewards committee was formed in the town, around the glass workers, the biggest industry. When the national leadership sold out the struggle on PAYE taxes, the Waterford shop stewards unsuccessfully attempted to build a National Shop Stewards Committee to give the movement direction from below.

The general strike in Waterford was a foretaste of the developments that began in 1979. Between 1979 and 1981 there were nine half day general strikes and mass mobilisations of the working class. On the first of these 750,000 workers downed tools and took part in mass demonstrations around the country. In Dublin, a city of just over one million, 250,000 at least took part in the demonstration. The scale of this movement was unprecedented in Irish history. After the industrialisation of the 1960s, it was clearly shown that the working class were the overwhelming majority and a force to be reckoned with.

But the movement failed for a lack of a clear programme and strategy. The only demand raised by the union leaders was for a fair tax system! They accepted a government appointed commission on taxation to investigate the system. Less and less workers were prepared to strike and demonstrate when it was clear the movement was being given no strategy or clear leadership. The leadership were like the Grand Old Duke of York, who marched his men to the top of the hill and down again, several times over.

But the movement shattered the Fianna Fail government. Lynch, who had led a historic victory, was replaced by Haughey. Contrary to his stated intention, Haughey was forced to continue the policy of high government borrowing begun by the coalition of 1973 to 1977, and continued also by Lynch. Faced with this movement of the working class, he made concessions rather than confront the unions.

Now history is set to repeat itself, through in a different way. The ruling class are determined to end the policy of high borrowing and not to make concessions. While the trade union leaders are seeking talks, and promising to trade wage restraint for a limited deflation of

the economy and measures for job creation, the government has set itself on a path of confrontation. The ICTU leadership are preparing for a sellout. They are prepared to contemplate cuts, provided they are "fair" and hit everyone equally! But a new movement from below is in preparation.

In October 1985 ICTU were forced to call a one day strike in the public service against a threatened pay freeze. Throughout 1986 one group of workers after another in the public sector took on the government. Teachers, electricity workers, local authorities, workers in the state owned peat industry, were all involved in struggle. In one week during the recent election, 8,000 workers were on strike in the public and private sectors.

The budget will create a mood of enormous anger throughout all sections of the working class as the full reality of the measures proposed sinks in over the coming weeks and months. Despite the fact that the tactic of limited general strikes became discredited in the minds of workers after the failure of the movement from 1979 to 1981, such generalised struggles and general strikes will become inevitable within a period of time.

Coalition ends

While the trade union leaders are able now to resist demands for action, and to stall through the talks taking place with the government, in one way or another the movement will find an avenue to fight back. The Irish Nurses organisation, and the local government and public services union, have said they will not handle the £10 health charges. The demand has also been raised for local co-ordinating committees of the health service unions to co-ordinate action to fight the cuts.

While there is still a certain caution among the working class, or sections of it, due to mass unemployment, the threat of closure, and a lack of faith in the leadership to take the movement forward, all the conditions now exist for a rapid escalation of the class struggle.

This makes the perspectives for an already unstable government even more conditional.

It is by no means ruled out that the present government can be brought down as a result of a movement of the working class. A new election would solve nothing in terms of bringing a majority bourgeois government to power.

Fianna Fail became the major party of the capitalist class after the 1930s. But under the leadership of Haughey, the capitalists became less than enchanted with Fianna Fail. The last time they were in government, for a few months in 1982, they fiddled the financial estimates set before the Dail. In a bizarre series of events, the government were caught tap-

ping journalists' phones. A member of the cabinet was involved in bugging a conversation with another cabinet member, and after a massive police search, the murderer of a young nurse was found hiding in the home of the Attorney General.

The memory of these events is a factor in why Fianna Fail failed to win a majority. Fine Gael, on the other hand, espoused all the policies which the ruling class wanted implemented, but could not deliver on them in total in coalition with Labour. Despite their general capitulation, Labour's right wing were still forced to reflect the class base of the party, and put up a struggle in the cabinet against the worst aspects of Fine Gael's programme. A Fine Gael deputy best sums up the position from their point of view: "The break-up of the coalition will invigorate both parties (Fine Gael and Labour). We now have the prospect of either a Fianna Fail government, a Fine Gael and Progressive Democrat coalition, or indeed a Fianna Fail—Fine Gael coalition. Any of these possibilities has the inherent advantage of offering clear centrist economic and social policies... that common base does not exist between Fine Gael and Labour. While there are good working relationships between ministers and deputies, there is also an inevitable tug of war between a socialist party with a growing and strong left-wing and a party of the middle ground."

When Desmond O'Malley was expelled from Fianna Fail by Haughey, a section of the bourgeois persuaded him to establish a new party. They gave massive financial support and media coverage to the Progressive Democrats, pushing it initially to 25 per cent in the opinion polls. The intention was to use the PDs to prevent Fianna Fail winning a majority, and hopefully then to have Haughey removed from the leadership, or else to provide Fine Gael with a suitable right-wing partner for a new coalition.

On both counts they have failed. Haughey remains as leader of Fianna Fail, and the PDs won support in the election at the expense of Fine Gael whose vote plummeted. The capitalists have ended up with the worst of all possible worlds, three parties, and none with a majority.

A section of the capitalist class are now demanding a Grand Coalition of the right to force through the necessary programme of cuts. If the present government arrangement falls apart, especially as a result of a movement of the working class, it is not ruled out that such a grand coalition can be brought about through the pressure of the capitalist class on their political representatives.

Such a coalition of the right would give the ruling class a breathing space, giving them a virtual dictatorship of capital in

the Dail. But it would also open up the process of the rapid development of a mass socialist opposition around the Labour Party. This process has already begun with the resignation of the Labour ministers from the coalition government which brought on the February election.

The election result was contradictory as far as Labour is concerned. Labour received its lowest ever vote, at 6.4 per cent, with the exception of the 1933 snap elections called by Fianna Fail, who had been a minority government supported by Labour. This low vote in 1933 can be taken as exceptional. The vote received by Labour in February reflects the disgust felt at Labour's right-wing, who were in the cabinet of a vicious right-wing government, in charge of the Department of Health, which presided over cuts, and the Department of Labour, when corporation workers were being batoned by the police to clear a way for the army to break their strike last summer.

Yet at the same time, even by leaving the government at the 11th hour, and campaigning against cuts and the Fine Gael budget proposals, what could have been an absolute disaster for the party was averted. Labour managed to hold on to 12 out of their 14 seats. Despite all the predictions to the contrary, and the enormous discrediting of the party by its right-wing in government, Labour has not been wiped out.

The Workers Party

The Workers Party won four seats in the election, and managed to win a marginally larger vote in Dublin than Labour. Labour's vote in Dublin was 7 per cent, with the WP at 7.5 per cent. Yet in every other area of the country Labour was ahead of the WP. In 1969 Labour won 28 per cent of the vote in Dublin, making it the second largest party in the capital. The WP have completely failed to capture the lost Labour vote in any significant degree. This vote will move back to Labour now that it is out of coalition, over a period of time.

The Workers Party has failed to replace Labour as the traditional left party. The fact that they have failed was shown by the tactics they adopted in the recent election. They refused to argue for vote transfers under the PR system to Labour. Their position was, if they could not capture Labour seats at this election, then let the bourgeois parties win them, in the hope that Labour would be decimated, preparing the way for the Workers Party in the future.

This tactic completely rebounded on them. For example in Galway, where Labour left winger MD Higgins was fighting for a possible seat, the attitude in the working class areas was that the left could win a seat, and that the position of

the Workers Party jeopardised this. In the event MD Higgins captured the last seat. The tactics of the Workers Party reflect in reality their desperation. With Labour pulling out of coalition and moving to the left this was their last chance to make inroads into Labour's vote.

The Workers Party won just 4 per cent of the national vote in an election where Labour received a historically low vote. The position for Sinn Fein was catastrophic. Having taken a decision to drop the policy of abstention from the Dail, they only achieved 1.9 per cent of the vote, and came nowhere near winning any seats.

Even more importantly for its future development, Labour still has the affiliation of the major trade unions. 43 per cent of trade unionists are in unions affiliated and paying a political levy to the Labour Party. The future of Labour is best summed up not by its low vote in this election, but by the results won in Galway West and Kildare.

In these areas two prominent anti-coalitionists were elected. In Kildare canvass returns showed a 90 per cent vote for Labour in one working class estate. In Galway, workers from the Post Office and CIE, the state transport company, came out and worked in the campaign because of the candidate's position on the questions of privatisation and defence of the public sector. These are the developments which will become the norm rather than the exception as Labour continues to move to the left.

The move to the left by the leadership of Labour, forced on them by events, saved the party from disaster in the election. This raised the morale of the activists still left in the party, leading to the best campaign in 15 years. It was reported that 300 people rejoined or joined the party during the campaign.

Since the election, a Workers Party councillor in Kildare, and one in Bray, have joined Labour. The U-turn by Fianna Fail in the budget has created an uproar in the ranks of that party. There were illusions amongst the membership, and also among sections of workers, that Fianna Fail would reflate the economy, even to a limited degree. There are now reports of people leaving Fianna Fail, and of individuals looking towards joining Labour. These are just the first indications of the possible developments that can take place over the next years.

During the course of the last coalition, 20 per cent of the Parliamentary Labour Party either resigned, were expelled or joined other parties. The ranks of the party were even more decimated by the disgust at the policies supported by the leadership. But the move to the left has now begun to reverse that process.

The leadership of Labour have performed an 180° somersault since leav-

ing the coalition. When the Dail convened in March to elect a new government, Labour adopted the position of socialist opposition. This has been the position advanced by the Marxists in the party for the last 15 years. That is, that Labour should refuse to support any of the capitalist parties, and put forward an independent socialist alternative on all questions.

On the election of a government the position of the soft left in the party was to support a minority Fianna Fail government. This position is given a 'theoretical' justification by the insignificant Communist Party. They argue that Fianna Fail, and Haughey in particular, represent the progressive wing of the capitalist class. While castigating Labour for being in coalition, they argue that the party should enter another coalition! Unfortunately these ideas have a certain vogue among the soft left in the party, and in the trade union leadership. Even after the budget, which dispelled any doubt about whether Fianna Fail are any different from Fine Gael, the trade union leaders still believe they can do a deal with Haughey. Events will deal cruel blows to those who chase after the shadow of a liberal wing of the capitalist class.

Independent

The position adopted by the Labour Party in the Dail, to put forward their own candidate for Taoiseach and to vote against all the nominations of the right, forced the Workers Party to adopt the same position. Left to their own devices, the Workers Party would have followed the example of Tony Gregory, the so-called left independent, and supported Haughey as they did in 1982.

Labour is now poised to become the vehicle of a mass movement of opposition to capitalism over the next decade or so. Similar developments began to take place in the 1940s and 1960s but were unfortunately cut across by Labour going into coalition. Of course, it is not ruled out that Labour will not enter a new coalition at some time in the future. But this is not possible in the immediate future. The effect of 15 years of coalition, and especially of the last government, has created a mood of enormous opposition to coalition in the party.

This was reflected in the report of the party commission on electoral strategy which recommended that Labour remain independent for a period of 15 years in order to rebuild the party. This report, which could not avoid the conclusion that coalition was destroying the party, had to be accepted by the leadership. The right wing can only maintain their positions by moving to the left.

While many workers, especially the older, more active workers, will maintain

their hostility to the party's leaders, massive illusions in the old right will develop as they move to the left. The mass of the working class, and especially the youth, will judge these leaders not by their past activity, but by their actions in contrast to those of the capitalist politicians in the events that will take place in the next 15 years.

The working class have been searching for an avenue to struggle over the past 15 years. In the late 1970s, the massive movement on taxation was initially reflected through the trade councils. These bodies were able to generalise the struggle and link up the various strata of the class. Since then the trade councils have been tightly controlled by the tops of the unions, but they still possess the ability to reflect future movements of the class.

Throughout the past five years there have been a whole series of isolated struggles. There were a series of factory occupations in 1982 and 1983, led by the effective local leadership of shop stewards, but unfortunately the movement could not find an effective leadership at national level. When members in one of the occupations at Ranks were jailed, there were walkouts throughout workplaces around Dublin in February 1982. A general strike from below was possible.

However, the movement was cut across by the threat of a national strike by the ITGWU, and the workers were released in the middle of the night, after the general secretary of the ICTU went to the jail by taxi. Workers have organised struggle through ad-hoc organisations like the Concerned Parents against Drugs, through fleshing out tenants organisations to fight water charges and so on.

A left Labour Party will become the natural vehicle for such struggles in the future. Needless to say, the Workers Party, Sinn Féin, the Communist Party or the small sectarian groupings have no possibility of becoming vehicles for mass movements of the working class. They have not done so over the last 15 years, and now will be completely cut across by the development of Labour.

All the strands of perspectives are now coming together for huge events and battles in Ireland over the next period. The Irish working class has a long history of industrial militancy and struggle. The general trade unions were formed out of revolutionary upheavals at the turn of the century. Traditionally there has been a very high level of union organisation, reaching 65 per cent of the workforce in the South in the 1960s. This has fallen now as a result of the recession, mass unemployment and the decline of manufacturing in particular. In the 1960s, 98 per cent of the workforce in manufacturing, mining and transport were unionised.



The movement of workers shattered a previous Fianna Fail government led by Lynch. Now history is set to repeat itself.

Despite the recession, there is still a powerful and militant trade union movement. Contrary to the whingeing of the cynics and pessimists, the population of Ireland is neither naturally conservative nor dominated by religious views. Unlike many European countries, the trade union movement is completely secular. There are no separate Roman Catholic or Protestant trade unions.

The Roman Catholic bishops have won pyrrhic victories on the question of abortion and divorce. Despite the amendment to the constitution, 5,000 Irish women travel outside the South for abortions every year. The closing down of clinics who were giving advice for these women has brought about the campaign "Defend the Clinics". The issue of abortion, the right of women to information on how to control their own bodies, have been made issues in society, and especially in the unions where this campaign has directed its resources in the main.

Catholic church

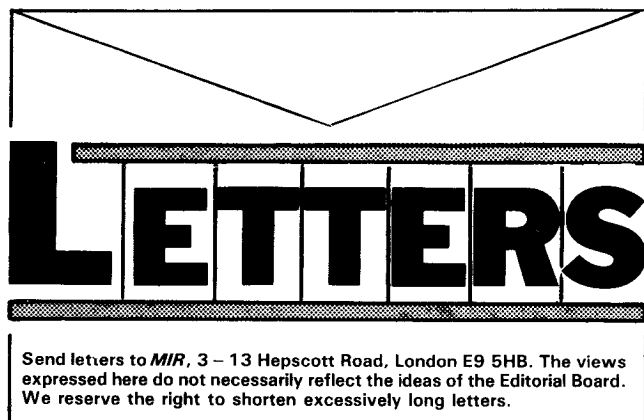
The defeat of the referendum on divorce actually highlighted the weakness of the bishops. They campaigned not on moral questions, but by cleverly using distorted economic arguments. Their campaign claimed that women would lose benefits, that family farms would be seized, etc. It was the inability of an extremely unpopular government to answer these questions, which meant that the referendum was defeated.

It was not the influence of the Catholic Church, but the role of the labour and trade union leaders, which prevented the development of a mass socialist movement in Ireland. With Labour out of

coalition, and forced to the left by events, this enormous barrier to the development of a political class consciousness will be removed. The process of industrialisation in the 1960s has completely changed the character of the South. On its Eastern seaboard, where two thirds of the population live, 80 per cent live in urban areas. It is only in the West that a small majority, 60 per cent, still live in rural conditions. Southern Ireland has the youngest population in Europe, with 50 per cent under the age of 25.

Events in the North of Ireland, where the Anglo-Irish Agreement has created a very unstable and dangerous situation for the working class, can cut across perspectives in the South. If a civil war were to develop it would envelop the whole of the island. While such a nightmare of reaction cannot be ruled out, it is not the most likely development. Far more likely is that the process of socialist revolution in Europe, and especially class battles in Britain and in Ireland, will push the possibility of civil war into the background. The development of the class struggle on both sides of the border, given a Marxist leadership, can create the conditions for workers unity through common struggle.

This will place on the agenda the socialist transformation of society, and the creation of a socialist united Ireland, linked in federation to a socialist Britain. Through the process of the socialist revolution the Irish working class will overcome the legacy of poverty, sectarianism and discrimination which cannot be overcome by capitalism and imperialism. It is to these developments that the forces of Marxism in Ireland now look with confidence and optimism.



'Articles that make us think'

Dear Editor,
 Congratulations on producing an excellent *Militant International Review*—they're getting better and better!

In particular, I would like to thank the Editorial Board for re-printing, in issue number 33, "Labour in Power—Lessons of the Second and Third Labour Governments", originally written by Ted Grant in October 1947. I thought it was an excellent article and eagerly await future ones under the same title.

It also seems a good topic for discussion—perhaps with younger readers who may not have fully experienced previous Labour governments. It shows the perspectives Marxists hold for the future are correct as demonstrated by events, even if an exact timetable cannot be

given.

Two other articles I was particularly impressed by in that edition were "Strike at Vorkuta: An Eyewitness Account" and "Science and Socialism: The Lysenko Controversy".

I think different articles like those mentioned above cause us to have to think things through more thoroughly (particularly when it comes to science) and the events during the '20s and '30s in the labour camps under a repressive Stalinist regime (a brilliant find) demonstrate more clearly the treacherous role of Stalin and other counter-revolutionaries.

Keep up the good work!
 Yours fraternally
 Ruth McNally
 Coventry

Improving the MIR

Dear Comrades,

Congratulations for an excellent production of issue 34 of the *Militant International Review*.

Since I first became a reader in 1983 the *MIR* has consistently improved and is now undoubtedly the best theoretical journal in the labour movement.

However, I feel that one or two changes in presentation could add a new dimension and certainly improve sales.

Many comrades look back nostalgically to the days when Alan Hardman's designs and political cartoons were on the front. Each new *MIR* re-awakens the argument on which was the best cover. Issue 25 seems to get most votes but 19, 24, 29, 30 all come in for praise of cover design. Alan Hardman is the best political cartoonist/designer in the labour movement and his contributions to the covers of the *MIR* are sorely missed.

Secondly, though the increase from 32 to 44 pages was heralded, the promise of 1985 to return to a card cover has not materialised. A card cover does increase the "shelf-life" of an *MIR* considerably.

Thirdly, you have gone a long way towards developing an individual identity for the *MIR*. The introduction of regular features such as Comment, Economic Notes, Science Reports, Letters page, Book reviews etc, has certainly added to this, as it has to the "continuity" between *MIRs*, and I feel that "continuity"

will be crucial in developing a regular and growing readership. But I would point out that the *MIR* must not be seen as a replacement for books and pamphlets but as a 'bridge' between the *Militant* newspaper and the books and pamphlets which Marxists would recommend. I would therefore suggest that issue 34 has struck a very good balance in terms of variety and size of articles. Alongside the regular features, issue 34 contained six articles varying between 3-6 pages with one longer article on Nicaragua—which is absolutely brilliant! I would suggest that future *MIRs* contain no more than two articles of this length but instead incorporate more 2-part articles.

For instance, the article on Nicaragua could have been produced as two six page articles, one on history up to the 1970s (pre-revolution), the second could have dealt with immediately prior to the revolution (with some overlap) up to the present

One other argument for this is that two part articles create a regular demand. Would you walk out of a film halfway through? (this question excludes dire films). If space is set aside for two regular 'series slots' then it still leaves room for flexibility depending on events.

Hopefully, these suggestions can add positively to the discussion on developing the *MIR*.

Yours fraternally
 Greg Moran
 Huddersfield

No to nuclear fusion?

Dear Comrades,

Please find enclosed a subscription form for the *MIR*. A few comments on the *MIR*'s coverage of Chernobyl.

Firstly, if there had been a large concrete wall round the reactor, the explosion would have blown it away, such was the power of the explosion.

Secondly, why no detailed coverage (or perhaps coverage would be a better word!) of the radioactive fall-out? As far as I have heard, the UK caught a lot more of the radiation than did Germany. At the moment the radiation is going up in Bavaria as the caesium works its way through from last year. Milk is undrinkable unless mixed, and so on.

In Berlin, the cases of deformed babies are beginning to surface, and they have a simple cause: Chernobyl.

Finally, the pushing of nuclear fusion is hair-raising! Why?:

★ It's a technology pushed by the big firms in the hope that they can save some of the spoils from nuclear power.

★ There are no signs that it's going to work and:
 ★ It's not necessary.

There was recently a report that stated with existing technology the world's energy could be provided by converting the sun's energy to hydrogen using solar cells. The space for such cells would require 1 per cent of the world's surface area.

It would also require a democratic plan of production otherwise it will remain a dream. Nevertheless, the point I want to make is that there is nothing standing in the way of provision of our energy needs other than the private ownership of the means of production. (Reduction of energy consumption, more decentralised production of energy and so on are also necessary, but it would require an article to develop the points...)

Yours fraternally,
 Dave Hollis
 Nürnberg
 West Germany

Bolshevism and Menshevism

—The growing divide

“THE NEWS of the split hit us like a bolt from the blue. We knew that the Second Congress was to witness the concluding moves in the struggle with *Workers' Cause* (the Economists, AW), but that the schism should take a course which was to put Martov and Lenin in opposing camps and that Plekhanov was to ‘split off’ midway between the two—none of this so much as entered our heads.

“The first clause of the Party statutes... was this really something that justified a split? A reshuffle of jobs on the editorial board—what’s the matter with those people abroad, have they gone mad?”

¹ The reaction of Lunacharsky, who was to become one of Lenin’s principal lieutenants in the next couple of years’ was a faithful reflection of the reaction of the majority of Party members to the split at the Second Congress. The prevailing mood was against the split, the real significance of which was not even clear to the principal protagonists.

Ruthless

In the months after the Congress, the supporters of the Minority raised a hue and cry about Lenin’s alleged “dictatorial tendencies” and “ruthless centralism”. These outbursts, which had not the slightest basis in fact, served as a smokescreen to cover the anarchistic behaviour of Martov’s group, who, despite the pledges given by them at the Congress, refused to submit to the decision of the majority and waged a disloyal campaign against the leadership democratically elected at the Congress. Breaking the most elementary norms of conduct which apply in any party, they demanded that the Minority should decide, and effectively tried to sabotage the work of the Party, by refusing to collaborate with its elected organs.

Far from adopting a “ruthless” attitude, Lenin, as we shall see, made every attempt to heal the split after the Congress, and repeatedly expressed his willingness to compromise and make concessions, even to the extent of retreating from the positions adopted by the Congress. Lenin, in fact, leaned over backwards to accommodate the Minority, in spite of their completely irresponsible conduct.

Of course, a revolutionary party is not a discussion club, but a fighting organisation. Nevertheless, the idea of the Bolshevik Party as a monolithic structure, where the leaders order and the rank and file obey, is a malicious falsehood. **On the contrary, the Bolshevik Party was the most democratic party in history.** Even in the most difficult periods of underground work, in the heart of the revolution and in the most dangerous days of the civil war, the internal regime, and especially its highest expression, the Congress, was the arena of open and honest discussion, with the clash of different ideas. But there is a limit for all things. At the end of the day, a party which seeks, not only to talk, but also to act, must reach decisions and carry them into practice.

The worker learns discipline in the everyday experience of factory life. On the other hand the notion of organisation and discipline is difficult for the intellectual to grasp. He or she tends to see the party precisely as a gigantic discussion group, in which to expound his views on each and every topic. However erudite, however well read, the intellectual who has not placed himself personally on the standpoint of the working class, comes to a full stop precisely where the real task of Marxism begins, that is, in the realm of action. “Philosophers have only interpreted the world in different ways,” as Marx explained, “the point is, however, to change it.”

The anarchistic individualism of the Minority reflected, at bottom, the petit-bourgeois standpoint with its organic incapacity for discipline and its tendency to mix up personal questions with political principle.

The lines of demarcation were still confused. Plekhanov, the future social-patriot, initially stood with Lenin. Trotsky, the future founder of the Red Army, found himself temporarily in the camp of the “Minority”. Contrary to the Stalinist slander that Trotsky was a “Menshevik” from 1903 onwards, he broke with Martov’s group in September 1904 and thereafter formally remained outside both factions until 1917. Politically, Trotsky always stood far closer to the Bolsheviks, but, organisationally, he had the illusion that it was possible to unite both wings of the Party. History finally showed this to be impossible. But Trotsky was not alone in this error, as we shall show.

In the months following the Congress,

Lenin himself made repeated attempts to re-establish unity, and even offered to make a series of concessions which, in effect, represented the abandonment of the positions won by the majority at the Congress. In her *Memoirs of Lenin*, Krupskaya recalls that:

“After the Congress Vladimir Ilyich did not object when Glebov suggested co-opting the old editorial board—better to rough it the old way than to have a split. But the Mensheviks refused. In Geneva Vladimir Ilyich tried to make it up with Martov, and wrote to Potresov, reassuring him that they had nothing to quarrel about. He also wrote to Kalmykova (Auntie) about the split, and told her how matters stood. He could not believe that there was no way out.”²

The caricature of Lenin as a “ruthless dictator” and cynical manoeuvrer, ruthlessly trampling on his former colleagues in order to concentrate power in his hands, does not correspond to the facts. Krupskaya gives a vivid picture of Lenin in agonising over the split with Martov.

Rupture

“At times he saw clearly that a rupture was unavoidable. He started a letter to Clair (Krzhizhanovsky, AW) once, saying that the latter simply could not imagine the present situation, that one had to realise that the old relations had radically changed, that the old friendship with Martov was at an end; old friendships were to be forgotten, and that the fight was starting. Vladimir Ilyich did not finish that letter or post it. It was very hard for him to break with Martov. Their work in St Petersburg and on the old *Iskra* had drawn them close together... Afterwards Vladimir Ilyich had fiercely fought the Mensheviks, but whenever Martov’s line showed a tendency to right itself, his old attitude to him revived. Such was the case, for example, in Paris 1910 when Vladimir Ilyich and Martov worked together on the Editorial Board of *Sotsial Demokrat* (Social-Democrat). Coming home from the office, Vladimir Ilyich often used to tell me in a pleased tone that Martov was taking a correct line and even coming out against Dan. Afterwards in Russia, Vladimir Ilyich was very pleased with Martov’s stand during the July Days (in 1917, AW) not because it was any good to the Bolsheviks, but because Martov bore

himself as behoves a revolutionary.

"Vladimir Ilyich was already seriously ill when he said to me once sadly: 'They say Martov is dying too.' " ³

This was typical of a side of Lenin's character which is too often overlooked. Completely devoid of sentimentality, Lenin never allowed himself to confuse personal likes and dislikes with questions of political principle. But Lenin knew how to recognise talent in other people and did not easily give them up as a lost cause. Personal spitefulness was completely foreign to this man who all his life showed the greatest loyalty to other comrades.

If it would have been up to Lenin, the split could have been quickly resolved. But the almost hysterical reaction of the Minority made an agreement impossible. Defeated at the Congress, they launched a series of violent attacks against Lenin and the Majority. Martov published a pamphlet accusing Lenin of causing a "State of Siege" in the party. A heated atmosphere was engendered, out of all proportion to the importance of the issues apparently at stake. Osip Pyatnisky, who was in charge of the distribution of *Iskra* in Berlin, recalls the surprise and consternation in the ranks at the report-back from the Congress:

"We listened to the reports of both sides about the Congress, and then immediately began the agitation in favour of one or the other trend. I felt sorry that offence had been caused to Zasulich, Potresov and Axelrod, removing them from the Editorial board of *Iskra*... On the other hand, I was wholly in favour with the organisational structure of the Party proposed by Lenin. My logic was with the Majority, but my feelings, so to speak, were with the Minority."

The confusion of the rank-and-file was understandable. At this stage there were no obvious political differences between the Majority and the Minority. However deplorable the behaviour of the Martovites, whose spiteful attacks and boycotting of the work of the party reflected the hurt pride of individualist intellectuals, unwilling to submit their personal inclinations to the will of the majority, the **real** differences between Bolshevism and Menshevism were far from being clearly defined at this stage. It is true that the **germs** of these differences were already present in 1903. But for the moment they had no yet acquired a definite political content.

Rather it was a difference in **attitudes** as reflected in Lenin's characterisation of the two trends as the "hards" and the "softs". However, the clash of these two trends undoubtedly foreshadowed the future split between Bolshevism and Menshevism, which only finally took place in 1912. After nearly a decade of ceaseless attempts on the part of Lenin to unite the



The young Trotsky, left, and Rosa Luxemburg.

party on a principled basis, Lenin himself explained the reason for the split in the following passage: "Examining the behaviour of the Martovites since the Congress, their refusal to collaborate on the Central Organ (**although officially invited by the editorial board to do so**), their refusal to work on the Central Committee, and their propaganda of a boycott—all I can say is that this is an insensate attempt, unworthy of Party members, to disrupt the Party—and why? **Only** because they are dissatisfied with the composition of the central bodies; for speaking **objectively** it was **only** over this that our ways parted, while their subjective verdicts (insults, affronts, slurs, oustings, shutting out, etc) **are nothing but the fruits of offended vanity and a morbid imagination.**" ⁵ (emphasis in the original).

Split

Refusing all Lenin's attempts at reconciliation, the Martovites pressed on with their campaign of agitation. They were particularly strong abroad. They had money and close contacts with the leaders of the European Social Democracy. In September 1903, Martov's group took the first step in the direction of a split by setting up a "Bureau of the Minority", with the aim of capturing the Party's leading bodies by all available means. They began to publish their own factional literature for distribution in Russia.

Despite all this, Lenin still pinned his hopes on reconciliation. On 4 October 1903 a meeting was held between Lenin, Plekhanov and Lengnik, for the Majority and Martov, Alexrod, Zasulich and Potresov, for the Minority. The Majority were willing to make concessions, but when the Minority reacted by demanding

a total overturn of the Congress decisions, it became clear that agreement was impossible. To accept such a demand would mean putting the clock back to the situation which prevailed before the Second Congress.

Factional struggle has a logic of its own. By repudiating the Second Congress, and defending organisational formlessness under the guise of an alleged "struggle against centralism", the Minority's position on organisational questions was gradually becoming indistinguishable from the views of the "Economists" with whom, only yesterday, they had been at loggerheads. The accidental "bloc" of the "softs" with the Economist right wing at the Congress, which Lenin had already pointed out, by degrees turned into a fusion. The extreme Economist Akimov, with malicious irony, noted the approximation of the Minority to the old opportunist views of Economism:

"Even at the (Second) Congress, the Union's delegates (ie Economists, AW) supported the Mensheviks and voted for Martov's formulation. **Today all the members of the former Union (ie the Economist-controlled Union of Russian Social Democrats Abroad, AW) regard the tactics of the "softs" as more correct, and as a concession to their own viewpoint. When it disbanded, the Petersburg Workers' Organisation (Economist) declared itself at one with the Mensheviks.**" ⁶ (my emphasis, AW).

The differences came to a head at the 2nd Congress of the League of Russian Revolutionary Social Democracy Abroad held in Geneva in October 1903. Lenin delivered the report-back of the Party Congress in measured terms, but was answered by a slashing attack by Martov, which poisoned the atmosphere from the

outset.

At the Second Congress of the Party it had been decided that the League would be the official overseas organisation of the Party, with the same status as a local party committee in Russia. This clearly meant that it would be under the control of the CC. But the Minority, which controlled the League, would not accept this, and approved new rules giving the League independence from the CC with a view to turning it into a base for factional work against the Majority. Lengnik moved that this be referred to the CC and when this was turned down, the representatives of the Majority, incensed, walked out of the congress.

At a hastily improvised meeting in a nearby cafe, Plekhanov indignantly denounced the behaviour of the Minority and proposed a plan of action for a struggle against them. Nevertheless, in private, Plekhanov was filled with misgivings. Initially firm in defence of Lenin's position, which he knew to be correct, as soon as it became clear that an unbridgeable gap was opening up between the Majority and his old friends and colleagues, Plekhanov's nerve began to falter. Had he done the right thing in siding with Lenin? Was it worth tearing the party apart for the sake of a few rules? Lenin and he had made every possible concession to the Minority, but the latter demanded total surrender. What of that? What was so terrible about co-opting all the old editors back on for the sake of peace? After, the old system, for all its faults, was better than this.

Concessions

Lenin, too, was in favour of concessions, even of co-opting the former editors. But experience showed that every offer of concessions merely increased the intransigence of the Minority. Reluctantly, Lenin picked up the gauntlet the other side had thrown down, because further retreats would do harm to the cause of the Party. The break with Martov had been extremely painful, even traumatic, for Lenin, who confessed to Krupskaya that this was the most difficult decision of his life. But for Lenin the interests of the party, the working class and socialism were more important than any personal considerations.

Plekhanov was a different type altogether. Worn out and disorientated by long years of exile, Plekhanov proved unable to make the transition to the new historical period, a period of revolution which made new demands on the party and its leadership. What was truly amazing was not so much that he capitulated, but that he had sided with Lenin in the first place. It is a tribute to the man that he at least attempted to make the transition, and not only on this occasion. Later,

in 1909, he again turned to the left and entered a bloc with the Bolsheviks. But that was his last attempt before finally veering to the right, to end up tragically in the camp of patriotic reaction in the last few years of his life.

Trotsky once remarked that, in order to be a revolutionary, it is not enough to have a theoretical understanding. It is also necessary to have the necessary will-power. Without this, a revolutionary is like "a watch with a broken spring." That phrase accurately describes Plekhanov's weak side, which, despite his tremendous contribution, finally undermined and destroyed him.

The evening of 18 October (31) saw the break with Plekhanov. At a meeting of the Majority, only days after he had proposed an all out struggle against the Martovites, Plekhanov did an 180° degree turn and argued for peace at any price: "I cannot fire against my own comrades. Better a bullet in the brain than a split," he exclaimed, "There are times when even the autocracy has to give in." He presented his demands in the form of an ultimatum: either they were accepted, or he would resign from the Editorial Board.

Plekhanov's defection was a heavy blow to the Majority. With serious misgivings, but still hoping to facilitate unity, Lenin resigned from the Editorial Board shortly afterwards.

However, far from uniting the Party, Plekhanov's move had the opposite effect. The Martovites merely used their success to press new demands: the co-option of Minority supporters onto the Central Committee and the Party Council and the recognition of the decisions taken at the 2nd Congress of the League of Social Democrats Abroad. Having capitulated once, Plekhanov now gave in to all these demands, which, in effect, would overturn all the decisions of the Party Congress.

The position of the Majority looked extremely bleak. The "Minority" now controlled the central organ, *Iskra*, the League Abroad and the Party Council. Only the Central Committee remained, theoretically, with the Majority. But the Majority was deprived of a voice. Gradually, *Iskra* ceased to publish the articles and letters sent in by the supporters of the Majority. Meanwhile, the Mensheviks exploited to the full their contacts and personal friendships with the leaders of the Socialist International. The Bolsheviks had a poor time of it in the international socialist press.

Lyadov, in his memoirs, recalls a conversation he had with Kautsky in which the latter gave voice to his exasperation: "What do you want? We don't know your Lenin. He's a new man to us. Plekhanov and Axelrod we all know very well. We are accustomed to finding out about the state of affairs in Russia only

through their explanations. It goes without saying that we cannot believe your assertion that suddenly Plekhanov and Axelrod have become opportunists. That's absurd!"

When Lyadov approached the editor of the German Social Democratic newspaper *Vorwärts* with a request to publish correspondence on the situation in the Russian party he was told that *Vorwärts* "could not spare much space for the movement abroad, especially the Russian, which is still so young and can give so little to the German movement."

In the haughty, condescending tone of this German "apparatchik", tinged with national narrow-mindedness, the outline of future developments can already be discerned. These German party "practicos" had no interest in theory. While paying lip-service to Marxism, they were immersed in the daily routine of party and trade union tasks. What could the German party with its powerful trade unions and parliamentary fraction learn from the internal disputes of a small foreign party? Already to a significant section of the German leaders, internationalism was a book sealed with seven seals.

The same "Realpolitik" which twenty years earlier had led them to support Lavrov and the Narodniks against Plekhanov, now led them to support Plekhanov against Lenin. They preferred the well-known leaders and "big-names". But basically, they were uninterested in the issues involved.

Rosa Luxemburg

Particularly damaging to the Bolshevik cause was the attitude of the left wing of the German party. Right up to 1914, Lenin regarded himself as a supporter of Karl Kautsky, the leader of the "orthodox left" of the SDP. Yet Kautsky refused to allow Lenin space in his journal *die Neue Zeit* to put the case of the Bolsheviks. In a letter, Kautsky wrote: "While there remains even the shadow of hope that the Russian Social Democrats will themselves overcome their disagreements, I cannot be in favour of the German comrades finding out about these differences. If they find out about them from another source, then, of course, we will have to take a definite position."

Under the pressure of the Mensheviks, Kautsky came out against Lenin. But he did so cautiously. So long as the split in Russia did not disturb the internal life of the German party, there was no need to make much of it, hoping that things would "sort themselves out." After all, if the German Party could accommodate everybody from Bernstein on the right to Rosa Luxemburg and Parvus on the left, the Russian comrades ought to manage to get along without splitting over "trivial" questions.

In this way, only the arguments of the Mensheviks were heard in the Western European Socialist Parties. Misled by the Mensheviks, false and tendentious accounts of the differences, Rosa Luxemburg had written an article which Kautsky published in *Neue Zeit* under the neutral title: "*Organisational Questions of the Russian Social Democracy.*" This article has been republished in English under the misleading and mischievous title never used during Rosa Luxemburg's lifetime—"*Leninism or Marxism?*"

In this article, Rosa Luxemburg repeats the nonsense of the Mensheviks about Lenin's alleged "ultra-centralism" and "dictatorial methods." It was precisely Lenin's reply to this article which Kautsky refused to print. In his reply, Lenin explodes, one after the other, the myths created by the Mensheviks about his ideas on organisation—myths which have been assiduously cultivated ever since by both bourgeois and Stalinist historians.

"Comrade Luxemburg says, for example, that my book ("*One step forward, two steps back,*" AW) is a clear and detailed expression of the point of view of 'intransigent centralism'. Comrade Luxemburg thus supposes that I defend one system of organisation against another. But actually that is not so. From the first to the last page of my book, I defend the elementary principles of any conceivable system of party organisation. My book is not concerned with the difference between one system of organisation and another, but with how any system is to be maintained, criticised and rectified in a manner consistent with the party idea." ¹¹

Rosa Luxemburg's stand was no accident. For many years she had been conducting a stubborn struggle against the bureaucratic and reformist tendency in the German Social Democratic Party. She watched with alarm the consolidation of a vast army of trade union and party functionaries into a solidly conservative bloc. She knew this phenomenon better than anyone else, even Lenin, who had not had much first hand experience of the German party which he took as his model, particularly in the form of its "left" wing led at the time by Kautsky. She understood that this enormous bureaucratic apparatus could become transformed, at a decisive moment in the class struggle, into a gigantic brake on the masses. And so it proved to be in August 1914, when all of Rosa Luxemburg's worst fears were confirmed.

Even a cursory glance at Rosa Luxemburg's pamphlet suffices to show that what she was really polemicising against was not the ideas of Lenin (with which she was only acquainted in the caricature form presented by the Mensheviks), but **the kind of bureaucratic-reformist degeneration with which she was only too**

well acquainted in her own party, the German SPD.

How relevant to the present situation in the British Labour Party and its European equivalents are the words of this great revolutionary! "**With the growth of the labour movement**", she wrote, "**parliamentarianism becomes a springboard for political careerists. That is why so many ambitious failures from the bourgeoisie flock to the banner of the socialist parties. Another source of contemporary opportunism is the considerable material means and influence of the large Social Democratic organisations.**"

"The party acts as a bulwark protecting the class movement against digression in the direction of more bourgeois parliamentarism. To triumph these tendencies must destroy the bulwark. **They must dissolve the active, class conscious sector of the proletariat in the amorphous mass of an 'electorate.'**" (my emphasis, AW) ¹²

Of course, the struggle for the socialist transformation of society does not rule out participation in elections or in parliament. On the contrary, the working class of all countries has been to the forefront of the fight for democratic rights and will use every legal and constitutional right in order to improve its position and place itself in a commanding position to change society. The building of powerful trade union organisations, too, is a vital part of the preparation of the working class for the carrying out of its historic task.

Alien

But this process has two sides. The working class and its organisations do not exist in a vacuum. Under the pressure of alien classes, organisations which have been created by the workers for the purpose of transforming society have become deformed and degenerated. The pressure of capitalist "public opinion" bears down upon the leading layers. The ruling class has developed a thousand and one ways of corrupting and absorbing the most honest and militant shop steward if he or she lacks a firm base in Marxist theory and perspectives. The separating out of a layer of full-time trade union officials, increasingly divorced from the shop floor and with all kinds of little perks and privileges, tended to create a distinct and alien mentality, particularly when the workers were not involved in mass struggle which tends to act as a check on the leadership. But in a long period of decades of relative prosperity, full employment and "class peace", the predominant trend is for the rank-and-file not to participate actively in their organisations, to trust their leaders and officials to "get on with the job." This was the situation in Germany for almost

two decades prior to the catastrophe of World War One, when a conservative bureaucracy, "Marxist" in words, but reformist in practice, by degrees consolidated its hold on the labour movement in Germany, France and every other country in Western Europe.

What was true of the unions was a hundred times more true of the parliamentary fraction in the Reichstag. Dominated by intellectuals and professional people, with a standard of living different to the millions of workers they represented, the Social Democratic leaders in parliament moved to the right, escaped the control of the working class and eventually became transformed into a privileged and conservative caste.

As a reaction against this, Rosa Luxemburg laid heavy stress on the **spontaneous movement of the working class**, elevating the idea of a revolutionary general strike almost to the level of a panacea. This over-reaction undoubtedly led her into a series of errors. One can say that in all of her disagreements with Lenin, including this one, Rosa Luxemburg was in the wrong. Yet it is equally undeniable that all these mistakes can be traced back to a genuine revolutionary instinct, a boundless faith in the creative power of the working class and an implacable hostility to the careerists and bureaucrats who represent, in the words of Trotsky, "the most conservative force in the whole of society."

Rosa Luxemburg's misgivings about Lenin's alleged "pitiless centralism" were shared, for the same reason, by other German lefts, such as AL Gelfand, generally known by his pen-name Parvus, whose works were greatly admired by Lenin, and also, at the time, by Trotsky. After breaking from the Mensheviks, Trotsky, for a while, worked closely with Parvus.

In later years, Trotsky admitted that he had been wrong and Lenin correct on the organisational questions. His booklet *Our Political Tasks*, published in the heat of the factional struggle, contains many criticisms of Lenin which the author was later to describe as "immature and erroneous." ¹³ Yet there are elements even in this work which contained more than a grain of truth in relation to a certain side of Bolshevism, namely the psychology and mode of conduct of the "committeemen", that layer of party "practicos" and "organisation men and women" with whom Lenin himself was to enter into bitter conflict only a few months after the appearance of Trotsky's controversial pamphlet.

Every political party, every stable organisation, necessarily has a conservative side. The need to provide the material means to pass from the realm of theory to that of practice demands the creation of an apparatus. The living prin-

ciple of an apparatus is routine: the thousand and one humdrum organisational tasks of collecting money, organising distribution and sales of literature and so on require a meticulous attention to detail. Without this, the construction of the party would be unthinkable. From the outset, a number of people must be dedicated to these tasks. As the party grows, their numbers increase. Unless special measures are undertaken to constantly raise the theoretical level of these comrades and enlarge their horizons, a certain organisational narrowness tends to creep in, which can play a harmful role under certain circumstances. Unconsciously or semi-consciously, the impression can be created of the primacy of organisation, whereas ideas, principles and theory are regarded as of secondary importance. The opinions, initiative and criticism of the workers, the "rank-and-file" are regarded as an unnecessary incumbrance, at variance with the principle of "centralism", or control from "above". That there were elements of this in the Bolshevik party (as in any other party) is undeniable. But the attempts by unscrupulous bourgeois historians to link this with the abominations of Stalinism and to blame Lenin's alleged "pitiless centralism" is a monstrous distortion of the truth.

'Commandism'

Looking back on this period at the end of his life, Trotsky summed up Lenin's position in the following way:

"Lenin understood better than anyone else the need for a centralised organisation: but he saw in it, above all, a lever for enhancing the activity of the advanced working men. The idea of making a fetish of the political machine was not only alien but repugnant to his nature."¹³

Of course, it would be entirely wrong to compare the Bolshevik "committeemen", most of whom were dedicated, self-sacrificing revolutionaries, to the corrupt bureaucrats of the Second International or to the monstrous totalitarian caste which rules Russia today. **The Stalinist bureaucracy had to exterminate the Old Bolsheviks as the first condition for the consolidation of its rule as a privileged caste.**

What we are dealing with is a different phenomenon: the emergence of a certain tendency towards "commandism", for lack of a better word, a certain formalistic cast of mind which existed in certain layers of the party against which Lenin was obliged to wage a more or less continuous struggle.

"The habits peculiar to a political machine," wrote Trotsky, "were already forming in the underground. The young revolutionary bureaucrat was already emerging as a type. The conditions of

conspiracy, true enough, offered rather meagre scope for such of the formalities of democracy as electiveness, accountability and control. Yet, undoubtedly the committeemen narrowed these limitations considerably more than necessity demanded and were far more intransigent and severe with the revolutionary workingmen than with themselves, preferring to domineer even on occasions that called imperatively for lending an attentive ear to the voice of the masses."¹⁵

And Trotsky answers in advance the vile slander which seeks to find the "original sin" of Stalinism in Lenin's method of democratic centralism:

"In this connection," he adds, "it is rather tempting to draw the inference that future Stalinism was already rooted in Bolshevik centralism or, more sweepingly, in the underground hierarchy of professional revolutionists. But upon analysis that inference crumbles to dust, disclosing an astounding paucity of historical content. Of course, there are dangers of one kind or another in the very process of stringently picking and choosing persons of advanced views and welding them into a tightly centralised organisation. **But the roots of such dangers will never be found in the so-called 'principle' of centralism: rather they should be sought in the lack of homogeneity and the backwardness of the toilers—that is, in the general social conditions which make imperative that very centripetal leadership of the class by its vanguard. The key to the dynamic problem of leadership is in the actual interrelationships between the political machine and its party, between the vanguard and its class, between centralism and democracy. Those interrelationships cannot, of their very nature, be established 'a priori' and remain immutable. They are dependant on concrete historical conditions; their mobile balance is regulated by the vital struggle of tendencies, which, as represented by their extreme wings, oscillate between the despotism of the political machine and the impotence of phrasemongering.**" (my emphasis, AW)¹⁶

Lenin had tried to avoid a fight, refusing to answer the continuous attacks made against him. But the outcome of Plekhanov's action convinced him that no other solution was possible. This was made abundantly clear by an article, signed by Plekhanov in No 52 of *Iskra*, entitled *Where not to begin*, a shameful attempt to provide a "theoretical" cover-up for the author's capitulation. Under its new editors, *Iskra* was now transformed into a factional organ of the Minority.

The Majority still controlled the Central Committee. But having co-opted the old editors onto the Editorial Board, the Minority now had a majority on the Party Council, the highest authority in the Party. By the end of the year, Lenin had

come round to the view that the only way to resolve the crisis was to call a new Party Congress.

As was to be expected, the supporters of the Minority who now controlled the Party Council turned down Lenin's proposal for a new Congress. However, when Lenin took his request to the CC, theoretically controlled by the Majority, he came up against unexpected resistance from his own supporters. In Lenin's *Works* we find letter after letter striving to convince the CC members of the correctness of this proposal. But the Bolsheviks on the CC shied away from what they saw as a final break with the Mensheviks. Lenin bitterly remarked: "I think that on our CC we really do have bureaucrats and formalists and not revolutionaries. The Martovites spit in their face and they wipe it off and read me lessons in the 'uselessness of struggle!'"¹⁷

War with Japan

Lenin's decision to break with the Mensheviks at this point was not an accident. Up to this time, the central argument had centred on organisational questions. But now things began to take on an entirely new turn, reflecting a sudden and sharp turn in the political situation.

The student demonstrations, followed by the political strikes and demonstrations of the workers in 1902 were symptoms of a rapidly developing pre-revolutionary situation. A political general strike in July and August of 1903 was followed by a brief lull, only to be succeeded by a new strike wave in the summer of 1904. A rash of strikes occurred in Petersburg, Ivano-Voznessensk, Nizhny Novgorod, and the Caucasus, where a major strike shook the oil centre Baku in December.

Under the pressure of the working class, the liberal bourgeois began to press their demands for a constitution. Feeling the ground shake under its feet, the regime was seized with panic. Plehve, Minister of the Interior, wrote cynically to General Kuropatkin, the Minister of Defence: "In order to stave off revolution, what we require is a victorious little war."

Despite its backward, semi-feudal character, and its dependence upon Western capital, Tsarist Russia was one of the main imperialist nations at the turn of the century. Together with the other imperialist robbers, Britain, France and Germany, Tsarist Russia participated in the carve-up of the world into colonies and spheres of influence. Poland and the Baltic states, Finland, and the Caucasus, the Far Eastern territories and Central Asia, were, in effect tsarist colonies. But the territorial ambitions of tsarism were insatiable. The avaricious gaze of St

Petersburg was fixed upon Turkey, Persia and above all China, where the decaying Manchu dynasty was incapable of preventing the dividing up of the living body of China by the imperialist brigands, especially after the defeat of the so-called "Boxer" uprising in 1900, when Russia occupied the whole of Manchuria.

This predatory expansion in the Far East brought Russia up against the rising young power of Japan. The Japanese imperialists interpreted Russia's action as an attempt to block them on the mainland of Asia. In the summer of 1903, the War Party won the day in Tokyo. In the dead of the night in February 1904, the Japanese fell upon the Russian fleet in Port Arthur, using the very same tactics employed at Pearl Harbour in 1941. Japanese command of the seas was thus guaranteed and a bloody struggle began which was to lead to the fall of Port Arthur eleven months later with the loss of 28,200 Russian soldiers, half the garrison. Three weeks later, the first Russian Revolution had begun.

The forces unleashed by a war serve to put all parties, programmes and leaderships to the test. The calculations of the autocracy were based on cutting across the class struggle and forging a bloc based on "national unity". The liberals at once revealed their reactionary essence. Their dislike of the autocratic regime which denied them a slice of the "state pie" struggled with their greed at the prospect of the big profits to be made out of the war and the acquisition of new colonies in the East. The ex-"Marxist" Struve urged the students to support "patriotic" manifestos.

However, after initially weakening the revolutionary movement, the war soon gave it a powerful impetus. The humiliating military defeats made the war deeply unpopular not only with the masses, but also with the bourgeois liberals, who deftly switched from patriotism to defeatism.

The sight of the allegedly mighty Russian army collapsing like a house of cards at the first serious test exposed the inner rottenness of the tsarist regime for all to see. Cracks began to open up in the very tops of the regime. The discontent of the student youth found its expression in the spread of terrorist moods. The reactionary Plehve was blown up by a Social-Revolutionary in July and hastily replaced by the "liberal" Prince Svyatopolk-Mirsky who began to make noises about a "new era."

Terrified of the threat of revolution from below, the regime began to make concessions to the bourgeois liberals. In the autumn of 1904, the liberal "Liberty League" ("Soyuz Osvobozhdeniya") issued a call for a campaign of banquets to put pressure on the government for reforms. Lawyers, doctors, professors

and journalists organised semi-legal meetings in the form of "dinner parties" where they would make speeches and toasts in favour of moderate constitutional reform.

The decisive difference between Bolshevism and Menshevism arose, not from the somewhat abstract discussions on organisational questions at the Second Congress, important as they were, but on the life-and-death issues posed by the development of the revolution: in particular, the attitude to the liberals and the attitude to the war.

Liberals

The new *Iskra*, under Menshevik control, took an ambiguous position on the war, which smacked of pacifism, calling for "peace at any price." Lenin poured scorn on this idea, explaining that the victory of tsarism in the war would strengthen the regime for a period, whereas the military defeat of Russia would inevitably mean the outbreak of revolution. He subjected the Russian military campaign to a searing criticism, using it as a means of exposing the degenerate and corrupt essence of the regime—not tearful pacifism, not impotent appeals for "peace" but **revolutionary defeatism** was the position of Lenin:

"The cause of Russian freedom and of the struggle of the Russian (and the world) proletariat for socialism depends to a very large extent on the military defeats of the autocracy," he wrote in *The Fall of Port Arthur*. "This cause has been greatly advanced by the military debacle which has struck terror in the hearts of all European guardians of the existing order. **The revolutionary proletariat must carry on a ceaseless agitation against war, always keeping in mind, however, that wars are inevitable as long as class rule exists. Trite phrases about peace à la Jaurès* are of no use to the oppressed class which is not responsible for a bourgeois war between two bourgeois nations, which is doing all it can to overthrow every bourgeoisie, which knows the enormity of the people's sufferings even in times of 'peaceful' capitalist exploitation.**"¹⁸ (my emphasis AW).

Lenin's revolutionary internationalism, which sets out from a class analysis of war as "the continuation of politics by other means" stands out in stark contrast to the pacifist whining of the present-day leaders of the "Communist" parties internationally, whose position on all fundamental questions is a million times worse than that of the Mensheviks.

Under the pressure of the bourgeois liberals, the leaders of the "Minority" were, in fact, moving away from the position of revolutionary Marxism. Their cloudy, semi-pacifist characterisation of

the war was perhaps the first public expression of this fact.

Trotsky, in his autobiography, recalls how a section of the old leaders leaned towards the liberals: "The press was becoming more daring, the terrorist acts more frequent: the liberals began to wake up and launched a campaign of political banquets. **The fundamental questions of revolution came swiftly to the front. Abstractions were beginning in my eyes to acquire actual social flesh. The Mensheviks, Zasulich especially, were placing great hopes in the liberals.**

"Even before the (Second) Congress, after one of the editorial meetings in the cafe 'Landolt', Zasulich began to complain, in the peculiar, timidly insistent tone which she always assumed for such occasions, that we were attacking the liberals too much. That was a sore point with her.

"See how eager they are about it,' she would say, looking past Lenin, although it was really Lenin whom she was aiming at. 'Struve demands that the Russian liberals should not renounce socialism, because, if they do, they will be threatened with the fate of the German liberals: he says they should follow the example of the French Radical Socialists.'

"We should strike them all the more,' said Lenin with a gay smile as if he were teasing Vera Ivanovna.

"That's nice!' she exclaimed in utter despair, 'They come to meet us and we strike them down!'

"I was with Lenin unreservedly in this discussion, which became more crucial the deeper it went. In 1904, during the liberal banquet campaign, which quickly reached an **impasse**, I put forward the question, 'What next?' and answered it in this way: **the way out can be opened only by means of a general strike, followed by an uprising of the proletariat which will march at the head of the masses against liberalism. This aggravated my disagreements with the Mensheviks.**"¹⁹

As Trotsky's example graphically shows, the elements of a certain conciliatory attitude towards the bourgeois liberals among the old editors of *Iskra* existed even before the 1903 split. But these tendencies rapidly became filled with a concrete political and class content under the implacable pressures of war and revolution, which mercilessly thrust aside all ambiguities, compelling every party and trend to define itself in practice.

The Mensheviks came out publicly in support of the Zemstvo liberals' banquetting campaign. It was on this question that Trotsky formally broke with the Mensheviks in September 1904.

Answering the lie of the Stalinists that

* Jean Jaurès (1859-1914) prominent leader of the reformist wing of the French Socialist Party.

he had been a "Menshevik" since 1903, Trotsky explains:

"This connection with the minority in the second congress was brief. Before many months had passed, two tendencies had become conspicuous within the minority. I advocated taking steps to bring about a union with the majority as soon as possible, because I thought of the split as an outstanding episode but nothing more. **For others, the split at the Second Congress was the beginnings of the evolution towards opportunism. I spent the whole year of 1904 arguing with the leading groups of Mensheviks on questions of policy and organisation. The arguments were concentrated on two issues: the attitude towards liberalism and that towards the Bolsheviks. I was for uncompromising resistance to the attempts of the liberals to lean on the masses, and at the same time, because of it, I demanded with increasing determination the union of the two Social Democratic factions.**" ²⁰ (my emphasis AW).

The "crime" of Trotsky in these years was that of "conciliationism", or, to use an unkind expression "unity-mongering". This conciliationism, however, was an attempt to re-unite the party, a view shared by many within the Bolshevik camp and the party in general. It had nothing to do with a conciliatory attitude to the enemies of the working class—the liberals and the so-called "progressive" bourgeoisie. That position, implacably criticised by Trotsky, was the position of the Mensheviks then and the leaders of the "Communist" parties today. It is an idea which Lenin spent his entire active life fighting against.

Independence

Trotsky's characterisation of the liberals was clear from an article which appeared in *Iskra* in mid-March 1904, where he described them as "half-hearted, vague, lacking in decision and inclined to treachery." ²¹ It was precisely this article which provoked Plekhanov to present the editors of *Iskra* with an ultimatum demanding Trotsky's removal from the editorial board. Thereafter, Trotsky's name disappeared from *Iskra* and his active collaboration with the Mensheviks to all intents and purposes came to an end.

The Mensheviks were clearly passing over from merely organisational differences to political ones. Right wing Mensheviks like Theodor Dan began to get the upper hand within the "Minority". The Mensheviks called upon the workers to support the liberal's banquet campaign, reducing the role of the proletariat to that of mere "cheer-leaders" of the liberals. In this way, the Mensheviks hoped to establish a "broad front for democracy", including "all pro-

gressive forces".

The entire psychology of the Mensheviks was impregnated with a lack of confidence in the revolutionary potential of the working class. The workers were enjoined not to demand too much, or express too extreme views which might "frighten" the liberals. *Iskra* published statements quite in the spirit of Professor Hobsbawm in *Marxism Today* when talking in hushed tones about the Liberal-SDP Alliance.

"If we take a look at the arena of struggle in Russia then what do we see? **Only two forces: the Tsarist autocracy and the liberal bourgeoisie, which is now organised and possesses a huge specific weight. The working mass, however, is atomised and can do nothing; as an independent force we do not exist; and thus our task consists in supporting the second force, the liberal bourgeoisie, and encouraging it and in no case intimidating it by presenting our own independent proletarian demands.**" ²² (my emphasis AW).

And Zinoviev adds, quite correctly, that "the question of the attitude of the working class to the bourgeoisie again arose with particular acuteness—the same basic question with which we collided at every stage of the history of the party and to which in the end all our disagreements with the Mensheviks could be reduced."

No sooner had the Mensheviks publicly come out in favour of the liberals, then Lenin issued a blistering attack on the banquetting campaign. In his article *The Zemstvo Campaign and Iskra's plan*, Lenin mercilessly flayed the advocates of class collaborationism and defended an independent revolutionary class policy:

"Afraid of leaflets, afraid of anything that goes beyond a qualified-franchise constitution," thundered Lenin, "the liberal gentry will always stand in fear of the slogan 'a democratic republic' and of the call for an armed uprising of the people. But the class-conscious proletariat will indignantly reject the very idea that we could renounce this slogan and this call, or could in general be guided in our activity by the panic and fears of the bourgeoisie." ²⁴

Of course, under the extremely difficult conditions of tsarist dictatorship, one could not rule out temporary, episodic agreements even with the bourgeois liberals.

But the first condition for such agreements was always for Lenin the **complete political independence of the working class and its party: no mixing up of banners, no political blocs, no compromise on programme or principles.**

The Mensheviks, by contrast, were prepared to water down their demands so as not to "intimidate" the liberals, to sacrifice the party's independence for the sake of "unity", in a word to subordinate the working class to the so-called "pro-

gressive" wing of the capitalists. This policy was later taken over by Stalin under the title of the "Popular Front." Under different names and guises it still remains, in essence, the policy of the "Communist" parties today.

Lenin poured scorn on the very idea: "Can it in general be acknowledged correct in principle to set the workers' party the task of presenting to the liberal democrats or the Zemstvo-ists political demands which they must support if they are to have any right to speak in the name of the people"? No, such an approach is wrong in principle and can only obscure the class consciousness of the proletariat and lead to the most futile casuistry." ²⁵

Political basis of "conciliationism"

This, then was the real basis of the Bolshevik-Menshevik split, which did not emerge until over a year after the Second Congress. This fact is attested to by no less a person than Theodor Dan, one of the main leaders of the Mensheviks, who states that:

"... today, with historical hindsight, it is scarcely necessary any longer to demonstrate that the organisational disagreements that, at the Second Congress divided the *Iskra* people into Bolsheviks and Mensheviks were merely the cover for incipient intellectual and political divergences that were far more profound, and above all more persistent than the disagreements between the Economists and *Iskra* that had receded with the past and been completely liquidated by the congress. It was not an organisational but a political divergence that very quickly split the Russian Social Democracy into two fractions which sometimes drew close and then clashed with each other, but basically remained independent parties that kept on fighting with each other even at a time when they were nominally within the framework of a unitary party... But at that time, at the beginning of the century, the political character of the split was far from immediately apparent, not only to the spectators on the side lines but to the participants in the fractional struggle themselves." ²⁶ (my emphasis AW).

The real differences had nothing to do with "centralism" versus "democracy", or even, as Trotsky pointed out in his last work, of "hards" versus "softs": "True firmness and resoluteness predetermine a person to the acceptance of Bolshevism," he wrote, "Yet these characterisations in themselves are not decisive, there were any number of persons of firm character among the Mensheviks and Social Revolutionaries. On the other hand, weak people were not so rare among the Bolsheviks. Psychology and character are not all there is to the nature of Bolshevism

which, above all, is a philosophy of history and a political conception.”²⁷ (my emphasis, AW).

The real difference between Bolshevism and Menshevism was the difference between **class independence** and **class collaborationism**, **Marxism and Revisionism**, **reformism and revolution**. But it took several years, and the experience of war, revolution and counterrevolution, for the real nature of these differences to become absolutely clear.

Despite the fact that the political differences between Bolshevism and Menshevism were now coming to the fore, many leading Bolsheviks did not understand Lenin's position and tended to play the differences down.

The predominant trend among the Bolshevik tendency inside Russia was “**conciliationism**.” The great majority of the party activists did not grasp the reasons for the split, and rejected it. Even Lenin's closest collaborators were, in effect, working against him. In February 1904, after a long period of vacillation, the CC inside Russia rejected Lenin's call for a congress by five votes against one. This amounted to a public rebuff for Lenin. Yet those who voted against—Krzhizhanovsky, Krasin, Galperin, Gusarov and Noskov (Zemlyachka voted for) had worked closely with Lenin since the founding of *Iskra*, or even earlier. They had played a prominent role in organising the revolutionary Marxist tendency in Russia. How could they behave in this way?

These were, in many ways, true “Bolshevik” types—tireless, dedicated party workers, good organisers, disciplined and self-sacrificing. But they were what might be called “practicos,” whose work consisted in a hundred and one detailed organisational tasks. Without such people, no revolutionary party can succeed. A party without an apparatus is like a knife without a blade. But there was also a negative aspect to the mentality of the Bolshevik “Committee-men,” as they were known: a certain organisational limitedness, a narrowness of outlook and restricted theoretical horizons. Such types as these inevitably tended to look with a certain disdain upon the finer points of theory and regarded such controversies as those that took place at the Second Congress as mere emigre squabbles, of no practical importance. If the majority of them had initially sided with Lenin and Plekhanov, this was not out of any deep ideological commitment, but because the organisational stand of the Majority struck them as being more in accord with the “Party spirit” which was the moving force of their lives.

But after Plekhanov's defection, things began to appear more complicated. The former Majority now looked very much like a minority, at least on the leading



Russian prisoners of war. The forces unleashed by the Russo-Japanese war put all parties, programmes and leaderships to the test.

bodies. Lenin's complete isolation seemed to underline his weakness. And, to the “practicos,” Plekhanov's arguments carried more weight. What was all this fuss really about?

Lenin attempted in his book *One Step Forward, Two Steps back* to point out the issues of principle involved. But many of the “Committee-men” were unimpressed. In January 1904, Lenin had finally organised a Bureau of Majority Committees to agitate for a Congress. Two CC members, Lengnik and Essen, were sent to Russia for this purpose, but were arrested. Meanwhile, the majority of Bolshevik “conciliators” on the CC actually ousted Lenin's only supporter, Zemlyachka. The Bolshevik leadership was falling apart. Demoralised, Gusarov dropped out of activity, and Krzhizhanovsky resigned from the CC. The remaining CC members, Krasin, Noskov and Galperin—all Bolshevik conciliators—now proceeded to pull off an unprincipled coup.

Declaration

In the summer of 1904, when Lenin was convalescing in the Swiss Alps, the triumvirate held a secret meeting of the CC and passed what became known as the “July declaration”, calling for reconciliation between the Bolsheviks and Mensheviks and, in effect, surrendering on the Minority's terms. They accepted the “unquestionable legality” of the new Editorial Board of *Iskra* and the “equally unquestionable superiority of the central organ in everything which concerns the defence and clarification of the basic principles of the international Social Democracy's programme and tactics.”²⁸

These actions represented an explicit repudiation of Lenin, whom they relieved of the right to represent the CC

abroad. They even insisted on the right to censor Lenin's writings (“the printing of his writings... will be carried out on each occasion with the agreements of the members of the CC”)²⁹ and prohibited agitation in favour of a Third Congress. Furthermore, Noskov was charged with “re-organising” the party's technical work abroad, which meant eliminating such supporters of Lenin as Bonch-Bruyevich, who had been involved in publishing Bolshevik material abroad, and Lyadov, who was in charge of finance. In addition, three more Bolshevik-conciliators, and then three Mensheviks, were co-opted onto the CC.

When Lenin finally found out what was going on, he wrote an angry letter to the CC challenging the legality of its actions. A further letter was sent to the members of the Bolshevik committees, exposing the activities of the CC. He even sent a letter to *Iskra* asking it not to publish the illegal declaration. But the editors eagerly pounced on the opportunity to publish it in No 72 under the title: *Declaration of the Central Committee*.

There was nothing left to Lenin but to break off all relations with the conciliators. But the situation was now grim indeed. Everything which had been achieved by the Second Congress was now in ruins. One after the other, the leading bodies had been captured by the Minority. The Martovites appeared to have triumphed all along the line. Lenin seemed to be utterly isolated.

In reality, however, the Mensheviks' victory had been achieved by manoeuvring at the top. At grass roots level, Lenin still enjoyed considerable support. Many party committees were repelled by the manoeuvrings of the conciliators on the CC. An increasing number of committees were coming out in favour of a new Congress as the only way of resolving the

crisis. The Party committees in Petersburg, Moscow, Yekaterinoslav, Riga, the Northern Union, Voronezh, Nizhegorod, and, perhaps more surprisingly Baku, Batum and the Caucasian Union, declared their support. Even abroad, Social-Democrat groups in Paris, Genoa and Berlin, came out against the Mensheviks.

According to a letter written by Lyubinov to Noskov in the autumn of 1904: "On the question of the declaration (of the CC, AW) there has been such a row you can hardly make head or tail of it. **Only one thing is clear: all the committees—except Kharkov, Crimea, Gornozavodsk and Don—are committees of the Majority.**... The CC has received a full vote of confidence from a very insignificant number of committees."³⁰ (my emphasis, AW).

Encouraged by the response inside Russia, Lenin convened a conference of 22 Bolsheviks in Switzerland in August 1904, which adopted his appeal *To the Party*, which became a rallying call for the convening of a Third Party Congress.

With uncompromising honesty, Lenin described the serious crisis through which the Party was passing, adding that: "Nevertheless, we regard the Party's sickness as a matter of growing pains. We consider that the underlying cause of the crisis is the transition from the circle form to party forms of the life of Social-Democracy; the essence of its internal struggle is a conflict between the circle spirit and the party spirit. And consequently only by shaking off this sickness can our Party become a real party."³¹ (my emphasis, AW).

Intelligentsia

Only now does Lenin explain the class forces which lay behind the split: "Lastly, the opposition cadres have in general been drawn chiefly from those elements in our Party which consist primarily of intellectuals. **The intelligentsia is always more individualistic than the proletariat, owing to its very conditions of life and work, which do not directly educate it through organised collective labour. The intellectual elements therefore find it harder to adapt themselves to the discipline of Party life and those of them who are not equal to it naturally raise the standard of revolt against the necessary organisational limitations, and elevate their instinctive anarchism to a principle of struggle, misnaming it a desire for 'autonomy', a demand for 'tolerance' etc.**

"The section of the Party abroad, where the circles are comparatively long-lived, where theoreticians of various shades are gathered, and where the intelligentsia decidedly predominates, was bound to be most inclined to the views of the 'Minority', which then as a result pro-

ved to be the actual majority. **Russia, on the other hand, where the voice of the organised proletariat is louder, where the Party intelligentsia too, being in closer and more direct contact with them, is trained in a more proletarian spirit, and where the exigencies of the immediate struggle make the need for organised unity more strongly felt, came out in vigorous opposition to the circle spirit and the disruptive anarchistic tendencies.**"³² (my emphasis, AW).

By the autumn, the prospects for the Bolsheviks were looking brighter. A new leading team was gradually being put together with new arrivals from Russia—people like Bogdanov, Lunacharsky, Olminsky. After his month in the Alps, Lenin's health was much improved. "It was as if he had bathed in a mountain stream and washed off all the cobwebs of sordid intrigue," wrote Krupskaya.³³ Encouraging reports were being received from Russia, where *To the Party* had been clandestinely distributed to the Party committees.

According to Krupskaya, by mid-September, twelve out of 20 committees with full voting rights had come out in favour of a Congress, and the number was still growing. From this point on, the Bolsheviks were a serious organised force within Russia. By the end of the year a Bolshevik Organising Centre was established in the interior, with the backing of 13 Party committees.

Unlike their opponents, the Bolsheviks were extremely short of funds. The question of a newspaper was initially out of the question. As a temporary substitute, Lenin and Bonch-Bruyevich launched a "Publishing House for Social Democratic Party Literature" which from early September began to publish individual titles by Lenin and his collaborators. This was, at least, a start. But the Mensheviks held all the cards when it came to publica-

tions. Not only did they control the prestigious *Iskra*, but also had plenty of money from wealthy sympathisers. They did not hesitate to use this unscrupulously as a weapon in the factional struggle. Krupskaya recalls with a note of bitterness how the Mensheviks put pressure on sympathisers to stop giving assistance to the Majority: "Ilyich and I had some strong things to say about those 'sympathisers' who belonged to no organisation and imagined that their accommodation and paltry donations could influence the course of events in our proletarian party!"³⁴ The question of funds from abroad was undoubtedly a factor in the capitulation of the "Bolshevik-conciliators" on the CC to the emigre centre.

Forward

Despite their lack of resources, the Bolsheviks decided to launch a new paper called *Vperyod* ("Forward"). At a meeting in Geneva on 3 December an editorial board was elected, composed of Lenin, VV Vorovsky, MS Olminsky and AV Lunacharsky, with Krupskaya as secretary. As usual, the lack of funds was made up for by personal sacrifice. Everyone scratched around for spare cash. Vorovsky handed over some author's fees he had just received. Olminsky parted with a gold watch. Somehow or other, 1,000 francs were scraped together—barely enough for one and a half issues. But nobody was deterred by this. The first issue of the truly first Bolshevik newspaper duly rolled off the press on 22 December 1904. Just over a fortnight later, the Russian emigres were startled to hear the raucous shouts of the newspaper boys of the streets on Geneva: "Revolution in Russia! Revolution in Russia!"

Footnotes

- 1) Lunacharsky—"Revolutionary Silhouettes" p 36
- 2) Krupskaya—"Memories of Lenin" p 98
- 3) *ibid* pp 98-99
- 4) Pyatnitsky—*Zapiski Bol'shevikov* p 54
- 5) Lenin—*Collected Works*, Vol 7, p 34
- 6) Akimov—*A Short History of the RSDLP*, p 332
- 7) SH Baron—"Plekhanov" (Spanish ed) p 327
- 8) see *Istoriya KPSS* Vol 1, p 518
- 9) *ibid*, p 523
- 10) *ibid*, p 524
- 11) Lenin—*Collected Works*, Vol 7, p 474
- 12) Rosa Luxemburg, "Leninism or Marxism?" p 98
- 13) Trotsky, "Stalin" p 62
- 14) *ibid*
- 15) *ibid* p 61
- 16) *ibid* pp 61-62

- 17) Quoted in *Istoriya KPSS* Vol 1 p 508
- 18) Lenin—*Collected Works*, Vol 8 p 53
- 19) Trotsky, "My Life" p 166
- 20) *ibid* p 165
- 21) Quoted in *Deutscher "The Prophet Armed"* p 86
- 22) See Zinoviev "History of the Bolshevik Party", pp 107-8
- 23) *ibid* p 108
- 24) Lenin—*Collected Works*, Vol 7, p 503
- 25) *ibid* p 508
- 26) Dan, "The Origins of Bolshevism", p 250
- 27) Trotsky, "Stalin" p 50
- 28) *Istoriya KPSS* p 509
- 29) *ibid*
- 30) *ibid*
- 31) Lenin—*Collected Works* Vol 7, p 455
- 32) *ibid* pp 455-6
- 33) Krupskaya—"Lenin" p 106
- 34) *ibid* p 98

Book Reviews

The Miners' Strike 1984-85 Loss without limit

By M Adeney and J Lloyd.
*Published by Routledge and
Kegan Paul, 1986 £14.95*

**Reviewed by Peter
Jarvis**

THE YEAR-long miners' strike was the most important industrial dispute in recent British history. It clearly exposed the nature of the class divisions in society today.

Since the strike, tonnes of printed material have been produced. *The Miners' Strike 1984-85—Loss Without Limit* is yet another contribution. This book, written by BBC reporter Martin Adeney and the then Industrial Editor of the *Financial Times*, John Lloyd, claims "not to give a chronological account...It is rather to understand."

The book is certainly not a chronological account; but whether it achieves its aim is doubtful. The facts and background material contained in the book are useful. But readers wishing to analyse the events will need to draw their own conclusions.

The book gives ample examples of the way the Tories and the class they represent prepared—how they even backed away in 1981 from an open confrontation because then the time was not right.

Outwardly the government gave the appearance of confidence. An unnamed government official said "tactically it was also wise in the early days to stay away and not give the aspect of a political strike." But in reality the actions of the NCB, the police and the courts all had the hand of the ruling class behind them. As Lloyd and Adeney report: "a committee of senior officials drawn from relevant departments to brief Walker on a daily basis as to the progress of the dispute was formed."

"Walker also operated in other forums. From Monday 16 April, a cabinet committee—Misc 101—of senior ministers—Mrs Thatcher, Walker, King, Tebbit, Brittan, with Sir Michael Havers the Attorney General, Michael Heseltine from Defence, Nigel Lawson the Chancellor, Nicholas Ridley the Transport Secretary and George Younger from the Scottish Office—was formed to monitor the dispute."

In other words a war council. The inclusion of Heseltine on such a body shows that the use of troops was not ruled out.

The illusion that the press maintains: that industry, the forces of the state and



its government are independent, is a sham that only the labour and trade union leaders accept. MacGregor was a political appointee. A certain David Hart, who was MacGregor's "closest advisor" told him 'the strike was political.' The connection between the various strands of the ruling class is shown a few sentences later "Walker did not like what he heard of Hart's involvement, and may have resented his influence with the Prime Minister as well as the chairman."

Second front

Hart also had considerable influence with the National Working Miners' Committee, the body that tried to co-ordinate the return to work. "The committee was heavily influenced by Hart, who helped to raise funds for it. He persuaded the reclusive multi-millionaire John Paul Getty II, a patient in a London clinic, to contribute almost £100,000. In all, Hart raised several hundred thousand pounds for the committee, mostly for legal fees, but also to defray the cost of press advertisements, designed by Tim Bell." Tim Bell was an advertising executive with Saatchi and Saatchi, the same company that works for the Tories on their promotional efforts. John Paul Getty II was given a knighthood at the same time as Bob Geldoif...for services to whom?

The strike had to be kept in certain limits. There could be no second front. A lesson from the NGA dispute in November 1983 was that workers fighting separately would find it difficult to win. Arthur Scargill, who was fined £1,000 for contempt of court, had it mysteriously paid. There could be no martyrs.

The government's fear is shown in the book. "John Gummer, a junior Employment Department Minister who was also chairman of the Conservative Party made it clear that BR should nod through its

annual pay agreement at a comfortable but not out of the ordinary five per cent, to prevent another industrial front opening up."

They even feared the power of individual railway workers. "British Rail was aware that its two main north-south lines had key sections controlled by signal boxes manned by very pro-miners signalmen—Warrington in the North-West and Doncaster on the East coast main line in the heart of the most militant mining territory. They were not challenged throughout the dispute until at the very end..."

These few lines show the real power in society. The task is to harness the industrial muscle of the working class to change society. The trade union and Labour leaders are more frightened of this power than they are of the ruling class.

The miners were forced to return to work in March 1985 but they were not broken. In the recent period only 15 of the 127 pits have not been involved in some form of action. Between January and November 1985, according to the Department of Employment, there were 153 stoppages in the coal industry, involving 175,700 workers and 4.14 million days were lost. The average age of the miners has now fallen to 34. The young miners are beginning the fight back and they will want revenge. They will become the champions for socialism.

Even the scab leaders of the Nottingham based UDM are recommending strike action over the recent pay offer. The Nottingham miners are genuinely angered over the miserly pay offer. The motives of the UDM leadership are different. They need to stem the tide of desertions back to the NUM. Company unions occasionally have to bare their teeth or otherwise their usefulness to the bosses is exposed.

The miners that worked throughout the strike are now learning their real worth to the coal board. They served their purpose by dividing the union which allowed the strike to be defeated.

But journalists or TV reporters, however fair or good at their job, are not divorced from society. On wages, at that time, of £30,000 plus, even the most trained eye could not have really understood the miners' struggle or determination to see the dispute through to the end. The strike was a testament to the workers' capacity to struggle.

Treachery

Inevitably the author's views colour their use of words. For instance they describe as "an act of great courage" the actions of Len Murray, the general secretary of the TUC during the Stockport Messenger dispute in 1983, when after a vital meeting he "repudiated" a decision by the TUC's employment policy committee "to take a 'sympathetic and supportive attitude' to the NGA's call for secondary, and probably unlawful, industrial action," when the NGA issued a call for its members to strike for 24 hours.

In fact in doing so Murray left isolated the NGA and prepared the way for their eventual defeat, giving the green light for the Tories and bosses to press their attacks against trade union rights.

For the press and the media it was indeed 'courageous' and the *Daily Mail*, *Express*, et al sung his praises. Later he received his reward when he was given a coronet and ermine and was elevated into the House of Lords.

This act of treachery, to give it its correct name, had an important bearing on future developments. It confirmed to the ruling class that the trade union leaders would be unlikely to aid the miners in any conflict. Instead the collaborationist policies being pursued meant that the TUC would inevitably police the rank and file rather than lead a campaign for solidarity action.

Following the defeat of the printers at Warrington, Murray's 'New Realism' became the fashion of the right: those mainly responsible for the defeat in the first place. Of course there was nothing new in this concept: in reality it was old fashioned class collaborationism. Pessimism had gripped the minds of many trade union leaders following the 1983 election. They argued that the working class had shifted to the right and that large strikes were unlikely to occur and were impossible to win.

Even many miners' leaders doubted that there would again be a miners' strike. The young miners had been brought off with videos, cars and now had mortgages to pay, they argued. This impressionistic

and empirical approach blinded the trade union and Labour leaders to the long term processes developing inside society. Alone the *Militant* argued against the doom and gloom merchants. In the pamphlet written in August 1983, *The Crisis—Where is Britain going*, *Militant* correctly predicted: "This winter, there will possibly be big battles in industry." So it was to be.

Of course since the defeat of the miners' strike the right-wing trade union officials are pushing 'New Realism' phase 2. John Lloyd, now the editor of the *New Statesman*, is a proponent of 'New Realism', and not only in this book. In an article in the *London Standard* headed "Marching towards oblivion?" Lloyd clearly spells out his 'perspectives': "There is the possibility that in many if not all advanced industrial, or more pertinently advanced consumer societies, unions may be slipping into oblivion or near it."

For Lloyd recent changes show that there is "nowhere for unions to go, at least in the short term, but down." TUC membership stands at 9.5 million, a fall of 22 per cent since 1979.

But this does not compare to previous declines. During the recession of 1920-23 trade union membership fell by 35 per cent. And in 1970 when Heath became Prime Minister the total membership of unions affiliated to the TUC stood at 10,022,000, not much more than today. Considerations of overall TUC membership were not foremost in the dockers' minds as they launched the call for solidarity strike action when their colleagues were jailed for contempt under Heath's Industrial Relations Act in 1972!

Moreover, much of the membership loss has occurred with the decline of manufacturing employment. The unions, in some respects, are today stronger than in the past. Teachers, civil servants etc have all been engaged in recent industrial action, sections of society that scabbed during the 1926 general strike.

But Lloyd continues: the decline of the unions is "most marked in the United States and in France, where unionisation covers at best 15 per cent of workers in the States and something less than 10 per cent in France."

However, the history of trade unionism in both countries can give no confidence to the ruling class. In the USA the years 1934-36 saw the CIO develop from nothing to a body of 2 million, its growth based on industrial militancy. In France there has always been a low percentage in the trade unions. In the 1968 general strike it was estimated that out of 11 million strikers, only 2 million belonged to trade unions. Today in the Renault factory, known for its militancy, only 900 out of a workforce of 18,000 are in the trade unions.

It was also possible to point at the low number of strikes in France. In 1985 strikes were at the lowest level since 1946. But the recent explosions show the volatile nature of the present period.

For John Lloyd and his co-thinkers the miners' strike marked an end of an era, the ending of trade union power and influence. In fact the miners' strike has ushered in a new chapter in trade union history. The strike exposed the chasm that now exists in society between the employing classes and the working class.

The methods of conducting a strike in the 50s and 60s no longer correspond to the changed industrial and political climate. The miners, in their year-long battle, began the search for new ways, or rather a return to the methods of the pioneers. It is the change in the subjective situation, when the consciousness of the working class rejects the old society and begins to move along the path of socialist change, that represents the beginning of a revolutionary epoch.

These processes and changes must be kept in mind to fully understand the facts in this book. The book asks such questions as "Would the strike have taken place without Arthur Scargill?... A mystery surrounds the beginning of the miners' strike. Was it a matter of accident? Or was it carefully planned by one side or another?"

Fudge

The answer to these questions can only be found in the basic principle that when a society is unable to further develop the productive forces it is ripe for overthrow. Unfortunately, no ruling class of any decaying system ever gives up their privileges without a struggle.

It is this that is the driving force behind the actions of the present Tory government. The trade unions are the principal form of defence for the workers. If the Tories are to succeed then they have to break the strength of the trade unions. The working class are to bear the burden of trying to correct the systems present economic ills.

The strike was rooted in the present period. It would have happened whether Scargill or Gormley was leading the union. The election of Scargill as president with 70 per cent of the vote was a clear indication of what was going to come. It reflected a growing awareness by the miners that a battle was likely.

Without Scargill, Lloyd and Adeney argue, it might "have lasted only a few weeks and been settled with a fudge." This may have been so but the 'fudge' would have only prepared the way for an even greater explosion. Fifty-four pits were closed between February 1984 and November 1986 and the workforce was cut by 61,659 to 121,978. These figures

indicate that a bitter struggle **had** to break out.

Scargill alone did not contribute to the longevity of the strike. The other key factor was the young miners. The strike was their strike. Arthur Scargill was their leader. Even Lloyd and Adeney are compelled to recognise that "For them, he expressed their best: he roused them to action in their own and others' defence of which they did not think themselves capable; he expressed and gave point to their feelings of resentment, of insecurity, of class hatred." The strike could not end either before they secured victory or could no longer see the possibility of victory. Even when it ended many would have been willing to continue.

Can anybody seriously ask "was the strike an accident"? The ruling class carefully prepared for the confrontation: the book shows how meticulously their plans were laid. Smarting after the defeat inflicted by the miners on the Heath government, the ruling class carefully examined their options and agreed a strategy. Vengeance may have played some part in their thinking but the driving force was the still developing economic crisis, that dictates that the unions must be tamed.

For instance new legislation would be required: what Heath had attempted with his Industrial Relations Act had to be tried again. Marxists have long understood that the memory of the ruling class exists in its laws. New legislation is introduced to cope with any new circumstances. After the dockers broke Heath's Industrial Relations Act, it remained on the statute books, until repealed by the Labour administration in 1974. This time the Tories introduced the legislation bit by bit. "In a paper to the Shadow Cabinet at the end of 1977 Hoskyns (one of Thatcher's key strategists at the Centre for Policy Studies—PJ) posed the alternatives as he saw them; are you going to go into the next government pledged to do nothing about the unions? Or will you adopt a sensible, step by step approach of whittling away their power?"

The trade union leaders made similar noises of opposition in the early 70s and at conferences passed resolutions. But at crucial times they backed away. Fundamentally, there is really little difference in the nature of the trade union leadership in 1970 compared with today. Very few want to rally militant workers in action. It may go further than they would care.

During the movement that developed around the Pentonville 5 the leadership followed in the wake of the rank and file. Many view this period with growing affection—the time when the workers could fight and win. But if they took off their rose coloured glasses they would see

Strike Free: New industrial relations in Britain.

By Philip Bassett.

Published by MacMillan, £6-95.

THIS IS another book heralding the imminent demise of the British trade union movement, after the defeat of the miners' strike. John Lloyd, Editor of the *New Statesman*, right-wing Labour supporter of Kinnock and backer of 'new realism' was formerly Labour editor of the *Financial Times*. Philip Bassett replaced him and continued to foster the same arguments: that the industrial working class has been irrevocably weakened and the modern high-tech skilled workers that are replacing them are not interested in class struggle and 'old fashioned' trade unionism.

that the class struggle is on a much higher level now.

The real difference is the economic crisis. The actions of Thatcher, dictated by the dire straits of British capitalism, have had the effect of hardening the working class. It is no longer an easy option to go on strike. In the years of the boom when a strike occurred gains were made. There would be a return to work and everything would return to normal. Now unemployment hangs like Damocles' sword over workers' heads. Today a strike is likely to be both long and bitter. Nevertheless, strikes do occur. Teachers were engaged in action for two years. Recently the NCU had the first all-out strike in its 100 years history. These are the harbingers of the future

Broad Left

The working class now weighs up all the options before taking action. In some cases it appears impossible to fight. This has a long term effect. It builds up the frustration among the workers and at the right time this will turn into anger and will result in an explosion.

The workers reluctance to fight has nothing what so ever to do with some 'shift to the right'. The low strike figures are also a result of wage increases for the skilled section of the workforce keeping pace with inflation. It would also be correct to say that there had been a turn towards the political plane.

The right trade union leaders, (the left followed because they had no serious alternative) pushed the idea that their only salvation was with the return of a Labour government. At least for 1986 that seemed the most likely perspective. Again the working class doesn't fight if there appears to be a viable alternative.

Now, with the Tory election victory, the trade union leaders cannot use that

According to Bassett, the Tories have succeeded in taming the unions who now have to adjust away from strikes towards EETPU-type no-strike collaborationist policies with employers. His evidence is based on a sharp fall in strikes in 1985 and 1986. No doubt it is a 'theory' that will continue to grip the minds of the right wing in the labour and trade union movement after Labour's election defeat.

This book is another example of how well-paid and well meaning journalists of the capitalist media, however observant, will never understand the strength of the class conflict that lies just beneath the surface in 'two-nation', two-class Britain. But if you want to know how far people like Eric Hammond and Gavin Laird have gone to sell out their members rights and conditions, with chapter and verse, then Bassett's book gives you the evidence.

excuse any longer.

The motto that needs to be adopted by the miners is 'we prepare now for the next strike.' A hint of the method necessary to organise for the coming battle is given in the book, although the authors will not understand it: "the growing confidence of the left in Yorkshire was signalled by the inauguration of a regular series of meetings open to all the miners under the title of the Barnsley Miners' Forum, meeting monthly on Friday evenings. Scargill was one of the founders, and its secretary. The rather enclosed politics of the NUM left, all but monopolised by the Communist Party, had come out."

Unfortunately, the idea of an open forum in every coalfield was never seriously taken up. The leading left officials met but there was no active rank and file involvement. However, following from the miners' strike there is now a national rank and file body, the Broad Left. It has roots in all coalfields and will undoubtedly grow in influence in the coming period.

The task that confronts the miners is to stop the wholesale butchering of the industry. The Tories want to turn the clock back to the days when the mines were privately owned. The gain of nationalisation will have to be defended.

Capitalism is in deep crisis. The ruling class by their actions, will provoke further conflicts with the miners and other sections. These will result in even greater battles that will make the miners' great year long strike look like a tea party. These processes are not understood by the authors so their book fails in its aim "to understand."

The authors quote AJ Cook, the miners' leader during the 1926 general strike: "There can be no peace with poverty and unemployment. There can be no peace with capitalism." The book at least illustrates why this is the case.

A Future for All—Do we need a Welfare State

By Malcolm Wicks. *Published by Penguin Books, 1987, £3.95.*

This book is a timely look at the Tories record on social policy. Its contents should serve as a reminder to Labour's leaders that, under the Tories, millions of people have been abandoned by capitalism and eke out a subsistence in the nightmare world of pitiful social security payments, a collapsing National Health Service and Dickensian housing conditions. It is a far cry from the red rose logos and star studded efforts to capture the mythical middle ground, that seemed to preoccupy the leading representatives of the working class during the election.

Malcolm Wicks is Director of the

Family Policy Studies Centre and was Labour's candidate for Croydon North West. Therefore, not surprisingly, his book is packed with illuminating statistics showing how the gap between rich and poor has widened into a chasm since 1979.

However, while the book is substantial in content it is very thin on conclusions. The author pays lip service to Labour's founding socialist principles, saying "a future Labour administration must never forget that its purpose is not to manage the existing order of society more efficiently than its political rivals, but rather to transform society." Yet Malcolm Wicks fails to grasp the nettle and make the connection between a socialist economic programme and a social policy. Because of this the reader will probably feel frustrated by its lack of firm solutions. Instead the author makes vague references to the need for an imaginative programme and the value of capturing

hearts and minds.

A Future for All may serve as a useful handbook for labour movement activists in exposing the record and ideology of the Thatcher government, but it does not explain why the attacks on the welfare state have taken place, but puts them down to a renaissance of ideas in the Tory Party. Malcolm Wicks does not appear to understand that their basis lies in an ailing economic system and therefore, more importantly, he does not put forward any concrete programme for the future. This is an informative book, but what the labour movement is lacking is not information but the programme and political will to overcome all obstacles and transform society. If this issue is not addressed then this book may join too many others as simply dust-gathering literary monuments to the Thatcher years.

By Frances Walsh

The Widening Gap: Rich and Poor Today

Published by the Labour Research Department, 1987, £1.10.

THE NIGHTMARE of Tory Britain for millions of people is graphically illustrated by the facts, figures and examples contained in this pamphlet. It shows how the rich have benefited from Tory policies, while the poor have got poorer.

For example, in 1983, almost 9 million people were living on or below "supplementary benefit" level. In 1986, this had grown to 10.43 million, a 17 per cent increase since 1983.

Pensioners have been particularly hit by Tory cuts. Before 1979, pensions were increased according to the rise in prices or earnings, whichever was the higher. The Tories broke that link, and a single pensioner has lost £1,249.60 because of this change. A married couple have lost £1,960.20.

This pamphlet shows how employment has fallen, and which areas of the country have been hardest hit. For example, in Wales from 1979 to 1986, there was a 17 per cent fall in people in employment. In the South East, the figure was 2 per cent. Only one area, East Anglia, showed a growth in employment.

The judiciary, the Tory party and the top echelons of the civil service are still dominated by Oxbridge and the public schools. 80 per cent of High Court judges went to Oxbridge, as did 48 per cent of Conservative MPs and 66 per cent of top civil servants.

The collapse in the public sector house

building programme has condemned millions to continue to live in overcrowded squalor: In 1975, 173,800 were started. In 1985, the total had fallen to 33,600.

The information on racialism, the courts and share ownership provided by the pamphlet are all equally valuable in condemning Tory policies.

However, the pamphlet does not cover the ownership of industry, and the control by the monopolies of British capitalism. Not does it offer any alter-

native political programme or analyse the causes of the crisis of British capitalism; and the reasons for the monetarist policies introduced by the Tories.

Despite these omissions, *The Widening Gap* provides a wealth of agitational material invaluable for Marxists in explaining the crisis of capitalism. At £1.10 it is excellent value.

By Peter Lush

The Nature and Logic of Capitalism. By Robert Heilbroner. Published by Norton, 1985 £7.95.

Robert Heilbroner is a Professor of Economics at the New School for Social Research, in New York, well known as being 'radical' by American standards for a university lecturer. He has written a number of books on economics and history which certainly take a 'radical' view. But is he a Marxist?

In opening this latest relatively short book which attempts to answer the question: what is capitalism, Heilbroner asks himself the personal question: is he a Marxist, ie. does he view modern capitalist economies in the same way as Marx?

He answers: "I am myself at a loss to give a clearcut answer to the question" (p9), and unfortunately Heilbroner's mixture of the views of Marx, Keynes, and above all Schumpeter (an Austrian economist) does not allow him to give a clearcut answer to his other question: what is capitalism?

Heilbroner agonises long and hard, sweeping across a host of ideas and situations, without making it easy for the reader to see where he is travelling to. Nevertheless, on the way, we do gain some perceptive insights into the nature of capitalism.

For Heilbroner, capitalism is the 'regime of capital', and the single most important element in capitalism is the way in which the wealth produced by human beings is extracted ie in the form of capital, following Marx's famous formula M-C-M' or M-C-C'-M'. That formula demonstrates that under capital, production is not begun to make things people need, ie what Marx called production of use values. Production under capital is investment of capital in the form of money (M) in commodities of labour power and machinery and raw materials (C) in order to create more commodities with greater value (C') which can be sold for more money than originally invested (M'). That is the unique feature of capitalism. Money to produce more money, not production for human need.

As Heilbroner shows, under modern capital the worker who produces the

wealth does not own it, but neither do the managers or even any one shareholder in the company that employs the workers and managers. The owner of the commodities is 'the company'. Capital has become totally impersonal in the way it appears to human beings.

Heilbroner makes many sweeping assertions about capitalism which are hard to accept. For him the key tendency in capitalism is the growing role of the state in maintaining and underpinning the infrastructure of capital enabling it to have a new lease of life, particularly since 1945. He marvels at the force of the boom since 1945. In the two centuries since 1776, the volume of world industrial production increased by over 500 times, and two thirds of this increase was between 1948 and 1971.

But was this growth really due to the power of state intervention and Keynesianism as Heilbroner seems to suggest? As the *MIR* in many previous issues has argued, there are other reasons for the postwar economic boom related to the very accumulation process under capitalism, rather than Keynesian state intervention.

Gradualism

And there is certainly reason to expect that the very factors of high profitability, expanding world trade, new technology and a surfeit of money capital, will and have already begun to turn into their opposite as capitalist accumulation meets its final barrier—capital itself (as Marx put it and as Heilbroner refers to himself).

For Heilbroner, the Marxist economic law of the tendency of the rate of profit to fall is something he cannot grasp (he sees it as a long-term secular decline theory rather than as an expression of the crisis in the cycle of capitalist accumulation p144). As a result, he still thinks the capitalist system of production could take the world's productive forces forward. For Heilbroner "the trend of capitalist society lies in the increased marshalling and deployment of the powers of the state, initially in support of the existing general structure of accumulation, later possibly as the vehicle by which the first tentative efforts may be made to go beyond that regime into another" p201. In other words state intervention could eventually lead to a gradual change of capitalism into... "a new, more 'constitutional' regime of democratic socialism" p203. After all, he says, there has been a "dramatic long-term trend toward social democratic governments" p204.

This naive "gradualism" is nothing new— we used to hear it every day from Labour leaders espousing the social systems of Sweden or Austria as the social

democratic way forward. It never was convincing, and even less so now as one social democratic government after another finds itself in crisis as it fails to manage capitalism in crisis.

So it is surprising that Heilbroner should advocate a future of gradual movement to 'social democracy' today, as the spectre of economic slump and political class struggle yawns before most

activists in the international labour movement. But then Heilbroner's perspective is wrapped 'in a miasma of uncertainty' as he puts it—and perhaps that is not too surprising from an economics professor living in the USA.

By Bob McKee

Booknotes

IF YOU can imagine the editor of *Face* and a contributor to *Time Out* writing a book on British Marxism, then you would not have high hopes of a worthwhile book on the subject. And that is certainly the case with *Marxism in the USA: 1870 to today*, published by Verso at £8-95, and written by Paul Buhle who is the editor of *Radical America* and a contributor to *Village Voice* in New York. This book, one of the titles received this quarter for review by the *Militant International Review*, is just plain bad: ignorant of the theory of Marxism, rambling in its coverage of history, it is pretentious in style and concludes that 'proletarian class struggle is an outdated fundamental of Marxism'. Need we say more!

A far better book is *The Crisis of Keynesian Economics* by Geoffrey Pilling, published by Croom Helm, a well written critique of Keynesianism and modern economics. It is particularly effective in demolishing the arguments of pseudo-Marxist variants of Keynesianism like Joan Robinson and the 'permanent arms economy' theorists. However it does not develop all the points that could be made in a Marxist explanation of the crisis in world capitalism and the failure of Keynesianism. At £19-95 it should only be ordered from a library not a bookshop.

Also from Croom Helm our review office has received *The Politics of Public Expenditure* by Maurice Mullard; a compilation of essays edited by Desmond Blumenfeld entitled *South Africa in Crisis*, published by Croom Helm for the Royal Institute of International Affairs; *Political change in Greece - before and after the Colonels*, edited by K. Featherstone and DK Katsoudas; and an interesting but again unfortunately expensive book, *The Flight of International Capital - A Contemporary History*, by Brendan Brown.

From Penguin has come *A Future For*

All - Do we need a welfare state?, by Malcolm Wicks, (reviewed above); *Choose Freedom - The Future of Democratic Socialism*, written by Roy Hattersley before the election; *A Spy's Revenge* by Richard Hall, an account of the Sydney Court case brought by the Tories to stop the publication of Peter Wright's memoirs; *Acid Rain* by Fred Pearce, which will be discussed in the Science and Socialism section of a future edition of the *MIR*; and *Prospectus for a habitable Planet*, edited by Dan Smith and EP Thompson - all priced at £3-95.

Edward Elgar have published *The Economic Revival of Modern Britain: the debate between left and right* at £9-95. Edited by Leeds University lecturers David Coates and John Hillard, it is a collection of articles and statements by politicians and 'experts' on various solutions to regenerate the British economy - a follow-up to an earlier collection which apparently aimed to examine the reasons for the long-term decline of British capitalism. Tories, Liberals, Social Democrats, Labour right and left—all views are represented, except those of Marxism. David Coates' timid 'critical' final essay is no substitute.

Similarly, *Berg's Hitler and the collapse of Weimar Germany*, £5.95 by Martin Broszat, while containing many interesting bits of information, for example, on the Nazis and their relations with the traditional capitalist parties and big business, falls down in clear explanation and analysis. Broszat rejects the academic 'theory' that the rise of fascism can be explained by a totalitarian streak in German philosophy but he finds no alternative. For that it would be necessary to look at how the German workers were failed by their leaders from the defeats of 1918-19 and 1923 to 1933. This book should be treated like a curates egg: use the good parts only.

By Bob McKee

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