

Militant International Review

No.55 January-February 1994 £1



**After
Apartheid?**

CONTENTS

Apartheid ends

What will happen after
the South African
elections?

9

Britain's political crisis

Will Britain follow the
European rule of political
instability and a working
class fightback?

12

Economic Focus

China at a cross-roads;
Oil over a barrel.

Northern Ireland

Will the latest declaration
fare any better than
previous 'initiatives'?



2

*With an ANC majority in the April
elections certain, a new chapter will
open in South Africa. Peter Taaffe
looks at the prospects ahead.*



14

*Can the Reynolds-Major deal secure
an IRA ceasefire? If so, asks Peter
Hadden, what will happen then?*

CONTENTS

18

Workers move

A report on recent
developments in France.

21

The GATT deal

Open trade warfare has
been postponed. But for
how long?

26

Public sector unionism

The history of NUPE is
reviewed by Stephen
Smellie.

29

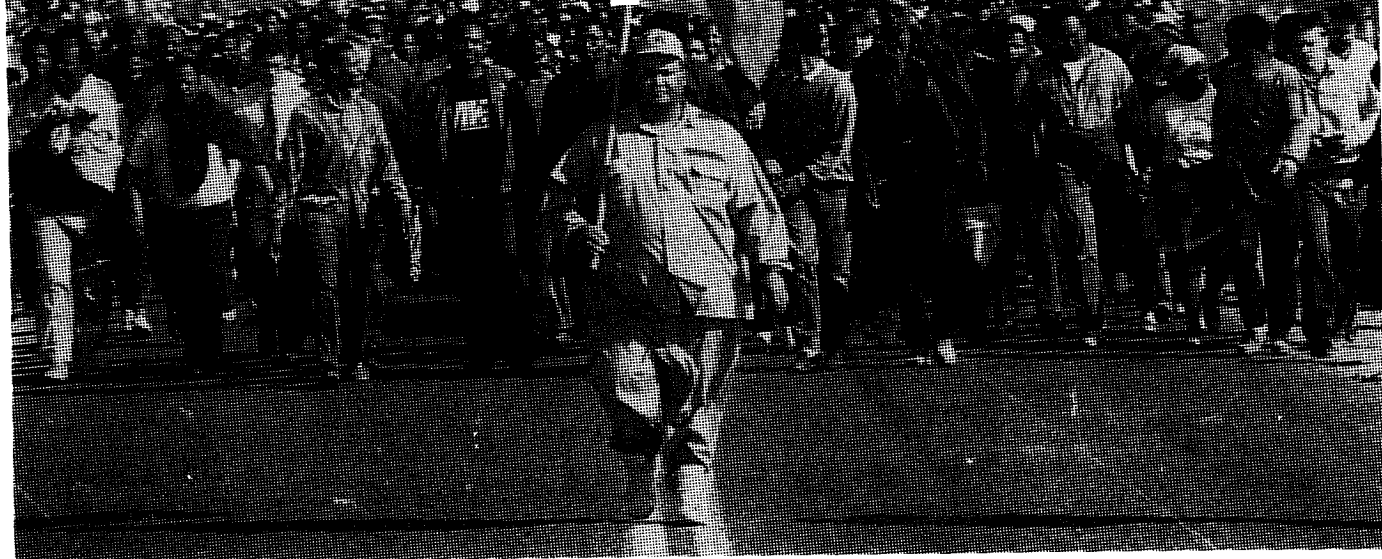
Reviews

Christianity and Socialism;
The Fall of Yugoslavia.

32

Letters

Apartheid ends – a new chapter opens



*Militant Labour's general secretary **Peter Taaffe** recently visited South Africa. Here he assesses the perspectives ahead.*

APRIL 27, THE DATE for South Africa's election, will see the long nightmare of apartheid finally ended. That hated system, set up in 1948, merely codified and widened the racial segregation which was a cornerstone of South Africa for 300 years before. Now 350 years of enslavement and repression of the African majority and coloured populations will be buried.

Despite the dire threats of 'civil war' from the Afrikaner right - gathered together with the creatures of apartheid in the mis-named 'Freedom Alliance' - exclusive white political rule already lies in ruins. The African National Congress (ANC), Africa's oldest liberation movement, after 82 years of heroic struggle, with countless victims and martyrs, will enter the government.

That the ANC will come out of the elections with an overwhelming majority is doubted by no-one. All that is in question is the size of its majority.

This is a turning point not just for South Africa or for the African continent but one which will resound throughout the world. It signifies the completion of the de-colonisation of the African continent. In South Africa's case it is a process of internal de-colonisation, the substitution of white minority political domination with the representatives of the African people entering the government for the first time.

It is true that, because the ANC leadership have voluntarily decided to share power with the National Party of De Klerk, yesterday's jailers and executioners, it is not a complete victory. Yet it is a victory nevertheless and will be perceived as such by the South African masses and the toilers throughout the world.

Their 'liberation', and that is how many African workers speak to you when referring to April 27, has been achieved not through the benevolence of De Klerk, the National Party, or the South African bourgeois. It was through the revolutionary struggles of the mighty South African working class, which battered away at the foundations of the apartheid regime in a series of near-insurrectionary general strikes in the course of the 1980s, which compelled a switch in tactics by the South African ruling class. In time-honoured fashion they resorted to reforms from above in order to prevent revolution from below.

They were enabled to successfully carry through this manoeuvre by the development of two crucial factors. On the one side the collapse of Stalinism opened up a new situation. Throughout the colonial and ex-colonial world this has resulted in a sharp evolution to the right of the representatives of local capitalists. Partly as a consequence of this, the ANC leadership moved to the right, clearly accommodat-

ing itself to 'democracy' within the framework of capitalism.

Mandela, even before his release from prison in 1990, had probably come to a broad agreement with De Klerk that universal suffrage, the right to vote for the African, Coloured and Asian populations, would be granted. However, this would not be the same as majority rule. A series of blocking mechanisms with entrenched rights for 'minorities' and a five year 'multi-racial power sharing' government were to be installed.

The phase of negotiations has been punctuated by huge general strikes.

The other factor was the revolutionary explosions of the South African working class, which compelled the bourgeois to recognise that repression alone would not work. Not the least of the factors that were borne in on the strategists of South African capitalism was the demographic timebomb that was ticking away to shatter the basis of apartheid. By the end of the century or shortly after it is estimated that there will be 50 million Africans compared to 5 million whites. Despite the Group Areas Act, the forced removal of whole populations of Africans and Coloured people, and all the paraphernalia of repression in the hands of the apartheid state, the inexorable Africanisation of cities like Johannesburg, Durban and Cape Town could not be stopped.

The three years which have elapsed since the release of Mandela have been used to condition the population to accept that there is 'no alternative' to the path mapped out by Mandela and De Klerk. Negotiations and elections have been pictured by the right wing of the ANC as an 'easier road to liberation'. De Klerk and the National Party, in the sunny optimism which radiated from South Africa in the immediate aftermath of Mandela's release, convinced the whites that the ceding of partial political power to the African majority was the only alternative to a bloody racial civil war and countless victims on both sides.

At the same time state and Inkatha terror has been unleashed throughout this period as a means of dividing the Africans and forcing greater and greater concessions from the ANC leadership. The violence has exceeded that which resulted from the struggle against apartheid. Since 1990 upwards of 15,000 have perished in the bloody reign of terror which has been unleashed by state forces and Buthelezi's Inkatha impis.

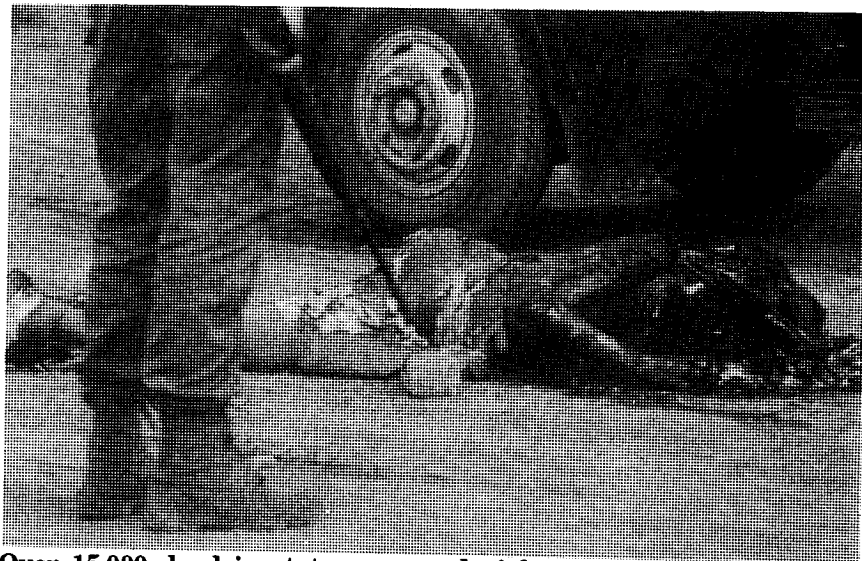
But to little avail. The whip of counter-revolution has merely provoked a massive reaction from below by African workers and a greater determination to prosecute the struggle to the end.

THE PHASE OF negotiations has in fact been punctuated by huge general strikes, showing the immanent power of the African working class, for instance, following the Boipatong massacre and the assassination of Chris Hani. Remorseless mass pressure and a spontaneous arming of a section of the workers and the youth have compelled Inkatha to go onto the retreat. In its home base of Natal it has been evicted from one African township after another. Its strategy of terror has latterly been shifted to Johannesburg and the Transvaal. In the summer of 1993 the rate of killings in the east Rand was five times that of Natal.

There is no doubt that Inkatha and the white right, if they do not get the necessary concessions from the ANC in the run up to the elections, will continue with their murderous tactics. But this will merely serve to harden the mood of the masses and provoke even more determined action from below. If a proper lead had been given by the ANC - above all the setting up of armed and democratically controlled defence committees - the state and Inkatha terror would have been nipped in the bud.

An indication of the potential is shown by the comments of a worker from the Mandela area of Alexandra when commenting about the defence units in his area: "Inkatha is nothing if we are organised and disciplined. We have had several fights with the Inkatha warlords and I have learned over these years of violence that Inkatha does not have much discipline, is scattered everywhere. They do not have clear political aims, but are manipulated by others to perpetrate violence against the masses.

"You have to fight your enemy in a very disciplined manner, at the same time bringing forward to the people an understanding of why this fight is taking place. You're not there to kill but you're



Over 15,000 dead in state-sponsored violence since 1990.

there to bring unity to the people. We just want to fight against the criminals and their methods, which is a product of the apartheid regime.

"I'll give one indication of what a disciplined defence force can achieve. It took place on what we in Alexandra call Black Tuesday. We fought Inkatha for 12 hours at night on this date. The police did absolutely nothing but all along were identifying themselves with the Inkatha warlords. In the previous period we had been burying comrades time and again because the police backed up and defended Inkatha. We were slaughtered time and again but on Black Tuesday we said we had had enough of this.

"When the Inkatha warlords came on that day we were ready for them in a much more disciplined way than any other formation I have ever seen. We had not been out in exile to train. We were prepared to fight because we had lost so many comrades. Anyway, on this day Inkatha warlords came with the police and a crowd of 200-300 which surrounded our area. We had no chance to escape or to flee anywhere. We had about 500 living in that section, including many women and children, which was surrounded by the Inkatha forces. They attacked at 7-30pm in the evening. We made sure that, number one, people should not run away for that is the best way to expose themselves and be shot easily. We demanded that everybody should lie down, don't stand up because there is a hail of bullets and anybody could be shot.

"We fought the enemy almost the whole night and the police retreated, leaving the warlords to fight alone. Because we were organised and disciplined we defeated them and Inkatha retreated. We maintained the defence force which acts against criminals in our area".

Such incidents could be repeated in practically every township, particularly in the Transvaal/Johannesburg area as well as in Natal. The consequence of this is that the strategy of terror of the state,

egged on by De Klerk, has completely failed. This has had very important consequences in the negotiations on the constitution. The constitution does guarantee representation to whites and other minority groups in local government. The ANC local government head Thuzamile Botha, in the capitalist *Business Day*, "said that whites would have representation even where they formed a substantial minority". (17 November 1993). It is clear that the constitution has been so framed as to leave a substantial number of councils in the hands of whites.

But on the national plane the National Party were forced to abandon the blocking mechanisms for a future cabinet. In the previous months De Klerk had been boasting that it would need two-thirds or even 75% agreement within a new cabinet for decisions to go through. Twelve months ago such an arrangement would probably have been acceded to by the ANC leadership. But under mass pressure they have been compelled to harden their demands. An agreement has now been reached which in theory concedes 'majority rule' within the cabinet. Decisions will be adopted on the basis of a clear majority.

The only reason that there will not be untrammelled majority rule now is that the ANC leadership, in advance of the elections, and irrespective of any majority that they might receive, have agreed to enter a five-year power-sharing government. They have accepted that every party which receives 5% of the vote can have a cabinet minister. This has been done to allegedly keep the civil service and army tops 'onside'. They have even hinted at an 'amnesty' for the army tops and secret intelligence units which organised the murder and assassinations of liberation leaders.

The demand for the release of all political prisoners receives powerful political support from the African workers. But the heroic fighters, such as Philemon Mauku and those who still languish in Leeuwkop prison, can not be put on the same plane as the murderers of Chris Hani, Darby-Lewis and co, or the hired assassins of the apartheid regime. Who is and who is not a political prisoner should be determined by a commission organised through the trade union movement COSATU, with representatives of all layers of the population.

BY AGREEING TO enter a coalition, and remaining within the framework of capitalism, the ANC leadership is increasingly seen as the bourgeois wing of the movement. They have systematically jettisoned all the most radical features of the ANC's aims and programme, above all the Freedom Charter, which summed up the aspirations of the South African masses for a new society. The bourgeois press of South Africa can hardly restrain its delight at the rapid evolution to the right



of the ANC leadership: "You can't help noticing that when the ANC has an intense encounter with the international marketplace, it seems to register a significant jump in its policy graph. It happened at the world economic forum in Davos, Switzerland last year, for instance, when - in the presence of hundreds of the world's top businessmen and statesmen... Nelson Mandela changed his speech at the last moment to offer major assurances about the safety of foreign investments". (Peter Fabricius, *The Star*, 14 October 1993).

ANC spokespersons have even come into collision with the largely conservative 'black caucus' in the US congress for precipitately dropping the demand for 'codes of conduct' for foreign investment in South Africa. The above journalist

comments: "Was this an early warning of that long predicted cleft between the 'embourgeoisified' ANC and its lowliest supporters?"

In an astonishing historical turnabout the South African bourgeois have recognised the indispensable role of Mandela as a bulwark against the huge aroused expectations of the South African masses. David Beresford, writing in *The Guardian*, comments "a survey of business leaders in South Africa published yesterday showed that 68% wanted Nelson Mandela to be the country's next president. 32% backed the present FW De Klerk and none supported chief Buthelezi. The chief was described by 36% as 'power hungry and irrational'." (4 December 1993).

Commenting on this survey, and summing up the attitude of the bourgeois on this issue, *Business Day* states: "This does not mean business has been converted to the ANC/SACP alliance - far from it. They favour him (Mandela) because his election would be in their own best interests... There were times when it was expedient to kowtow to John Vorster and PW Botha, because they seemed to offer the best chance of a stable business environment".

Explaining why they have switched horses, *Business Day* goes on: "While business and a workers' party like the ANC may seem natural adversaries, they have wisely sought an understanding with each other... The ANC no longer preaches nationalisation and retribution, and accepts the basic tenets of free market economics... business accepts that black majority rule is inevitable and that a new government will have the best chance of producing a stable country if the most popular black leader Nelson Mandela is in charge. Businessmen may not like his policies and they may not vote for him, but they realise he is the leader capable of establishing an environment in which they can get on with what they do best; producing the wealth on which the country depends".

And yet, despite the colossal authority of Mandela and all the best efforts of the bourgeois wing of the ANC, they may not be able to apply the



Mandela and DeKlerk.

brake on the mass movement for very long. Apartheid has bequeathed a disaster to a new government, visible even to the most superficial commentator.

The Marxist law of combined and uneven development - the latest word in technique and culture co-existing alongside the most primitive economic and social forms - is evident in all colonial and ex-colonial countries. Yet surely South Africa gives an example of the greatest contradiction of any society on the planet.

It is possible, sometimes in the space of a few minutes, to move from a modern first world city such as Cape Town, from the centre of Johannesburg, or central Durban, into a third world of African townships like Inanda in Natal, or the unspeakable social conditions in Alexandra in Johannesburg. The author spoke in Alexandra township to Anna, a domestic worker who works for 12 hours a day looking after elderly whites in the white suburb of Houghton ten minutes away. However, this area might as well be on a different planet, with mile upon mile of the most splendid housing; mansions literally within walking distance of the horrors of Alexandra.

*This revolution is
presently going through a
democratic phase.*

There are up to two million domestic workers in South Africa. There is 50% unemployment and seven million workers living in shacks. Education for African and Coloured children has virtually broken down. These conditions have fuelled the revolutionary fervour of the South African workers. They have displayed many of the features shown by the Chinese working class in the revolution of 1925-1927. In the 1980s, alongside of the series of

general strikes, the near-insurrectionary mood of the townships, and the self-arming of at least a section of the workers and youth, we also saw the creation of the mighty Congress of South African Trade Unions (COSATU). The South African Marxists have correctly described COSATU as the most important conquest of the South African working class.

This revolution has not been 'aborted', diverted into 'safe channels', but is presently going through a democratic phase. Such periods, when there is a lull or the movement appears to have receded, is an unavoidable phase in any revolution. Such was the period which followed the February revolution in Russia or during the Spanish revolution of 1931-1937.

The beginning of a revolution is marked by the masses stepping onto the scene of history. Their attempt to take their fate into their own hands has remained as a feature of the South African revolution even during the phase of 'negotiations'. The general strikes mentioned above, and the near-civil war between the ANC and Inkatha, are the backdrop to negotiations.

Some concessions, it must be underlined, will be given.

There is another crucial factor in the process of internal 'de-colonisation' which marks out South Africa from the rest of Africa. In the latter case the process developed in the main against a background of a world economic upswing. This allowed a certain leeway to newly 'independent' countries of Africa and the rest of the ex-colonial world. The situation in South Africa, however, is developing in the teeth of the worst recession for 60 years.

Moreover it is now clear that world capitalism is in the grip of a depression, as we have explained in previous issues of the *MIR*. (See *MIR* No.53, September-October 1993). This rules out large-scale concessions to the proletariat on a world scale. On the contrary the capitalists are attempting to snatch back the reforms, in the form of the 'welfare state' in the advanced industrial countries, granted in the post-1945 period. Despite the flirtation with Keynesian or neo-Keynesian ideas, in the present world economic situation, the adoption of large-scale Keynesian measures is ruled out.

THIS DOES NOT mean that in certain specific instances, for vital strategic and political reasons, the ruling class internationally will not attempt to give concessions, some of them considerable, in order to try and solve for-

merly intractable problems. Thus in the Middle East one of the vital ingredients in the attempt to make the deal between the PLO and Israel 'stick' is the promise of substantial investment, particularly from the Gulf states, in Gaza and parts of the West Bank.

Similarly in South Africa, given the colossally aroused expectations of the masses, some reforms will have to be introduced in an attempt to mollify the masses. Action will have to be taken in the field of housing, in education, and above all as far as jobs are concerned. Even journals such as *Business Day* have advocated a 'retraining' programme for unemployed township youth. A recent report by the Macro-Economic Research Group (MERG) proposed "massive cash injections into education and training, job creation, housing and health". It also advocated the short term re-distribution of land, mainly for the benefit of female members of landless households in rural areas, the acquisition of white farmland saddled by unsustainable levels of debt, and even the nationalisation of some commercial banks and the buying of key stakes in companies on the Johannesburg stock exchange "in order to transfer the ownership of wealth to the majority".

Some concessions can, with the help of international capital, be implemented. The report estimates that a basic health care and nutrition programme could be introduced at the cost of one billion rand a year (£160 million) which would lead to the construction of 2,000 clinics. A housing programme could also be introduced aiming at the completion of 350,000 homes a year by the end of the decade and a jobs programme for "2.5 million jobs in 12 years". Some concessions, it must be underlined, will be given. But the problems besetting South Africa, of massive unemployment, catastrophic housing and delapidated education, will remain intractable on a capitalist basis. Even substantial reforms by an ANC government, given the nature of the problems, is like an egg cup being used to empty an ocean.

However, it is possible that in the first period the illusion that the problems of the masses are



Will social conditions be transformed?

being solved can delay for a short time a movement of the proletariat. After waiting 350 years a certain fund of credit will be granted by the African workers to what they will perceive as 'their' government. But once it dawns on them that only the slightest dent will be made in the massive social problems of the African townships, an inevitable outburst of anger and indignation will take place. Even before an ANC-dominated government has come to power there are rumblings of discontent amongst the youth and a critical attitude towards the ANC leadership among significant layers of the working class. They are already suspicious of the bourgeois wing of the ANC, which more and more distances itself from the working class basis of the organisation.

This critical mood has reflected itself in the debate within COSATU on the need for a 'workers' party'. Its significance is that this idea of a workers' party has developed *before* the coming to power of an ANC-dominated government. It is a promissory note for the future as far as the South African working class is concerned. At this moment the South African masses, correctly so, are driving towards the greatest possible majority for the ANC in the elections, which the Marxists around *Congress Militant* entirely identify with.

The *slogan* of the 'workers' party', which is played with by some sects on the outskirts of the movement, is premature at this stage. The working class have first to test out the ANC in action. It is vital therefore that the greatest possible majority, giving the ANC leadership no real excuses for delaying action on the demands of the masses, is achieved during the election.

A CLASS DIFFERENTIATION within the ANC, already in its incipient stages, is inevitable in the future. Cracks along class lines have already begun to appear. Chris Hani, before his assassination, warned against the move to the right of the ANC leadership and spoke of the formation of some possible future socialist force after the ANC came to power. The suspicions of many rank-and-file ANC members were further indicated in December, with the election of Winnie Mandela to the presidency of the ANC Women's League, who despite her evident political weaknesses, is seen as opposing the ANC's move to the right.

Developments in Namibia, with riot police deployed by the SWAPO government, have been noted by South African workers. *The Sunday Nation* comments: "Namibia's South West African Peoples' Organisation has a proud tradition of struggle. Much like the ANC, it fought colonialism at every level, waged a valiant armed struggle and was unstinting in its revolutionary ideals".

Moreover like COSATU the Mineworkers of Na-



Rally launching the Western Cape Division of COSATU.

mibia (NUM) supported SWAPO. Yet it was repaid in November with an attack by SWAPO police on its picket line at the strike-hit Consolidated Diamond Mines. And it is not the first time that repression has been used against the Namibian unions. The police attacked striking brewery workers three years ago, injuring scores.

Former rail worker Andimbu Tolvo ya Tolvo, now Namibia's mines and energy minister, explained such measures by saying that Namibia could not afford a strike, so key was the mining industry. This is the logic of SWAPO's decision to remain within the framework of capitalism. The situation will be no different for an ANC government which accepts capitalism and rests on a capitalist state, although one which will be overwhelmingly Africanised. How long will it be before an ANC government sends in police and army units against striking workers or rebellious inhabitants of the African townships?

A coalition government, with the ANC as a majority, will be subject to remorseless contrary and counter-class pressures. Mandela and the right of the ANC have already bent the knee to capital, both within the country and on an international scale. It is unlikely that they will, as the MERG group advocates, take over some commercial banks or introduce bigger taxes on capital in the form of a serious wealth tax.

On the contrary, as with the colonial bourgeois as a whole, it seems that the ANC have opted for an 'open' economy without even limited controls on the inflow and outflow of capital. This could have disastrous consequences for the weakened South African economy, particularly for indigenous industry.

Imperialism will be able to exercise an even greater stranglehold than at present on the economy. This in turn will prevent the ANC from introducing a programme that can mollify the masses. Even on the land question a new government will find itself between two millstones. Some

five million Africans have been forcibly removed from ancestral land, and five million whites in a population of 38 million now own about 83% of the land.

The cry of 'kill the farmer, kill the Boer', although ultra-left as a slogan on the lips of people like Peter Mokaba, leader of the ANC Youth League, nevertheless has deep historical roots. It



Nelson Mandela with SACP leader Joe Slovo.

does resonate, particularly with impatient layers of the youth, when set against the background of the systematic robbery of the African people of their land over generations.

On the other hand the threat of a 'white backlash' is fuelled by a perceived threat to take over white farms. The demand for a separate Boer homeland, which finds its greatest support in the Transvaal, is connected more with the fear of white farms being expropriated rather than any expectations that such a Utopian dream could be realised. There is no area, covered by a magistrate, in which the whites have overwhelming demographic superiority. The only way which such a 'Volkstaat', a Boer homeland, could be realised is on the basis of the establishment of a new apartheid regime, with the driving out of blacks to create exclusive white areas.

The working class will test and re-test the ANC in action.

Mandela, while he has attempted through negotiations to divide the white right, has made it clear that "the ANC would never concede an independent white homeland". (*The Independent*, 21 December 1993). Nevertheless the land issue will prove to be a source of contention for a new government that comes to power.

The pressures that will be exerted on the new government, particularly on the ANC by the African

population, means that the agreed constitution will not be the last word. The ANC leaders will undoubtedly attempt to use the presence of others in the cabinet, the National Party etc, as an excuse for not carrying out the demands of the African people. Pressure will therefore grow for an homogeneous ANC government and undoubtedly that will develop at a certain stage.

The present constitution could be ripped up. The plan for a five-year timescale before the possibility of 'majority rule' could be considerably shortened under mass pressure. It is not excluded that there could be a series of governments, either with the ANC in coalition or holding power by itself.

The other side of the process will be a continued radicalisation within the labour movement. In essence the South African bourgeois is already being forced to rule through right-wing ANC leaders. The National Party could receive no more than 12-13% of the vote in the forthcoming elections. Under the hammer blow of events it could shatter with big sections of the National Party finding a home under the protective embrace of the more and more bourgeoisified wing of the ANC. The ANC could in the course of time become the main instrument for the political rule of the South African bourgeois.

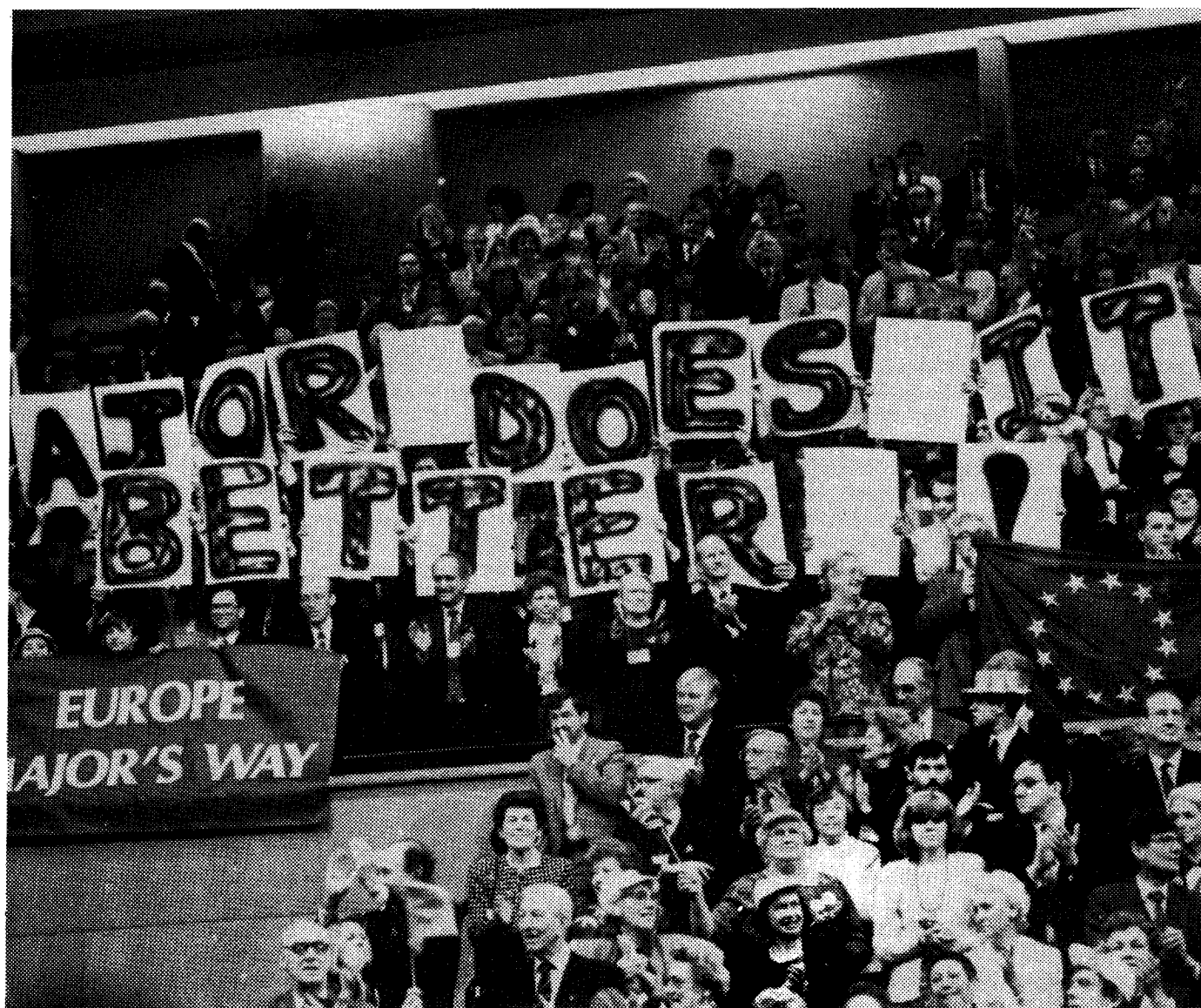
On the other hand an increasingly radicalised working class will seek to cash in its promissory note of a workers' party. The ANC itself could split with the left coming together with COSATU to form such an organisation. Thus the end of apartheid and 350 years of political slavery is not the end for South Africa.

On the contrary it is the beginning of a new chapter which will see the emergence of the powerful and inspirational South African working class under its own colours and challenging for power. Mandela, in seeking the support of COSATU for the ANC's election campaign, asked the delegates at the COSATU congress to do to an ANC government what they did to the National Party if it fails the masses. The South African working class will undoubtedly take him at his word. They will test and re-test the ANC government. They will see in action that it will not satisfy their demands.

They will become more and more radicalised and will look for those ideas which can show a way out of the impasse. They will inevitably return to the ideas of the Freedom Charter, to the concepts of nationalisation, of a new society, of democratic socialism. These ideas still burn fiercely in the hearts of the most class conscious South African workers. They will, through experience, see that it is the ideas of Marxism, of *Congress Militant*, which offers the programme to realise their aims.

A combination of the powerful organisations of the South African working class - of COSATU 1.2 million strong - and the ideas of Marxism, can forge a real socialist alliance which can guarantee the transformation of the lives of the South African working class and with it open up a new socialist chapter for the whole of Africa. □

Britain's political crisis



Britain will not be an exception to the European rule of political instability and a working class fightback.

THE NEW YEAR opened with the uprising of poor peasant farmers in southern Mexico. Symptomatic of the turbulent struggles now unfolding internationally, the Mexican insurgents raised the banner of socialism: 'We want socialism like Cuba, only better!' said one of their leaders.

In Berlin, where workers are experiencing the catastrophic consequences of the market economy,

about 80,000 marched to commemorate Rosa Luxemburg, Karl Liebknecht, and Lenin. Throughout the developed capitalist economies of western Europe, moreover, there has been wave after wave of mass strike action, especially in the public sector.

December saw the biggest strike wave in Belgium, for instance, since the Belgium general strike of 1961. France has seen big movements in the public sector (see article on pp18-20). Workers in

Germany, once the most prosperous and stable European economy, have also been on the move against public sector cuts and job losses. An all-German public sector strike, or even a 24-hour general strike against cuts, is now on the agenda for Germany. Only five years after the fall of the Berlin Wall and the 'death of communism', the prospects for a triumphant capitalism are looking much less favourable.

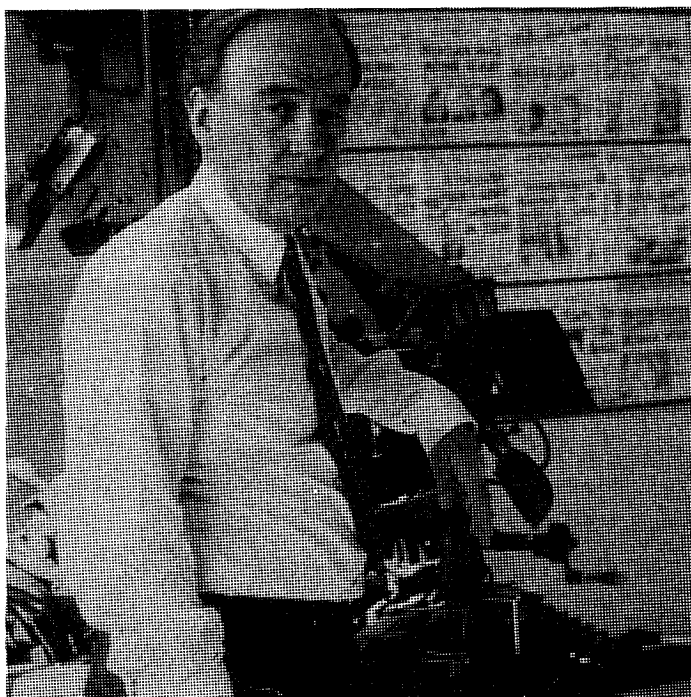
The Tory Party is being torn apart by an unprecedented crisis.

Britain has appeared to be an exception to the European rule. The economy, according to the Tory government, is set on a path of recovery, unlike other European states which are still experiencing recession. Yet despite four successive general election victories and their claimed 'economic successes', the Tory party, the political representatives of British capitalism, is being torn apart by an unprecedented crisis.

Major, the most unpopular British prime minister since opinion poll records began, has been crippled by his own boomerang - 'Back to Basics'. This ideological fig-leaf was adopted by the leadership last October in an effort to clothe the government with a coherent political strategy. In the hands of the Thatcherite right, however, the policy became a bunch of birch twigs, a political weapon to beat Major further down the road of ruthless 'free market' policies: further deregulation, privatisation and tax cuts for the wealthy. Not only was their narrow, reactionary 'morality' used to justify further cuts in the welfare state, it was deployed against ministers considered to be too 'wet'.

In this poisonous political atmosphere, it was inevitable that revelations about the extra-marital affairs of various Tory ministers and the resulting single-parent families should create a series of scandals. The censorious denunciations of the Tory gutter press are so much sanctimonious effluent. Yet the indignation, however synthetic, has struck a powerful chord among the public. There is a massive reservoir of indignation and anger, including among many Tory voters. This arises not so much from the sexual shenanigans of Tory leaders, but from the much more serious scandals, which normally the gutter press does little to illuminate.

The catalogue of scandal would run to several large volumes: city and financial frauds, where the culprits have mostly walked away, mocking the Tories' claim to be a party of 'law and order'; ministers now presiding over privatised industries; ministers' cronies enjoying lucrative perks from hundreds of quangos established by the Tories; the secret arms trade with Iraq; and the gerrymandering of Westminster and Wandsworth councils.



Why are Tory Press Barons leading the attack?

Unusually for a judicial enquiry, the Scott enquiry has begun to lift the veil: it has already shown that despite Thatcher's denunciation of Saddam Hussein, the Foreign Office secretly encouraged the export to Iraq of highly profitable arms-producing equipment, while ministers and civil servants deployed all their talents to conceal the truth from parliament.

The recent district auditor's report on Tory controlled Westminster council provides detailed evidence confirming what everybody really knew already: that one way or another, council houses were sold in an effort to retain Tory control of marginal wards. Similar details are also coming out about Wandsworth, where, with the approval of Tory ministers, similar tactics were used.

Major and his cohorts have tried to brush these allegations aside. This is in marked contrast to their righteous indignation when the district auditors' reports were used to hound the left-wing councils of Liverpool and Lambeth from office - because they built too many new council homes!

THE EXTRAORDINARY FEATURE of the current political crisis, however, is that the attack on the Tories is being led by the formerly loyal Tory press and by figures from the capitalist establishment, like the judges.

What explains this peculiar turn of events? The serious strategists of the capitalist class are appalled at the prospect of the splitting apart of the Tory leadership and the slow disintegration of their traditional ruling party. They fear even more the prospect of explosive social upheavals as a result of the decay of the British economy and the legacy of Thatcherism. Backbench MPs quake with apprehension at the profound alienation of large sections

of traditionally Tory voters.

The strategists of capital face a further unusual problem: the utter incapacity of the Labour Party leaders to lead an effective opposition against the Tory government. The Labour leaders long ago abandoned any idea of mobilising the trade unions and wider sections of workers against the government. Under John Smith's leadership, they have abandoned even the reformist policies of previous Labour governments, and on most issues Labour's frontbench spokesmen echo the Tories' policies. Unchecked by an effective opposition, the Tory leaders have established a virtual monopoly of power, which is unhealthy even from the point of view of the ruling class. There is no check on dangerous excesses of policy, no pressure to maintain the cohesion of the Tory party, and no effective check on the growth of patronage and corruption.

Faced with this unprecedented situation, a number of Tory papers have come out in opposition to Major's leadership. Their searing criticisms have been reinforced on certain points by leading members of the judiciary and the church. While right-wingers like Portillo rail against the 'cynicism' which is allegedly undermining public institutions, more astute representatives recognise that it is the ruthless promotion of big business interests and the glaring rise in social inequality which is eroding public acceptance of social institutions and traditional codes.

The paymasters of the capitalist press have concluded that Major has outlived his usefulness. They are preparing the ground for an alternative Tory leadership, although they are faced with a lacklustre array of candidates. Moreover, they are privately weighing up the best tactics to deal with a Tory defeat in the next general election.

Tens of thousands of public sector jobs will go.

While spokespersons of the City and the CBI support the idea of a recovery, there is no real confidence that the Tory government is in the process of securing a sustained economic upswing. Growth is still consumer led, and despite low interest rates remains fragile. The prolonged, deep recession in Germany and other European economies places strict limits on a recovery of relatively feeble British capitalism. Growth of around 2% (below the 'trend rate' of 2.5%) will not wipe out structural, mass unemployment. The real wage levels of millions of workers are being steadily eroded, while casualisation and part-time working, especially for women workers, are leading to a deterioration of conditions. The additional taxes imposed by Clarke's latest budget measures will absolutely reduce the incomes of millions of families during the next year, cutting living standards and restricting the markets for big business.

Worse is soon to come. The Tories are desperate to reduce the massive budget deficit, the result of tax increases to the rich and the escalating cost of mass unemployment. In the coming months, further tens of thousands of public sector jobs will go. The benefit levels of tens of thousands of claimants, especially those of the young unemployed, will be further cut. The longer term plans floated by Portillo and other right-wingers, would mean a disastrous cut in benefit and pension levels.

Over the coming months, the effects of these measures will provoke massive movements. At the end of last year, over a quarter of a million civil servants joined a day of action against government cuts, the biggest public sector strike for a decade. In the coming months, millions of workers in Britain will join workers in Europe in mass action against policies of capitalist crisis. If there is no lead from above, from the trade union and labour leaders, then initiatives will develop from below.

The craven Labour leaders believe that mass action by the workers will upset their long-term election strategy, which is to use the media to present Labour as a safe, respectable alternative government. When there is such deep-rooted, seething discontent amongst all sections of the population, however, bold action by workers will receive wide support from other sections. This has been shown recently in the other European countries, and will prove to be the case in Britain too. This will develop through a series of battles, as the pent up grievances of section after section explode.

According to all the opinion polls, the Tories electoral support has been deeply undermined. They will undoubtedly suffer big losses in the local government elections in May and also in the European elections. It is now likely that there will be moves in the next period to replace Major as Tory leader, in an attempt to improve the party's standing. Nevertheless, in the event of a general election, which could be brought forward by the developing crisis, it is most likely that the Tories would suffer a defeat. This, however, would be on the basis of an tidal wave of anti-Tory feeling - not a strong pro-Labour vote.

Given the massive scepticism about the Labour leaders among workers, and also because of the anti-Labour bias of the constituency boundaries, it is by no means certain that Labour will form the next government. In the southern part of the country in particular, the Liberal Democrats could act as an alternative for disenchanted Tory voters. There would be the possibility of a minority Labour government, dependent on support from the Liberal Democrats and other smaller parties - which would inevitably be a government of crisis.

The big movements in Europe have put socialism back on the agenda for the advanced layers of workers and youth. The same process will unfold in Britain, as struggles bring a renewal of the workers' movement - and the successes already achieved by Scottish Militant Labour will be extended by Militant Labour throughout Britain. □

Economic Focus

By Pete Watson

China at a cross-roads

SIXTY WORKERS DIED in a textile factory fire at Fuzhou, China in early December. The factory was a 'joint venture' with Taiwanese capital. This terrible tragedy follows the death of 81 people killed in Shenzhen in a similar fire. The factory's doors had been locked to 'stop theft and unauthorised breaks from work'.

Chinese workers are experiencing capitalism in the raw in the special economic zones established by the government. In parts of the coastal provinces of Guangdong, Fujian and other selected areas, foreign investors take advantage of cheap labour to amass profit - at a cost. In Guangdong there was a 60% rise in deaths from industrial accidents in 1991.

*China is now
the thirteenth
largest exporter
in the world.*

Shenzhen in Guangdong province has experienced meteoric growth. In 1979 it had a population of 320,000, now it is 2.2 million. Its average production



There is a huge migration from the rural areas.

growth has been 46% per year.

Foreign direct investment into China has been rising. In 1992 it was \$11 billion. Last year it was an estimated \$18 billion and \$83 billion has been pledged in new contracts.

Cheap labour is the attraction. The share of labour intensive manufactures in total Chinese exports has risen from 36% in 1975 to 74% in 1990. Capital intensive manufactures have fallen from 50% to 19% in the same period. Twenty-five per cent of exports go to the US and 19% to the European Union. China is now the thirteenth largest exporter in the world.

The gross value of industrial

output from the state (excluding collective, individual and other forms of production) has declined from 60% in 1985 to less than 50% in 1992. But the march is anything but 'orderly'.

Loosening the ties of the plan of production has lit the fires of inflation. By the second quarter of 1993, it was running at over 20% in the cities and rising. The government launched an austerity programme in response, raising interest rates and closing up to 1,000 new development zones. Yet inflation will still dog the economy in 1994.

Change is also hitting the country. The government is lifting state controls on agricultural prices and allowed the sale of surpluses on the market. Peasants can lease their own land under contract. One effect of this is the move towards producing profitable crops, leading to shortages in essentials. China has recently suffered a shortage of cotton.

Subscription rates

Subscribe to the *Militant International Review* for £5 for four issues, UK/Ireland, or £6 overseas. Write to us with your name and address and a cheque or postal order made payable to *World Socialist Books* at 3/13 Hepscott Road, London E9 5HB.



Capitalism in the raw.

Nine hundred million people, three quarters of China's population, live in rural areas: 333 million work on the land out of 690 million people of working age. One study estimates that 130 million rural people cannot be sustained on the land. Attracted by the city, a huge migration is currently taking place. The government recently forced thousands camping around Beijing railway station to return home.

The Chinese revolution of 1949 was an heroic event that freed millions from capitalism. It never, however, brought in a genuine democratic socialist state. A dictatorship was erected upon a nationalised planned economy. Nevertheless big improvements in living standards were made by Chinese workers and peasants.

The reforms won by the revolution, jobs for life and a decent welfare system, present a social barrier confronting the pro-marketeters. One tractor factory manager complained in the Chinese *Economic Daily* that there were 40,000 workers at the plant but they also had to sustain 100,000 relatives and 20,000 retired people. 'We have to take care of everything - how they eat, drink and sleep', he moaned.

Plans are being laid to separate welfare from the workplace. This will be an attempt to also separate workers from a job and welfare for life. Battles can be

expected as the state seeks to destroy this 'iron rice bowl'.

Foreign capital is entering countries such as China and Malaysia at an increasing rate. But this is happening at the expense of industry at home. The movement of investment towards cheaper labour is 'hollowing out' industrial capacity in Japan, South Korea and elsewhere. This may well lead to greater prospects for class conflict in these countries. □

Oil over a barrel

LAST YEAR SAW a 20% drop in oil prices. Currently oil is trading at only around \$14 a barrel. Some believe that the price has reached rock bottom and is stabilising. Two factors may however lead to a further collapse of prices down to below \$10 a barrel.

The first is the continuing stagnation of world production. Oil fuels industry: economic recession therefore reduces the demand for oil.

Greater amounts of oil are also now coming onto the world market. Producers outside the Organisation of Petroleum Exporting Countries (OPEC) have developed new output from the North Sea. The former Soviet Union and China are also seen as cheap sources.

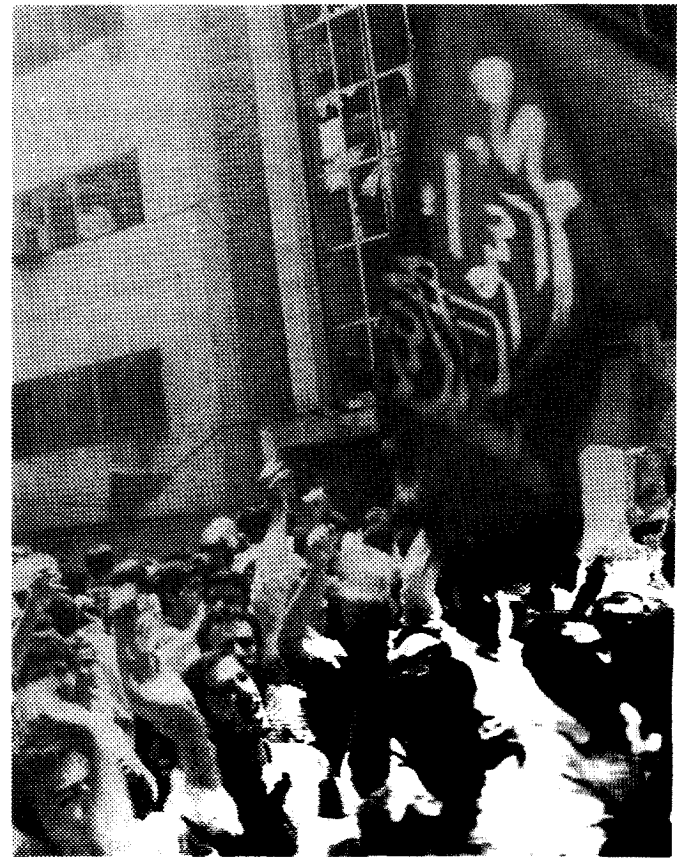
During 1994 Iraq may be able to start exporting again. It has the second largest oil reserves in the world and will demand a large quota of produc-

tion from OPEC. Splits and divisions in this organisation are likely.

Even Saudi Arabia is now feeling the financial pinch.

OPEC seeks to control production to maximise revenue for its members. However its membership, of less developed countries, can never compete with the main imperialist powers nor can it 'buck the market' of capitalism. Every annualised fall of one dollar in the oil price leads to a loss of \$5 billion in OPEC members revenue.

Even Saudi Arabia is now feeling the financial pinch. Countries with a poor domestic economy will be hit hard. Iran and Nigeria in particular may face further social unrest because of falling oil prices. □



Iran: social unrest threatens oil production

Will the Downing Street declaration fare any better than previous Northern Ireland 'initiatives'? Peter Hadden writes.

A precisely worded fudge

EVERY PAST ATTEMPT by the British ruling class to come forward with a solution to the Northern Ireland troubles has ended in failure. Is there really any reason to believe that their latest effort, the Downing Street declaration and the negotiations surrounding it, will fare any better? Both the Dublin and London governments argue that the declaration marks a new approach which allows for a possible resolution of the national conflict. But does it?

The key clause reads: "The British government agrees that it is for the people of the island of Ireland alone, by agreement between the two parts respectively, to exercise their right of self-determination on the basis of consent, freely and concurrently given, North and South, to bring about a united Ireland, if that is their wish".

This precisely worded fudge is complemented by an assurance by the Dublin government that Irish self-determination must be exercised "subject to the agreement and consent of a majority of the people of Northern Ireland".

The hope is that this 'clarification' of the constitutional position of the North will provide a framework within which agreement can be reached on a new assembly in the North, on power-sharing within it, albeit by another name, and on North-South structures in the form of joint committees on tourism, transport, energy, economic development, security and possibly other matters.

Dublin acceptance of the need for the consent of the majority in the North to any constitutional change is designed to appease the Unionists. The British recognition of the right, on the basis of consent, to establish a united Ireland, is designed to encourage an IRA cease-fire and lure Sinn Féin to the conference table.

Despite the media hype which followed the declaration there is very little in all this which is new or which represents any significant shift in the position of either government.

The Southern Irish ruling class have, in reality, neither the intent nor even the aspiration to rule



Albert Reynolds and John Major.

the North. Although the British ruling class partitioned Ireland in 1920 in order to divide the working class, by the beginning of the 1960s they would have preferred to withdraw and rely on economic as opposed to political or military means to dominate Ireland and exploit its resources. Protestant resistance has meant that they could not take even a single step along this road. Nonetheless this has remained their preferred option.

In November 1971 the then prime minister Edward Heath made a statement of which the present declaration seems little more than a paraphrase: "Many Catholics in Northern Ireland would like to

see Northern Ireland united with the South. That is understandable. It is legitimate that they should seek to further that aim by democratic and constitutional means. If at some future date, the majority of the people of Northern Ireland want unification and express that desire in the appropriate constitutional manner, I do not believe any British government would stand in the way".

The main emphasis of British policy over the past two decades has been on military containment through repression, but from time to time government ministers have returned to this theme. The negotiations which led to the setting-up of the 1973 power-sharing assembly with its arrangements for links through committees with Dublin, involved similar assurances as those given today. The preamble to Margaret Thatcher's last Northern Ireland folly, the Anglo-Irish agreement, was likewise along these lines.

If there is a difference today it is not so much to be found in the speeches of Major or Reynolds or in the 'all things to all people' terms of this declaration. It lies in the changed nature of the situation itself.

TWENTY-FIVE YEARS of the troubles have taken a toll on all sides. The huge anti-sectarian rallies organised by the trade unions last November showed the war weariness of the population and the disgust at atrocities such as Shankhill and Greysteel.

Based on the fact that a majority of the Protestant community, weary for peace, now favour some concessions to the SDLP and even to Sinn Féin if it could end the violence, the Official Unionists have gone along with the government's proposals. Paisley has moved into ritual opposition but his thunderous denunciations of 'sell-out' have so far hardly turned a hair in the Protestant communities. The paramilitaries view him with scepticism and have refused to back his 'Save Ulster' campaign. A series of rallies were announced at the end of last year but as yet none have taken place.

On every side there has been some shifting of political positions but the biggest shift has undoubtedly come from the republican movement. It is the possibility at some stage of an IRA cease-fire which really gives the current discussions and proposals more weight than previous government initiatives. In a sense the whole episode of talks between the governments for more than a year, of which December's declaration is only a part, all boil down to a wide-ranging but concentrated effort to engineer the terms of a cease-fire.

As Militant Labour has consistently argued, the methods of individual terrorism ultimately lead to a dead end. The experience of the IRA campaign bears this out. Although the IRA have the ability



Ian Paisley.

to continue with some degree of armed struggle virtually indefinitely, they have no prospect whatsoever of victory. It is in recognition of this that at least a section if not the majority of the republican leadership now favour a cease-fire.

This view has been strengthened by the success of Sinn Féin which can now depend on about 40% of the Catholic vote and which has a firm majority in the Catholic working class areas of Belfast. One reason for the turn to the IRA in the early 1970s was that there did not seem to be any

alternative means of struggle for the youth. Now when Gerry Adams says that "If people like me and others are developing unarmed methods of struggle, unarmed strategies for republicanism to move forward, then that should be encouraged", (*Irish News*, 8 January 1994) he is not advocating a strategy which complements the IRA, but an alternative to it.

A clear political shift to the right at the top of Sinn Féin and the IRA is another factor in the current processes. Gone completely is the semi-socialist rhetoric of the early 1980s. Clearly affected by world developments during the 1980s, including the collapse of Stalinism, the Sinn Féin leaders now propose involving world capitalist institutions such as the United Nations or the Conference on Security and Co-operation in Europe to help bring about a solution.

*If there is a difference
today it is not in the
speeches of Major or
Reynolds.*

More recent developments in South Africa and the Middle East have increased their illusions in some form of negotiated, democratic settlement. The British ruling class have sensed these changes in the IRA and Sinn Féin. Hence the secret discussions and the overtures, public and private, to the republican leadership.

A cease-fire is now a real possibility. Even if the IRA reject the Downing Street declaration outright, which they have so far been careful not to do, it is still possible they would lay down their weapons and adopt some of the 'unarmed strategies' advocated by Gerry Adams to oppose it. A behind the scenes agreement on the release of prisoners over a period may be enough.

This does not mean that the quarter century of troubles are about to come to an abrupt end. In

the first place an IRA cease-fire is not certain and, if it takes place, may still be some time off. Secondly there would be the possibility of a split with a section of the movement continuing the 'war'. Thirdly there is the factor of the loyalist paramilitaries who have been responsible for more deaths than the IRA in the last two years. An IRA cease-fire would not necessarily mean that they would let up on their campaign of assassination of Catholics.

However, if the IRA campaign was halted, huge pressure would build on other paramilitary factions to follow suit. A group which tried to continue the struggle in opposition to the Provisional leadership would probably face isolation with few open doors and few safe houses in Catholic areas. Provided a mass feeling of a sell out did not develop among Protestants, there would be a mood that the loyalist groups should call a temporary halt at least.

This is only one of a number of possible scenarios. Were it to come about it might offer a partial respite from the sectarian violence and the military repression.

However, a respite based on war weariness and the partial exhaustion of the various forces is not a solution. The conflict is not just a matter of the various paramilitary campaigns but is more importantly the fact that the working class is divided along sectarian lines. There is nothing in the entire round of discussions and declarations which will bring the working class one step along the road to unity.

THE NATIONAL PROBLEM remains unresolved. The problem now is not just the existence of the North, but the existence of two poverty ridden states in Ireland. To Catholics the Northern state has meant 50 years of discrimination followed by 25 years of repression. As discrimination has been eased over the past twenty-five years a layer of middle-class Catholics have moved out of the hard-line Catholic areas and are largely accommodated to life in the North. However for the Catholic working class the state offers only poverty, unemployment and repression. They cannot be reconciled to its permanent existence.

The aspiration of Catholic workers for a united Ireland is a desire for change and an improvement in their lives. It is not an acceptance of things as they are in the South. The existing Irish capitalist state, with the second highest unemployment levels in Europe, holds little attraction for them - but it utterly repels the Protestants.

Protestants fear that in a capitalist united Ireland they will end up as second class citizens, discriminated against in the manner in which Catholics were discriminated against in the North. No amount of assurances from Sinn Féin, the SDLP or the Dublin government will make the idea of reunification attractive to them. The economic reality of what the marriage of two poverty ridden states would mean, will easily out-sway all the platitudes about 'minority rights guarantees'.

In the North living standards are maintained by

high levels of public spending. Public expenditure now exceeds revenue by 25%. The gap is made up by the annual subvention (hand-out) from the British exchequer. It has been estimated that if this were cut, living standards would fall by one third.

The Southern economy is already afflicted by high unemployment and a debt burden equal to 93% of the country's gross domestic product (GDP). If there were a united Ireland with no additional revenue the South would need to transfer some 12% of its GDP to bridge the expenditure gap caused by the loss of the subvention to the North. The result would be a deep slump North and South.

Nationalists argue that the gap could be made up from outside funding. Certainly an agreement in the North would be backed by some international money - but nothing like what would be necessary. Take the European Union for example. If they undertook to fund the British subvention it would mean that half the European reserves targeted for regional and social issues would be spent on this.

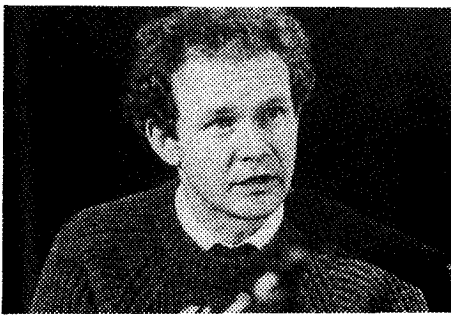
The idea that the creation of an all-Ireland market would somehow overcome these problems is spurious. John Hume's figure of 94,000 jobs created by the removal of the border has been drawn from the air. A combined market of only five million people would not allow Irish capitalism to develop and overcome its problems.

Were a united Ireland to be imposed on Protestants they would resist. The result would be civil war and the likely repartition of the island. It is this fact which makes absurd the Sinn Féin argument that Britain can solve the problem by declaring first of all that the Irish people have the right to self-determination and then 'persuading' the Protestants that their future lies in a united Ireland.

A respite based on war-weariness is not a solution.

When dealing with the complex and emotive issue of the national problem it is above all necessary to be concrete. Self-determination of all the Irish people as posed by Sinn Féin means an all-Ireland referendum to out-vote the Protestants. The reality is that there can be no united Ireland without the agreement of the majority - that is, the working class, Catholic and Protestant - in the North. Protestants will not be voted into a united Ireland against their will and the democratic sounding rhetoric about self-determination would be seen simply as a deceit which if exercised would provoke civil war.

The idea that the British ruling class and government becoming 'persuaders' would make any difference is no more sound. At present Protestants favour the link with Britain; only a minority sup-



Sinn Féin leaders Martin McGuinness and Gerry Adams.

porting the idea of independence. But if the link was seen to be being severed by the British the majority of Protestants, rejecting re-unification, would turn to the idea of an independent Ulster as the lesser of two evils. The Catholics of the North would never accept this and it would simply provide an alternative route to civil war.

THERE IS NO capitalist solution to the national problem and certainly the carefully worded ambiguities of the Downing Street declaration contain no answers. In fact because both governments are attempting to pressurise the paramilitaries by offering very different explanations of the agreement to the different sides, it may make things worse in the long run.

Unionists are being assured that the declaration guarantees the link with Britain for so long as they have a majority. Nationalists are being encouraged to believe that the all-Ireland structures are a step on the road to a united Ireland. Even on the basis of the best possible scenario of a partial respite in the violence this is a recipe for renewed, probably worse, violence at a later stage.

It is only the broad labour and trade union movement which is capable of overcoming sectarianism and providing a solution. The potential for this was shown by the tens of thousands who supported last November's anti-sectarian rallies.

Instead of building on these successes the union leaders have sat back and allowed the initiative to go to the governments and the politicians. Their silence and inactivity gives *de facto* support to the declaration, to the Tories and to the main so-called 'moderate' parties in the North. Labour's front bench at Westminster have acted throughout as an echo of Major and Mayhew.

Such support is a dangerous trap for the working class of Northern Ireland. The troubles are rooted in poverty and the insecurity it brings. The Tory government by its attacks on living standards and services are increasing that poverty and are therefore the authors of the problem, not of a solution. All the major political parties rely on the continuation of sectarianism to get themselves elected. It is no good looking to them to commit political hari kari by overcoming sectarianism.

Whatever the outcome of the present talks there will be an urgent need for independent action by the labour movement. If the talks collapse, leading

to an escalation of sectarianism, action such as that taken in November will be necessary. Likewise if apparent concessions to Sinn Féin produce a backlash among Protestants as happened after the Anglo-Irish agreement, the trade unions will need to act to defend the lives of working class people.

On the other hand if there is an agreement and a partial respite in the violence this will

give the labour movement a much needed opportunity to develop working class unity and ensure that future discontent takes the form of united class struggle, not internecine sectarian conflict.

If there is to be a new assembly this will be given powers over local services. It will be charged with implementing Tory cuts and privatisation. It will be the body asked by the Tories to oversee the privatisation of water.

Militant Labour in Northern Ireland rejects the Downing Street declaration.

If it is an assembly of bigots these things will be carried through - just as privatisation and other Tory policies have been implemented on the local councils. There is now an urgent need for the trade unions, together with the genuine community organisations, to prepare a political initiative of their own. Meetings of shop stewards and community activists should be held in every area to build a new political party, a mass socialist Labour Party to challenge the Tories and the bigots. A conference of rank and file trade unionists, community representatives and of the various independent Labour groups which already exist, should be called to build such a party.

This would campaign to unite the working class against Tory policies, against state repression, and for a socialist solution. The real way forward lies through the unity of the working class in the North, unity with the working class in the South and in Britain to establish a socialist Ireland and a socialist federation of Britain and Ireland.

Militant Labour in Northern Ireland rejects the Downing Street declaration. We can not wait for Tories, sectarians and paramilitaries to make up their minds about what they agree on and whether working class people are going to continue to die. We will be stepping up our campaign for a real political initiative - the building of a socialist voice against sectarianism and Toryism in all their forms. □

Tony Cross reports from Paris on recent developments in France.

French workers move into action

THE USUAL BUSTLE of a departure lounge was absent when I visited Paris's Roissy airport last October. Two hundred striking Air France workers were staging a sit-down. Facing them were a cordon of CRS police, pistols on their belts and riot shields on their arms. At Orly airport, strikers and CRS fought it out on the runway, the police using teargas and the strikers industrial fire extinguishers. At Roissy, freight terminals were blockaded. Both Paris airports and the one at Toulouse were paralysed for days.

The strikers were fighting a management 'recovery' plan for 4,000 job losses and big cuts in unsocial hours payments and holidays. Polls showed the majority of French people supported the strikers.

The strike terrified the newly elected right-wing government. Prime minister Edouard Balladur, who had been on the government's negotiating team during the general strike of 1968, was reportedly terrified of a repetition of those revolutionary events. The result was complete capitulation. The plan and the Air France managing director were dumped.

The media, the bosses and the government were amazed at the strikers' militancy. Recession and mass unemployment were supposed to cool tempers of stropic workforces. That's the theory anyway. And it was working so well under the last, 'Socialist' government - union membership had fallen to an all-time low.

Before they came to power in April

last year, the right-wing parties warned that social discontent was likely to explode outside industry, in the form of riots for example. They were right about riots, but they were wrong about industry. The airport strike marked a new wave of militancy, especially in the public sector.

The government, having announced an austerity programme for all French workers, tried to make an example of its own employees. Also, to carry through its massive privatisation programme, it needed to lick state-owned companies into the sort of shape potential buyers will appreciate.

Air France is due to be sold off - but it lost \$617m last year. Not good for the portfolio, so the management worked on a 'social plan', as they're euphemistically called.

Air France is not the only company to suffer such a plan. There has been an epidemic of them in both private and public sectors. There had been small disputes in private industry but up until October the labour front was relatively quiet.

Then on 6 October railway workers came to



Workers on the streets of Paris fighting unemployment.

Paris in their thousands. They wanted to defend their pension scheme and create new, secure jobs on the railway. They were opposing a wage freeze and the break-up of the state-owned company. The numbers and the enthusiasm surprised the movement's leaders. And so did the movement that followed.

There were protest strikes on the railway, the metro in Paris and some provincial cities, and the post and telephone company. There were also demonstrations by workers from the state-owned computer manufacturers Bull, where half the French workforce is due to be sacked and total closure is threatened.

Then, on 12 October, a united call by two union federations, Force Ouvriere (FO) and the CGT, mobilised 30,000 state employees on the streets of Paris and others in provincial cities. The protest was accompanied by well-supported strikes. On the following Friday, the CFDT federation held another well-supported demonstration.

THE RIGHT WON last year's general election, even though their vote didn't go up. They won against a background of political cynicism caused by the experience of a Socialist Party government that had tried to manage the market economy. It presided over recession, mass unemployment and social decay and bitterly disillusioned millions of people.

Socialist voters abstained in their millions. And they are still doing so. A recent by-election in Marseilles had to be re-run because of a rate of abstention of over 80%.

Of course, things have not improved under the right. Statistical institutes continually revise their economic forecasts downwards. All agree that unemployment, as officially measured, will remain above three million.

The Balladur government's response was reflation for the bosses and austerity for the workers. It launched the 'Balladur loan', by which the government tapped the French people for 40bn Francs for building and civil engineering projects, and tax and social security concessions for businesses. The debt is to be paid by selling off state-owned industries.

An Employment Bill passed in the autumn handed 85bn Francs to the employers in exemptions from social security payments. It also proposes shorter working hours - with loss of pay - more part-time working and the 'annualisation' of working time.

Annualisation means you do not work a 35 or 40-hour week but a certain number of hours in the year. Sounds tempting? Women working for the Trois Suisses catalogue company, which already operates the system, reported having to work nearly all their hours in the five most busy months. Sometimes they don't know what hours they will work



Mitterrand and prime minister Balladur.

until the previous day. Inevitably, they work when it suits the bosses, not themselves.

It was this employer-government offensive that revitalised the unions. Activists feel free to fight this government in a way they did not the previous 'socialist' government, whatever its faults.

But the French trade union movement is divided into five major union federations, plus autonomous unions in most industries. At Roissy airport there are 15 different unions and the majority of strikers were not members of any of them.

So there has been tremendous pressure for a united response to the government's plans. CGT general secretary Louis Viannet has taken up this demand and called for united demonstrations and strikes. But the CFDT, whose leadership is currently the most right-wing, has cold-shouldered his advances.

Fortunately, the rank-and-file resisted the bureaucrats' attempts to scupper their campaigns. Trade unionists in 15 public companies, including CFDT branches, organised a 'first united national action on 18 November'.

Amazingly, FO told its members to pull out and CFDT leaders threatened disciplinary action against activists who helped plan this initiative. But the day of action went ahead and 20,000 demonstrated in Paris, a remarkable turn-out considering the union chiefs' obstruction.

The government continues to duck and weave. They dropped plans to freeze civil servants' and local authority workers' pay and pressurised railway management to modify their social plan. But then, at the end of 1993, they rammed a reform of the education system through to allow councils to subsidise private education - which in France is almost all church-run. Teachers' unions have already taken strike action and a potentially huge national demonstration was planned for 16 January. Faced with this mounting opposition, when the constitutional court ruled against the measure, the government retreated.

And battles continue in industry too. Print bosses seem to be heading for a Murdoch-style confronta-

men on the national newspapers. Big companies like the Michelin tyre manufacturers are proposing wage freezes for 1994. And in November 13,000 miners in Lorraine went on strike to defend what's left of their industry.

They hit the television screens when they fought pitched battles with the police in the city of Metz. On 17 December some miners held a junior minister hostage at pit bottom to force labour minister Gerard Longuet to meet their representatives.

Members of Militant Labour's sister organisation in France, Gauche Revolutionnaire/Jeunesses Communistes Revolutionnaires (Revolutionary Left), have taken part in some of the rank-and-file initiatives. In the unions we are fighting for unity in action, democratic discussion and a clear programme of action.

A clear programme is also desperately needed on the political plane. After years of demoralising right-wing policies in government, the Socialist Party's leaders have started to talk left again. The party's ex-treasurer Henri Emmanuelli has energetically supported the call for a 35-hour week with no loss of pay. When he criticised the party's parliamentary group for voting for a 32-hour week *with* loss of pay, they said they hadn't meant to!

The party supported the Air France strike, 'violence' and all, and newly-elected leader Michel Rocard is calling for a 'social Europe', which will supposedly defend working people's interests. Yet, with memories of what these people did in government still fresh, it's not that convincing. The press comments that the party has to move left because Balladur has taken over the ground it used to occupy. Most potential activists are likely to take a similarly cynical view, although the left turn may help to revive the party's flagging vote.

It was this employer-government offensive that revitalised the unions.

The Communist Party (PCF) might have been expected to profit from the Socialists' problems. But it faces an unprecedented internal crisis. The international justification for its existence has vanished with the collapse of Stalinism in Eastern Europe. And as general secretary Georges Marchais retires, the leadership is becoming increasingly factionalised.

On the PCF's far right are the 'refondateurs', long-term open advocates of class collaboration and the mixed economy. One of their members, an economics professor on the party's central committee (CC), runs a sort of brains trust with millionaires and Gaullist MPs. The CC majority are not this blatant but they hope to drag the party further to the right at its forthcoming congress. They will

propose a statement that holds fast to the party's line of a bloc of the French 'people' against 'Germano-American imperialism' and advocates a party that will be a home to anyone opposed to injustice and inequality "with all the diversity of their different world views".



Chevenement.

Even on the CC, voices are being raised against this tendency to copy the liberal degeneration of the British and Italian Communist parties. Much of this opposition however takes the form of nostalgia for the party's Stalinist past. But one opposition document, which has attracted 134 signatures, makes a serious attempt to analyse the party's 'velvet social-democratisation'. Several supporters of this text attended a recent Gauche Revolutionnaire meeting on the Italian Communist movement.

There's one more group on the left with members in the National Assembly and big-name leaders. This is ex-defence minister Jean-Pierre Chevenement's Mouvement des Citoyens (MdC), which split from the Socialist Party after the election. For a time it looked as if the MdC might team up with the refondateurs and a mix of other groups to form a substantial new party. But the audiences of their sometimes large meetings were sent away without being asked to do anything and they soon stopped going. Then Chevenement walked out of the joint organisation with the PCF dissidents.

Worse still, the MdC's politics are aggressively nationalist. According to MdC leader Max Gallo, the Socialist government's main failing was its inability to 'reconcile the left and the nation'. The MdC's leaders are now desperately searching for Gaullists who will form a 'new republican pact', like the left's bloc with De Gaulle against Nazi occupation.

Gauche Revolutionnaire opposes the destruction of France's industry and agriculture that will follow the signing of the GATT treaty. But in or out of international trading agreements, French capitalism is in a mess and is going to make working people pay.

We aim to assemble those workers and young people who want to fight for a better world - which means a fight to get rid of capitalism, in France and internationally. □

An annual joint subscription to the French Marxist paper *L'Egalite* and the theoretical journal *Promethee* is available for £15, with cheques made payable to ECUJ, from:
Promethee/L'Egalite, BP 33, 93001 Bobigny Cedex, France.

Open warfare postponed



Delors, Clinton and Japanese PM Hosokawa.

The main achievement of the GATT deal, argues Lynn Walsh, was to preserve the status quo - for now.

THE LONG DELAYED agreement on GATT, reached between US and European union (EU) representatives in Geneva on 14 December, was hailed by capitalist leaders as a great triumph for free trade. "Today has been a

milestone in the history of world trade", proclaimed EU trade commissioner, Leon Brittan. More bluntly, President Clinton announced: "We are now on the verge of a historic victory in our efforts to open foreign markets to American products".

There is a huge gap, however, between the triumphant propaganda and the protocols actually agreed (which will provide the basis for the GATT treaty to be ratified later this year). In reality, the main achievement in Geneva was to preserve the status quo. "Nothing changes with the GATT accord", commented the economic adviser to one City of London finance house, "but everything would be different without one".

As the GATT talks dragged on past one deadline after another, there were growing fears among capitalist representatives of an escalation of the incipient trade war between the three main capitalist blocs, the US, the EU and Japan. For a time, the black cloud has been lifted. But as a Citibank economist commented, "The deal is not going to reverse the longer term trends in world trade".

Clinton hailed 'a historic victory in our efforts to open foreign markets to American products.'

In fact, the trend which gathered pace in the 1980s towards regional trading blocs was accentuated by the US Congress's approval for the North Atlantic Free Trade Area (NAFTA). This too was hailed as a triumph for free trade, an impression reinforced by the rabid opposition of Congressional representatives who represent sectional business interests and are demanding protectionist measures. Had they succeeded in vetoing or postponing NAFTA, the protectionist lobby might well have blocked or postponed a GATT agreement.

Among some sections of international big business, fears that NAFTA would be defeated and the GATT talks would be stalled evoked the almost apocalyptic scenario of a world slump and open trade war. While exaggerated at this stage, the forebodings of many serious capitalist commentators points to the very real seeds of the global crisis which will break out in the future.

The fact that a defeat for NAFTA would have stimulated protectionist tendencies, however, does not turn NAFTA into an extension of free trade. Writing recently in a personal capacity, Jagdish Bhagwati, chief economic adviser to the GATT director general, spelled out the truth: "Today the enthusiasm for regional free trade areas is dressed up as a great free trade move. But it is evident that the main motivation is protectionist: Mexico becomes America's preferential market, with Japan and the EU at a disadvantage". (*Foreign Affairs*, 1993)

After seven years of the Uruguay Round, the GATT negotiators achieved very mixed results. Tariffs on manufactured goods, currently averaging about five per cent (compared with 40 per cent

immediately following World War Two), have been cut by another third on average. On many other issues, however, it was much more difficult to reach agreement.

The possibility of agreement is determined by the relationship between the big three blocs, which dominate world production and trade, complicated by the rivalries between the European union states. The issues covered by the GATT talks fall into three main areas:

(1) issues where the big three have a common interest in the further liberalisation of trade, notably in relation to opening up the underdeveloped countries, where they have little difficulty in imposing a deal on the hundred plus states participating in GATT;

(2) issues like agriculture and textiles, where the big three have conflicting interests, but were able to reach various compromises; and

(3) issues where there is still a sharp conflict between the big three, as in audio-visual trade, financial services, maritime transport, and aircraft industry subsidies, where agreement has been postponed and will be the subject of further discussions - and probable conflict over the next year or so.

(1) Opening up the Third World

At least two-thirds of the gains from the Uruguay Round liberalisation measures will accrue to the advanced capitalist countries. The big three had no hesitation in sweeping away the various shelters erected by third world states to protect their agriculture and basic industries, which allowed a limited economic development during the postwar upswing. The so-called Structural Adjustment Programmes imposed on the heavily indebted countries during the 1980s breached many of the protective fences, opening up third world states to increased capital and trade penetration by the five hundred multinational corporations which account for over half of world trade.

The new GATT rules will legalise the intensified subordination of third world economies. For instance, under the new intellectual property rights regime, third world farmers will be expected to pay annual royalties to multinationals for their use of hybrid seeds. This measure recently aroused a mass movement of over half a million farmers in India, protesting against the big US seed companies.

Failure by third world states to comply with the new rules will undoubtedly result in further retaliatory action, especially by the US. Countries refusing to open markets to US banks and insurance companies, or to implement patent protection laws acceptable to the US, will be threatened with trade sanctions under the US's 'Section 301' trade laws, which have been evoked against underdeveloped countries over 30 times in the recent period. The main beneficiaries of these measures will be the big corporations based in the advanced capitalist countries, who will swell their profits through intensified exploitation of the labour, natural re-

sources, and markets of the third world.

(2) Farming Fudge

The main issue blocking a GATT deal over the last year or so was agriculture. Farming is heavily subsidised in the US, the European union and Japan, a fundamentally protectionist arrangement under which taxpayers and consumers in the advanced countries subsidise a handful of mainly capitalist farmers at the expense of millions of mainly peasant farmers in third world countries.

On the initiative of the US government, which has been striving to cut the phenomenal rise of farm subsidies and reverse the decline in agricultural exports (especially grain and soya animal-feed products), the Uruguay Round for the first time brought agriculture under the GATT rules.

The US was strongly supported by the so-called Cairns Group of countries, including Canada, New Zealand, Brazil, etc, who are big agricultural exporters. But the US came into collision with both Japan, whose conservative Liberal Democratic Party governments have long subsidised rice farmers whose votes they need, and the European union, which is linked historically to the Common Agricultural Policy (CAP), under which home farmers are protected and heavily subsidised.

Desperate to maintain its access for manufactured exports to the US, the Japanese government conceded the opening of their home markets to rice imports, and processed foods. Within the EU, both Germany and Britain, also faced with the escalating costs of CAP subsidies, were prepared to concede modifications in CAP. Ever fearful of violent protests from its volatile farmers, the French government was much less ready to concede reform.

Last year US and EU negotiators concluded the Blair House accord. This provided for a phased reduction of CAP subsidies and increased quotas for grain imports from the US. It also accepted the principle of a phased switch from price support (thus allowing a reduction of consumer prices) to income support (a form of social security for farmers). The agreement appeared to clear the way for a GATT settlement.

Almost immediately, however, the accord was repudiated by French political leaders jockeying for position in forthcoming elections. Jacques Delors himself, with an eye to the future presidential elections, unsuccessfully attempted to put pressure on the EU agricultural commissioner, MacSharry, to sabotage the Blair House deal. Despite the secrecy shrouding the exact terms of the accord, news of the deal triggered riots by French farmers. Whether the deal was compatible with existing CAP rules was doubtful. More importantly, the French government's adherence to the deal remained in question, despite the intense pressure from Germany, Britain, and other EU governments for the French to stay in line. However, alarmed by the political shock wave generated by the French farmers' protest action, other EU governments, terrified that workers



Mexican uprising partly provoked by NAFTA.

elsewhere would emulate the farmers, evidently made concessions to France. These were incorporated into the EU negotiating position which Leon Brittan defended against US negotiators in Geneva.

Faced with a common European union front, and once the NAFTA treaty was safely through Congress, the US government eventually compromised on the diluted Blair House agreement. There is a commitment to cut domestic subsidies by 20 per cent and the volume of export subsidies by 21 per cent over six years. However, by fudging the 'base year' from which cuts will be made, and adopting a 'peace clause' preventing any challenge to the settlement for nine years, the blow to EU farmers has been softened. While *Le Monde* described the agreement as being as "difficult to read as a goat's entrails", Balladur claimed a great victory. French farmers, however, are not convinced and will undoubtedly move into action again as the cuts bite into their incomes.

The EU compromise on GATT agricultural policy, moreover, is a sure recipe for renewed conflict amongst the European union countries. Balladur has warned other EU leaders that the Blair House accord remains the bottom line for French concessions. Any further production cuts required from French farmers will have to be compensated out of EU funds. During the Geneva negotiations, one EU diplomat commented: "The French have realised they have squeezed as much as they can expect out of the Americans, now they are looking to do the same to their European partners". (*Financial Times*, 8 December, 1993).

French claims for additional compensation, however, are likely to exceed the cash available within the seven-year Delors II budget package which was agreed at the Edinburgh European union summit in December 1992. Since then the German govern-

ment has already drawn on EU funds to compensate German farmers against the effects of Deutschmark revaluations. This leaves little room to manoeuvre within the 1992 budget settlement.

The benefits for ordinary consumers in Europe will be very modest. The CAP is currently estimated to cost a family of four between £16 and £20 a week, half through tax to finance CAP and half through higher food prices. GATT officials claim that, as a result of the CAP reforms, the weekly cost to an average family could be cut by £12. But the Consumers' Association believes that this figure is exaggerated, and the real savings will be much less.

(3) Paradise Postponed

In order to conclude a GATT deal before the expiry of President Clinton's deadline for 'fast track' congressional approval, the US and EU postponed settlement or even excluded from GATT several highly contentious issues. "We have agreed to disagree", commented the US trade representative, Micky Kantor, "but our differences remain". As the *Wall Street Journal* commented, "The deal leaves room for fights to flare up down the road". (15 December, 1993).

While US negotiators focussed attention on France's allegedly unfair restrictions on the import of US 'cultural goods' (ie, films, videos, etc), it was the US which manoeuvred to postpone for 18 months a settlement on textiles, financial services, and maritime services.

For the first time, the Uruguay Round brings textile trade under GATT. The US attempted to stretch the ten-year phasing out of the existing multi-fibre agreement (MFA) to 15 years. Clinton is now demanding a further opening of Indian, Pakistan, and other markets to US clothing imports before agreeing to a textile settlement.

The US has also postponed a settlement on financial services for a further 18 months, declining to remove remaining barriers to the penetration of the US banking and insurance markets by international companies. The US (which has a large merchant marine fleet) also opposed the liberalisation of ocean shipping, ports and auxiliary services.

The Clinton administration, under pressure from the big US aircraft manufacturers which are facing a crisis due to cuts in arms spending, has long criticised European union subsidies for the manufacture of Airbus. The Geneva deal, however, was concluded without any agreement on aircraft subsidies - apart from an understanding that any subsidies exceeding five per cent of the final aircraft value would create 'serious prejudice' requiring special justification.

The biggest row, which flared up just before the deal was struck, was over audio-visual products. For a few days it appeared that the French government's insistence on maintaining a levy on foreign films and subsidising French film production could lead to a collapse of the whole negotiating process.

At the last minute, however, the whole issue was excluded from GATT. "Continued disagreement here", commented *The Times*, "is not expected to prevent further US penetration of the EU market, as US companies will be able to set up inside the single market. America's \$3.8 billion trade surplus with Europe in the audio-visual field looks unlikely to be diminished". (15 December, 1993).

The Geneva agreement includes a pledge to establish a new multilateral trade organisation (MTO), with powers to police GATT agreements. GATT members will be expected to bring their national trade legislation into line with the MTO. However, Micky Kantor, the US trade representative, has made it clear that the US reserves its right to take unilateral retaliation against dumping and other allegedly discriminatory practices. Within the European union, France was been pushing for stronger 'trade defence rules'.

World capitalism has far from reached the paradise of 'perfectly liberal trade'. "Significant uncertainties remain concerning the trade policies of the biggest players, the US and EU, with the former reaching all too readily for unilateral instruments of 'managed trade' and the latter increasingly following suit". (*Financial Times* editorial, 16 December, 1993).

The Twilight of an Era

Various figures have been put forward for the gains which will flow from the GATT settlement. According to the GATT secretariat, world trade will be boosted by \$270 billion by the year 2005. Even if such gains actually materialise, spread over the world's population they would amount to only \$40 (£27) per head per year.

Underlying the optimistic projections trumpeted by capitalist leaders is the simplistic assumption that liberalisation will automatically boost trade and that the growth of trade will automatically boost production. During the long economic upswing following World War Two, the growth of trade was, it is true, a dynamic stimulus to growth. During the whole period 1950-91, the volume of world exports grew twelve times, while world output grew six times. However, the volume of world exports of manufactures, where tariff reductions were greatest, rose 23 times, while output grew eight times.

Trade is not an independent economic variable.

Trade, however, is not an independent economic variable. The growth of trade sprang from a combination of social and economic relations favourable to profitable capitalist growth. The period of exceptional growth came to an end with the slump of



Farmers protest in Brussels.

1974-75, which opened a new period of chronic stagnation. In spite of the 1980s 'boom', the advanced capitalist economies are all experiencing slow growth, stagnant investment, mass unemployment, and a crippling accumulation of state budget deficits and private debt.

On the arena of the world economy, some of the key foundations of sustained export growth have crumbled. The system of stable exchange rates, based on the dollar/gold standard, was also swept away in the mid-1970s, replaced by volatile floating rates. The massive daily flow of liquid capital across the world's foreign exchange markets (now exceeding \$880 billion a day), can cause wild fluctuations in the relative value of national currencies independently of productivity levels and trade balances. This drastically distorts trade flows.

The high value of the dollar, for instance, in the first period of the 'Reagan boom', undermined US exports (which became more expensive) and sucked in massive imports (now cheaper), especially from Japan. This accelerated the relative decline of US capitalism, which had previously upheld GATT's free trade regime. Successive US administrations, under increasing pressure from sectional capitalist interests, moved more and more towards 'managed trade'.

For the time being, open warfare over trade has been postponed.

A whole array of non-tariff barriers were erected against imports, especially the high value, high technology products coming from Japan and other South East Asian producers. Congress also passed legislation empowering presidents to take retaliatory action against any number of countries accused of dumping or restricting US imports. Even if these measures conform to the letter of the GATT rules, most of them clearly violate their spirit.

In establishing NAFTA, the US has also given a new twist to the development of three regional trading blocs. Although defended as an advance for

free trade principles, NAFTA aims to create a privileged sphere in which US capital has the freedom to exploit natural resources and cheap labour. Clinton has not disguised the aim of extending this US-dominated trading zone to South America and, if possible, to the Pacific Rim. Moreover, the NAFTA trade regime, tailored to the needs of the US multinational corporations, is being used by the US as a model and a lever in international negotia-

tions such as GATT.

In the GATT negotiations themselves, "the US negotiating position has been based on the outright pursuit of economic advantage". (*Financial Times* editorial, 15 December). *The Guardian* commentator, Will Hutton, summed up the situation well: "The Uruguay Round more nearly represents the last gasp of the postwar efforts progressively to liberalise the world trading order than the beginning of a new era". (15 December, 1993).

In reality, an incipient trade war has been steadily fomenting since the world economic crisis of 1974-75. The prolonged character of the Uruguay Round negotiations and the limited character of the settlement make this clear. For the time being, open warfare over trade has been postponed. The big multinational companies, in particular, depend on being able to invest freely and trade across the globe. Even the giant corporations, however, are rooted in national economies which, despite the enormous 'globalisation' of investment and trade, are still the basic units of the capitalist system. The irreducible national interests and the inevitability of national rivalry and conflict, especially in a period of stagnation and decline, mean that national governments are bound to turn, sooner or later, to 'beggar-thy-neighbour' policies.

The strengthening of two major trade blocs, NAFTA and the European union, with the consequential crystallisation of an East Asia bloc dominated by Japanese capitalism, is really a preparatory process which foreshadows open conflict in the future. But a retreat by capitalist states behind protective walls and renewed attempts, emulating the 1930s, to foster autarkic national economies, will not provide a way out for capitalism. The larger, stronger economies might gain a little time and some room to manoeuvre at the expense of weaker economies. A systematic turn to such beggar-thy-neighbour measures, however, would aggravate the world economic crisis - and provoke massive social upheavals and movements of the working class and exploited peasantry. The uprising in Mexico, provoked partly by the NAFTA agreement, the mass movement of Indian farmers, and the protest demonstrations of the French farmers which spilled over into mass public-sector strikes throughout Europe, are just the beginning. □

With the public sector in the frontline, **Stephen Smellie** reviews a recent book on the history of NUPE, now part of UNISON.

A history of struggle

WHEN IT COMES to war, history is written by the victorious. Trade union history is written, or at least commissioned, by the bureaucracies. As a National Union of Public Employees (NUPE) left activist I therefore approached this book, published to mark the end of NUPE as it merged with NALGO and COHSE to form UNISON, expecting a justification of the stance of the existing leadership.

Instead, what becomes clear is that the current leadership has

failed to learn the lessons of the history of a union which represented, from its inception to its close, some of the lowest paid workers in Britain.

The union which became NUPE began as the 'Carmen and Roadmen's Union of the London parish of Camberwell' in 1889, partly inspired by the success of the newly formed dockers' union. The union grew gradually, reflecting the increasing numbers employed in public services as local authorities took on more powers, and the limited successes in improv-

ing wages.

Through a series of name changes, recruitment, splits and general secretaries absconding with the money, the union spread out from its London base. In 1928 the National Union of Corporation Workers became NUPE, with 12,500 members. In common with all unions in this period it faced difficulties due to the bosses onslaught after the 1926 general strike, but it survived by continual recruitment

amongst low paid workers.

One feature from its early days was its reliance upon paid officials to build the organisation and lead negotiations. The view was that skilled professional officials were necessary for claims pursued through negotiation and lobbying. The strike weapon was held not so much in reserve but in cold storage. This echoes the approach of the union leadership in the 1980s.

At last years' final conference NUPE's executive presented a document summarising the policies of NUPE to take into UNISON. According to *NUPE into UNISON* the past 14 years left the union in the position of having to negotiate at local level, unable to organise national action, avoiding strike action at all costs and waiting for a Labour government: "The attack on public services... (challenged) old ways of doing things. It forced us to adapt, to devise new strategies. The nature of privatisation and the outcome of the government approach made it difficult, if not impossible, to mount effective national industrial opposition... there would be no going back to the seventies".

This view, which *Militant* in NUPE consistently fought against, was wrong. The attack on public services, made by slashing jobs and conditions at local level, should have been met by NUPE and the other unions co-ordinating national action. Not

**A century of service:
an illustrated history of the
National Union of
Public Employees,
1889-1993,**

**by Bob Fryer and
Steve Williams.**

**Published by Lawrence and
Wishart, 1993.**

**Stephen Smellie is the
secretary of UNISON
Hamilton No.1 general
branch, formerly the NUPE
Hamilton local authority
branch.**



NUPE members fight for the NHS.



Ex-NUPE, now UNISON leader Bickerstaff.

only was the leadership's strategy wrong, it also went against the lessons of the history of NUPE itself.

UNDER THE TORY governments of the 1950s and 1960s public services, vastly expanded under the 1945 Labour government, came under attack. This led to a build-up of anger amongst the rank and file which was gradually reflected by the leadership.

The election of a Labour government in 1964, after 13 years of Tory rule, raised great expectations amongst both the rank and file and the leadership. Harold Wilson, the Labour prime minister, introduced a prices and incomes policy. NUPE supported the pay norm set, on the basis that within this policy low pay would be tackled. However, with the Labour government limiting itself to managing capitalism, an economic policy that had been hoped to lead to a major re-distribution of wealth became wage restraint. In 1966 a pay freeze was implemented.

NUPE opposed this and called for radical policies including a reduction in military spending and a minimum wage, policies which it continued to campaign for until the days of 'new realism' under the Kinnock Labour leadership.

The high expectations in the Labour government turned into frustration and anger. In 1969 the dam burst and London dustmen walked out on strike in pursuit of a 15 shilling pay claim. Within ten days all dustmen in the city were out with other workers joining them.

*Membership
exploded from
256,000 in
1968 to 693,000
just ten years
later.*

The union gave full support and the employers conceded in the face of the action spreading nationally. The settlement involved increases ranging from 15 shillings to £2 and were described in the union's journal as making "all previous rises look as old fashioned as a ha'penny piece".

The lessons were discussed throughout the union. Members and officials began to realise that the willingness of members to take action and the preparedness of the union to fully back

them gave them a much stronger hand in negotiations.

The unions stepped up plans to develop an efficient shop stewards system. This would enable NUPE, according to former national publicity and research officer Bernard Dix, to "achieve the real partnership of modern militant trade unionism... winning real benefits for all local authority workers".

The 1969 strike changed the outlook of the union. The 1970s saw NUPE at the forefront of many battles with firstly Ted Heath's Tory government and then the Wilson/Callaghan Labour governments. Membership exploded from 256,000 in 1968 to 693,000 just ten years later. NUPE became known as a militant fighting union and attracted new layers of low paid workers, particularly part-time women workers, inspired by the struggles which the union led. Compare this to the drop in membership from 710,000 in 1982 to 550,000 in 1992 following ten years of retreat and refusal to lead any national action against the Tory government's attacks.

In 1970 NUPE, along with the TGWU and the GMWU, entered a claim for 750,000 local authority manual workers demanding an increase of £2.15s with extra holidays and improved shift pay. The employers offered £1.45s. The Heath government piled on the pressure to reduce pay settlements and the unions embarked on the first national industrial dispute with the local authority employers. In September a rolling programme of strike activity began in London and spread throughout the country with Scotland joining in late October. It was over by the second week of November when an independent committee of inquiry recommended an improvement on the employers last offer which gave the workers an extra £2.10s a week, improved holidays and shift pay. Successful action had been achieved by being national in character with a determined leadership prepared to trust the members willingness to struggle

and the activists ability to organise at local level. A whole new layer of young militant shop stewards emerged which transformed the union, 50% of whom, at one stage, were women.

WHEN THE HEATH government was wrecked by its confrontation with the miners, the return of the Wilson Labour government raised the expectations of working people. Once again they were to be disappointed. From promising to 'squeeze the rich', Denis Healey ran to the IMF and launched the sharpest round of public sector cuts yet. Tony Crosland told Labour's conference that, in local government, 'the party's over'. This put NUPE on a headlong collision with the government.

Right-wing mythology tells how the unions and particularly NUPE brought down the government in the 'winter of discontent'. Even today, 14 years later, some right wingers in the Labour Party refer to this period to justify their attempts to break the links with the unions.

NUPE takes into UNISON a proud history.

The reality is somewhat different. The book explains step-by-step how the conflict of 1979 was created by the economic policies of the government from 1974 onwards. Labour's attempt to manage capitalism led it to try and control inflation by reducing public expenditure and wages.

NUPE, along with other unions, launched a massive campaign against the government's policies. In November 1976, 80,000 trade unionists lobbied parliament, many striking for the day to attend. A national steering committee against the cuts was established with NUPE in the lead. Local cuts were fought with demonstrations, ral-



NUPE members campaign against low pay, 1979.

lies and strikes.

In 1978 the union launched its wage campaign for a 40% rise, noting the failure of council and NHS wages to keep pace with others. They were offered 5%. A one-day strike was called which quickly escalated across the country, with essential services being maintained by the unions. Despite a media smear campaign, the unions held firm from January 1979 through to March when an improved offer was accepted.

Labour went on to lose the 1979 general election and the unions were blamed. The responsibility for the defeat however lay with the Labour government who turned upon the poorest and weakest sections of the working class. Those workers, for the first time in history, organised and led by a determined leadership, refused just to take it and fought back. The lesson of the period was not that the unions were unpopular or too militant but that a Labour government must represent the interests of the working class and not those of the international money markets, industrialists and bankers.

After the defeat of Callaghan came Thatcher and the start of an onslaught against the public sector. The book explains the events of the early 1980s and emphasises the union leaders'

radical talk. But it does not explain why there was a failure to advance any major industrial campaign and why a reduction in membership of 200,000 from 1982 to 1992 was accepted by the union leaders as inevitable.

This section is, not surprisingly, the weakest. Within a few short years the lessons of the 1960s and 1970s were forgotten, although the rhetoric remained. Instead the methods of previous decades were re-instated. Negotiating improvements became, in the 1980s, negotiating cuts and 'rationalisations'. 'New Realism', particularly after the defeat of the miners strike, found NUPE's leaders playing a despicable role in the Liverpool council struggle; resorting to falsehoods to win votes at conferences to ensure motions calling for action were defeated; playing a leading role in the witchhunt of *Militant* in the Labour Party, and assisting in the 'review' of Labour Party policy which has led to the abandonment of even a pretence of socialism.

NUPE takes into UNISON a proud history, the best parts of which the leadership would like to pass over. Activists in UNISON should take the time to look at this book and determine that the history of struggle is carried on into the new union. □

Book Reviews

*Reclaiming the Ground:
Christianity and Socialism*
By John Smith and others
Published by Hodder and
Stoughton, 1993, £5-99
Reviewed by Keith
Dickinson

THIS BOOK OF essays gives some insight into the thinking behind the retreat of the Labour leaders from the socialist ideas that the labour movement was built on. In contrast are the essays of the Christian socialist contributors, who are genuinely striving to find a socialist alternative to Thatcherism and the market economy.

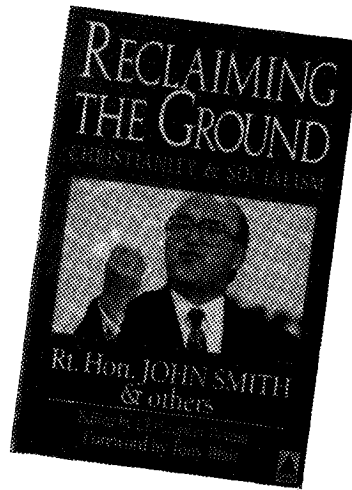
The concessions to Tory ideology of the Labour shadow ministers writing in *Reclaiming the Ground* are clear. Tony Blair, star of police conferences and shadow home secretary, argues that: "Christianity is a tough religion... It is not utilitarian - though socialism can be explained in those terms. It is judgemental. There is right and wrong. There is good and bad. We all know this, of course, but it has become fashionable to be uncomfortable about such language".

In stark contrast is the emphasis of Bob Holman in his essay damning the 'New Right': "Just as their Victorian predecessors began to worry about the health of the poor once cholera threatened the middle classes, so the New Right Tories worry not about poverty but the associated problems of crime, drugs, public expenditure and the threat to traditional values".

His informative article also expresses an urgency which is absent from la-

bour and union leaders today. But then he is a neighbourhood worker in Glasgow's Easterhouse, dealing with the problems created by these Tory policies. His experience leads him, for example, to criticise "a social work system of which some parents are scared... with top managers on £50,000 running it".

What chance is there of such people identifying with workers' every-day problems? But this point applies also to the leaders of the labour movement - although it was obviously felt a little insensitive to mention it in this book.



It is sickening to see the 'power dressers' and career seekers at Labour Party conferences when you think of the struggle of the people who voted for them to maintain a reasonable standard of living. But John Smith's interpretation of the 'second commandment', calling upon us 'to love our neighbours as ourselves', attempts to justify this. He condescendingly tells us "it does not expect a frail humanity to be capable of loving our neighbours more than ourselves: that would be a task of saintly dimensions". Yet the present conditions of the working class, and the very existence of the organisations that they built to

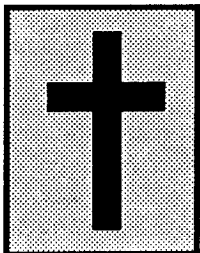
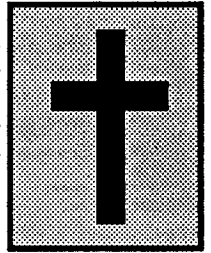
improve them, were achieved precisely by people who put the interests of their class above their own.

While people starve in this world no one is free and no person can be totally at peace with themselves. In the meantime, no doubt, Labour leaders will continue to recommend 'sainthood' or Knighthoods for the Robert Maxwells of this world.

John Smith's theme is continued by his parliamentary private secretary, Hilary Armstrong MP. She claims that "Jesus quite explicitly enjoined his disciples to fulfil the law of loving their neighbours as themselves, not instead of themselves".

She argues that "part of the gospel is definitely the genuine love of oneself" and this can be justified as being "born of one's knowledge of the forgiveness and love of God". As this knowledge is self-contained and fully detached - like the flats and houses these Labour leaders own! - it is a very convenient philosophy to rationalise their personal aggrandisement.

In contrast, the Christian socialist contributors see it as an important factor for leaders to live among and at the level of the working class. Bob Holman, for example, stresses that for the early Labour leader, George Lansbury, "Christianity and socialism were not confined to church and chamber, but were expressed in his daily living. His integrity became a byword. He refused all bribes, perks, honours, even a cabinet ministers pension. In the LSE archives I came across the Lansburys' Co-op savings book at the time of



Bessie's death and while George was leader of the opposition. They possessed £6.6s.3d. What a contrast with those MPs who use Parliament as a springboard to consultancies, directorships and lucrative posts in the media".

This is an important difference with the present day leaders. However, even the highest personal principles and the greatest contact with the 'grass roots' are no substitute for a clear theory and programme of action.

That was why the 'danger' to the right wing of Lansbury's example was far less than that posed by Terry Fields, Dave Nellist and Pat Wall, the *Militant* supporting Labour MPs in the last parliament who kept only that part of their salary equivalent to the average wage of a skilled worker, but who also defended the ideas and programme of Marxism. Is it an accident that these comrades are not mentioned as present day examples on the list of rank and file leaders who lived at the level of the people they represent?

In his essay John Vincent, using Jesus as a model of a 'political sharpshooter' who knocked down vested interests, says that this must be "done from alongside the poor and disadvantaged". The failure to do this, "if I might say it, is probably the greatest problem with British socialists, be they Christian or near-Christian. Within a lifetime, many have risen from being working-class people in industrial areas to being middle-class people in the suburbs..."

"When such people shoot from the hip, they are defending vested interests indistinguishable from the Tories" he continues. "For a while, there were ex-working-class teachers and lecturers and social workers and professionals who retained a gut-based commitment to working-class socialism and the Labour Party. But what of the future? Don't you in the end speak from the base - the economic base - that you have secured for yourself?"



Loving markets more than our neighbours.

The best of these are still fighting alongside other workers in *Militant Labour*. Their political commitment can be clearly seen by the personal sacrifices they make financially and in time given to the fight for our socialist programme, on the streets and estates and in meetings of the movement.

"Part of the gospel is definitely the love of oneself."

But you have to be convinced that such a programme means a change in society. John Vincent says that criticisms have been made about the RH Tawney lectures, the social historian to whose memory this volume is dedicated. Many contributors had dealt "with specific issues, rather than with the question of a final ideal or socialism; that it was easier for Christian socialists to shoot at unemployment or third world debt or monetarism or racism and so on, than it was to deal with larger questions which were in the origins of socialism... there is a need for anyone committed to a large ideal which is unachievable in their time to be on the look-out for everything that goes against that ideal or that achievement".

We wouldn't accept that socialism is not achievable 'in our time', although no one can give a fixed timescale. More important is how we campaign and organise to bring that achievement forward.

The right wing and trendy left always tried to condemn *Militant* supporters for raising the need to achieve a socialist society to ultimately solve most of the immediate problems faced. But in the process of the struggle for revolutionary change concessions can be forced from the ruling class which can bring about big reforms for a period - effecting the daily lives of workers - for fear of the working class taking over society.

As Bob Holman points out "George Lansbury spent 40 years trying both to improve and destroy the Poor Law".

The politicians in this book all emphasise that the Labour Party owes more to Methodism than Marxism. But there is no alternative offered to the Marxist analysis particularly with John Smith's heights seeming to be "the Scandinavian countries which should be emulated" - just when the whole edifice of their welfare state has fallen apart under the capitalist contradictions!

Nonetheless, Marxists can learn much by familiarising themselves with the ideas of their opponents, both inside as well as outside the movement, in books such as this. □

The Fall of Yugoslavia
By Misha Glenny
Published by Penguin, 1993,
£6.99

Reviewed by Dave Carr

MISHA GLENNY'S BOOK, first published in June 1992 but recently updated, describes the spiral descent of the Bosnian civil-war into a hell on earth.

Over 100,000 have been killed. Nearly half of Bosnia's 4.2 million people have been made refugees. Thousands of women have been raped. Thousands imprisoned in concentration camps. Villages have been wiped from the map. Even in the relative safety of Sarajevo how do you survive on an average wage of two to five Deutschmarks (DM) when an egg costs DM4?

*He identifies
four flashpoints
that could
spark new
Balkan wars.*

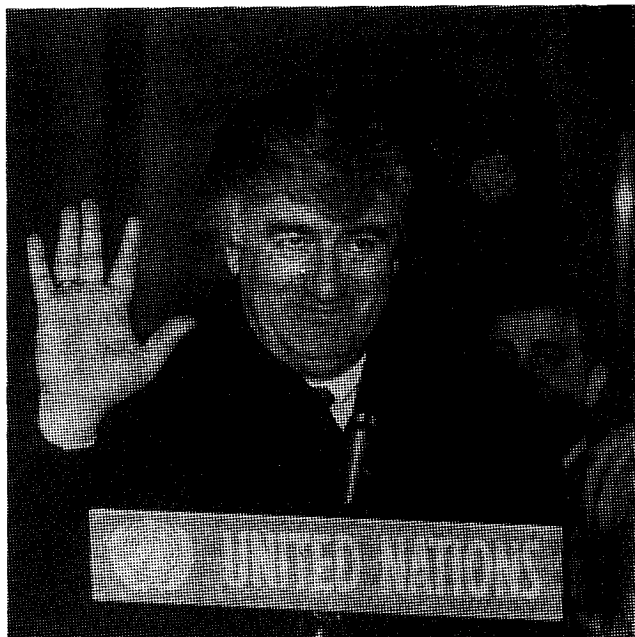
So who is responsible? Glenny's book clearly shows the land-grabbing nationalist dictators of Serbia, Croatia and the

leaders of the Serbs, Croats and Moslems of Bosnia-Herzegovina (BiH) as responsible for the carnage. But their crimes have been aided and abetted by the 'international community' ie the western capitalist powers of USA, Germany, Britain and France along with Russia and the minor regional powers of Greece and Turkey.

These powers, following the collapse of Stalinism, attempted to re-assert their former influence in eastern Europe. Recognition of the new republics of ex-Yugoslavia became the cornerstone of the capitalist powers' foreign policy.

The result however has been a nightmare as the first major armed conflict in Europe since world war two exploded in their faces. The attempts to extricate themselves from this mess and minimise the potential for new Balkan wars have ignominiously collapsed.

One such plan, the junked Vance-Owen peace plan, is seen by Glenny as a "workable interim po-



Bosnian Serb leader Karadzic.

litical solution". *Militant* argued that the division of Bosnia-Herzegovina into ten cantons under Vance-Owen would set the seal on ethnic cleansing and guerilla warfare. Indeed as Glenny admits, the Bosnian Serbs and Moslems would have lost out under Vance-Owen. Hence only the Croats signed. The refusal of the Bosnian Moslems to accept the plan led to the collapse of the fragile military alliance between the Croat and Moslem militias in May 1993.

Finally, what are the prospects for peace? As war-weariness grips the working class then a movement from below could sue for peace but equally, the war could spread.

"Bosnia is finished but this is not necessarily the end of the war", argues Glenny. Apart from a full-scale Serbo-Croat war he identifies four flashpoints that could spark new Balkan wars. The three Albanian communities in Albania, in Kosovo and western Macedonia; the Macedonian question; the struggle for regional hegemony between Greece and Turkey; and the armed conflicts in the former Soviet Union overlapping with the Bosnian war. Indeed the unravelling of the national question threatens to engulf a large chunk of Europe in a grisly repetition of history. □



Queuing for bread in Sarajevo.

Send your views, comments or criticisms to:
MIR, 3/13 Hepscoth Road, London E9 5HB.

Letters

Language

Dear MIR,

As Peter Taaffe wrote in *MIR* issue No.53, Marxists have a lot to gain by studying the origins and use of language.

Helen Keller, blind and deaf from birth, described what life was like without language: "Before my teacher came to me, I did not know what I am. I lived in a world that was a no-world. I cannot hope to describe adequately that unconscious yet conscious time of nothingness... Since I had no power of thought I did not compare one mental state with another".

Language is evidence that early humans collaborated on every important project, from food gathering to child-rearing. Weaker members of the community, particularly the elderly, were valued because they could share society's knowledge and pass it on to the next generation.

Control over language has always been used by the ruling classes to exclude other from power. Often the ruling class would speak a 'court' language, entirely different from that of their subjects. In this country the most powerful used French, Latin and Greek. Until very recently a qualification in Latin or Greek was needed to get into Oxford or Cambridge.

Religions used secret lan-

guages to preserve their 'mysteries'. When the rising North European bourgeoisie translated the bible into their native tongues, they unleashed a whirlwind as ordinary people realised that it contained much that contradicted what their priests and masters had told them. In the English civil war radical Protestant soldiers used bible passages to express their opposition to the aristocracy.

Today the bourgeoisie firmly controls language. TV, radio and newspapers belong to multi-millionaires or the state. Sciences such as psychology, economics or sociology are full of jargon, deterring workers from studying them, to the benefit of the ruling class.

The legal system excludes us by using language that fell from use hundreds of years ago. Justice is denied to those who cannot afford it.

Language reflects class society, but social change will not come about just by changing how we speak. Some intellectuals have attempted to tackle society's problems by inventing politically correct terminology when dealing with oppressed social groups but, like any artificial language, it excludes those who do not speak it - ie the members of those oppressed social groups!

The Tories now refer to the unemployed as 'job seekers'. But changing their name does not change their situation.

In the end, the language of jobs, decent housing and real power over your own life will be more attractive to workers than those who hypocritically convolute the language while offering no real solution to the problems caused by capitalism.

Max Neill, Preston

Contradictory Economics?

Dear comrades,

I thought that Lynn Walsh's article in *MIR* No.53 was excellent but on page 25 he stated: "There has been a sharp reversal during the 1980s (compared to the post war boom years - JF) of the limited but significant shift of wealth and income away from the capitalist class and towards the working class through higher wages, full employment, progressive taxation and higher state expenditure". Does this not contradict the position expressed in previous material produced by *Militant*?

While it is true that living standards did increase in absolute terms during the post war boom, was it as a result of a net transfer of wealth from the capitalists? There was an enormous market for goods due to the destruction of the war and increased investment in capital, machinery etc. Was it not the case that the workers received a relatively smaller share of a larger cake, so to speak? If it were true that the workers share increased relative to the capitalists then this would have reduced the surplus value going to the capitalists and would not have resulted in the enormous increase in investment which was a main feature of the boom.

Joe Foster, Birmingham

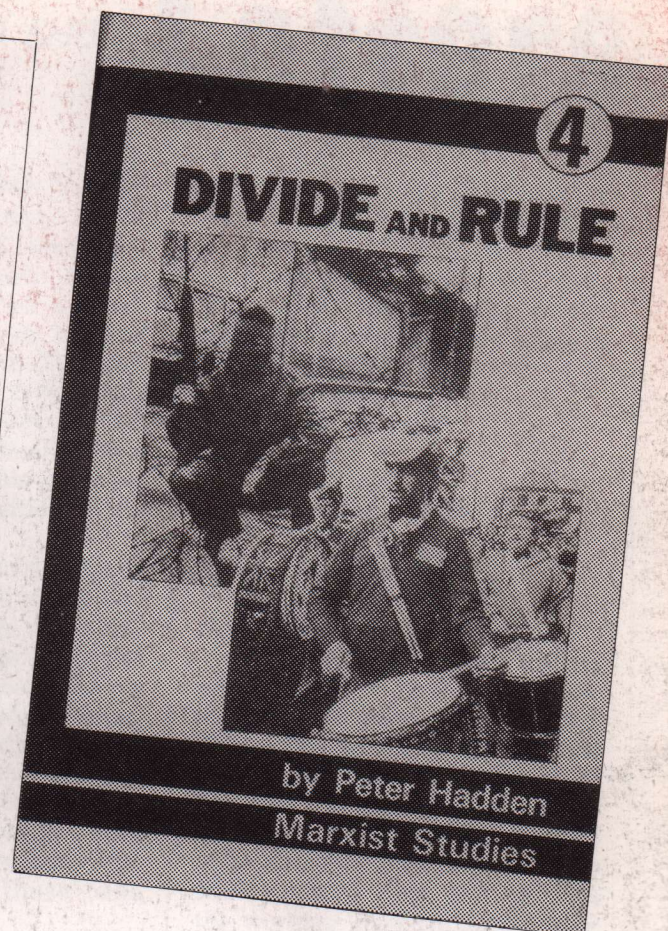
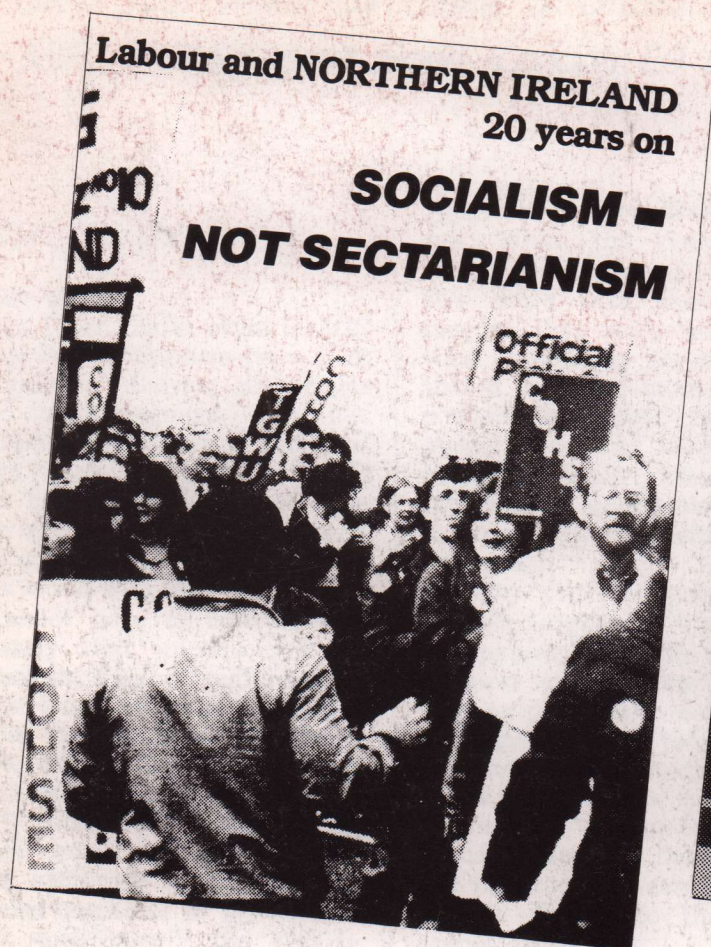
Join Militant Labour

Name _____

Address _____

Telephone _____

Return to: 3/13 Hepscoth Rd, London E9 5HB or phone 081 985 7578



Available from World Socialist Books

Written in 1989, **Socialism Not Sectarianism**, by Richard Venton and Peter Hadden, gives a clear background to the present situation in Northern Ireland, a concise history of the Irish struggle since 1968 and a programme for the future. Price £2.50.

Divide and Rule by Peter Hadden traces the history of Ireland from the earliest days and points to the unity of interest between the Catholic and Protestant working class. £1.40

The Selected Writings of James Connolly, at £9.95, is an excellent introduction to the works of the great socialist.

Also available again in the Pluto Classics series is Eamonn McCann's **War and an Irish Town**, £9.95.

Order from World Socialist Books or phone 081-533-3311 x215 for credit card orders.
Please add 10% for postage and packing for orders under £10.