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 LABOU'S
 The Marxist voice of the labour movegvent
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Spooks
Crooks
and
Muck
Bakers
Crimewatch

There has been a spate of break-ins at the offices of Labour MPs:
â\200\230 â\200\234Break-ins" to Peter Hain '5 computers were attempted in September.

' A computer used by Labour defence spokesman John Reid was tampered with in August.
â\200\230 Computer discs containing important names and addresses used by John Prescott were stolen in October.
â\200\230 Confidential material was taken from the office of â\200\231Iâ\200\230om Pendry.
â\200\230 Computer records containing items of correspondence were taken from the office of Bruce George, a Labour member of the Defence Committee.
' The office of Jack Cunningham, Labour â\200\231s campaign director, has been broken into three times in two years, and computer discs taken.

' The Dundee offices of Labour MPs. John McAllion and Ernie Hos: were broken into in December.
â\200\230 The computer of Labour City 7, spokesperson. Marjorie Mowlam was tampered with in December.
â\200\231 In February, Pontypridd MP Kim Howells chased a burglar from his constituency office.
â\200\230 Cardiff University student records, including those of Neil Kinnock, were ripped in October.

' Labour Party offices in Bethnal Green. Bow and Poplar. Homsey and Wood Green and Stretford in Manchester have been burgled.
Break â\200\224i's, scandals, subterfuge and smears - we come to the general election. As crass issues are pushed to the background and the press fill their pages with tittle-tattle, Brian Walsh asks who is behind it and who stands to gain?
THERE is a long tradition of the intelligence services working hand-in-hand with the Tories â\200\224 and the press â\200\224 to smear their Labour opponents and destabilise Labour government.

The infamous â\200\230Zinoviev Letter', used to frighten middle class voters away from Labour during the 1924 general election by linking Labour's leadership to the Bolsheviks, was proved to be a forgery, concocted by the intelligence services. More recently, former secret services operative, Peter Wright, graphically illustrated in his book Spycatcher how M15 and W6 attempted to smear Harold Wilson and destabilise the 1974- 1979 Labour government.

To link MI5 directly to the current round of dirty tricks would be near impossible. They are expert at covering their tracks, especially after 18 years perfecting â\200\230eotnter-insurgencyâ\200\231 techniques in Northern Ireland. Using petty thieves to steal sensitive documents is nothing new. In 1974 when the offices of Lord â\200\230 Goodman. Wilson's solicitor-

tor. were burgled. the only things stolen were documents about the then Labour prime minister. Wright's revelations leave no doubt M15 was behind it.

M15 have many contacts in the media ready to accept their smears and sympathetic millionaire press barons keen to print them. The recent Sunday Times: expose. "Kinnock and the Kremlin", was uncovered by reporter. and spy novelist. Tim Sebastian. His spy novels are said to be uncannily accurate. so much so he was expelled from the Soviet Union in the mid-1980s on spying charges! Sebastian said he had been working for months to get this story. The fact that he succeeded just before an election is of course merely coincidence.

The Tories have attempted to distance themselves from the current furore. Yet they have built a dirty tricks campaign into their election strategy. Conservative Central Office's Research Unit is charged with gathering the dirt. They have access to the CNN International group's Commercial Enquiry Service; the Liberal Democrats have complained that the Tory Party are using this information to run credit checks on their opponents.

The unit's deputy head is Dr Julian Lewis. In the early 1980s he headed the Coalition for Peace Through Sacrifice, a shadowy right-wing group whose aim was to discredit leading members of CND. "exposing" them as "Communists". How this group was funded and received its information is still a mystery, but all their findings were forwarded to then Defence Minister. Michael Heseltine.

... Lewis came to prominence in the late 1970s when, posing as a Labour Party member, he infiltrated Newham North East Labour Party and attempted to use the press and courts to stop the deselection of sitting MP Reg Prentice (who later defected to the Tories), New Lewis has published for the Tories a so-called "renewal paper" on the political affiliation and activities of Labour MPs purporting to "prove" that they are secretly "lefties" or "Communists". The evidence usually just boils down to being a member of CND or Liberty - apparently these are aims 'against the state in the eyes of Tories. This is a multi-raking drive was described by Tory Chairman, Chris Patten. as "a great work of scholarship"!

The Conservatives have also been forced to admit the man charged recently with handling the "Paddy Ashdown papers", Simon Berkowitz. was a paid up Tory member. That the use of dirty tricks should reach such a crescendo before the election should alert the Labour movement. If Labour wins the election, it can be imagined to what levels the intelligence agencies and their operatives in the press and civil service will go to bring Labour down.

Some in the Labour movement are pessimistic about the solution chances. and given the leadership's right wing policies bewildered why the ruling class should

fear such a pro-capitalist Labour government. The ruling class do not share such a shallow analysis. Despite mock exuberance they are far from confident the Tories can V retain power as unemployment scars and the recession deepens. Equally they realise because of the economic crisis. should Labour win. it will face enormous pressure from below to implement socialist policies.

The Labour Party is the political arm of the organised working class and is susceptible to pressures from the ranks of the movement. In 1924, the Zinoviev letter was released because the ruling class knew what pressures were building up in British society and even a reformist Labour government could not be relied upon to cool the movement of the working-class. Their perspectives were fully borne out by the 1926 general strike.

Labour has been warned. A Labour government must move fast against those plotting to destroy it. The secret intelligence services must be disbanded and all state agencies dealing with 'internal security' opened up to public scrutiny and democratic control.

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ONE week before the election was announced, British Telecom, Britain's biggest and most profitable company, announced that it planned to shed another 25,000 jobs by the end of this year, or 10% of the workforce. And that is after losing 15,000 in 1991. It was a graphic indication of the economic depression that the British economy was in, as the election campaign proper began.

For only the second time in the post-war period a general election is taking place in the depth of an economic recession - and one that is the longest, if not yet the deepest, for 60 years. Unemployment, officially at over 2,600,000, in reality over three million, and still rising seriously affecting the ability of the Tories to argue that a "recovery" is just around the corner. Despite the 1982-1989 boom in Britain's economy, production only increased by a measly 5%.

When the Conservatives came to power in 1979. And now with the recession, there is no room for significant recovery. A far cry from the 1950s.

Following the economic recession is the key underlying feature of the election. It will dominate the consciousness of large layers, if not the majority of the population. This is why it will be extremely difficult for the Tories to gain a new majority in the coming election.

In the last electoral bound- As the election battles unfold Ted Grant analyses the prospects for a Labour victory but asks can Labour manage capitalism?

Tories in the opinion polls seems to indicate that the most likely result will be a small majority for Labour or a hung parliament, with Labour as the biggest party.

The background to the Tories' loss of support has been the organic decline of British capitalism extending over a period of decades. British capitalism has been falling behind her main rivals and this process is accelerating. France, Italy, West Germany and Japan have outstripped Britain in the growth of industrial production since the Tories came to power. West German industry now produces 50% more than Britain Japan even more than that. Even formerly backward Spain is catching up to the level of the UK's annual industrial output. On a capitalist basis Britain is bankrupt.

Thatcher's so-called "economic miracle" of the 1980s has been shown up as a sham. Investment in capital equipment, technology and new plant is essential to a healthy economy. The CBI itself has published

figures which show the weakness of
British capitalism in this area. From
1980 to 1990 investment per employee
in the UK was £1,980, in Italy it was
£5,360, in France £3,300 and in Ger-
many £2,850. Now, in the recession,
investment in British industry has
fallen 19% since 1990.
Britain's drastic decline has
been reviewed, the Tories rigged the con-
ference (111610 the dom-
inance of the
_ _ _ _ _ stituencies to give themselves an ad-
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ease of "short-termism" in the Stock exchange and the banks. Trotsky explained that the past dominance of British capitalism was based on a ruling class that calculated in decades or even centuries. Now the City demands instant profits and the markets are driven by immediate gains for speculators. Any firm not declaring higher dividends is threatened by takeover and dismemberment in asset stripping. Akio Morita, the owner of Sony, asked a Wall Street stockbroker how long ahead he calculated: ten minutes, was the facetious reply. Morita's rejoinder was that he calculated over ten years.

The witch-doctors of monopoly capital are blinded by the belief that the world economic upswing can continue forever. But the current recession in Britain and North America and the slowdown in Germany and Japan demonstrate that capitalism is in a completely new epoch of instability. of boom and slump, entirely unlike the long post-war boom.

The immediate prospects for capitalism depend much on the growth of world trade. If the current GATT talks on tariff reduction and subsidies break down (which seems increasingly likely), then there will be intensified competition between the great powers - and their smaller rivals as well. The employers, especially of the more backward powers like Britain, could not afford any more concessions to working people. The absolute rise in living standards which most British workers have enjoyed in the last decade would come to an end, let alone the millions of unemployed and the 10-15% already living at or below the poverty line, and who gained nothing even in the boom of the 1980s.

— However, if there were a genuine agreement at GATT, that would boost world trade and provide a temporary breathing space for capitalism, which might last for several years. Living standards could rise for those in work in most advanced countries, except probably in the US, where living standards have remained static (although at a relatively high level) for the last 20 years.

Given boom conditions, in any radicalisation of the working-class, the ruling class would try and conciliate the workers by mass concessions. However, even the boom conditions may not stop intensified class conflict. The long postwar upswing did not prevent a revolution in France in 1968 and a massive outbreak of the class struggle in Italy and Britain in 1972-74.

In a situation where standards of living are rising, workers reluctantly accede to the agony of speed-up

and toil. They accept the situation with many grumbles. but with their heads down. In the post-war period. the masses obtained a sustained rise in living standards, involving the ownership of many consumer goods that

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There has been a colossal centralisation of capital in fewer and fewer hands, forecast by Marx last century were never even imagined by workers in the 1930s.

They still remain, however, an exploited class with the top layers of the ruling class fabulously increasing their own standards. Inequality has remained and even increased and the basic relationship between classes in society has not changed. Moreover there has been a colossal centralisation and concentration of capital in fewer and fewer hands, even brushing aside national boundaries by the giant multi-nationals, all forecast by Marx last century.

So the class struggle continues even in a boom or upswing. In a boom, the struggle is a battle to divide a bigger and growing cake. The capitalists are continually trying to weaken the resolve of workers by a deluge of ideological poison poured out by their media, to convince them that "capitalism is the best of all systems in the best of all possible worlds." In a long period of upswing lasting a generation, and even in a shorter period of boom lasting seven to ten years, this can have a considerable effect on the consciousness of the working class. Even in a different epoch, for example, in a depression, when there is a swing from boom to slump and from slump to boom, then as Lenin and Trotsky explained, this can lead to workers drawing revolutionary conclusions. This cycle of instability indicates a blind alley for capitalism. The productive forces can no longer grow massively and on the contrary they stagnate. This leads the working class to take action to defend their living standards and to increase them. The struggle in its turn undermines and discredits the ideological barrage about the "success" of capitalism. Trotsky explained in *Where is Britain Going?* that the class struggle can be muted when production is going forward and the battle is over an expanding national cake. But when the cake no longer grows, then the struggle can become fierce and unrelenting. In a sluggish boom in which the mass of the workers gain very little, a new explosion of class struggle is inevitable. In the event of a downswing, moving from boom to

slump and from slump to boom in rapid succession, with attacks on living standards, there will be a change in the outlook of all the classes. More significantly, there will be bitter confrontations which will change the psychology of decisive sections of the working class.

As a dress rehearsal of coming movements, there has been a strike wave in Canada, Spain, France, Germany and other countries. This was induced by the slowdown and recession and attempts to squeeze wages and living standards.

It is a law that under such conditions the proletariat moves through its traditional organisations, the reformist parties and the trade unions. In Britain the workers will move through the Labour Party and the trade unions. If these fail to represent their interests they will strive to transform them.

Workers, whether advanced or politically inert do not consider the numerous sects on the fringes of the labour movement as politically viable. So their experience pushes them back to the traditional working-class organisations. The result is that the working class will continue to be the main force in the struggle for socialism.

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ganisations, even if their Stalinist or social democratic leaders have failed to alter things fundamentally when they have had the power in the past. So despite the apparent unpopularity of Neil Kinnock; in the polls, Labour remains the most likely party to win the forthcoming election. The vote, in the main, will not be for Labour but against the Conservatives. The incoming Labour government would start off by increasing pensions and child benefits. It may proceed to renationalise the water industry. There would probably be a honeymoon period for the Labour government, as workers gave them a chance "to sort out the mess" left by 13 years of Toryism. However, the economic crisis that British capitalism is in leaves little or no room for manoeuvre if the Labour government continues to try and make capitalism work better and fairer. The pressure of market forces would soon push the government, whatever its good intentions, into counter-reforms. The Labour government of 1974 was elected on a radical programme of reforms. However, within a short time, the huge problems of British capitalism, the recession of 1974-5 and the inflation of the following years, forced it to drop its programme and institute capitalist austerity policies under the direction of the IMF. This led to real cuts in public spending greater than experienced even under Thatcher, and wage restraints even more severe than under the Tories. In the difficult economic situation ahead, the Kinnock government could behave even worse than the 1974-9 Labour administration. Even before the election, talk of any fundamental and irreversible change in society, which was the theme of the 1974 government, has been ditched. The Labour leaders have virtually abandoned any pretence of standing for "socialism". They plan to adopt capitalist policies from the start. Not for nothing has John Smith, the Shadow Chancellor, attended so many dinner engagements in the City of London. He has been keen to reassure in advance the financiers and industrialists that their interests will not be threatened by Labour. Even in the moments of the eighties socialist "revolution" abroad implemented capitalist counter-reforms. In Australia, New Zealand, Spain, France and Sweden (long the model of social democracy), the socialists abandoned reform and turned to pro-capitalist policies. This was because of the overwhelming pressures of the world market on the one hand, and the absence of

pressure from the masses on the other. Thus we have in the midst of a boom the strange spectacle of reformism without reforms, and then reformism replaced with counter-reforms. In a capitalist economy, especially under modern conditions, the pressures of the multi-nationals and finance capital are overwhelming. Market forces will soon shatter the illusions of the Labour leadership that they can run capitalism better than the capitalists. Under remorseless and inexorable pressure from the establishment, they will be forced to abandon even the few reforms they are promising.

If the present recession is followed by a feeble boom, then there would be no basis for further increases in living standards. Hence, after an initial interval, there would quickly develop a mood of enormous discontent within the Labour Party and the trade unions. Reflecting this mood, the Left would begin to gain support first in the trade unions and then later on in the Party.

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What would happen if Labour does not gain a clear majority in the election? In the event of a hung parliament as in 1974, the Liberal Democrats would be forced to support Labour. Any attempt by the Liberal Democrats to support the Tories would result in a split within their camp and is therefore highly unlikely.

A minority Labour government would be very precarious and would use its lack of a majority as an excuse for not carrying out measures in the interest of the workers. This would be accepted by the trade union leaders who in turn would attempt to sell this to their members. The result would be essentially the same as for a majority Labour government - rising discontent and in time a swing to the left. If the Tories win the election, which seems less and less likely in this prolonged recession, there would be an entirely different situation than for the past 13 years of their rule.

Enormous resentment has been building up under the surface. The last decade has seen the employer's steady advantage of the reduction in trade union power by squeezing extra value from the labour of the workers by speeding up production, cutting staff, introducing unpaid overtime. The bosses have piled up pressure on the nerves and sinews of wide sections of the working class. With this extra surplus the employers have bought temporary peace.

There would be an upsurge of nationalist fervour and the Tories could face such a revolt in Scotland that it would be forced into concessions on devolution. it would face an upsurge of regionalism in England and Wales too.

Where do Marxists stand in this election? Marxists will work for the victory of a Labour government.

Whatever criticisms Marxists have of the Labour leaders we must ensure the Party wins the election

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Whatever criticisms Marxists have of the policies of the Labour leaders. all in the labour movement must unite in the election to ensure that labour wins. Labour remains the party of the trade unions and the working-class and must be supported unconditionally in this election. At the same time we will continue to fight in the labour movement for democratic and socialist policies to be adopted by Labour. Only the taking over of the commanding heights of the economy could serve the immediate and long-term interests of the working class. Then under public ownership and a democratic plan of production, working people could organise the best use of the accumulated resources of modern industry. technique and skills of human labour.

Unemployment (which is an inexorably upward trend under capitalism) could be abolished by introducing a six-hour day and a thirty-hour week without loss of pay. This is scientifically and technically possible with the accumulation of resources since 1945. Only the vested interests of the capitalists stand in the way. It is an expression of capitalist barbarism that workers are condemned to rot in idleness, unable to contribute to society by their work. Between £20bn and £30bn a year is wasted by capitalism in benefits alone. £100bn of oil revenue has been frittered away in keeping people unemployed.

Marxists also stand for the abolition of the House of Lords and the monarchy, which are weapons of capitalism held in reserve for emergencies.

Marxists have never argued. unlike the reactionary arguments of the Stalinists in Russia, that socialism can be built in one country. In a world which is integrated and bound together economically as never before, socialism in an individual country is impossible. Thus the programme of a left Labour Party must be for a democratic socialist Britain in a democratic socialist united states of Europe. Indeed

the socialist transformation of any important country like Britain would act as a catalyst for similar transformations throughout Europe, to establish a really united Europe on socialist lines. This is the programme that an incoming Labour government should implement if it really wants to transform the lives of working people in Britain and internationally.

The extended boom of the 1980s, followed by a lengthy recession has shocked the British workers. That is why the days lost in strikes have been so low. Trotsky explained that the class struggle can be muted in such a situation.

We are again in an epoch of sharp turns and sudden changes, sudden turns and sham changes. Frustrated on the industrial front workers have turned to the political arena. Hence the most likely result of the General Election is a Labour government. A Labour victory will be the beginning of a political re-education of the working-class, leading to the conclusion that only a change of society will serve its needs and aspirations.

SOCIALIST APPEAL

Comes readers come 200/224

ems, criticisms, letters

d articles.

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Recession fact file

81' Blues

53 BT jobs could be saved by sacking just one man. Chairman Iain Vallance, who recently announced 25,000 redundancies, earns £536,000 3 year - equivalent to the wages of 53 telephone operators. Who would you

rather have? Answers on a postcard to Iain Vallance. Chairman. British Telecommunications....

Free Trade Zone

Further signs that the economy is likely to get worse before it gets better are provided in the latest analysis of Britain's 200/230s property market by The Economist. The article reveals the worst crisis in commercial property since the second world war with 40% of London's 200/231s Docklands now lying empty and rents in some of the capital's 200/231s top business locations such as the Guardian Royal Exchange building almost halved. Some companies are throwing in two years rent free. Retail traders are frowning no better. Traders in South Melton Street went on strike after property companies tried to raise rents to protect their profits.

Poor Laws

Between 1979 and 1990, the top 10% of income earners had a real increase in gross earnings of 47%. The poorest 10% of income earners had a real increase (before tax) of only 2.9% in

11 years. What's more the Tories claim that they "significantly increased" financial assistance to those on income support with their Social Fund. By how much? Well, in 1985-6 they made available £334 million. After five years of inflation, in 1991-2 they made available £277 million. That's an increase of 17%.

During the election

After the flood of major contracts for projects in Tory marginals suddenly awarded by various government departments. the Tories were quick to deny that this was bribery or had anything to do with the election. Unfortunately, big mouth Defence minister, Alan Clark, who not surprisingly is not standing in the election this time. blurted it all out. Asked if there would be bribes from the government to win votes, he replied "I certainly hope so."

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The Tgry Partyâ\200\231s Big
Business ngkgrs
(figures for 1991)

United Biscuits

Â£130,000

P&O

Â£100,000

Allied Lyons

Â£1 10,000

Hanson

Â£100,000

Glaxo

Â£60,000

Scottish/Newcastle

Â£50,000

Sun Alliance

Â£50,000

Tarmac Â£50,000

Caï-\202the

Tune!

The Tories claim to have ditched Thatcherism. But
as Alistair Wilson discovers their manifesto is just
'more of the sameâ\200\230

TORY Chancellor Lamont has delivâ\200\224

ered his election budget and the cam-

paign is on. Over the past few months,

as the prospect of an election loomed,

the Tories' bi g business backers have

rallied behind the party. â\200\234Companies

are thinking what is best for them over

thenextiï-\201ve years,â\200\235aseniortparty ofï-\201-

cial told the F inducial Times (24.2.92),

leading to what the FIâ\200\230 described as an

â\200\234historically high level of cash contri-

butions from supporters."

It is estimated that the election

campaign will cost the Tories about Â£20

million. With the ditching of Thatcher-

ism. bi g business now pins all its hopes

on Major and a fourth term for the

Tories. They have relentlessly used the

opinion polls to play down Labour's

support and even to build up the Liber-

als and the SNP in order to stop amajor-

ity Labour government being elected.

Despite the â\200\234softerâ\200\235 face of

Majorism, a new Tory government

would be a disaster for working class

people. They aim to continue the â\200\234re-

form" of the NHS and education. We

know what â\200\234trust status" has meant in

the NHS, now they want to extend this

into education as well, removing schools

from local authority control.

The Tories also want to con-

tinue their privatisation policies. In par-

ticular, British Coal would be broken up

and sold off. Despite producing the most

economic coal in Europe, pits continue

to be closed and employment in the

industry is now well under 50,000,

because the government has allowed

theprivatised electricitygenerating com-

panies to invest in expensive and envi-

ronmentally damaging gas generating

plants. Privatisation of coal will extend

this dismantling process. This wouldbe

the lunacy of a Tory fourth term.

Also British Rail is to be pri-

vatished and opened up for â\200\234competi~

tionâ\200\235. The idea of competition in rail is

just a joke. The most efficient of the private rail companies before the war, with the fastest speeds, best trains and best record for timekeeping was the Great Western Railway from London to Bristol, a company that was in a monopoly position. So much for competition!

Major would continue the Tories' relentless attack on trade unionism. New legislation to strengthen the already draconian anti-union laws is promised. Workers would have to give seven days notice of any strike action. There would be new legislation on balloting and it would be made easier for individuals to seek injunctions to stop unlawful strikes. Also attacking the rights of trade unions would be new plans for the check-off system of collecting union dues and the new "right" that workers should be "free" to join any union, making genuine unionisation in a workplace much more difficult.

Since 1979, 34 jobs an hour have been lost in Tory Britain; a total of 2,387,000 jobs gone. National income has been reduced by £50 billion or £2,200 for every household. The average annual tax bill has increased by over £634 per household. The cost of privatisation, according to Labour Party figures, has been £122 a year for every household. Transport costs, prescription charges etc, all have rocketed: the list of higher costs for worse services is endless. And we have not even mentioned the poll tax! This is the real legacy of 13 years of Tory rule.

The Tories were able to develop a "feel good" factor on the basis of the boom of the 1980s and the massive extension of personal credit. But now this period has gone. Huge debts now hang over businesses and families, forcing many companies into bankruptcy and the repossession of homes. Unemployment is continuing to rise, while the government deficit is rocketing.

The Tory press is trying to claim that the Lamont budget is a vote winner because it "helps" the lower paid. But the 20% rate for the first £2000 of earnings gives only about £2 a week to each wage earner. At the same time Lamont has sharply raised duties on petrol, cigarettes and alcohol. So overall, most workers will gain nothing. And as for the low-paid, Chris Pond of the Low Pay Unit warns that the very poorest 250,000 families would actually lose 75p a week through the increases in excise duties and loss of benefits from increased after-tax income. Lamont is robbing Peter to pay Paul.

Socialist Policies

IF THE Labour leaders had been asked to sketch out an ideal scenario for the party in the run-up to a general election, it is unlikely it would have been as favourable as the events of the past period. By any stretch of the imagination this should provide the basis for a Labour victory. Yet incredibly the parties are still close in the polls. Why isn't Labour romping ahead?

Traditionally Labour has come to power during an economic crisis, where they have been elected (in words at least) by offering a 'radical' programme. Thus in 1945 we had the programme to create the NHS and the nationalisation of the utilities.

In 1964 Harold Wilson offered to harness the white hot heat of the technological revolution". In 1974 Labour promised a fundamental and irreversible shift in the balance of power between rich and poor" and Denis Healey promised to squeeze the rich until the pips squeaked".

To win the election Labour needs to inspire people and provide a vision of the future. Labour's current programme fails to do this and that is why the mood in society, at this stage, is anti-Tory and not pro-Labour.

Yet there are many commitments in the programme, Labour: Opportunity Britain that workers would welcome including a national minimum wage to tackle the problems of low pay and increased resources for the NHS.

These items alone, if highlighted and campaigned upon enthusiastically could generate considerable enthusiasm. But like most pledges in the programme they are vague, they're linked to growth in the economy and a determination not to increase the public sector borrowing requirement (PSBR). The only specific spending pledges Labour makes are £3.5 bn on pensions and child benefits. Of course, this is a step forward, but in the last ten years the Tories have stolen over £57bn from local government alone!

In practice, the whole approach of Labour has been to convince big business that they could manage capitalism more efficiently' than the Tories. As part of this approach John Smith (the shadow chancellor) is constantly involved in talks with the City.

However this approach is mistaken, the whole experience of the past shows that where you have two parties offering to run capitalism, people will invariably plump for the capitalist party.

The irony of the whole situation was spelt out by Martin O'Neill,

Labour's defence spokesman, when he complained that Tory attacks on Labour over the question of defence were unfair, because the parties now had virtually identical policies in that sphere! What an admission! We have seen the collapse of Stalinism, so no longer can the bosses demagogically use the Soviet threat to justify arms expenditure. Britain spends over £20 bn a year on arms. Imagine if Labour campaigned for the use of these resources on a crash programme of house building, providing homes for the homeless and jobs for unemployed building workers. So anaemic is the programme, there have been articles in the press complaining it is not radical enough. Britain is suffering its worse recession since the 1930s: yet Labour's economic policies are stuck in a late eighties time warp, when government revenues were in surplus and the economy appeared to be booming. So the electorate is not being offered an economic solution which addresses the short-term problem of getting out of this mire... 'The measures could include a one-off 50% grant for extra spending in schools on equipment and repairs.... a lifting of the freeze on Britain's investment plans, an assault on the last decade of crumbling infrastructure. Most of this would have a quick acting effect on the depressed construction and capital goods industry. ' (Guardian: 19/2/92) The whole document Labour: Opportunity Britain constantly refers to 'partnership' and 'co-operation' between Britain's Tory failure to invest (growth 1%) '95; 19'39 labour and big business: That is why Labour believes in a modern industrial policy based on partnership between government and industry. Yet capitalism is a system based on exploitation of workers, the people that Labour represents. The whole rationale or motive for capitalism is profit, which according to Marx is the unpaid labour of the working class. So the interests of big business and workers are irreconcilable. One can only gain at the expense of the other. "5" This is the lesson of the experience of the 'socialist' governments in Spain, France, Greece and Australia in the past period and the last Labour government in Britain. Starting out by introducing reforms under the pressure

of big business, these governments ended up attacking workers. Under the last Labour government unemployment doubled. real wages fell by 10% (the biggest fall for over 100 years) and £8bn worth of cuts were made.

In periods of economic crisis.

capitalism, in Britain and internationally, will demand measures to put the burden of the crisis on the backs of the workers. This is an even greater danger for any new Labour government. Since 1979 the situation facing British capitalism has become more perilous, it has fallen further behind its rivals in terms of production, investment, and employment levels.

Britain will increasingly be unable to compete or maintain its position. Rather than invest, they will try to drive down the standard of living of workers. Any socialist government that does not take control of the economy will face this dilemma; either it represents the bosses or the workers. This is the issue that Labour must address.

Any policy that leaves control of the economy in the hands of big business is doomed to failure. They will use that control, especially in times of crisis, to bring that government to heel, to sabotage and frustrate any part of that programme that threatens their vital interests. In his book, *The Labour Government 1964-1970*, Harold Wilson explained that the Labour government was threatened by the then governor of the Bank of England, that there would be an investment strike and a run on the pound unless the government introduced 'all round cuts regardless of social or economic priorities'.

Only by taking measures so that the 'commanding heights' of the economy are brought into common ownership, can a solution to the problems faced by the working class be provided. If it wants to provide a lasting solution to the problems facing society then this is the approach that Labour should adopt.

A full analysis of the election results will appear in *Socialist Appeal* next month.

Book for review

Freedom of the Press?

What News? by Bob Franklin and David Murphy reviewed by Jeremy Dear (NUJ NEC Member, personal capacity)
Well-timed and excellently researched, this book is compulsive reading for those who always knew that the media was biased towards the Tories but didn't have the facts to prove it.

But what depressing reading

this makes. The authors' revelations about bias in national newspapers will come as nothing new to anyone who is a trade unionist or has

been involved in campaigns like the anti-poll tax movement. But it is in its analysis of local newspapers that welcome, because it devotes a large section to an in-depth analysis of the V Yorkshire Post's coverage of the 1987 last general election. The authors reveal how the Tories were able to manipulate the news to ensure a greater share of the coverage in the Post, while another local newspaper which measured with a - rule every column inch to ensure fairness was condemned by the Tories as biased! '

As Lenin once said, the freedom of the press is the freedom of the book really proves its worth. What News? dispels any myths that local newspapers are community-based or politically independent. Franklin and Murphy analyse the ownership of local media, finding that the same few millionaires who control the national press directly or indirectly control regional newspapers too.

Media trade unions have long campaigned against the increasing concentration of the press in the hands of a few rich individuals. For example, the Daily Mail and General Trust not only publishes the Daily Mail, Mail on Sunday and the London Evening Standard. 'but through its various subsidiaries, primarily Northcliffe Newspapers, it also controls dozens of local papers and has major shares in magazines and radio stations as well. The timing of this book is to print millions of copies of lies and deceit on a daily basis. As David English, the Mail editor, admitted in an interview, that if a story did not fit in with the paper's political line, it was either dropped or changed, facts and all.

As long as the means of producing papers are privately owned, the press will continue to reflect the views of the party of big business - the Tories. Labour has committed itself to reviewing the ownership of the press. But it needs to go much further. As an immediate step it should open up access to the media through subsidised newsprint and commonly owned printing facilities.

For Labour to win this election, it not only has to beat the Tories. it also has to beat the press of millionaires - both nationally and locally.

Four million
unemployed
by Christmas?

The March budget launched the Tories' election campaign. While most people concentrated on the election tax cuts that Chancellor Norman Lamont proposed in order to boost the government's popularity and so win the election, more important were his forecasts about the likely recovery in the UK economy this year.

Lamont now predicts that UK output will grow just 1% this year. And if oil production is excluded, the manufacturing sector will only achieve 0.75% this year. This is after an absolute fall in total output of 2.5% in 1991 and a drop of 5.25% in manufacturing.

The last prediction for 1992 made by the government was in November 1991. Then they expected 2.5% growth in real output this year. The new budget forecast shows just how extended this current recession has been and how weak the long-expected recovery is going to be.

It is estimated that when British industry works at full capacity, the UK economy could increase output by 2.5% a year without causing inflation. This is much less than Germany, Japan or even France could achieve with inflation-free growth. But anyway, it is now clear that Britain will not reach even that rate of growth this year, and maybe not even in 1993.

Consequently, unemployment is certain to go on rising throughout this year, because industry will still not be producing at full capacity. It is more than probable that: unemployment could reach 3 million on official figures in 12 months time. And given the government's manipulation of the statistics and if various employment programmes are added in, then the real unemployment level would be nearer 4 million by the end of 1992.

So whatever happens in the world economy: whether the recession continues throughout 1992 with Germany and Japan going into recession and the US economy not recovering sufficiently to compensate; or whether there is a mild upturn in world growth, Britain is likely to remain in the doldrums all this year. It will not leave much scope for reforms by a Labour government, because the capitalist economy will not deliver extra output.

Why has the recession been so much more severe in the UK and the recovery likely to be so much weaker?

There are three important factors which determine economic growth under capitalism: the overall profitability of investment; the real rate of interest paid to lenders when investors borrow money; and the growth of trade and markets to enable commodities produced to be sold. First, the profitability of British investment has been significantly lower than in any of its competitor economies. While profit rates recovered somewhat during the 1980s after reaching an all-time

low in 1982, they are still well below the levels of the 1960s.

Such a poor level of return on investment makes foreign and British capitalists reluctant to put their capital into plant, equipment and technology in Britain. Consequently, investment in these areas is much lower than competitors. This is particularly the case in research and development where British capitalists invest less than one-third as much as France does on non-military research in information technology, for example.

Second, the rate of interest when a capitalist is borrowing money in Britain is about 10% or higher. With inflation at about 4%, that means that the real rate of interest is about 6%. If average profitability is about 9-10%, then that does not leave much profit for the industrial capitalist after paying off the interest on any borrowed money. So this severely restricts investment. Compare Germany or Japan — where the average profitability is nearer 15% and the real rate of interest is no greater than 4% (Germany) or even as low as 2% (Japan).

Interest rates have been much higher in Britain because now that the UK is in the EC's Exchange Rate Mechanism (ERM), the government must ensure that the value of sterling remains within 6% of the other European currencies. If foreign speculators view the British economy as weak they will only buy sterling if the interest rate is much higher than the rate they could earn on, say, the German Mark. Consequently, interest rates have been relatively high despite the need to lower them and allow people and companies to borrow cheaply and so boost the economy.

Finally, the growth of exports for British industry is much weaker than for its competitors. Britain's share of world manufacturing exports has declined from 10% in 1979 to about 8% now. And the decline in the UK's manufacturing base after the ravages of the 1980-2 and 1990-2 recessions means that British exporters now produce less than one-third of the cars that France produces, fewer ships than little Denmark and less steel than Italy. Over the last ten years Britain's export growth has been the worst of the top seven (G7) economies.

Unemployment will, remain at high levels and we can say with certainty that full employment will never again be achieved under capitalism in Britain.

By Michael Roberts

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The six to one vote in favour by AEU members to merge with the EETPU has concentrated the minds of active trade unionists on the question of amalgamation for the future course of the unions in Britain. In the first in a series of trade union briefings, Dave Sims puts the socialist case for union mergers.

Marxists support the principle of union mergers. Just as workers have more industrial muscle when they combine in a union in a single workplace or section. so a merged union combining all the workers in a single industry can give workers much greater industrial strength. In the early 1900s: the formation of the TGWU and the GMB were the result of a number of mergers, a direct consequence of the conclusions drawn by workers such as the dockers during industrial battles on the need for a single union covering all the workers in that industry to help ensure solidarity in action and win the right for a living wage.

The employers always try to divide workers by drawing distinctions between different areas of work and skills, and offer different pay and conditions accordingly. Similarly, they try to divide us along union lines with the sure knowledge that while workers differ with each other, they are unable to challenge successfully their common enemy. The employers fear the potential power of the workforce united in a single union.

Many of today's mergers have sound industrial logic. For example the amalgamation of NUPE, NALGO and COHSE, or between the five media unions, would represent a big step forward for workers in local government, the health service or the media.

However, while Marxists support the principle of union mergers, we would not support every merger at all costs. Amalgamation that really benefits workers also depends on the maximum democratisation of the trade unions. The left in the AEU opposed the merger with the EETPU because the deal did not guarantee the hard won democratic rights of the AEU members, such as the right to elect all full-time officials. While activists in NALGO and NUPE overwhelmingly support the principle of merger, they have also campaigned against clauses in the amalgamation proposals which reduce the power of local branches.

This apparently contradictory position arises because of the nature of the current round of mergers. The move to 'super unions' has not largely arisen from the common experiences of workers in struggle drawing conclusions that they need one union, but has mainly been pushed by the union leaders. Because of declining membership and loss of income, they fear the very viability of their unions and consequently their jobs and power.

In 1980 there were 109 unions with a membership of 12 million and

ated to the TUC. At present there are now just 73 unions with a membership of 8 million. The catastrophic decline in manufacturing jobs (down 25% in the last decade) has been the prime cause of the TUC's falling membership, particularly in the coal, shipbuilding, steel and engineering sectors. Alongside this, the unions have failed to recruit and sustain members in the low-paid, mainly casual or part-time service industries. Although important gains have been made in the financial sector.

Also privatisation and the removal of contract compliance has had a similar effect on membership in public sector unions - witness the huge job losses recently in British Gas and British Telecom.

Small unions have become unviable and medium-sized unions have lost not only their prestige but also their seats on the TUC General Council and the Labour Party NEC. 50 the political power of the block vote has been weakened for them. The TUC itself has reported that 75% of affiliates face financial difficulties and need presentable partners to bail them out.

GMB leader, John Edmonds, admits that a merger with the TGWU or another union could be forced on his union. The TGWU itself has lost over one million members in the last decade and its new leader, Bill Morris is looking to merge with others in order to restore its influence.

The danger that is inherent in this type of merger is that the bureaucracy at the head of all these unions will become even more divorced from the rank and file. That is why Marxists oppose merger terms which strike at the heart of democratic accountability.

With the absence of the mass of workers from trade union activity in the past period, the right-wing union leaders have held sway in the TUC. Recent mergers have tended to take a bureaucratic form as opposed to the amalgamations of the early 1920s, which were based directly on workers' experiences and led by left-wingers.

But now that the economy has swung into recession, a new mood is beginning to develop. The victory of Bill Morris and Jack Adams, and the further move to the left on the GEC in the TGWU, and the left victory in UCA's IFT, show that workers are beginning to demand more input from their leaders. As industrial struggles pick up in the next period, the rank and file will be demanding more democratic trade union mergers in order to strengthen their power against the employers.

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Rank and File Fight for F Marxism
Democratic Merger

THE proposed merger between COHSE
(health service employees) NUPE (pub-
lic employees. and NALGO (3m -1 gov
emment offi-\201cers) would be a signii-\201cant
step forward for the labour and trade union
movementltwillbethelargestu'ade union
in Europe representing 1.5 million mem-
bers in the public sector. bringing together
manual and white collar workers.
The new union will unite the
workforce in local authorities and theNHS
in the i-\201ght against the cuts and to improve
the pay and conditions of the members. It
will cut across attempts by the employers
to play off one union against another to
divide the workers.
The merger has been welcomed
by the overwhelming majority of left at:-
tivists. It cannot be a merger at any price,
however. At the moment NALGO has a

—
Branches and
individuals must
have the right to
campaign
relatively democratic structure. Its mem-
bers and branches have the right to cam-
paign and organise independently of the
national leadership. This contrasts quite
starkly with NUPE where individuals and
branches have been disciplined for not
agreeing with the leadership.
The different attitudes to the
question of democracy have been seen in
the merger discussions. NAIEO has pro-
duced a whole range of doctnnents and
reports for consultation (albeit after pres-
sure from branches and not as much as
demanded).whereaslastyear'sNUPEcon~
ference was presented with a sevm-page
report and told â\200\234to take it or leave it"
without any oppommity to put forward
amendments. At last year's NALGO con-
ference a report i-\201om the NEC was pre-
sented for discussion and amendment.
Conference passed an amending motion
instructing the negotiators not to make
concessions on: the annual conference
being the supreme policy making body;
the new union should be mcmbership-led
and under lay control; that branches. indi-
viduals. and groups have the right to or-
ganise and campaign. On this basis the
NAbGO NEC were forced to renegotiate
with COHSE & NUPEV
The leadership of the other un~
ions were not happy at the NALGO con-
ference delegates' decision and he talks
took place for several months while they
reconsidered their position. There were
threats to pull out of the merger altogether.
A new report was i-\201nally produced and put
to a special conference of NALGO, with
amendments from branches on 14 March.
Although some concessions
were gained i-\201'om the other unions. the left
within NALGO did not think they went
anywhere near far enough. However, the

right to campaign and organise will be written into the rule book. This is a major step forward.

Proportionality for women is to be a principle of the union. While we can agree with the right of women in the union to full equality, the way it is being put forward by the leadership will not ensure full and equal representation. Guaranteed places and quotas cannot be a substitute for branches and the leadership campaigning with women against low pay, for childcare provisions, for time-off during working time to attend meetings, and to train women to become shop stewards.

The NEC report on finance proposed the central collection of subscriptions with monies then remitted to branches. The NEC suffered a major defeat on this issue when a composite amendment was carried which will allow branches to collect money by cheque locally and then send the due amount to headquarters. So local branches retain control of the finances, as is the NALGO practice. This will be a blow also to the NUPE and COHSE leadership. Their stated objections are that they have no mechanism for collecting locally, but in reality it is a case of whoever controls the finance controls the branch. The NALGO NEC will have to go back again to the other unions, renegotiate and bring back their proposals for the new union rule book. They are reluctant to do this before the votes on merger take place. A clear message has been given to the leadership the new union must be under the control of the membership.

by Dave Gee, Nalگو, Leeds
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and

Mergers

For Marxists, work in the trade unions has always occupied a central position. Many of the Marxist classics deal with the kind of problems trade unionists face today. Socialist Appeal aims to reprint this historical material which sheds light on many of the burning questions of the labour movement. We believe that this material, which is generally not available, will provide a valuable contribution to the present discussions about mergers and trade union democracy.

We reproduce below a brief extract from the Programme of Action (para 3) of the Third Congress of the Third International (1921):
The most recent years of struggle have shown especially clearly the weakness of the trade-union organizations. The fact that workers in the same enterprise belong to several different unions reduces their ability to struggle. An

unremitting fight therefore has
to be fought to restructure the
unions so that each union represents
a whole branch of industry
instead of a single trade.
Only one union in a factory
- this is the organizational slogan.
The fusion of unions
should be carried out in a revolutionary
way - the question
should be discussed directly
by the members of the unions
at the factories and subsequently
by district and regional
conferences and national congresses.

by Alan Woods

Reports of the death of Marxism have
been greatly exaggerated...

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tn Detenoe
of Marxism

THERE are moments in world history
which represent decisive turning points.
We are living in just such a period. For
Marxists the greatest single event in hu-
man history was the Russian revolution.
Now the collapse of Stalinism: and the at-
tempt to put the clock back '75 years in ne-
tions of the former Soviet Union is a trans-
formation of no smaller significance.
Long ago Marxists predicted the
eventual impasse of the bureaucratic Sta-
linist regimes in the Soviet Union and
Eastern Europe. Even before the Second
World War. when most capitalist pundits.
as well as apologists for Stalin, saw no
chink in the strength of the bureaucratic
regime in Russia. Leon Trotsky. the Bol-
shevik leader exiled by Stalin. argued that
either Stalinism would be overthrown by a
political revolution of the working-class
or, under certain conditions, could revert
to capitalism. More than a decade ago the
British Marxists pointed out that it was a
race against time as to which would come
first: a crisis in Stalinism or capitalism.
The former has only anticipated the latter.

At present. the apologists of capi-
talism are waving flags and beating drums
for their system. Some even talk about the
end of history" because there is only one
system left, "liberal democracy", with no
more class or social conflict leading to the
establishment of another economic or po-
litical system. â\200\230

But we can now assert with un-
shakeable confidence that the collapse of
Stalinism was only a prelude to a new
period of crisis for capitalism which will
make the convulsions of the East. and what
capitalism has experienced in the past,
look like a vicar's tea party.

Effects of the Boom

While Marxists foresaw and explained the
crisis of Stalinism. not even the greatest
genius could have predicted how that cri-
sis would unfold. That should not surprise
anyone. To predict in detail the his-
torical process developments would require not
just scientific perspectives but a crystal
ball. something which. despite all the ad-
vances of modern science. is still not avail-
able to us.

Trotsky expected any movement
back to capitalism in the Soviet Union
would be accompanied by civil war. This
has not taken place. Instead Stalinism fell
like a rotten apple. Big sections of the
"Communist" bureaucracy went over to
capitalism with no more effort than it takes
to cross the door of one of their exclu-
sive bars in St Petersburg.

Part of the explanation {or this un-
paralleled degeneration is the effect of

decades of bureaucratic :ctmirarizm â\200\234
Trotsky explained that. whiere volutlenls
the locomotive of history, reaction. esp:-
ciaiiy totalitarian reaction, i: a cot)~ 11
brake. Theconsciou :ess ofthc inteh . :tu-
als and the working ciass, and for Ln:11
matter the ruling layer. has been thrown
right back. The nomenclature, as they are
called, are the children and grandchildren
of buxaucrats, barn to a life of privilege
and luxury. The} am remote from the
working-class. from the ideas of social-
ism. and from the traditions of the Octobe:
revolution.

But there is another and more fun-
damental reason which explains the cur-
rentsituationin the East By an accident of
history, the collapse of Stalinism coin-
cided with a temporary boom in the ad-
vanced capitalist countries. In addition.
there is still a whole generation of people
who have lived under the unprecedented
expansion of productive forces in the capi-
talist West from 1948-73. This has been
decisive in its effect on the consciousness
of working people and continues to set its
seal upon the entire development of world
politics.

Marx and Engels explained that
the evolution ofhuman society into a civiv
lised existence depends on the develop
ment of the productive forces; machinery,
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industria'lhcri econ-â\200\230lrr:i?<. grew at an un-
para}! 3lcc} rate TL: unchallenged domi-
nation of US impcnule'm after the war
enabled it to impose :1 â\200\234new world order".

Fear of revolution in Europe compelled
the American ruling class to underwrite
the funding of capitalist recovery in Eu-
rope with the Marshall aid programme.
Through the Bretton Woods agreement a
stable monetary orde: was established, and
through the GATT negotiations, the US
imposed a general reduction in protection-
ist trade tariffs which sharply stimulated
'woxld trade. Cheap lalnur and raw materi-
als. new technology and plentiful supplies
of money capital created conditions for
highly proï-\201table investment and produc-
tion. Production in turn was stimulated by
fast expandin g world trade markets to create
new industries and technical innovations.
Increased investment and production
boosted trade. which in turn provided an
incentive for more investment and output.
It was a seemingly never-ending virtuous
circle of sustained capitalist expansion.

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The coliapse of
stalinism coin-
cided with a tem-
porary boom in
the advanced
capitalist countries

This long boom of 1948-73 enabled working people in the industrialised capitalist economies to obtain regular employment; to fight for and win higher wages and improve public services for pensions, education, health, housing and other elements of a welfare state. This process was hardly interrupted by economic recessions, which at most lasted just a few months and were barely noticed. However, while capitalism appeared to succeed in the West, for two-thirds of humanity living in the Third World of Asia, Africa and Latin America, the situation was entirely different. There the mass of the population suffered an absolute fall in living standards. Moreover, one of the factors which fuelled and prolonged the boom in the West was the super-exploitation of the peoples of the colonial and ex-colonial world. Through unfavourable terms of trade, they provided extra surplus labour in exchange for less from their imperialist masters. Prices of raw materials, the sole type of export from most of the economies of the Third World, declined relatively to the price of industrial commodities that they imported from the West. So even under the most favourable period of capitalist development, the colonial and ex-colonial nations experienced economic crises, and social and political convulsions: it was a period of wars, civil wars, revolution and counter-revolution from Venezuela to Vietnam.

Bernsteinism

Social being determines consciousness" said Marx. The long capitalist upswing led to the strengthening of all kinds of illusions in the minds of working people about the benefits of capitalism. This was particularly reflected in the final degeneration of the leaders of Social Democracy and . Stalinism in Europe and Japan. In one country after another, they abandoned their allegiance to socialism, even in words. There was a similar long period of capitalist upswing from 1890 to 1913. In just the same way, the trade union and

social democrat leaders drew the conclusion that capitalism had solved its problems. and that slumps. unemployment. low wages and poverty were a thing of the past. The class struggle had ceased to exist, there was no working class anyway, and the rest of it.

This ideological pressure was reflected among Marxists as well. for we do not live in a vacuum. Eduard Bernstein. a pupil of Marx. came to the conclusion that Marx was wrong, his ideas were "out of date" and must be "revised". But within a decade this period of gradual progress for capitalism came to an abrupt and violent end in August 1914. All Bernstein's revisionism went up in smoke in the First World War, which immediately provoked the Russian revolution - something not on the agenda of the reformist socialists". In the inter-war period of the 1920s and 1930s the stability and equilibrium of capitalism was completely upset. Instead of peace and prosperity. there were wars. revolutions, slumps and depressions. mass unemployment and poverty. military bonapartist regimes and fascism in power. This all culminated in another and even more horrible war and a holocaust for the people of Europe. which came close to the destruction of civilisation.

Instability implies upswings as well as downswings. So even in the inter-war period the capitalist trade cycle operated and the recession or slump of 1920-21 was followed by the boom of the mid to late 1920s. Regular as clockwork "learned" professors appeared. including "socialist" ones, who tried to show that Marxism was "out of date". that capitalism had solved its difficulties and so on. Such a man was Werner Sombart, another pupil of Marx. who wrote a book claiming that capitalism had established stability. It appeared in the bookshops in 1929. just at the time of the Great Crash in the stock market which heralded the biggest slump in capitalist history!

Marxists have never argued that there is such a thing as a "final crisis of capitalism". As Lenin and Trotsky often said. if the working-class does not transform society, then capitalism will always wind away out. So it was that the failure of the revolutionary wave that swept Europe after 1914, because of the fatal policies of the social democratic and Stalinist leaders. laid the political basis for the long post-war epoch of capitalist expansion of 1948-73. The isolation of Marxism from consciousness of the working-class throughout this period was thus mainly the result of objective conditions. Even with the greatest leaders and the most correct policies. the size and influence of Marxism would not have been fundamentally different.

In such a period. the primary duty of Marxists must be to defend the ideas of scientific socialism. However. as in previous periods of capitalist upswing, many

so-called Marxists succumbed to the temptations of capitalist success in the ensuing decades. The idea was expressed that the industrial workers of the West had "not done too badly" out of the boom. They had ceased to be revolutionary and would not fight for socialist change. They had become 'corrupted' by consumerism etc. Consequently it was suggested that a Marxist movement should now base itself on "other layers" - the students, the "dispossessed and marginalised" lumpen proletariat as Marx called this layer). Illusions were promoted in guerrilla movements in the colonial world, in urban guerrillaism. Women's lib and gay lib as a substitute for the working-class - anything and everything but the working-class, particularly its organised sections. In the UK, it became fashionable to dismiss the role of the Labour Party and the trade unions, the traditional mass organisations of the working-class.

May 1968 General Strike

The falsity of these arguments was exposed in practice. In May 1968 the French working-class engaged in the most revolutionary general strike in history at the height of the post-war upswing. The tremendous revolutionary potential of industrial working-class was revealed in a stroke, crushing the "theories" of those who only looked at the surface of events and were unaware of the what Trotsky called the "molecular process of the socialist revolution" beneath. Because beneath the surface of calm, capitalism engenders profound undercurrents of accumulated discontent which can eventually burst through to the surface in social explosions.

Neither did the May events in France reveal the revolutionary potential of the working-classes. They also demonstrated how wrong the so-called Marxist pundits were about the role of the mass organisation of the class. In May 1968 less than 10 million French workers were in trade unions, yet ten million seized the factories. Immediately this new layer flooded into the unions and whole factories became organised. Workers turned to the existing mass organisations to change society. And when these workers sought a political expression, they turned not directly to any small "revolutionary" party, but to the traditional mass party of the working-class, which in France 1968 was the Communist party. In the first week of the strike the CP opened over 80 new branches in the Paris region alone. Prior to the strike the CP had been written off by all the "revolutionary" groups, and so as a result, these groups were entirely isolated when the struggle broke out.

The decade of the 1970s covered the end of the long boom of capitalism and ushered in a completely different epoch. The decade saw the Greek revolution, the Portuguese and Spanish revolutions, elements of civil war in Cyprus and the big

gmtmovement of working-class in Britain
since the Chartists tn the 18305. In Italy
and Germany. fermentamongmiddle-class
youth produced terrorist groups like the
Red Brigades and the Red Army Faction.
The perspectives of the capitalist ruling.
classes also changed. Gone went the talk
of â\200\234the end of ideology" or of a â\200\234classless"

society. The strategists of capital seriously prepared for the possibility of civil war and the need for dictatorship to replace "democracy".

In Italy, the Gladio and P-2 secret organisations of the ruling strata were formed to prepare for a military dictatorship (the evidence for this is still being revealed 20 years later). There were plans for right-wing coups in other European countries, including Belgium, Spain and Norway. In Britain, former SAS leader Brigadier Frank Kitson openly spoke of plans for a coup in Britain if a left-wing Labour government looked likely to come to power. Cabinet papers now made public show that sections of the establishment considered a coup against Harold Wilson's Labour government of the 1960s and ex-

The democratic rights of British workers were won through struggle

MIS agent Peter Wright revealed in his banned book *Spycatcher* that the secret service was engaged in continual schemes and dirty tricks designed to bring about the fall of the Wilson government in the 1970s. So much for the credentials of supposedly the "greatest democracy in the world"!

The democratic rights that British and European workers enjoy were never given to them by a benevolent ruling class. They had to be won through struggle in the teeth of bitter resistance by those "born to rule". The capitalists tolerate these rights for working people only as long as they can afford to economically and as long as the working-class does not threaten their rule. The whittling away of trade union rights and other basic democratic rights under the Thatcher government in the 1980s is a warning, that while capitalism exists, not one of the gains of working people is secure. Under conditions of economic and political crisis, the ruling class will attempt to take back all that has been won in the past.

In the 1970s capitalism entered a new epoch of instability, of boom and slump, of upswing and recession. The boom of 1971-3 was followed by the oil price shock and the first worldwide simultaneous economic recession when production fell absolutely during 1974-5. Then there was the boom of 1975-9 followed by another serious downturn in 1980-2.

This uncertainty began to break many of the illusions that workers had about capitalist progress. This was reflected in a ferment in the mass organisations of the labour movement. Left reformist currents grew in strength in many European nations. In Britain, the left reformists began to dominate the leadership of the Labour party. It was under these objective conditions that the Marxist tendency made rapid progress in Britain and internationally: 1

The Reagan Boom

However, after the second serious worldwide recession of 1980-2, capital-

ism entered another temporary upswing in the trade cycle. This cut across the further development of left tendencies in the labour movement. Even before that the left reformist leaders had moved to the right. As is usual. they moved away from socialism the closer they got to "power". The boom of the 1980s was not a new epoch of capitalist expansion like the period of 1948-73. Looking back over the last 16 years since the recession of 1974-5, the evidence is clear. The major capitalist powers have not been able to match the levels of profitability, the growth of output and trade, the intensity of investment, and low levels of unemployment and inflation from 1975-1991 that were achieved 1948-73. Since 1973 there have been three world recessions. each followed by weaker production, investment and employment. The boom of the 1980s had to be artificially boosted by an unprecedented expansion of credit and arms expenditure, particularly by US imperialism, which reached levels that put Hitler's rearmament programme into the shade. US imperialism alone was spending 33 hundred billion a year on the "arms race". or \$3 trillion (\$3 million million) in the decade. If this sum alone had been spent for productive purposes. it would have been sufficient to transform the living standards of every man, woman and child on the planet. This deficit financing by the government and a growing private corporate debt what Marx called fictitious capital. credit not backed up by the production of real commodities enabled the boom to be extended beyond its normal cycle. eight years instead of four to six years.

A huge burden of debt was taken by workers and capitalists alike (see table).

Household debt as % of disposable income

US Japan UK

1930 80 77 57

1990 103 117 114

And even in this boom, growth remained well below the levels achieved in the long post-war upswing -- in the 1980s output grew on average 2.2% annually in the major capitalist economies, compared to over 5% in the long post-war upswing. Now capitalism has been plunged into another recession, starting with the Anglo-Saxon economies of the US, Britain, Australia, Canada, New Zealand and Scandinavia in mid-1990. Although average production in the 26 OECD advanced capitalist economies did not fall in 1991 (it grew just over 1%). this recession is already the longest post-war one for the US and the longest for 60 years in the UK. And it is not yet over, because Germany and Japan are slowing fast and if the US economy does not pick up quickly, the recession could be extended right through 1992 and may yet lead to an absolute fall in production. Everywhere unemployment is rising and looks set to continue to rise for the next two years.

The problem with debts that

mounted up in the Reagan years is that. as
every worker knows. borrowed money"
must be repaid. And that can be a crippling
burden if interest rates are high. Workers
and capitalists stop spending on new prod-
ucts reducing the market for commodities;
businesses go bankrupt and people lose
their mortgaged houses. Consumer confidence
slumps. This is one of the princi-

all factors that is delaying a recovery in the UK and the US.

Not one of the contradictions of capitalism has been solved by the boom of the 1980s. Talk of a golden era or a "new world order" for capitalism is proving to be bogus and Bush, the "hero of the Gulf" has found that it is easier to win a war against Saddam Hussein than solve the problems of a capitalist economy. It may yet cost him the White House, victory parades notwithstanding.

Another feature of this new epoch of instability for capitalism since 1973 has been that in trying to raise profitability and preserve markets for private profit, capitalist strategists have attempted to cut back unnecessary state spending - not arms. of course, but education. unemployment benefit. pensions. health and housing. In the last 15 years these cuts have been tormenting whatever government. left or right. has been in office.

Felipe Gonzalez. Mitterrand, Craxi, Bob Hawke. Papandreu, the social democratic leaders of New Zealand. Sweden and Finland. all have followed the same policy prescriptions as Reagan. Bush. Thatcher or Kohl. The "social wage" has been cut and cut again.

Also, in the boom of the 1980s was only possible because of an enormous intensification of exploitation of workers in the factories. shops and offices longer hours, working weekends, continental shifts. faster lines, reduced breaks. productivity deals. and "natural wastage". This is what Marx called an increase in relative and absolute surplus value - all manner of methods to squeeze more labour out of workers in less time.

In the UK and the US whole areas of industry were devastated by closures. while skilled workers were replaced with unskilled and semi-skilled labour. for low wages. The replacements were often women. youth or immigrants, ruthlessly exploited by the employers. And everywhere full-time workers have been replaced with part-time staff. with no pension rights, or sick pay and reduced holidays. In Marxist economic terminology. the real value of labour power was forced downwards across the board in the US and for the bottom layers of the labour force in the UK.

Yet the 1980s was a decade of a historically low level of strike activity. At present. the class struggle appears to be at a low ebb. Attendance at meetings of the trade unions and the Labour party is poor. Union membership has declined. This lack of active participation. coupled with the extra pressures of work during the boom years has reduced the pressure on the leaders of the labour movement from the rank and file. As a result they have moved far to the right. The left reformist wing has all but collapsed.

The long post-war boom created the illusion that capitalism could deliver

the goods". After the upheavals of the 1970s, the mass unemployment created by two recessions eventually curbed strike activity. Then the extended cyclical upswing of the 1980s allowed a significant section of those in work to increase their living standards, albeit at the cost of their health and family life (the latest figures show that average family real incomes rose 7.0% during the 1980s but that is an average that hides the fall in real income for the bottom layers of the working class, and it also depends on two wage earners at least in the family).

But whereas in the inter-war period and in the 1970s many workers began to draw revolutionary conclusions, this has not generally been the case in the 1980s. It is true that there were big movements of the class even in this period, the miners strike in the UK and the general strike in Spain. But these examples do not outweigh the general trend reflected in the strike statistics.

In this period, as a rule, most workers were not looking for a way out beyond the confines of the capitalist system. They were trying to solve their individual problems without changing society, by working hard and trying to create decent conditions for themselves and their families.

While the rate of exploitation vastly increased, the employers' profit margins. The long post-war boom created the illusion that capitalism could deliver the goods.

Outstripped wage increases, But workers did not see it that way. What is important is an absolute rise in living standards. Frequently, it was possible for workers to obtain wage increases above inflation without resorting to strike action. As order books filled up in the mid to late 1980s, the employers were prepared to concede increases from their rapidly increasing profits, rather than attempt production. The recent agreement to pay the German Steelworkers a wage increase above inflation without a strike shows that German capitalism was still in that phase (although a collision course with the bankworkers and public sector unions is now a distinct possibility as recession and the cost of unification with the East starts to bite). Only in the US have workers living standards continued to fall (although from a higher level than elsewhere) in the last decade. And that is stoking up an explosion for the future.

And it must not be forgotten that the improvement in living standards for the average family masks the deprivation

suffered by a layer of the working-class that did not benefit at all from the boom of the 1980s: the unemployed, the old, the dwellers of the innercity ghettos of the major cities of Europe and North America, the people of southern Italy etc. The magnificent movement against the poll tax in Britain revealed the reservoir of accumulated bitterness and resentment that has built up among all layers of society. Once the realisation sinks in that capitalism is not providing lasting improvements in living standards and conditions - it has suffered three major recessions in the last 18 years - then new class

.rm
Those who look for short-cuts to revolution will be left on the sidelines, struggles will break out. It would be a serious error for socialists to conclude that because of the relative lull in the class struggle and the current lack of any ferment in the labour and trade union movement in Britain that therefore the organisations of the Labour Party and trade unions will be permanently dormant and will never reflect any future change in the consciousness of the class. On the contrary, those who look for short-cuts to "revolution" by taming away from the organised labour movement will be left on the sidelines when the struggle breaks out anew, because it will be reflected through the trade unions first and then the Labour Party itself.

Disgust and hostility is just beneath the surface as each day workers learn about the corruption of the rich, and the parasitism, fraud and seams of the stock markets of Britain (Guinness, Blue Arrow, Lloyds Insurance, Maxwell), the US (Drexel, Tmmmp, Savings and Loans), and Japan (Recruit, Kyowa and Sagawa), while the transport and infrastructure collapses, the welfare system is dismantled by cuts. Then there is the rape of the environment by big business in the pursuit of profit, the poisoning of the air we breathe, the water we drink and the food we eat. This has a put a question-mark on the future of humanity, unless the economic forces which dominate our lives are brought under rational control. Stalinism and capitalism have monstrous records in abusing the planet and placing humanity in jeopardy. Only a democratically controlled plan on an international scale can begin to tackle the nightmare of global pollution.

Epitaph for, artisan or (Lipitulum)?
So it is an irony that just as the cheerleaders of capitalism are busily writing their epitaphs for Marxism and socialism (yet again), capitalism has entered another recession: it remains in an epoch of crisis and uncertainty. The more serious strategists of capital are not so confident of the future. The Financial Times recently admitted that, if it were not for the collapse of "Communism" in Russia and Eastern

Europe, everybody would now be talking of a crisis of capitalism.

'I think because all the factors which would make for a sustained expansion in capitalism over the next period are now exhausted. as they have been since 1973. Underpinning the entire process of capitalist development since 1945 was world trade. In the long boom it grew at over 10-12% a year. Since 1973 that has fallen to around 5-8% and in 1991 it grew only 3%. The last half-century has seen an unparalleled intensification of the international division of labour. As Marx and Engels brilliantly predicted in the Communist Manifesto nearly 150 years ago, the entire world has become integrated into a single interdependent whole. All economies, even the biggest and most powerful, are subordinate to, and dependent on the world market for their viability. The Russian and Chinese Stalinists thought they could build "socialism" in one country defying the laws of the universe: zzzz'tomy, Now they have been dragged willy-nilly into international makes, which will create more convulsions. These ex-socialists, forgetting what scraps of Marxism they ever knew, are rushing to embrace capitalism just when capitalism is set for a new period of crisis.

It is still not certain that the current recession is over, and some capitalist economists are predicting a "double dip" in the US economy. i.e. another downturn after the US's weak recovery for a few months in mid-1991. That could lead to a worldwide recession or slump, as Germany and Japan are slowing fast.

Even more serious long-term is if the on-going GATT talks for freeing up world trade should break down. which is entirely possible. The deadline for agreement is this April. It could be delayed further or even fail to reach any significant conclusions. But it could collapse this month.

The impending impasse on world trade "the vital catalyst to world economic expansion" is because the contradictions between the competing capitalist economies have come to a head over agriculture. which is in a seemingly permanent crisis of overproduction on both sides of the Atlantic (and Pacific). Before the war, Trotsky described German agriculture as the "kept whore of German industry". Now European agriculture has that dubious role. For social and political considerations, the European Community subsi-

discs European farmers. This is seen correctly by the US as a protectionist measure against its farm exports to Europe (although US farmers are also subsidised by their government).

The EC is presented as a movement for free trade. In reality it is a protectionist bloc directed against the US and Japan - or as President Bush called it in January, an "iron curtain of protectionism". Now we have vast regional trade blocs. In Europe. German capitalism rules the roost. a mighty industrial power with 78 million people after unification. in the G_

antagonisms among the European powers have not disappeared heart of Europe. It has succeeded in doing by economic muscle what it failed to do in two world wars. "unite" Europe under its domination.

With the collapse of the Stalinist states to its east. German capitalism looks greedily towards central and southern Europe. It has cast its eye already over the Balkans, where before the last world war. Slovenia and Croatia were semi-colonies of German imperialism. It is also turning voraciously towards Czechoslovakia, Poland, the Baltic states and the Ukraine. When Bonn hastened to recognise "independent" Croatia and Slovenia. the other EC powers balked but were forced to fall in line. When last December, the Bundesbank raised interest rates, there were howls of rage from other European governments, whose recession-bound economies were looking for reduced rates. No matter the interests of German capitalism in lowering inflation created by the costs of unification came first. Reluctantly the others were forced to accept France even had to raise its own rates just a few weeks after lowering them. In private the British. French and Italians mutter resentfully wont the dominance of Germany. but the economic balance of forces compels them to bend the knee at least for the present.

Although the process of European unity has gone further than Marxists originally thought possible. the national antagonisms among the European powers have not disappeared. The goal of the Maastricht summit to establish a single European currency by the end of the century is not likely to be achieved. Another recession at home; could not only blow that Luge away but even lead to the breakup of EC itself.

But for the present the EC offers a united face against the pressure of US and Japanese capitalism. The removal of the common enemy of "Communism" opens the way for a sharp intensification of the antagonism between the imperialist blocs in the struggle to obtain and maintain markets. raw materials and "spheres of influence".

An important factor in the boom of the 1980s was the super-exploitation of the Third World economies. The direct military domination of Africa, Asia and Latin America before the last war has given way to neo-colonialist economic control of these nations. The formal "independence" of these countries thinly disguises their economic enslavement to Japan, the US and Europe.

The accumulated debts of these economies amounted to \$1300 billion in 1990, although it has since fallen a little in 1991. Most of this will never be paid back. During the 1980s falling commodity prices reduced most to ruin. They ran fast, not just to stand still, but to try and go backwards more slowly. For example, Ghana increased its cocoa output by 50% between 1983-9, but received less revenue than before. In 1990, coffee exports increased 4%, but export earnings fell 22%.

After the collapse of the Warsaw Pact, Bush declared that America's hands would now be free to deal with the rest of the world. He talked about a "new world order" and a "peace dividend" opening up a future of peace and prosperity under capitalism. The ink was scarcely dry on the pages of Bush's speeches when Saddam Hussein's tanks rolled into Kuwait. In place of peace the world got a glimpse of the horrors of modern warfare and terrifying destructive power of even "conventional" weapon. The people of the Middle East experienced at first hand the meaning of the "new world order".

The promoters of capitalism say that socialism has failed. The market has shown itself to be the only viable economic system. Everything is for the best in the best of all possible worlds. Yet in private, they are filled with foreboding. Some capitalist economists in Britain are beginning to think the unthinkable about the economy. Recently, the right-wing economist, Professor Patrick Minford wanted: "the bulk of economic forecasts are now coming down with a clatter. Fears of another Great Depression have been shrugged off often enough. But the parallels are becoming too unpleasant for such complacency. We are in a storm without any source of leadership and stability." Quarterly Economic Review

What alarms these strategists of capital more than anything else is the threat to world trade posed by protectionist tendencies. If they manage to cobble together an agreement at the GATT talks, they could postpone a crisis for several years. If the talks break down (as seems increasingly likely), then all bets are off. Failure to reach an agreement on agriculture could lead to retaliation from the US against European imports, including industrial goods. This could lead to a vicious trade war that could spiral viciously into a deep depression matching the 1930s. Such a development could quickly reverse the move towards capitalism in

Russia and eastern Europe. The collapse of Stalinism there has led to the installation of openly bourgeois governments which are seeking to move in the direction of capitalism. However, that process is not completed. The attempt to privatise the state-owned economies has undermined central planning, causing chaos. In the former Soviet Union, the CIS, despite massive price increases and more to come, the shops remain empty as goods are hoarded by bureaucrats and speculators or stolen by black marketeers. The growth of inequality, poverty and crime is causing a general malaise.

One Russian commentator Tatiana Koryagina, recently explained: "From the social and economic point of view, there's nothing to be glad about. The political disintegration of the Union, which now appears final, will aggravate the crisis and increase social tensions. Soon we will be facing a catastrophe." After detailing

the problems: massive unemployment. an absence of capital investment, she concludes: "at the confluence of these we have the makings of a social revolution.."Moming Star" (2/1/92). Economists are predicting 75 million unemployed by next Christmas and twice that number by the end of the decade. That is a finished recipe for social upheaval. Six decades of totalitarian bureaucratic rule has all but obliterated the traditions of the October revolution. The old generation of Bolsheviks were physically annihilated by Stalin. The present generation will have to relearn painfully all the lessons of capitalism on the basis of their experience. But it will not take many years for them to realise the "joys" of capitalism. and then draw all the conclusions.

If there existed a strong Marxist party capable of posing a clear alternative the entire situation would be different. In the absence of this. we will see all kinds of convulsions, strikes. insurrections and setbacks. Without leadership. the prospect of total chaos looms. This would prepare the way for a new coup by the military. far better prepared than the last one.

One perspective is ruled out: a stable bourgeois democracy in the CIS states and eastern Europe. The "democrat" Yeltsin like Walesa in Poland, is moving towards rule by decree. In the CIS, the only question is whether Yeltsin himself will be at the head of a dictatorship. or whether he will be pushed aside by a military junta. Nor it is clear whether such a junta would move towards capitalism to go back towards a regime combining central planning with tenor. That largely depends on the perspectives for world capitalism. If there is a new slump. all the processes in the East can go into reverse.

A new Stalinist-type regime could last for several years - as we saw after Jaruzelski's coup in Poland. But one thing is clear. Neither capitalism nor Stalinism can solve the problems of the workers of the CIS and Eastern Europe. Within a few years. as Trotsky predicted. the conditions will be prepared for a new October Revolution which will have an even bigger impact internationally than the "ten days that shook the world" in 1917.

Wherever the strategists of capital direct their gaze. the outlook is bleak. For two and half decades capitalism managed to reestablish a certain equilibrium on the basis of higher productivity and the expansion of world trade. Politically, there was a certain stability with the world divided between the US imperialism and Russian Stalinism based on a balance of terror.

All that was fixed and solid has become dissolved. A period of storm and stress is on the agenda of world history. "The end of the cold war does not mean a world at peace" states The Economist (8/2/92), "on the contrary. it may for a time mean an even more violent place."

In his novel 1984, George Orwell described

a nightmarish scenario of a world divided into a few gigantic blocs with totalitarian regimes in a permanent state of war. That has not come to pass. Under present conditions, all-out war between the major powers is ruled out. because it would mean mutual annihilation. However, the world is already divided up between three major blocs: the US with Canada. and possibly Mexico. with the whole of Latin America as its "sphere of influence"; the EC. shortly to draw in the smaller European powers in EFTA. will control the economies of Eastern Europe and a large part of North Africa; and a mighty Japan which is busy carving out an economic empire in South-east Asia.

To these blocs. it may be necessary to add a fourth. If capitalism should succeed in Russia. a new imperialist power would emerge. This is hardly an agreeable prospect for the West. An imperialist Russia would be a powerful and aggressive imperialism like Tsarist Russia. It would use its military might to take back the breakaway republics. whose "independence" in any case will be seen to be largely fictitious. because they are so dependent on Russia. Last December, when Russia unilaterally raised prices, all the other republics in C15 were compelled to follow suit. Almost immediately after the failed coup last August. Yeltsin wanted the republics: that Russia reserved the right to "revise" the frontiers.

Western leaders are trembling at the thought of the Balkanisation of the former Soviet Union. a situation the US Foreign Secretary. James Baker likened to ; "Yugoslavia. but With nuclear weapons". Before that happens, it is more likely that the military would step in to recentralise forcibly. And a vicious bonapartist dictatorship in Moscow would be yet another element of instability in world politics. . . . , . 1'. t m M.... t ~w.\vm.w.\mw

On the eve of the 21st century. the strategists of capital look forward with deep foreboding. Contradiction is being piled on contradiction. All the factors which created an upswing in the post-war period and the 1980s boom are moving into their opposite. In the coming period the fate of humanity will be decided. Despite everything, the basic organisations of the classes remain in place. There are new layers of white-collar workers. who in the past enjoyed a relatively privileged position in the labour movement. The distinctions between them and the blue collar workers have largely broken down. In the next period. as workers move into struggle. the labour organisations will be transformed. beginning with the unions. The old layer of right-wing leaders will be pushed aside and replaced by those more responsive to the rank and file. Workers can only express themselves through the traditional mass organisations. Those "Marxists" who do not understand this will be forever doomed to

sterile and impotent sectarianism. Now more than ever; there is a crying need for a Marxist tendency to defend the fundamental ideas of socialism within the labour and trade union movement. That is the reason for our existence. We will not surrender to the movement of the right-wing Labour leaders whose policies will be shown, in practice, to lead nowhere. ' We will fight to defend the real ideas of socialism, in Britain and internationally, in the knowledge that the tide will turn and victory will be finally ours. In the course of their experience, especially the experience of struggle, workers will come to realise the need for a radical transformation of society. Marxists are confident in the future of humanity, because we have confidence in the ideas of Marxism and in the working-class. In the coming period not one stone will be left upon another of the policies of the enemies of Marxism. History will vindicate the ideas of scientific socialism, which alone can arm the working-class for the great and decisive battles which lie ahead.

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The leather industry is being hit hard by the recession. Hardly a week goes by without one of the latest round of redundancies and closures. Ian Shelley reports. One of our managers used to give our shop steward a running commentary on the latest closures â just to let him know. Presumably this was to demoralise us, but the attitude of the majority of workers in our section was - so what! Traditionally wages in the British footwear industry have been quite good. Until recently that is. The management of our factory have successfully lowered wages to increase their profits. Our union just accepted it. But the union is only as strong as its members. Only four or five people attend the branch meetings and meetings are only called when the full time or branch committee members feel there is an issue to discuss. The union's weakness is added to by the fact that for every pair of shoes we refuse to make, there's another company willing to do it. There are about 400 workers in our factory, split into different sections, some well paid, others not. The bosses play on these divisions. I work as a leather cutter, a clicker â one of the most skilled jobs in the factory. But now we're paid less than most other sections. How has this happened? A few years ago management announced that one of the production tracks would have to close. The 15-20 employed on it would have to go unless the union agreed to accept the opening of a new section, based on a computer-operated system of piecework payments, rather than the traditional stop-watch, time-study method. Unfortunately, the union gave in to pressure from the one section of workers fearful for their jobs. But the union should have explained the consequences of this new section. Now the workers are back on the reopened track, with the new cutting section, stuck with a system that pays around half the wages for a skilled job. There are workers in other parts of the factory doing unskilled work earning more money. There are young workers in our section doing exactly the same job as people earning over £300 a week in the next room. The union sold its soul to the devil by signing the agreement allowing the computer system in. As we explained to the other workers in the factory, â if they get away with it in our room, you'll be next. Closing the shoes was put under the same computer system. How long will it be before the track workers have a similar system introduced? Cheap imports have hit the footwear industry. Workers in India are apparently being paid £7 per week while in some countries children

are producing shoes how can workers in Britain compete with this superexploitation? Our factory is importing mens and ladies shoes from India cut and closed. All our factory does is put on the soles and heels and then sticks in the "Made in UK" label! Trade unionists have to work out a policy to argue for in the workplace. Currently it is very difficult to argue against import controls because of the state of the industry. Workers fear that the shoe industry will be absolutely decimated as cheap imports flood in. But at the same time there is not any false unity with the bosses against foreign imports, as there has been in other industries in the past such as textiles, because of the role our bosses have played in importing half-made up shoes in the first place. '

However, import controls offer no solution. Protection from overseas competition will not herald a new era of benevolence on the part of British bosses towards the workers, but rather allow them a free hand to push up prices without fear of foreign competition. Pay and conditions may be protected in the short-term, but workers will pay through the nose for goods. Their wages will be eaten away by higher prices. And, it must not be forgotten that other countries will not sit idly by while Britain pulls up the drawbridge. They will retaliate. Such is the weakness of the British economy that it could not win a trade war, even against the Third World. Our union needs to be rebuilt again from the factory floor. The union nationally should be demanding the next Labour government safeguard jobs, pay and conditions. It must implement its plans for a national minimum wage to protect the low paid.

Tell us about life in your workplace or union. Send stories to the editor at: Unit 306, Sherbourne Mill, 126 Morvile Street, Birmingham B16 or phone the newsdesk on 021-455-9112.

A Strike In the Making

September 3. 1991 - GEC Alsthom announces 95 redundancies at Higher Openshaw, initially these were to be voluntary.

Negotiations follow; the joint site unions proposals include:

â\200\230 Ongoing voluntary redundancy

* Short time working/world sharing

* Enhanced payment for redundancy

and for over-60s

The company rejected all these proposals.

October 23. 1991 - Works conference held. (Unions reserve the right to register a retrospective failure to agree on the issue of redundancies.)

October 24. 1991 - Ballot of all union members. 70% vote in favour

of strike action if management declare compulsory redundancies.

November 22. 1991 - Company issue.

â\200\234Notices of Personal Redundancy."

We walk off the job for the rest of that day.

November 29, 1991 - 41 union members get their redundancy notices. We again walk out in protest.

December 2. 1991 - The company appoints a new managing director for the site. He says he wishes to resolve the problem. Talks reopen.

December 12. 1991 - Management offer Â£51,000 to be shared among those on redundancy notice.

December 17. 1991 â\200\231 AEU executive announces it has not ratified the ballot for strike action (82% of AEU members had voted for strike action).

A new ballot is ordered. Management withdraw previous offers and proceed to compulsory redundancies.

December 23. 1991 - The result of the second AEU ballot is announced; 73% vote for strike action.

January 3. 1992 - First person sacked. We come out on strike.

January 13, 1992 - Management announce a further 130 compulsory â\200\230 redundancies.

February 10. 1992 - Management announce a further 27 compulsory redundancies.

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The seven week strike by 400 GEC workers against compulsory redundancies holds many lessons for labour movement activists, Below, we reprint the shop stewardâ\200\224ardâ\200\231s committee ace

0th of the stile and right, John

Byrne, local Labour councillor and co-Opted strike committee member draws some conclusions.

A mass meeting of strikers on February 12th received a report back on the discussions with management held two days earlier. Strikers heard the management of GEC Alsthom,

Higher Openshaw, had put forward a â\200\234survival plan" for our factory which would mean the closure of one-third of the site.

Mining switchgear, maintenance and the power press section were to be closed. There

were to be large cuts in the machine shop and tool room as well as cuts in technical areas. This would result in 97 shop floor, 27 technical staff and 33 management grade being made redundant. This announcement came on top of last September's "survival plan" which involved 95 redundancies. For their part our negotiators asked the company to reinstate the 12 sacked workers to allow talks on possible restructuring of the factory. Management refused this offer. Following this report a full and frank discussion took place. Questions about possible dismissal and possible closure were raised. The answer was given that under the present Tory anti-trade union laws employers virtually had a free hand under the law. To counter these points a number of speakers reported on the magnitude of the problem coming in from all over and how management were shaken by our resolve. The following resolution was passed by an overwhelming majority as are a firm affirmation of our total opposition to compulsory redundancy: "The negotiating committee having received a presentation of the company's survival plan, recommends that the dispute continues. The negotiating committee insist that further discussions around the company's survival plan are conditional on the reinstatement, without conditions, of the 12 sacked workers."

On Friday February 14, the Site Negotiating Committee were asked to attend a meeting in Birmingham the next day. The meeting with GEC's senior management was the result of a request by national officers of the unions involved in the dispute. The trade union side made proposals to: "reinstatement of the 12 workers made redundant; solve the redundancy problem by encouraging volunteers with enhanced payments; agree to short-time working/work sharing. The management point blank refused to even consider these points and the meeting ended."

A meeting of the national union officials and the site negotiating committee spelled out that the GMB and GMB-APEX members considered we could win. But that MSF and the AEU considered we could not win the strike. However, if we continued the strike, unless the unions would maintain their official backing.

A shop stewards committee on February 16 voted 20 votes to one to recommend to the mass meeting, to be held the following Tuesday, the strike should continue. Meanwhile GEC management were carrying out their threat of issuing dismissal notices to all those on strike. By the morning of Monday February 17 every striker had received a letter stating: "If you do not return to normal working by Wednesday February 19, 1992 it will be regarded that you have terminated your employment with the company. In such circumstances, your P45 would be forwarded to you." A full report of the meeting with GEC and the subsequent meeting between the site negotiating committee and the union

national of officials. including the stance taken by the AEU and MSF executives was given to a mass meeting on February 18.

The meeting was also told of the shop stewards committee recommendation to continue the strike. It was made clear it was still the official policy of all the unions to fight against compulsory redundancy.

Questions were then put to the platform:

What action had union officials taken to coordinate support within GEC or GEC Alsthom for the dispute?

Answer: None.

Had the unions nationally abandoned their opposition to compulsory redundancy?

Answer: No.

Would the management's restructuring plan guarantee there would be no further redundancies and the Openshaw site would not close?

Answer: No and No."

Before the vote was taken, a plea was made from the platform to stand by the 12 and continue the strike against compulsory redundancies. From the mood of the meeting and the outcome of the vote, which was a narrow majority for a return to work, it was clear GEC's threat of dismissal, combined with the stance taken by the AEU and MSF executives, who stated we could not win, were the decisive factors in the decision for a return to work.

However, we were not going back to work with our tails between our legs. We had started the strike together, we would end it together. At 7am on Wednesday February 19, we began to assemble outside the factory. At 8.15am 4000 of us, behind our union banner, began to march around the factory, down the main aisle and out into the yard where we held a brief meeting and then dispersed to work. This demonstration clearly showed we were not defeated and despite not achieving our aims we returned with dignity and union.

" The Lessons Learned?"-

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No GEC worker is under the illusion that GEC is a soft touch. Since its formation in the late 1960s when it became one of the country's largest employers, GECâ\200\230s strategy has been quite straightforward. Production is for proï-\201t. so rationalisation and redundancy. combined with minimal investment in research and development are the order of the day. Unemployment and destruction of large sectors of manufacturing industzy do not appear on GEC's balance sheet. What does appear. year after year. are record proï-\201ts and a cash moun~tain that must be the envy of many banks.

Therefore our vote for strike action in the face of compulsory redundancy was a serious decision. Obviously we thought we could win, otherwise why come out on strike in the i-\201rst place. But nobody was under any illusions it would be a short strike. That is why from day one we were out and about visiting other workplaces with our material explaining the dispute and mobilising support for our stand against compulsory redundancy.

A number of basic lessons cart be learned. The i-\201rst and perhaps most important lesson is to tmderstand the role played by the trade urtion leaders. It has to be said that if our national leaders have any inkling of the class nature of society they didntshowitinottrdispute.'lhey refused to carry out even the basic ABCs of any leadership worthy of the title, namely full support for the strike and a campaign to mobilise working class solidarity to defeat the attacks of one of the largest employers in the country For over 20 years GEC has beenallowedafree handindealing withits workforce. while we have been forced to i-\201ght with one arm tied behind our back. Yes, there have been i-\201ghts against redundancy and yes. there have been successes, but they have always been on plantâ\200\224by-plant and gains made have been limited.

The best possibility of defend- ing ourselves against GEC is an effective combine organisation based on the old motto ofan injury to one is an injury to all. This is not a new demand. In the 19705 the Higher Openshaw factory was at the head ofa campaign to establish a GEC combine. But one of the stumbling blocks was the fact that the national urï-\201on leaders were content with the status quo, plant-by-plant

bargaining.

It is AEU policy to have national negotiations with CBC. If this were taken seriously it would provide a real driving force in establishing a CBC combine. Similarly it is the policy of all the unions involved in GEC to oppose compulsory redundancy. In the past few years GEC has shed thousands of jobs in Britain, job losses which the unions nationally were given prior notice of. But there was no attempt to coordinate any resistance to even compulsory redundancy. The matter was left for each plant to solve as best it could.

The Manchester Evening News reported that Lord Weinstock (GEC's managing director) was before a Commons select committee. When questioned by local MP on the future of the Openshaw factory, he said that if the strike did not end in the next few days the factory would be closed. This was reported without even a comment, let alone a protest from the two local Labour MPs.

When the unions nationally were faced with GEC's threat to close the factory if we did not return to work, the AEU and MSF did not even bother to consult us, let alone start to mobilise against a closure (blocking the transfer of work, preparing for an occupation etc). They simply decided that we should throw in the towel.

In a letter dated February 24 sent to local MSF branches, lack Carr. MSF

Hard Times For GEC

Times are hard for GEC Alstom. According to the company report for the financial year ending March 31, 1991, gross profits were down by 18% from £131,441,000 to £111,372,000. To correct this disastrous situation the company cut the workforce last year by 1.739. This enabled them to increase average sales per employee by 15.95.

These cuts ensured that the average profit per employee last year was still over £5.00. In fact it averaged out at £5,440, or £105 per week, per employee. It is worth noting that 200 employees include management. Given the proliferation of managers in GEC, you can make your own estimate as to the profits produced by the real workforce. Times might be hard but not everyone is feeling the pinch. You may think the directors should set a good example. They did. Not one of them was made redundant and Assistant General Secretary, states: "I can now advise that the dispute has been concluded, the members having accepted the recommendation to return to work in order to ensure the continued security of the site."

The truth is that neither the AEU or MSF ever openly recommended a return to work. They left us to draw that conclusion from statements in the local press by union officials that we could not win. The vote at the last mass meeting was on a recommendation from the shop steward's committee to stay out. As far as ensuring the long term security of the site we have no guarantees, neither for

that matter does the MSF Assistant General Secretary.

the workers who played an active part in the strike (we had an average of 50 on the picket line each day plus others on workplace visits and lobbies) have drawn several important conclusions: Firstly, the need to organise nationally and internationally within GEC Alsthom and GEC as a whole. On the international front, since the end of the strike we have met a delegation of CGT workers in the CBC Alsthom factory at La Bordeau. with a view to forging strong worker links. Secondly, we have learned the need to ensure that our trade union leaders represent the members' interests and not those of the employers. as in our dispute.

The strike brought out a strong desire to change the stance of the AEU and MSF and the need to build genuine Broad Lefts in these unions to achieve this. they increased their own pay, on average, by 90%. The highest paid director got a rise of £678 per week. In that time many companies cut costs by taking a paid holiday (not putting anything into the company pension scheme.) But that is not the case with CBC Alsthom. Pension costs for the company last year were £4.000 that's about 20p per year for each employee! That compares with £14 the previous year. Under the old AEI pension scheme the company had to match employees' contributions for.

But as Lord Weinstock once said: "The test of whether or not industry is acting in the national interest is the quite simple test of whether it is efficient. And the only criterion by which efficiency can be judged in a competitive private enterprise system or even in a public enterprise system is the profitability." Times might be hard for its employees but GEC Alsthom is doing very nicely' thank you. .

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As the Spanish Government launches its austerity programme Gerry Lerner in Madrid witnesses the
 Dateline: Madrid Monday 3 February
 It's eight o'clock in the morning.
 The workers are planning a 'symbolic' occupation of the regional assembly.
 They gather outside the entrance with the intention of staying there until the president listens to them. The college delegates meeting is promptly interrupted. A student from the college comes in breathless, bringing the news...unexpected...inexplicable...cruel.
 The forces of public order have violently attacked the demonstrators. The workers are asking for our support. The delegates all run to advise our comrades of the situation. The classrooms are beginning to fill with the gases the police have used against the workers.
 The kids in the junior school across the road are crying, screaming frightened as armed police enter the building. Mothers are horrified, impatient, trying to get their children out as they run past the riot police.
 They enter my college by force. The headmaster tries to talk with them. In reply he is battered receiving wounds to the head. They smash up a supermarket because two workers have hidden there.
 Traffic lights are broken, paving stones lifted, bus-stops destroyed and cars are set alight. The students unite with the workers who abandon their factories in solidarity. They defend themselves with barricades of fire.
 People are choking from the smoke, you can hardly see anything. Now and again towers of pots fall off the balconies as the police charge underneath. The police turn their attack to the housewives on the balcony who are criticising the repression with brilliant insults. The police doing honour to their inestimable self-control enter the buildings smashing down doors...
 These events occurred in workers response
 Spain, not during the civil war of 1936-39, nor under the fascist dictatorship of Franco. The report was written by Trini Diaz, a member of the Sindicato de Estudiantes (Students Union) in their paper Nuestra Voz in 1992, the year in which Spain is trying to present itself to the world as a showpiece with the International Expo in Seville, the Olympic Games in Barcelona, the celebrations of the 500th anniversary of Columbus and Madrid as "culture capital" of Europe.
 These are the images that the Socialist Party government led by Felipe Gonzalez is trying to project. The reality is somewhat different. A savage reduction of capacity is being

carried out throughout Spanish industry by Gonzalez's government. Mining, steel, shipbuilding, textiles, agriculture, hardly any section is spared. They began the process in the early 1980s and achieved a certain success with the aid of the leaders of the main union federations (UGT and workers commissions). In the mid-1980s. Spain experienced an economic boom that is only now coming to an end. The boom has been sustained through speculation in property linked with grants and benefits from integration in the EEC, and substantial state expenditure in the construction industry for the 1992 events of 1992. The Spanish capitalists have been continually pressing the government to act against the workers in the traditional industries. On December 14, 1988 the two union federations called a 24-hour general strike against the government's plans. The strike was solid and the government backed down.

Ever since the unions have been biding their time. Instead of pressing home their advantage, the union leaders have spent the subsequent two and a half years dampening down the militancy of the rank and file, selling the idea that the class struggle is outdated and the Spanish unions should follow the so-called European model. The bulk of union income comes from state subsidies rather than from the members, giving the leaders a greater independence from rank and file pressure.

2%

Juan Martin Seco, a leading left in PSOE, summed up the crisis facing the Spanish economy. Writing in Cinco Dias, he says, "Iâ\200\230 he calculations that we have here show clearly that South African coal is cheaper, and other items are also cheaper from this place or that. The logic of the free market would mean us ending up importing everything and producing nothing. And if we produce nothing with what will we buy the imports?â\200\235.

The ï-\201gures for growth in the different economic sectors explain the insistence of the Spanish bourgeois on ï-\201rm action by the government. In 1991, industrial growth was a mere 0.1%. Agricultural production fell by 2.3% and only in the service sector was there any appreciable growth, 3.4%, but even this represented a fall from the 1990 ï-\201gure of 4.2%. Spain's construction sector had a growth rate of 3.7% in 1991 compared with 10.3% in 1990.

By the middle of 1991 the right-wing leadership in the government felt their time had come. Vice-president Alfonso Guerra, was forced to resign, not because of his active opposition to the attacks but because his base of support in the Socialist Party apparatus made him more susceptible to pressure from below. Plans were drawn up for redundancies and factory closures throughout Spain.

a marvellous
opportunity
to unite the
struggles under a
common banner
â\200\224

The response of the Spanish working class has been magniï-\201cent. There have been general strikes in Asturias, Galicia, Carragena. Andalucia and the Basque country. In addition there were massive demonstrations, not only in the major cities. but also in many small regional towns. Over 3.5 million working hours were lost due to strike action in January this year â\200\224â\200\224 four times more than in January 1991.

The govcmment has responded with plans; to bring- in stronger anti-strike laws against the "savage" (wildcat) strikes. With so many different sections of workers facing the mme attacks from the government and their employers, there is a marvellous opportunity to unite the struggles under a common banner.

Even though union leaders quote the experience of the general strike of December 1938, in reality they are narrified of losing control of the movement that similaraction would generate. The general secretary of the Workers Commissions, AntonioGutiérrez, has publicly stated that â\200\234a general strike throughout the state is ruled

out because it won't solve anything."

On October 23 last year the whole of Asturias was paralysed by a regional general strike. Everything stopped. Pickets were unnecessary as support was complete. During the demonstration in Oviedo the loudest cheers were for demands to extend the fight throughout the Cantabrian coast and to link the miners' struggle with that of other workers.

Instead the leaders have done everything to isolate each struggle in its particular industry or region, with stoppages on different days in different regions and demonstrations limited to the defence of particular industries or factories. This has had the effect of wearing down the resistance of the workers. In October a united movement to defend the mines sprang up but the union leaders delivered an agreement in February, signed and sealed agreeing to plant reductions and anticipating the closure of 10 of the 22 pits in Asturias.

The Asturian miners have a tremendous tradition of militant struggle. Instead of calling for strike action the pit leaders led a symbolic sit-in down the pits while calling on their members to carry on working. They had to call off the sit-in rapidly as the miners in spontaneous mass meetings decided to strike in solidarity with their union leaders! The leaders then called for the strikes to end so that they could negotiate.

For two months the miners maintained their strike voting every day at mass meetings whether or not to continue the action. At each mass meeting the union leaders argued that this was not the way forward. On different occasions the miners moved to broadcast their case and put up burning barricades on the main roads, confronting the police and holding marches through their villages.

The past strength of the miners was also their main weakness: the idea that alone they could win. Instead of building links with the other sectors in struggle, the general view was that this pressure would force their union leaders to call more decisive action.

When the agreement was signed the leaders were even afraid to admit the truth to their members. One leader said: "it was not an agreement. it was only an agreement in principle" no, not even an agreement in principle, but rather the possibility of an agreement. In the end, lacking an alternative perspective, the workers were forced to accept it. This has left a bitter taste that will be reflected in moves to transform the unions in the future. Meanwhile Madrid has been the centre of a particularly sharp

struggle. The fight against the workers of the municipal bus company (EMT) has become a test case for an unholy alliance of the Popular Party (right wing conservatives) local administration in Madrid and the Socialist Party government, aided and abetted from the sidelines by the leaders of the two

main trade union federations.

In 1990, the busworkers rejected an agreement signed by the main unions and fought a successful 22 day strike for better pay and conditions. The strike committee went on to form the Plataforma Sindical, which swept the board in the elections for union delegates in 1991.

The unholy alliance has been looking for revenge ever since. In January this year 27 members of the leadership of the Plataforma were sacked for calling a strike without the statutory ten days notice required by law. Normally the punishment for this crime is a temporary suspension.

The seven thousand bus workers replied to this attack with indefinite strike action after giving the ten days notice required. Although many other sections of municipal workers are faced with battles against redundancy or privatisation, the leaders of the Plataforma were confident that they could win alone.

The disruption of daily life in Madrid due to the transport strike has been used effectively by the press in a campaign for tougher anti-union laws. The response of the UGT and Workers Commission leaders has been to oppose the strike, arguing that they lead responsible unions and have nothing to do with wildcat strikes.

After 25 days of strike action the management succeeded in assembling a crew of 59 scabs to try to break the strike. Faced with attacks on all fronts the Plataforma has retreated partially. They have adopted the tactics of a war of resistance with a return to work combined with intermittent strike action.

They rank and file instinctively see the need for solidarity and unity in action. However for these aims to become a reality will require a serious struggle to transform the traditional organisations. Regional 24-hour general strikes have been called for March and April by the main union federations on different days for different regions!

The experience of the miners in Asturias and the EMT in Madrid must be absorbed by the workers. Other groups are also moving in to action: teachers in the private sector, nursery school teachers, agricultural labourers and others. United, they will be invincible but if the tactic of each section fighting alone is pursued, with each region looking to save its own jobs, then the writing is on the wall.

The readers and editorial board of the Mexican Marxist paper, El Militante salute the appearance of Socialist Appeal.

Fifty years after the assassi-

nation of Leon Trotsky the ideas of scientific socialism are more valid than ever. We have entered a new decade and a new period of revolution and counter-revolution on a world scale.

In every transition from one historical period to another all kinds of confused ideas make their appearance to challenge Marxism. _

These false ideas rise and fall, but the basic ideas of Marxism remain the same.

We are sure that the birth of Socialist Appeal is a landmark in the fight against opportunism and ultra-leftism within the labour movement. preparing the way for the final victory of socialism.

ANIMO Y ADELANTE!

Daniel Andrade (E8 of El Militante Mexico City)

From Riches to Rags

A cholera epidemic and economic decline have marked the Menem presidency in Argentina. An Argentine Marxist Charts the way forward for workers.

THE editorial board of Desafio Militante welcomes the publication of Socialist Appeal. In the present stage of the revolutionary struggle of the workers of all countries, we need our own Marxist press in order to combat the influence of bourgeois ideas in the labour movement, while at the same time we struggle to win the workers and youth to the genuine programme of the socialist transformation of society.

Here in Argentina, in addition to all the other problems which working people have to bear, we now have the outbreak of a cholera epidemic which broke out over a year ago in Peru and has spread to other Latin American countries like Bolivia, Chile, Paraguay, Uruguay and others.

The Argentine government, with boundless cynicism, attributes the epidemic to a lack of hygiene. In a country where 15 million people have no running water and 20 million are not connected to the sewerage system, where one million people live in the villas misen'as (shanty towns, with buildings made of corrugated iron and cardboard) and with a housing shortage of 3 million dwellings and 12 millions who are either homeless, or live in houses unfit for habitation, it is amazing that such an epidemic should not have happened before.

Carlos Menem, whose talents are more fitting a second-class Operetta singer than president of one of the key countries of Latin America, keeps saying to anyone who cares to listen that Argentina has re-joined the First World which it ought never to have left.

Nowadays, it takes a mental The demagogy of Menem cannot disguise the reality of economic decline effort to remember that in the post-war period, Argentina was a relatively prosperous country, which at one point was the tenth most industrialised economy in the world. Now all that has gone, and all the demagogy of Menem cannot disguise the reality of economic decline and social disintegration.

The relative stability achieved by Menem's economic plan is more artificial than real. We no longer have the runaway four-digit inflation, but prices still rose by 84% last year, and the government's estimate of 76% for this year is just a pipe-dream.

The Argentine workers have seen their living standards cut to the bone. Large sections have been reduced to penury. The workers launched no fewer than thirteen general strikes against the Radical government of Alfonsín. They looked to the Peronist government of Menem for a way out. Now they are learning by their own painful experience that the pro-business policies of the right-wing of Peronism offers no solution.

We are entering a new period of the struggle of the Argentine workers. There will be difficulties, as the workers come to terms with the enormous political obstacles created by the false ideology of Peronism, which for 47 years has dominated the Argentine labour movement.

But the Argentine workers have a fighting tradition second to none. There is plenty of fire left with which to forge a genuine workers' movement, capable of leading the struggles forward to the victory of socialism.

By Roberto
Echevarria
'72'

Greek
Workers
F i g h t
Wage
F reeze

In March banking, power and
bus workers staged a series of
walk-outs and demonstrations
against the Conservative gov-
ernment's planned imposition
of a freeze on public sector
wages this year.

The government is intro-
ducing laws banning any wage
increases, as it attempts to meet
the terms of a £15 bn foreign
loan made by the EC. The EC is
insisting on a three-year pro-
gramme of austerity in Greece
for its money, so that inflation
(currently 18%) and the budget
deficit (at present an astronomi-
cal 14% of national output) are
reduced to meet the conditions
of membership of the European
Monetary Union by 1996.

The government also
plans cuts in pensions and wel-
fare spending. With wages fro-
zen and inflation rising at over
15% this year, the conditions
for industrial peace look bleak
for the government.

Next Month

Mexican Marxist

Daniel Andrade

discusses

the

economic

Miracle for the Rich

' from

Wen i

the

The recent settlement of the

steel workers strike with a

wage increase of 6.4%, was

opposed by the government

, and the Bundesbank as in-

flationary. Consequently,

German employers, under

pressure

the

Christian

Democrat

g o v e r n - :

ment, are

refusing to

accede to

s i m i l a r

wage in-

creases.

They are of- ' "

fixing only

5% and

Chancellor

Kohl is talking

ing of

the unions.

It may not be that

simple. The bankworkers

are stepping up their industrial action for a 10.5% increase by refusing to re-
- stock cash dispensers and, handle computerised tills
OTV, the public sector
â\200\231workers union representing
2.3 million manual workers, is demanding 9.5%, and
Crush
is preparing protest demonstrations and a ballot for
strike action against what it
16â\200\230
calls the government's refusal strategyâ\200\235. DAG, the
white-collar section, has already begun a wave of
warning
strikes. In
Cologne,
signal box
workers
delayed
trains for
up to 20
minutes - a
very unusual occurrence
on Germany â\200\231
state-run
and heavily subsidised
rail service.
The government is in
a. coming with the â\200\234budget
deficit arising from the costs
of unification with the East
which as yet shows no signs
of â\200\234taking off". Unemployment there is 16.5% and
still rising
By a. German Marxist

The members of the
 Editorial Board of EI
 Militant are sure
 that we speak faith-
 fully for all our
 readers. When we
 send a most enthu-
 siastic welcome to
 Socialist Appeal the
 legitimate continu-
 D - - :- comrades,
 e activists in the Greek trade
 union movement salute the first
 issue of Socialist Appeal. The
 struggle of the workers of all
 our countries is the same. Our
 problems are the same. And the
 from Athens.

Greetings to the first issue of
 Socialist Appeal from the working
 class youth of Mexico. The publi-
 cation of the journal is the best
 way to refute in practice the lies of
 the ruling class about the "death"
 of genuine socialism.

We are sure that Socialist
 Appeal represents a step forward
 in the defence of Marxist
 principle.

During the revolutionary
 student movement in Mexico in
 1968, thousands of students from
 the National Polytechnic and other
 schools went onto the streets to
 Greetings from

E/ Militante (Spain)
 ation of the genuine
 traditions of Marxism
 in the British Labour
 movement. We are
 confident it will be
 received with equal
 enthusiasm by the
 workers and youth of
 Britain.

Jordi Escuer
 Dionysis Polatos (Member of the
 Leading body (council) of the
 electricians union at the ship-
 building and repairing zone
 Perama.

Dimitris Voulis (Member of
 leading body of ambulance
 workers)

Leonidas Kariyiannis (Leading
 member of builders union)

Kostas Skiniotis (President of the
 union of Textile workers at his
 factory)

challenge the system. Many paid
 with their lives. But they showed the
 possibility of workers and Students
 uniting to strike together. The best
 way we can pay tribute to them is to
 keep alive the authentic traditions,
 methods and principles of socialism.

We are more than ever
 convinced that the future of human-
 ity will be decided in the next few
 decades. Together with Socialist
 Appeal and millions of workers and

young people throughout the world
we will achieve our common
objective of the transformation of
society
From Gorka Asiain, General
Secretary of the Spanish
Students' Union, and
Juan Ignacio Ramos, President
of the Students' Union.
The appearance of Socialist
Appeal is a cause for celebra-
tion for those of us who are
fighting for the transforma-
tion of society.
The building of a mass
Marxist tendency capable of
uniting the working class of
the entire world, can only be
realised on the basis of a clear
programme and correct per-
spectives and tactics. The task
of the emancipation of the
working people is not a simple
matter. It requires great sacri-
fices and effort, but above all
confidence in the working
class and the youth. Socialist
Appeal will be an invaluable
instrument for attaining this
end. That is why its launching
is an inspiration for the Marx-
ist youth of Spain.
Gorka Asiain
Juan Ignacio Ramos
'¡Unidos y organizados
venceremos!
, ¡Animo y adelante!
Saludos marxistas,
Mario Perez / Rubén Rivera
(Comité de Lucha Coordinadora
Estudiantil Politécnica, Mexico city)

The Editorial Board
of Fatcc in 2020,
the fortnightly
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Marxist Greetings
In the name of the
comrades of The
Struggle (Pakistan),
heartfelt greetings
and congratula-
tions. This is a red
letter day for all
who are engaged in
the fight to defend
the spotless banner
We were very
pleased to hear of
your initiative in
launching Socialist
Appeal. We pledge
our full support
for your work in
Britain, and wish
you every success
for the
future. Greetings,
from supporters of
the Pakistani
Marxist paper, The
Struggle (in Amsterdam).

Congratulations on
the first issue of
Socialist Appeal,
the real voice of
Marxism in Britain.
Vonk/Lâ 200\231 Unite
Socialiste, the
Dhrxist paper for
Labour and Youth
(Belgium)
of Marxism in the
teeth of all
difficulties. The Socialist Appeal is the
true upholder of the
' legacy of Marxism
in Britain. We salute
you and wish you
greatest success in
the fight for social-
Supporters of So-
cialism wish to
send socialist
greetings to the
new British Marxist
journal, Socialist
Appeal. We are
fighting for the
emancipation of

the working class
and firmly believe
that we can only
achieve this end
Dg basing our-
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working class and
the real ideas of
Marxism.â\200\235 is a
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allsuccess.
Rolf, on behalf
ofthe Editorial
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Socialisten.
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worldwide.Yours
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M.Kazmi,Edit0r of
The S truggle(Urdu
Edition) and
A.G.Chandio", Edi- '
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Socialist Appeal - the Marxist Monthly for the Labour Movement
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Each month Socialist Appeal will analyse the trends in modern capitalist society, comment on recent events in the class struggle, and provide the latest news from the labour movement, from correspondents in Britain and internationally - people who are not just commentators but are personally participating in the struggle for socialism.

Socialist Appeal is written by members of the Labour party and trade unionists at all levels in the movement, from MPs and national organisers down to rank and file members, both in Britain and abroad.

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