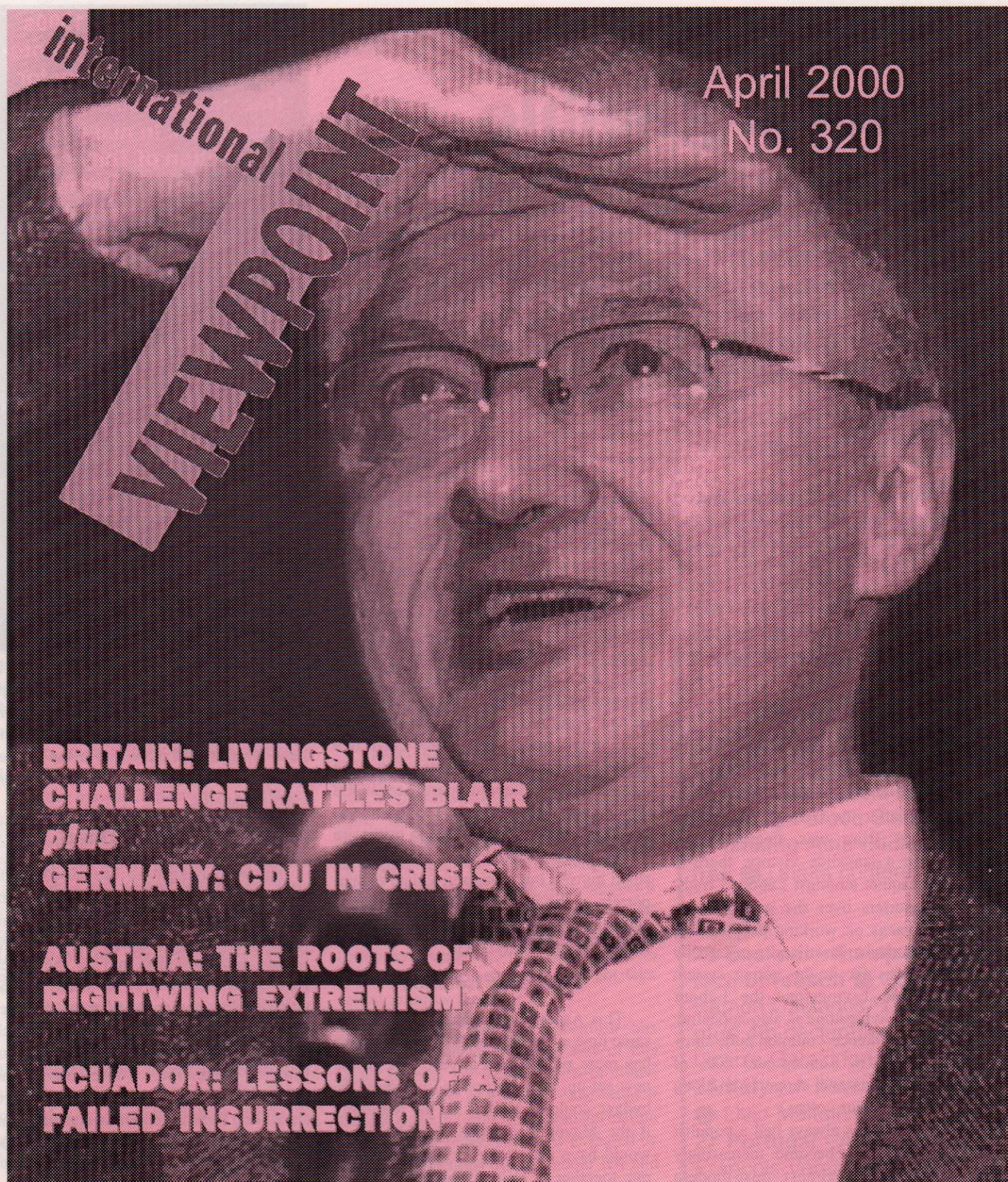


April 2000
No. 320

international
VIEWPOINT



**BRITAIN: LIVINGSTONE
CHALLENGE RATTLES BLAIR**

plus

GERMANY: CDU IN CRISIS

**AUSTRIA: THE ROOTS OF
RIGHTWING EXTREMISM**

**ECUADOR: LESSONS OF A
FAILED INSURRECTION**

Argentina	\$2.00	Denmark	Dkr20	Malaysia	M\$5.00	South Africa	R8
Australia	\$4.00	France	FF 35	Netherlands	ƒ6.00	Sri Lanka	Rs 50
Brazil	R\$ 2.50	Greece	500 Dr	New Zealand	\$4.00	Sweden	SEK 20
Britain	£2.00	India	Rs 20	Pakistan	Rs25	Taiwan	NT\$ 100
Canada	\$4.00	Ireland	€2.00	Puerto Rico	\$2.50	Uruguay	\$20.00
Czech Republic	10 Kc	Lebanon	US\$3.00	Philippines	P25	USA	\$3.50
				Poland	3.50 Zl	Others	US\$3.50

Livingstone's historic gamble

LABOUR Left MP Ken Livingstone's decision to stand as an independent candidate against new Labour in the first ever elections for Mayor of London was a historic moment – even more so since it is almost certain that he will win the election on May 4. In an opinion poll for the *Guardian* newspaper on March 6, Livingstone had the support of 68% of Londoners with new Labour rival Frank Dobson trailing with only 13%. While other subsequent polls have reduced the gap, his lead remains overwhelming.

VERONICA FAGAN

LIVINGSTONE'S massive support is partly based on the record of the Greater London Council (GLC) which he ran from 1981-1986 until it was abolished by Conservative (Tory) Prime Minister Margaret Thatcher. Even people who don't remember the GLC look to him because Thatcher hated his administration so much.

Growing disquiet

Today Livingstone is a symbol for increasing numbers of people becoming disillusioned with new Labour. Less than three years after the General Election in which Tony Blair was elected Prime Minister in a landslide victory, there is growing disquiet amongst Labour's traditional supporters over the government's constant attacks on working people. This base was both increased and incensed by the outrageous fix in the voting system which denied Livingstone the Labour nomination. Livingstone is also appealing to a broader audience - opinion polls show 48% of Tories in London and 70% of Liberal Democrats will support him along with 75% of Labour voters.

Livingstone has always had a populist edge but this has become increasingly prominent. In an almost post-modern framework, he has sought to present himself as a moderniser of the left, to match Blair's modernising on the right. He has argued he is "the best man for the job" rather than someone who disagrees with new Labour on a principled basis.

Livingstone's determination to become

Mayor has been a nightmare for Tony Blair for months. But the greatest disaster of all for new Labour would have been for Livingstone to have been the official Labour candidate. This is why the new Labour leadership stitched up the electoral system to prevent his selection. Blair gambled that Livingstone would not respond when the Labour nomination was stolen from him by standing as an independent as he had 'promised' many times in the past.

Opinion polls had made clear that most Livingstone's support amongst trade unionists and Labour party members would stand firm if he stood independently. If Livingstone had sought to maximise his challenge, he would have not only have stood himself but organised a slate of supporters in the Labour movement to stand alongside him as candidates for the Greater London Assembly (GLA).

Danger of isolation

This Assembly is being elected at the same time as the Mayor. While the Mayor has more power than anyone else in the new set up, key proposals, including the budget, could be blocked by the Assembly if the Mayor is completely isolated. It would have been easy for Livingstone to put together a slate of prominent trade unionists, campaigners and figures from the Labour left to stand on socialist policies for the Assembly and take seats.

Such a development would have been welcomed by the London Socialist Alliance (LSA), an unprecedented alliance of the left involving all the major far left

IN the 1980s and 1990s Great Britain became notorious as a laboratory for free market social experimentation. In many ways the election of Tony Blair's New Labour government has seemed to accelerate the stampede to the right. However, in recent months there have been hopeful signs of a revival of the British left. In this month's *International Viewpoint* we focus on the significance of Ken Livingstone's campaign to become mayor of London, the emergence of a new alliance on the British far left and the state of Britain's Health Service after 20 years of neoliberal attacks. ★

groups and key independents which is standing a slate for the Assembly and supporting Livingstone for mayor. The LSA wanted to be part of any such Livingstone slate. This would have had a far greater impact than the modest success the LSA itself hopes for.

Different overtures

Instead Livingstone has stood alone and made different overtures to different main stream political parties. At different times he has suggested support for the new Labour assembly slate and for the Green Party slate. On April 10 he stated that he intended to appoint 4 different deputies during his term of office - one from each of the (sic) major parties. He lists Labour, Liberal Democrat, Conservative and Green. Clearly many Livingstone supporters will be furious about this consolidation of his populism – their protests need to be loud and clear.

Livingstone's declaration followed the result of an internal Labour party ballot for the selection of their candidate for the position. Livingstone won the overwhelming majority of the votes cast in the ballot - 74,000 to 24,000. Despite this his major rival, Frank Dobson, who was supported

by the Blair leadership of the party, formally won the nomination by a margin of 3%.

This outrage was possible because the ballot was conducted through an Electoral College comprising of three sections - one of individual party members, one of affiliated trade unions affiliated and one of MPs, MEPs and candidates for the Greater London Assembly. Each of these sections had the same weight in deciding the outcome which meant that the vote of a single MP was equal to the vote of 1,000 individual members of the Labour Party!

The Labour leadership thought long and hard before they decided the precise system under which votes would be cast. For months they stated that every individual would have a vote - but the strong speculation was that Livingstone would be excluded. Blair finally decided that he was not sure he could contain the resulting backlash - so instead he resorted to a new voting system.

Blair had used Electoral Colleges before but each of them has been precisely set up to deliver the result the leadership needed. For example the college that was used to elect new Labour placeman Alun Michael to the leadership of the new Welsh Assembly gave more weight to the trade unions than the London model - because London trade unions are less likely to deliver for Blair.

In the mayoral selection a number of unions which would have backed Livingstone were completely excluded from the vote by manoeuvres over qualifying dates. Other organisations were given votes completely disproportionate to their real size - and then decided to support Dobson without any democratic decision-making process.

Narrow victory

Despite all of these stitch-ups, the Blairites were only able to deliver a narrow victory for their candidate. The formal result has no legitimacy not only in the eyes of most who voted for Livingstone but more generally.

Livingstone was correct to capitalise on this by calling, in the first days after the result, for Dobson to stand down and that he becomes the official Labour candidate. But quicker than he predicted supporters became frustrated that he did not declare he would stand as an independent. It rapidly became clear to media conscious

Livingstone that there would not be a better moment to act.

But now Livingstone is acting as a block on a deeper development to the left. He is doing nothing to organise those who support him - which will result in a wave of people who cannot yet be won to a project like the London Socialist Alliance drifting out of politics. His campaign consists of massive and expensive posters and media appearances.

Despite Livingstone's appeals, it is clear that there has been a steady stream of people leaving new Labour, frustrated by the fact that Blair has continued the Tory offensive in other guises. Others had hung on by the skin of their teeth only to vote for him. Some now cannot take any more and have torn up their party cards in disgust.

Illusions remain

Another layer are following Livingstone's call - privately supporting him but attempting to keep their heads down. Many of them, like Livingstone himself, have illusions in what can be retrieved by the left in the Labour Party. The objective effect of their failure to stick their necks out will be to understate not only the basis of support for Livingstone but of opposition to Blair's neo-liberal policies.

Others are openly supporting him and calling on others to do likewise but will wait for the hierarchy to take action against them. Blair and his cronies will pay some price for this. 87% of those responding to an opinion poll on March 6 said that it would be unfair for those who supported Livingstone to be expelled from the Labour Party. In response the Labour leadership have suggested that so long as people are not too blatant they will not take action to throw them out.

But Livingstone's intervention has severely limited the potential size of this layer. Behind his stance lies a profound underestimation of Blairism and what it has achieved in terms of the transformation of the Labour Party. This view is shared by significant sections of the Labour left and similarly disorients them. The reality is that Blair and his cronies have a coherent project to transform the Labour Party from a bourgeois workers' party into a party similar to the US Democratic Party. They are well on the way to achieving this aim.

There have been two key aspects of these changes.

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★ Great Britain

At the level of political policy they have developed a new view of the state as an enabling state rather than one that directly provides services itself. This is not only a break with the whole of the post-war Welfare State - with health, education, housing, social security, pensions etc provided through taxation - but with earlier Labour Party programmes and indeed with elements of Liberalism which were and are in favour of at least some social provision.

New Labour is beginning to implement a model whereby services are provided through private finance and the role of the state is reduced to one of management. This mammoth shift in ideology is by no means fully carried through in practice. It is however clear that if it is to be halted the key forces will be from the trade unions and service users.

This political trajectory is not unique to new Labour but is to a greater or lesser extent shared by the whole of European Social Democracy today. More importantly, whatever the particular ideological complexion of any of these leaderships, they are bound in practice to move in this direction given the terms of the Maastricht Treaty and the subsequent Stability Pact.

Marginalised left

But the particular way this plays itself through has is unique to each country. The marginalisation of the left in the Labour Party and the undermining of its ability to effectively object to these moves is compounded by crucial changes in the party structures which have taken place since Blair was elected leader of the Labour Party. While the last (probably) tranche of changes has not yet gone through, it is excluded that they can be stopped given the relationship of forces in the Labour Party. This has created a situation where even if the left has a majority on a particular question Blair can ignore it. Indeed this is exactly what happened in the mayoral ballot itself.

Livingstone fails to take on board the depth of this process and certainly does not support the project of beginning to construct a political alternative to the left of Labour. This however is the only logical conclusion of a correct analysis of Blairism - for both reformists and revolutionaries. But despite his intentions, Livingstone's declaration and candidacy will lead to a more profound debate about the alternatives to new Labour - a debate

that will involve wider layers than could be reached by the existing far left.

As far as policies are concerned Livingstone has argued that the key point of disagreement with new Labour is the question of tube privatisation. He has gone out of his way to stress his compliance with the new Labour leadership on other issues. He has stressed a friendly attitude to business and trumpeted polls such as that in November 1999 which showed 55% of the London Chamber of Commerce saying that he would be a good ambassador for London as opposed to 32% for Dobson.

Transport central

Of course Ken Livingstone is right to place the question of public transport at the centre of his campaign. The failure to make serious investment into the capital's transport infrastructure has created a situation of daily chaos for the thousands who rely on it to get to work - and more chillingly been responsible for a number of health and safety disasters in which people have been killed.

The likely result of privatisation was brought home even more forcefully in the wake of the Paddington train crash of October 6, 1999 in which 31 people died. The rail system had already been privatised and fragmented into dozens of different companies.

There was a massive public revulsion against privatisation that was clearly seen as the central factor in this outrage. Main news bulletins ran stories in favour of renationalising the railways and Livingstone was able to intervene directly - by speaking at a national demonstration in support of rail safety on November 6, 1999 - as well as indirectly into this debate.

But to recognise the centrality of public transport is not at all the same thing as saying that the government is right on everything else. The massive opposition to tube privatisation could be generalised into a campaign against all privatisation if Livingstone took a lead.

On this and other issues, such as police and state racism or ecological questions, Livingstone doesn't disagree with most of the points raised by socialists. In other contexts, he has argued for similar policies himself but he focuses exclusively on transport - in order to minimise the disagreements between himself and the new Labour leadership.

He does play to particular audiences -

so for example in interviews with music papers has stressed support for the legalisation of some drugs and opposition to the World Bank and IMF - which has resulted in another wave of media backlash. But this takes place at the same time as his greatest sell out - that he will have a Tory for Deputy.

Livingstone first came to prominence as Labour leader of the Greater London Council from May 1981 until its abolition by Margaret Thatcher in May 1986. He was a key part of a wider left current in local government which introduced a number of progressive policies and measures which had never been tried out in Britain before.

These included setting up of committees to look at the specific needs of women, of black people, of lesbian and gay men and of people with disabilities. While similar moves were being made by other left London authorities across London, there was an important difference about the London-wide GLC - it had more money. This meant that a whole number of campaigning groups as well as other community organisations received funding for the first time in their existence - a legacy that still delivers a bedrock of support for Livingstone today.

Sinn Fein meetings

The GLC was innovative in other areas too. For example, Livingstone met with Gerry Adams and other Sinn Fein leaders long before the "peace process" in the north of Ireland was dreamt of. These and other radical policies led to Livingstone's administration being reviled by the media.

This local government left was the most visible part of the broader Labour left under the leadership of Tony Benn. This current had developed under right wing Labour governments and initially focused on internal party reform - making a whole series of processes more democratic and transparent. The current attacks on democracy in the Labour Party have resulted in a more centralised, less democratic system than that which the Bennites campaigned to change.

Then Thatcher, leader of the Conservative Party, was elected as Prime Minister in 1979 replacing a right-wing Labour leader James Callaghan. She was determined to destroy the trade unions especially the traditionally militant National Union of Mineworkers led by



The crumbling state of London's underground rail system has become a major political issue

Arthur Scargill. She embarked on a massive programme of closure of mines which resulted in the momentous miner's strike of 1984. The Labour left was an important component of the movement against pit closures and like the trade union movement suffered significantly from its defeat.

Thatcher's platform also included direct attacks on local government. These measures included rate capping - which restricted council's ability to raise finance through progressive taxation as well as cuts in central government subsidies.

These attacks were motivated on an economic basis, but were further fuelled by the fact that the Labour left was growing in strength in local government. Livingstone together with the rest of left initially resisted these moves and mobilised against them in concert with local authority trade unions and service users but in the end they backed down.

Failure to defy law

With the exception of two councils, they failed to defy the government by setting an illegal rate which was the only tactic open to them to continue the mobilisations and defend jobs and services. This failure to defy the law, together with the defeat of the miner's strike, was a crucial turning point and led to the disorientation and decline of the Labour left. Thatcher was able to go onto further assaults on

local government most notably though the highly regressive poll tax that was defeated by a mass movement based mainly outside the traditional labour movement.

Fares Fair campaign

Livingstone's own failure to defy the law was prefigured in the 1981 campaign for which he is best remembered at the GLC - Fares Fair. The plan was to persuade more people to use public transport - rather than private cars - by cutting fares by 32%. Similar policies of at least freezing fares were being carried out in most major cities which were controlled by the left at the time. The cost of Fares Fair fell on London businesses which paid 61% of the London rates. But they still ended up subsidising London Transport less than their counterparts in Paris under its right-wing Gaullist Mayor, Jacques Chirac.

But this campaign had a number of weaknesses. Unlike the later rate-capping campaign, it did not actively involve the base of the transport trade unions, which obviously had an interest in its success. More importantly Livingstone backed down when the judge, Lord Denning ruled in November 1981 that it was illegal and this was upheld by the Law Lords, the highest court of appeal, in December. He initially argued for defiance but in the end put through a budget in February 1982 which accepted fares increases.

Despite all these weaknesses of the local government left, Thatcher's hatred for any centre of possible opposition led her to abolish the GLC in 1986 as promised in the 1983 Tory Party Manifesto. Ironically enough it was abolition of the GLC that led to an enhancement of Livingstone's reputation from the left. Of course the basis on which Blair and his lackeys criticise the GLC and Livingstone's period there is completely scurrilous. But at the same time being soft on the wrong positions taken could disorient the movement today.

Opportunity

Livingstone's declaration has posed the greatest challenge that Blair has faced so far. While the Labour leadership is moving even further to the right on policy questions, anger is growing amongst their traditional supporters. The unprecedented unity of the left around the London Socialist Alliance is benefiting from this dynamic.

Livingstone can try to hold back the tide by calling on people to remain in the Labour Party, but this is not the direction from which the real challenge will come. This reality will become increasingly apparent whether or not Livingstone himself recognises it.

But his failure to do so will result in an opportunity for a more substantive step forward being lost. ★

Democratic Socialism vs 19th century Liberalism

Paper by KEN LIVINGSTONE MP for "Debating Labour's Future" conference, 17 July 1999, Congress House, London.

THE initial response to Labour's disastrous Euro election results was to consider bringing Peter Mandelson back to run our election campaigns. From the moment Tony Blair became leader of the Labour Party, Peter was the political figure most closely identified with the strategy of concentrating on middle England. It has underpinned every campaign and policy document since, not as a way of uniting low and middle income earners, but as a policy of pandering to the middle at the expense of Labour's heartlands.

Often in private it was said that it didn't matter if Labour's traditional supporters were unhappy because 'they have nowhere else to go'. How do we expect teachers to support us when we continue to support attacks on their hard work in the class room? How can we expect staff in the NHS and other public services to march happily to the polling station when they are still earning insulting levels of pay in the third year of a Labour government? And how do we expect young working class people to enthusiastically endorse us after our attacks on lone parent benefit and our exclusion of young people from the full minimum wage?

European debacle

In the European elections New Labour actually presided over a Labour share of the vote lower than at any nationwide election since the 1920s. Moreover, recent events are just a foretaste of what will hit us if the Millbank Tendency's infamous 'project' to break Labour's links with the unions, silence its rank and file and merge with the Liberal Democrats is ever allowed to reach fruition. If we ditch our links with, and accountability to the working class communities who elect us, big business will inevitably move in to oil the wheels of

government by buying the political influence it needs.

That is why I believe we have to dig beneath the headlines and unearth the fundamental issues of principle posed to the party by this crisis. The basic premise of 'the project' is quite clear. It is the claim that the very foundation of the Labour Party at the beginning of this century was a sectarian mistake, which, they say, by splitting Labour from the Liberal Party, fatally divided 'the left' and allowed the Conservative Party to dominate British politics.

Blair's analysis

Tony Blair may share this analysis. He told the 1997 party conference: "Division among radicals almost one hundred years ago resulted in a 20th century dominated by Conservatives." Only in this perspective does the seeming absurdity of a government, with the biggest Labour majority in history, boosting the Liberals at its own expense make sense.

In reality, this entire perspective is based on fantasy. It was not the creation of the Labour Party which brought about the demise of the Liberals and their so-called progressive tradition. The Liberals were in decline for nearly half a century before the Labour Party was formed in 1900. And the reasons for this are clear. The Liberals were the party of classical laissez faire capitalism in the period when Britain dominated the world economy, before the working class got the vote. The demise of the old Liberal Party and the rise of the Tories, as with all profound political shifts, was brought about by massive changes in the real world. In the second half of the nineteenth century Britain lost its pre-eminent world role with the rise of the United States and Germany. Ireland demanded home rule. The working class won the vote

- and the Liberal Party went into crisis.

British capitalism created the modern Tory Party, as a coalition of the most reactionary forces in society, to meet those challenges. The great split in Liberalism, which broke that party's backbone and sealed Conservative hegemony for a century, was not the formation of the Labour Party. It was the split of the Liberal Unionists in 1886 to join the Tories and oppose Irish Home Rule - 14 years before the Labour Party came into existence. The Conservatives vote then rose inexorably to peak at 55% in 1931.

Far from the creation of the Labour Party being an unfortunate sectarian error, only a party based upon the newly enfranchised working class was, unlike the Liberals, capable of standing up to the Tory onslaught. Only the formation of the Labour Party allowed a progressive tradition to survive into the twentieth century and expand.

The splits in the real 20th century progressive coalition, the one built up around the Labour Party, occurred not in 1900 but, first, in 1931 when Ramsay MacDonald joined the Tories to cut unemployment benefits and, second, from the mid-sixties, when successive Labour governments destroyed their support among skilled manual and white collar workers by imposing statutory pay restraint.

It was these attacks, by Labour in office, which finally repelled millions of skilled and white collar workers into the hands of Margaret Thatcher. Labour's vote peaked between 1945 and 1966 and fell thereafter, not even regaining its previous high points in 1997.

Opportunity

We now have the opportunity to recreate and expand that progressive coalition around the Labour Party - uniting white and blue collar workers, home-owners and council tenants, women and the black communities. Moreover, given the irreversible decline of the Conservative Party, our rising opponents, not allies, will be the Liberals, and, north of the border, the Scottish Nationalists - as party members in virtually every English and Scottish city know. Those who believe we should abandon that battle and merge, or ally, with the Liberals should have the courage to put their views to a party conference. I'd be surprised if they mustered more than 20 per cent of the vote! ★

MEANWHILE, the far-left has formed an unprecedented electoral alliance for the new Greater London Assembly – the London Socialist Alliance (LSA). The new left-wing Scottish Socialist Party (SSP) has won an MP in the new Scottish parliament. The Blairite leader of the Welsh Assembly was toppled in a revolt against control-freakery from London. Yet Tony Blair and new Labour, although badly shaken, retain a huge opinion poll lead for the next Westminster election. So what is going on?

Union defeats

The overarching factor which makes the British political situation unique in Europe is the ongoing effects of the defeats inflicted on the trade unions during the 1980s. The most important was the betrayal and defeat of the miners, in 1984/5, which led, in less than 10 years, to the smashing up of the core centres of militant trade unionism in Britain. This led to the introduction of the most draconian anti-trade union laws in Europe, which have seriously undermined the right to strike.

The political reflection of this disastrous situation was the rise of Blairism, which goes well beyond the general rightward shift of social democracy across Europe. Blair's objective is to transform the LP into a straight bourgeois party occupying the centre ground of British politics. He wants to heal the rift with liberalism which took place at the beginning of the 20th century, which he regards as an historical mistake. He has not achieved this yet but he is well on the way.

As a result politics at every level have been reshaping in Britain. The Tory party has been semi-destroyed and its political terrain systematically occupied by new Labour. It has been pushed further towards the xenophobic right and is deeply divided on Europe. Only Britain's scandalous first-past-the-post voting system prevents it splitting. The Liberal Democrats (second-string party of British capital) are now well to the left of new Labour but reduced to clinging to its coat tails in the hope of electoral reform for Westminster. The left, and the far-left, have had to confront these radically new political conditions and have begun to reorganise and reshape in response.

The high point of the Labour left was (left Labour MP) Tony Benn's challenge for the deputy leadership of the Labour

New mood of unity on British far left

BIG changes are taking place in British politics. New Labour has been in office for nearly three years. Its traditional support is collapsing. Ken Livingstone - left Labour MP and former leader of the Greater London Council which was abolished by Margate Thatcher - is standing against it for mayor of London. Livingstone has the support of a gigantic 68% of Londoners, and his candidacy poses the possibility (if he were to lead it) of the biggest split in the Labour Party (LP) in the post war period.

ALAN THORNETT

Party in the early 80s - the Bennite revolt. The high point of the trade union left was the militant period from the late 1960s until the miners strike in 84/5. That was followed by a series of further trade union defeats, the abolition of Ken Livingstone's radical Greater London Council, and a huge attack by the Tories on the independence of local government - which was the power base of the Labour left. The result was the semi-collapse of what had been a very powerful shop stewards movement, a huge shift of power relationship from the unions to the employers, and the victimisation of many militant and left activists.

Collapse of strength

It was a collapse of trade union strength on a different scale to anything which has happened elsewhere in Western Europe. Even the loss of seven million trade union members (a drop of 50% from 14m to 7m) does not reflect the full scale of the defeat, since the loss of rank-and-file was even greater. A better measure was the collapse in the number of strikes, which, by the mid-1990s, were the lowest since records began over 100 years ago. And there has been no significant change today. After this most sections of the left went into decline, particularly the Labour and trade union left.

The Communist Party (CP) (historically weak in Britain) suffered as well. Its industrial base disappeared as huge parts of manufacturing and mining were closed down by the Tories. This was compounded massively by the fall of the Berlin wall at

the end of the 1980s, after which it split several ways and went into sharp decline. Some of its fragments have moved to the right of Blairism.

Decline and stagnation

The far-left fared better. But most groups declined or stagnated, including the International Socialist Group (ISG), the British section of the Fourth International. The most dramatic decline was that of the Militant Tendency, which had been deep inside the LP for decades and had controlled Liverpool City Council. At the end of the 80s it played a major role in the leadership of the campaign against the poll tax (a regressive individually-levied local tax imposed by Thatcher) which resulted in the only major victory for the working class since the miners strike.

The Militant Tendency recruited heavily out of the anti-poll tax campaign and drew the conclusion that it was time to leave the LP and become an open party with the name of Militant Labour. It split in the course of this and its membership collapsed from something like 8,000 to more like 2,000.

The principal exception was the SWP which maintained a membership of several thousand. It benefited from its insular character (which tended to protect it from outside events), a strong and dynamic central cadre, and the way it (incredibly) capitalised on the fall of the wall as a vindication of its theory of state capitalism. Although theoretically completely wrong the conclusions it drew over the collapse of

★ Great Britain

the eastern European states gave it a confidence which other sections of the left did not have. The anarchist, and semi-anarchist/semi-socialist left and environmental direct activists grew considerably (most visibly in the form of the Reclaim the Streets (RTS) movement). This was based partly on the weakness of trade union struggle and unity between these forces and the directly socialist left has not been easy. They did, however, form an important alliance with the Liverpool dockers and they have been involved with the socialist left in anti-globalisation actions against Maastricht and in Seattle.

Scargill's SLP

Within months of becoming leader of the Labour Party (in June 1994) Blair proposed the abolition of clause 4 of the LP constitution, which committed it to public ownership and redistribution. There was a campaign to save the clause but Blair won the day at the October 1995 LP conference. It was a highly symbolic event for the LP and for the left. After that Blair launched a huge attack on the democracy of the LP which severely restricted the left within it. He fully embraced the market and the global neo-liberal project. Soon after that Arthur Scargill, leader of the miners' strike and President of the National Union of Mine workers, resigned from the Labour Party and proposed the formation of a new left party. It was to be launched on May Day 1996 as the Socialist Labour Party (SLP).

Indeed the defeat of Clause 4, and the continuing rightward march of new Labour, was creating the objective conditions for a new party of the left. But this was still at an early stage. The real problems of the SLP, however, were political. It failed to attract any forces from the Labour left. And no one, other than the most sycophantic of Scargill's personal followers (including some from a revolutionary background who should have known better), were involved in discussions on how the SLP would be launched and its political character. The resulting constitution of the SLP, which created a bureaucratic top down organisation with an electoralist structure, was far less democratic than the constitution of the LP itself.

Scargill's first principle was that there would be "no federalism" as he put it. The initial public meetings of the SLP, therefore, were concerned with spelling out who

could not join it. This included anyone who was in an existing left organisation. They would have to leave it first. Far-left organisations which tried to join were refused. Militant Labour, in particular, fought hard to join. But its application was rejected by Scargill, who would not compromise on the exclusive character of the SLP. The SLP initially recruited several thousand people. It became a small-mass left-social democratic party with a dominant central leader (with Stalinist politics) and a bureaucratic constitution. After four years of internal strife and expulsions it is now a spent force.

Today it has refused to be a part of the LSA of course. But more than that it has made a principle of not collaborating with any other section of the left under any circumstances, even to avoid election clashes. It is utterly sectarian to Ken Livingstone, who is not fit, in Scargill's words, "to be mayor of Toytown". In all the SLP has been an object lesson in how not to build a new party of the working class.

The Socialist Alliances

Militant Labour's response to Scargill's rebuff was to seek to change itself into a broader party - to try to be what the SLP refused to be. It sought to do this by changing its name to the Socialist Party (SP). The rationale for the change was hard to fathom, particularly since it had a very good name which was also well known. But some of the politics behind it were certainly flawed. In particular the view now put forward that Blair had achieved his goal and the Labour Party was now a straight bourgeois party, rather than a bourgeois workers party - a bourgeois party with a working class base. It was moving in that direction, of course, but to say that it had arrived was a mistake with far-reaching consequences. It made the change of name leftist in character, and limited what it could achieve.

The tactic failed. The renamed SP did not become a broader party and turned back to building itself as a distinct current. But the turn outwards involved and the dialogue opened up with the rest of the left did have positive consequences. This was the idea of Socialist Alliances (SAs). The SP played a key role in establishing Alliances in various parts of England, Scotland and Wales. A steering committee was established based on the Coventry SA led by Dave Nellist, the former Militant

Tendency Labour MP.

The alliances were an attempt by the left to test out the possibility of unity in the new conditions at that time. Some were just embryonic bodies but there were exceptions such as Coventry and Manchester which were stronger. The most important, however, was the Scottish Socialist Alliance (SSA). It had developed a real strength with Scottish Militant Labour (SML) - the SP's sister organisation in Scotland - at its core. The SWP were not involved in any of these developments.

Sheridan elected

The strength of the SSAs was due to a more radical political climate in Scotland and also to the role played by its leading activists in the movement against the poll tax. This included SML's Tommy Sheridan who was elected to Glasgow City Council whilst in prison for defending victims of the poll tax. It involved a change of line for SML on Scottish independence. Militant Labour had always opposed it, but support for it was a crucial political component in building a left alternative in Scotland.

New Labour's decision to introduce devolved assemblies - the Scottish Parliament, the Welsh Assembly and the Greater London Assembly - stimulated the development of the Scottish Socialist Alliance since it involved the partial introduction of proportional representation (PR). This would transform the prospects for small parties which were heavily discriminated against under the existing first-past-the-post system. It would now be possible (even if difficult) to get elected. The SSA recognised the possibilities of this at the early stage.

Several SAs stood candidates in the European elections last year and this was initially planned by the LSA in London. The SWP were involved. It was its first substantial involvement, but it was still less than a full commitment and the SP took the leading role. The LSAs plan to stand, however, was torpedoed by the decision of the SLP to stand a rival slate with Scargill at the top. As a result the LSA withdrew from the contest (after appealing to Scargill for unity) fearing a split vote. In hindsight this was an overestimation of the disruptive capacity of the SLP at that stage.

PR also triggered a general rethink on the far-left towards election interventions. Most of the far-left, including the SWP,

had not stood in elections for decades. Most have now changed line in favour of electoral interventions. This in itself has had an impact on the way the left campaigns and organises.

The experience of the European elections however were mixed. In England and Wales where the left stood they were divided and most results were poor, although some individual candidacies and single issue campaigns who stood got better results and showed the potential. Yet most of those dissatisfied with Labour are socialists with a natural affinity to an alternative socialist project.

There is more than one reason for this failure of course, including the lack of a track record by the left in the electoral field. But the principal reason must be the chronic divisions within the left. People are looking for answers and what they have seen is splits and divisions. Unity, therefore, is key, since the sum of a united left is much greater than the sum of the constituent parts. The revolutionary left, including ourselves, will have a major role to play in this and will have to remain fully organised in order to do so.

The Scottish Socialist Party

The Scottish Socialist Party was launched last year in the run-up to the elections for the new Scottish Parliament, and after a wide consultation on the Scottish left. The SSA, the Scottish Socialist Movement, the Scottish Communist Party, and SML were its main components, and again the SML was at the core of it. Since SML proposed dissolving into the SSP as individual members this was highly controversial with the SP leadership in London. There were also discussions with the SWP but they declined to join.

It achieved a major breakthrough when it got Tommy Sheridan elected to the Scottish Parliament. It has just had its first annual conference and it is clear that it has made significant progress. It has emerged as a small mass centrist party. It has grown rapidly in a year from 400 members to 2,000 in 53 branches throughout Scotland - a significant left force in a population of just 6m. It gets a high media profile in Scotland and is currently registering 6% in the opinion polls, which would give three SMPs if there was an election now. But the significance of the SSP is not just in Scotland. It is seen as a model for possible similar developments in England and



Livingstone has won support from the leftwing firefighters' union

Wales. Whilst the political situation is more advanced in Scotland it is the same general framework and is therefore a rational comparison.

The London Socialist Alliance

The LSA was relaunched last August to prepare for the elections for the new Greater London Assembly and the London mayor, due on May 4th 2000. The mayor will be directly elected with a single constituency of 5m voters. The Assembly elections are by the additional member system, with 14 constituency seats on the first-past-the-post basis and 11 all-London additional members elected by PR. The plan was to stand candidates both in the additional member list and the constituencies, as well as a candidate for mayor if Ken Livingstone did not stand.

The LSA was relaunched under radically different political conditions to those which existed prior to the Euro elections. Since then Labour had experienced disastrous results in the Euro elections themselves, the local elections, and in the elections for the Scottish Parliament and the Welsh Assembly. And the message was absolutely clear. As new Labour moved further to the right millions of traditional Labour voters were deserting it. They were either voting for the nationalist parties (in Scotland and Wales), or the greens and even the Liberal Democrats - who all positioned themselves to the left of new Labour for that purpose.

Labour lost seats in Wales which had delivered it massive majorities since the Labour party had existed. Now the Welsh nationalist party Plaid Cymru achieved

results beyond their widest dreams. Plaid won control of Rhondda and Islwyn (coal field constituencies) which had been a bastion of Labour support. Huge numbers just stayed at home as a protest. Labour got its lowest vote in Wales for 60 years with Plaid only 5% behind them. Socialists were leaving the Labour Party in increasing numbers. It all meant that the political conditions for a new party of the left, which had started with the defeat of Clause 4, had now reached a radically new stage.

There are seven organisations involved in the LSA. The SWP, which is by far the biggest of course. The SP is the second biggest with between two and three hundred members in London. There are four much smaller far-left groups involved including the ISG. Then there is the Independent Labour Network, a loose left-social democratic network.

Growing support

The SA is also supported by a growing number of individuals including Ken Loach, John Pilger, Tariq Ali and the leadership of the anti-racist National Civil Rights movement - which gives it an important connection with some of the black and anti-racist organisations. And it is attempting to link up with forces breaking from the labour left. The programme of the LSA is an action programme adopted after lengthy discussions between the constituent groups. Its demands include: Stop the privatisation of the tube and bring rail back into public ownership; fight for a fully funded NHS, end privatisation and cuts; Opposition to sell-off of council houses, end homelessness; fight for a

decent minimum wage and trade union rights for all; Set up tough controls on water and air pollution; end police racism and corruption; end student tuition fees, provide high quality education for all.

The LSA has also established itself as a campaigning and not just an electoral alliance. It has been active in defending trade unionists in the health service and on rail. It was the main organising force behind a demonstration at Waterloo station backing a victimised activist of the RMT. It is organising pickets of job centres over employment and of local councils over housing privatisation and cuts in services and is taking initiatives against racism.

The LSA will not be the only left slate in the election for the Assembly. The SLP will be standing for the additional member list as will the (pro- US SWP) Communist League and the main remaining CP fragment, the CPB. But the LSA contains the bulk of the far-left and beyond and stand for the principle of socialist unity.

But the initial development of the LSA has been a huge success, far beyond the expectations of any of its component parts. It has signed up more than 2,000 active supporters who are not members of the constituent groups, it has candidates and fully organised campaign structures in all of the constituencies, it is building strong support at the base of the unions.

The role of the SWP

At first, after the LSA relaunch, the SWP maintained a low-key involvement and were conducting an internal discussion about their involvement. Then at the turn of the year they transformed their level of commitment, sent a stronger delegation to steering committee, and began to mobilise their members behind it.

For years the SWP's hallmark has been to take up political campaigns either in its own name or through organisations it controlled. Now it has begun to co-operate and collaborate with the rest of the left, not just in the relaunched LSA but in other campaigns such as that against the WTO and in opposition to Russia's war in Chechnya.

Paradoxically as the SWP increased its commitment, the Socialist Party, which had been the driving force of the first LSA, took a more back seat role. In February the SP announced that it intended to support a slate for the additional member list launched by a single issue campaign against the privatisation of London

Underground. This was later modified but the SP maintains an ambiguous relationship with the LSA and only a partial commitment.

This does not negate the overall degree of unity achieved, however. Organisations with dreadful past records of sectarian practices have reinvented themselves and are working in a completely new and collaborative way in the LSA. It's a remarkable development. The LSA is clearly the most important political development on the left in London for decades and anyone who wrecks it will pay a heavy price.

Livingstone stands for mayor

Ken Livingstone finally decided to stand as an independent on March 5th - a momentous political development which has swung the political situation to the left. The support he enjoys is enormous. It is potentially a major opportunity to rebuild the left. If he were to organise his support on the left he would get a huge response. Tens of thousands would immediately join him. A real alternative to new Labour could have been built.

Unfortunately he ruled this out from the moment he announced his decision and took a populist stance as an "independent". He pledged that he would not form a new party as a first principle. Although his own membership of the LP was immediately suspended he called on his supporters to stay in the LP, saying that he would fight to get back into it in the future! And he is not conducting a socialist campaign. These decision represents a massive missed opportunity to reshape British politics and build a serious alternative to Blairism. Worse than that he has declared support for the new Labour slate for the Assembly - these are people who are to the right of Dobson.

Fortunately the LSA has been able to step into the breach in a very impressive way. It is standing a full slate for all the constituencies as well as the additional member list. It is calling for a vote for Livingstone for Mayor and for the LSA for the Assembly. No one knows if it can get a seat in the Assembly, despite the strength of the campaign. It would need 5% to get a seat and that will be difficult. But interestingly, the *Observer* newspaper has claimed that new Labour fear that both the LSA and the Green Party will get a member in the Assembly.

What will happen to the LSA after the

election is now a much discussed issue. Some of the constituent organisations see this as the start of a process towards a new party to the left of Labour. The SWP has not yet made up its mind. But, given Livingstone's refusal to call for such a party, it will not be a short term process. Also it is wrong to talk of a new party at this stage, what is needed is a new alliance on a stronger basis. But a party could be posed, in the medium term, particularly if there were significant expulsions or defections from the LP resulting from all this.

It would have to be broad character - a federation in which the existing left organisations could participate with their own politics and publications. The legacy of the SLP has to be overcome. It could not be just a coalition of the far-left, it would have to be broader than that and the old top down structures with a guru handing down the message will have to go.

Project unravels

The Livingstone challenge is by far the biggest crisis new Labour has faced since it came to office. Its protracted honeymoon is over. And to a degree the new Labour project is beginning to unravel, not at the political level, however - in fact it is still moving to the right. But it is unravelling at the level of its core support. The loss of traditional support is huge.

But Blair has been shifting the electoral base of Labour anyway. That was always his objective. He is reaching for the Tory heart lands of 'middle England' and if he has to sacrifice some traditional support for that it is a price he is prepared to pay. The question is how much he can lose and still win the general election expected next year.

At the moment he remains high in the opinion polls for a general election and is very unlikely to lose. Many who will vote for Livingstone will vote for new Labour at a general election when the choice is a return of the Tories.

But it is not as simple as that. Blair remains totally committed to the politics on which he had when he was elected. He is still totally committed to the neo-liberal agenda and transforming the LP into a straight party of big business. The problem of the alienation of the LPs traditional support, therefore, will not go away. The question is whether the left can use the present positive developments towards unity to build a new effective alternative.★

UNDER Brown's original plans, spending over the five years of Labour's term of office was set to replicate the levels of increase achieved under the Tories. But the squeeze was taking its toll. Health workers and patients had to endure a winter crisis, in which neither the relatively mild weather nor the largely routine level of flu and viruses could explain away the dire shortage of beds to treat emergency medical admissions. The right wing press had a field day, pressing for increased reliance on private medical insurance. Blair's team were aware of the dangers of allowing this to happen again next winter, in what may be the run-up to the next general election. The NHS has remained voters' number one preoccupation – even in the coming elections for London Mayor. Something had to be done.

Clearly £2 billion above inflation each year for another three years is a very substantial something. No campaigners had asked for more. The key issue now is how the money is to be spent: in fact only £600m of the new money has been made available immediately. The remaining £1.4 billion will be held back at national level, requiring health authorities and Trusts to "bid" for funding for specified projects in the summer.

A chill in the heart

Tony Blair's pledge to take personal charge of a new "modernisation" process in the NHS will strike a chill into the hearts of many health workers. The last thing the NHS needs now is a new proliferation of "task forces", targets and hit-squads to add to the plethora of management talking shops that have been launched at local and national level since 1997. These "New Labour" strings could yet undermine an apparent reversion to old Labour values. Until now, it appeared that the NHS had witnessed an almost seamless transition from the old Tory government to New Labour. Blair's team had stuck cravenly to the NHS cash limits laid down by their Tory predecessors.

The whole shape of the NHS still follows the contours created by the Tory government's market-style reforms of 1991. The controversial "purchaser/provider split", introduced against Labour's (half-hearted) opposition, has been retained, along with even more fragmentation of services and competition for scarce

The Health Service even Thatcher couldn't kill

BRITAIN'S National Health Service (NHS) has been the main beneficiary of Chancellor Gordon Brown's Budget in March, with an extra £2 billion allocated in the new financial year - the first step in a 4-year plan to raise health spending towards the European average, from around 6.9% in 1999/2000 to 7.6% in 2003/4.

JOHN LISTER*

resources.

The reason for this continuity is clear: until it became politically impossible for them to sustain the position, Blair's government had shared the most central of the three objectives which motivated Tory policy on the NHS. The overriding concern has been to cap – and if possible reduce – government spending on the NHS, which in the UK remains a service largely free at point of use, and funded predominantly from taxation. One of the very first actions of the Thatcher government was to give legal teeth to the Labour policy of imposing rigid cash limits on local health authorities, compelling them to prioritise balancing the books over patient care.

Tightened control

A second concern, again echoed by Labour's leadership, has been to tighten the level of central control over how NHS resources are employed, while pretending to hand over greater powers at local level. This combination of policies means that ministers can claim to have no direct say over controversial hospital cuts and closures, and no responsibility for electorally embarrassing, high profile failures of the system – while still exerting maximum pressure on local managers to achieve government performance targets. Labour has taken on and further modified this system, with potentially unpredictable results.

Of course Thatcher's Tories also had other ambitions for the "reform" of the NHS – ambitions which are possibly even

too reactionary for the most avid "modernising" Labour ministers in Blair's team. They wanted to maximise the involvement of the private sector, with an expansion of private beds in NHS hospitals, private hospitals and private medical insurance – but also to find new ways in which private firms of all sorts could make money through selling services to the NHS.

Tory zeal

New Labour has no ideological objection to the involvement of the private sector in welfare services: but they do not appear to share the Tory zeal for pay beds and piecemeal privatisation in the NHS. They realise that such a policy offers no benefits and would be an electoral liability. Some right wing Tories want increased privatisation of the health care system itself, beginning with the introduction of charges for visiting a family doctor or for hospital treatment. However even Margaret Thatcher realised that such changes would be massively unpopular, and her reforms fell far short of the schemes of her right wing colleagues.

The first years of the Thatcher government represented a phoney peace for the NHS. The Tories upheld the increasing NHS budget allocations pencilled in by the outgoing Labour government – although much of this extra money was swallowed up by inflation. The key change came in 1982, which was dominated by a long-running campaign of industrial action over NHS pay, which had fallen well below

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national average increases. The Tories, in a deliberate trial of strength, singled out health workers for a further real terms pay cut: with inflation running at 12% they offered NHS staff an increase of just 4%. Industrial action began in the spring of 1982 and, reluctantly led by timid union officials, dragged on through the summer and into the autumn with sporadic one-day strikes. The TUC day of action on NHS pay on September 22, 1982 turned out to be effectively a one-day general strike and 150,000 people marched through central London.

But with an obdurate government and a hesitant TUC leadership, the campaign finally wound up in December 1982 with nothing gained by those that fought the hardest. Ancillary staff faced the added insult of seeing an extra government hand-out to the nurses who, in the main, had taken no action. Nurses were also given a 'pay review body' similar to that of the doctors, a move that has successfully separated their wage demands from other sections of health workers.

Thinking the unthinkable

This defeat was the equivalent for the British health unions of what was to befall the miners in their year-long strike: it set back the development of militant opposition, and gave the government the political confidence to contemplate what would previously have been unthinkable policies.

Early in 1983 the government issued a circular instructing health authorities to commence competitive tendering for hospital domestic, catering and laundry services, with a marked bias towards the private sector. New firms of private contractors sprang up, some of them subsidiaries of major corporations, specifically targeting this new, potentially lucrative market.

The consequences for NHS support staff were predictable. In what were already low-wage, labour-intensive jobs, the only way private firms could hope significantly to undercut the cost of the existing NHS service was by slashing the numbers of staff (thus undermining the quality of service), attacking the wages and conditions of staff (and risking major problems of recruitment and retention), or simply cutting corners on the work that was done.

Most private tenders incorporated a combination of all three: privatisation of services was often swiftly followed by a catastrophic drop in standards of hygiene

and patient care.

But to compete with private bids, in-house tenders, too, began to be based on fewer staff on poorer conditions. In the spring of 1984 women cleaners at Barking Hospital walked out on strike against drastic cuts in pay and hours of work imposed by their private employer - they stayed out for 18 months before conceding defeat. There were to be other courageous shows of resistance - with several more long strikes - but few victories. Only in two places were privatisation attempts beaten back by union resistance.

Nonetheless, many sceptical health bosses were reluctant to privatise. The firms, too, were disillusioned: by 1988 a number of contractors had pulled out of tendering for NHS domestic service contracts, and one finance director complained that "There is nobody making any money out of the National Health Service."

Due to competitive tendering, the number of directly-employed ancillary staff fell by a massive 50% between 1981 and 1991. This also struck a heavy blow at the health unions. In recent years the competition for contracts has given way to monopoly, with only the largest firms surviving and expanding through takeover bids or mergers, while the smaller, weaker firms went to the wall.

End to consensus

While ancillary staff numbers went into sharp decline, there was a big increase in numbers of top managers. Roy Griffiths, managing director of the Sainsbury's supermarket chain, brought in to conduct an informal inquiry into the structure of NHS management, proposed that "business-style" managers should replace the old-style administrators: traditional "consensus" management should end. Top doctors should be pulled into line by making them responsible for department budgets.

This began the creation of a new layer of chief executives, directly answerable to the government. Numbers of administrative and clerical staff in the NHS rose by 18% between 1981 and 1991. It also began the upward spiral of senior management pay in the NHS.

Margaret Thatcher had gone out of her way to insist at the 1982 Tory party conference on her credentials as a defender of the NHS: "Let me make one thing absolutely clear. The National Health Service is safe with us." But many Tories

wanted an expansion of private medicine (the 1983 manifesto "welcomed" the growth in private health insurance).

The 1980 Health Services Act cut restrictions on private hospital development and disbanded the Board which the Labour government had set up to close down private beds ("pay beds") in NHS hospitals. By 1985, pay bed numbers had risen by 23% - though the numbers of patients using them had dropped by 22%, leaving a typical occupancy rate of 40-50%.

Costly irrelevance

These beds were a costly irrelevance for the NHS. NHS hospitals were forbidden to make a profit on their pay-beds, and while private hospitals already itemised treatment and services received, charging for every pill, bandage, x-ray, pathology test and charging by the minute for physiotherapy, comparable NHS guideline charges were imprecise - and incredibly cheap.

The biggest area of privatisation, which effectively excluded hundreds of thousands of vulnerable patients from NHS care, was in continuing care of the elderly. The 1980 Social Security Act gave social security offices powers to pay fees for (private) residential or nursing home care for elderly patients from the social security budget, and this was strengthened in 1982. For the frail elderly, continuing care through the NHS, free at the point of use and funded from taxation was rapidly disappearing. Private nursing and residential homes boomed, offering an attractive proposition for investors. By 1993, 281,000 people were receiving state-funded care in private homes, at a cost of £2.575 billion. Alarmed at the cost, the Tories called Roy Griffiths back again to conduct an inquiry.

His 1988 report proposed what amounted to the consolidation of privatisation and an expansion of means-testing. It called for the transfer of responsibility for continuing care of the elderly from the NHS (where it was still provided free of charge at time of use) to local government (where it would be subject to means-tested charges). The privatisation was formalised. 80% of government "community care" money flowing to social services had to be spent in the "independent" (private or voluntary) sector. Strangely, these policies were enthusiastically greeted by Labour

politicians at local and national level.

Despite Thatcher's pledge, the NHS budget stood still in real terms between 1982 and 1987. In the autumn of 1987 NHS finance director Ian Mills declared that the service was "technically bankrupt". Driven by cash limits, plans for sweeping bed closures were steamrolled through health authority meetings. By December, 4,000 beds had closed. Consultants were up in arms. A petition launched by Hospital Alert and London Health Emergency gained 1,200 signatures from hospital doctors in just six weeks. Thatcher's government retreated, offering a one-off £100m injection of cash.

But nurses, battered by years of increasing workload and dwindling personal purchasing power, were becoming more resentful. As if to rub salt in the wounds the government was attempting to end nurses' entitlement to special duty payments. On January 7, 1988, a group of night shift nurses in Manchester walked out on strike. Though their action forced an almost immediate climbdown by the government, it also gave a lead to nurses throughout the country, who staged unofficial strikes.

Waves of action

Thatcher announced a "review" of the NHS. In 1988 there were waves of official and unofficial industrial action (including strikes and "work to contract" action) by nurses furious at the arbitrary way a new grading structure was being implemented. The doctors' "union", the BMA, called for a £1.5 billion cash injection into the NHS – the equivalent of 1p on income tax – calling for it to remain essentially tax-funded. The Labour Party mounted a campaign calling for an extra £2 billion. At local level, too, doctors and consultants joined forces in many towns and districts in campaign groups to "rescue the NHS". Militancy again grew, into a "hot autumn" across the country, as angry down-graded nursing staff protested by the effective tactic of "working-to-contract".

Early in 1989 came the long-awaited Tory plans, in a White Paper *Working for Patients*. The new plan relied heavily on the concept of an "internal market". The NHS would be divided into "purchasers" and "providers", with both remaining within the framework of the NHS. The main purchasers would be revamped health authorities. A second line of pur-



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chasers would be GPs: bigger practices would be urged to become "Fundholders" and take responsibility for cash-limited budgets, from which they would buy non-emergency hospital treatment for their patients – from local NHS hospitals or, if they chose, from the private sector.

Opting out

The "providers" – the hospitals and community services – would be encouraged to "opt out" of health authority control as "NHS Trusts". Hospitals would be obliged to compete against each other each year for contracts from health authorities and GP Fundholders. The claim was that money would "follow the patient", rewarding the hospitals which best succeeded in meeting local requirements, while holding down costs.

There were legitimate fears that the "competition" would ignore the quality of care and centre on the issue of price. Hospitals which lost contracts would also lose contract revenue – and would have to make more cuts. Separating the management of hospitals from health authorities would mean expanding the ranks of senior managers. Establishing competition between hospitals also meant that every form of treatment would have to be "priced", contracts costed and monitored, and bills prepared for individual cases treated in hospitals where their local health authority had no regular contract.

None of this bureaucracy had previously been necessary in the NHS, and the simplicity of the system was one reason why administrative costs in Britain had been so dramatically lower than those in other insurance-based health care systems in Europe or the "free market" system in the USA. The scene was set for the runaway

expansion of NHS administrative bureaucracy. The "opting out" of hospital Trusts meant the fragmentation of the NHS. The decision to "opt out" could be proposed by senior management, and rubber-stamped by the Secretary of State. There would be no ballots or votes.

Competing for contracts

Trusts, as rival "businesses" competing for NHS contracts, would guard their business secrets by meeting behind closed doors, holding only one public meeting a year. Trusts were also required to pay interest ("capital charges") on their assets. Trusts would be allowed to sell assets, expand numbers of pay-beds, and decide "local" pay and conditions for Trust employees – tearing up national-level agreements. They had to balance their books and show a 'return on assets' of 6% each year. A failing Trust could go bust. Ministers insisted from early on that they would not bail out bankrupt Trusts.

These reforms were formally opposed by the Labour Party, by the health unions, and by the BMA, but once the Griffiths community care reforms were incorporated into the Bill, Labour's already tepid opposition to the market reforms was further defused by its acceptance of half of the new legislation. The multi-million pound BMA campaign was not matched by any comparable effort from the health unions. Although health workers were the most likely victims of the new market-led regime, they waged no coordinated campaign.

Opinion polls showing almost 75% of voters – and more than half of all Tory voters – to be opposed to the reforms did not prevent the proposals being pushed through Parliament as the NHS and

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Community Care Bill. However the Tories recognised the potential disruption that could be caused if the community care reforms were introduced in 1991, alongside the new internal market. Although the legislation was pushed through Parliament, the date for implementing the community care reforms was pushed back to 1993, so that the first new means-tested charges would be imposed well after the election.

When the first hospitals applied to opt out in 1990 it triggered a new wave of active local anti-opt out campaigns, often linking broad sections of the community, reaching from health unions through Community Health Councils, councillors, Leagues of Friends, pensioners groups and beyond. Large, angry public meetings were held, which demonstrated and reinforced popular opposition.

Tories determined

But the Tories were determined. In December 1990 the first 57 Trusts were announced: the government had convinced most senior managers that there was little choice but to seek Trust status. GPs were effectively bribed to become fundholders. In 1994 it emerged that the government had been handing out a £16,500 lump sum to any GP who expressed an interest in fundholding – money that was theirs to keep. It would be followed by another cheque for £30,000 as a start-up gift for any GP that joined the scheme. There was an added incentive: practices could retain any unspent surplus from their annual budget. In 1993/94, 585 fundholding practices retained a total of £28 million.

There was growing anger, too, at revelations of the predicted “two tier” service emerging within the NHS. A BMA survey of 173 hospitals in 1994 found 73 of them were offering preferential services to fundholders’ patients, 41 of them promising “fast-track”, more rapid admission. By 1997 each hospital Trust was spending up to £1 million a year on the bureaucracy of deals with fundholders – suggesting a national bill as high as £500 million – a “hidden” cost of fundholding.

Closures of acute hospital beds continued, with the effects masked by a succession of mild winters and the use of “waiting list initiative” funding to reduce the numbers of patients waiting over a year for treatment.

But the sharp winter of 1995/96 triggered a “trolleys crisis” in London and

other big cities. In South West London, medical directors from six acute service NHS Trusts broke the official silence and published a letter they had sent to Health Secretary Dorrell protesting at the impact of the bed shortage. In the 1996/97 winter, Hillingdon Hospital in west London announced it could admit no more patients aged over 75 until social services found nursing home places for some of those who should be discharged. The May 1997 election drew closer amid evident chaos in NHS. This made even Labour’s vague and conservative proposals for the replacement of the internal market with some form of “local commissioning” appear an attractive alternative for many health workers and for concerned voters. The pattern of polling showed much stronger support to Labour in areas where hospital services were seen as under threat.

Late in 1997 came Labour’s White Paper, *The New NHS*. Although Labour ministers proudly proclaimed the end of the Tories’ “internal market”, and a new era in which “competition” was to be replaced by cooperation, many key elements of the Tory reforms remain intact. The new proposals did try to reduce the number of negotiations and transactions, and promised to cut the numbers of invoices and the volume of administrative work, partly by cutting the number of purchasers (“commissioning bodies”) from 3,600 to around 500. But they will not eliminate any of the existing tiers of NHS management, and the promise of savings totalling £1 billion from cuts in bureaucracy appears over-optimistic.

Less accountability

The NHS under the new system is still run by a network of unelected, unaccountable Health Authorities – which act as planners and purchasers. But key local decisions are now taken by even less accountable new commissioning groups – Primary Care Groups (PCGs) consisting of GPs, community nurses and social service managers, but with no public accountability. After years in which Labour promised to scrap the “two-tier” inequality and bureaucracy involved in the Tory system of GP fundholding, the White Paper was at pains to explain that its proposals aimed “to keep what has worked about fundholding, but discard what has not.” The difference is that all GPs, along with community nursing staff, can theoretically partici-

pate in the new Primary Care Groups and have a voice on how local budgets are spent for each “natural community” of around 100,000 people.

Labour has adopted the Tory perspective of a “primary care-led NHS”, in which GPs have increasingly (though in most cases unwittingly) been enlisted to help in the rationalisation and run-down of hospital services. Despite their growing power, it is becoming increasingly difficult to recruit GPs, especially to inner city areas, while numbers seeking GP training have fallen. Some doctors have spotted that while GPs gain more control, the same reforms mean that primary care budgets are now fully cash-limited for the first time since the NHS was founded in 1948.

Big losers

While GPs and community nurses are feted in the White Paper as the fount of all wisdom, the big losers under the new scheme are hospital doctors, hospital nursing staff and Trust management. They will have no say on the allocation of resources and no direct input into decisions on health priorities – but they will have to carry the can for decisions taken by others. Hospital staff will be press-ganged into even greater effort as they find themselves on the receiving end of cuts decided by their “colleagues” in primary care. The fundamental split of the market system remains, as do Trusts (which Labour for years promised to scrap), although their numbers are being reduced by a new wave of mergers, heralding further hospital closures and cuts in beds.

Another key Tory policy has also been repackaged by the new government. The Private Finance Initiative (PFI), intended to “privatise the provision of capital to the NHS” is now hailed by Labour’s team as heralding “the biggest hospital building programme in the history of the NHS”. When first introduced, PFI required that any large hospital development had to be put out to tender, inviting consortia of private banks, building firms and service contractors to bid for the chance to put up the capital, build the new facility and lease it back to the Trust with support services. The scheme means the private sector deriving profits from the ownership of district general hospitals for the first time since Labour nationalised the hospitals in 1948.

Initially PFI was presented as a way in

which additional (private) capital could be injected into public sector projects without disrupting the government's Public Sector Borrowing Requirement. But this pretence was soon discarded. Private money is now a substitute for public investment. The negotiation of a PFI deal is a prolonged nightmare. The decision on how many beds were needed is now left not to the NHS, but to a consortium of private developers. The result is that the health care component of new hospital schemes has consistently been whittled down in size. This leaves more scope for potentially lucrative facilities such as shopping malls, food courts and car parking, all of which will, under PFI, generate cash for the private owners of the building, not the NHS Trust.

Monopoly contracts

Another potentially profitable aspect of PFI schemes is the prospect of monopoly contracts for support services. Many relatively small-scale capital projects have been boosted in value by the addition of contracts for almost every non-clinical support service: computers and IT services, maintenance, security, portering, domestic, laundry and catering services. All these, on long-term agreements protected against inflation, offer big profits to PFI firms. For the same reason, PFI deals cost more in the long run both for the NHS itself and for the British exchequer. Many PFI deals also incorporate a "land swap", in which the developing consortium eventually takes over the vacated NHS sites as part of the financial package.

Labour leaders began their love affair with this Tory policy in the second half of 1996. Despite a Gallup poll among Trust bosses showing that 70% of Chief Executives thought PFI was not cost effective in the long run, and 90% believing that the private sector would only get involved if profits were guaranteed, shadow Treasury minister Mike O'Brien insisted that "Labour has a clear programme to rescue PFI". The rescue took the form of a new law which compels any future of Secretary of State to pick up any outstanding bills for Trusts which default on PFI contract payments.

Most of the new deals which have been agreed since Labour took over the Tory policy last for 60 years – longer than the NHS has so far existed. The government is signing blank cheques to carry on paying

millions a year for hospital premises which may well have outlived their usefulness in 15-20 years time. Billions of pounds in taxpayers money will be poured over the next 65 years into the swollen coffers of private construction, contracting and banking conglomerates, while front-line patient services will almost certainly have to be pruned back to meet cash limits and reduced bed numbers.

Milked for profits

Milked for profits by private firms, starved of cash by the government, desperate for trained nursing staff, and struggling to recruit doctors and other professionals, the NHS nevertheless remains the most popular public service in Britain. Its popular appeal rests in the main in its founding principle of being a universal service, free to all at point of need, and funded from taxation. The levels of service and the conditions of the staff working in it have been eroded over the years, as part of the general defeats inflicted by Thatcherism on the British working class.

On occasions, militant action from health trade unions has been able to link up with broader popular support to wage politically powerful campaigns, such as the 3-year hospital occupation which in the mid 1970s saved the Elizabeth Garrett Anderson women's hospital. Other powerful campaigns have taken the form of wide popular movements, based in the local community, fighting to defend threatened hospitals or services. This type of campaign has worked through applying political pressure, though even the biggest campaigns, based on the most solid arguments, cannot guarantee victory on an issue the government has made a point of principle.

With few activists from the far left or Labour Party in Britain prepared to allocate consistent time or resources to campaigning in defence of health services, the campaigns tend to be broad but politically under-developed, often led by experienced older activists from a Stalinist background. Against this constant potential for wide popular opposition, the scope for a full-scale privatisation of health care has been limited. Every government since 1948 has had to claim to be a defender of the NHS. Peripheral aspects of the service have been privatised, but not the service itself. Private medical insurance still remains unpopular, covering no more than one in eight of the British population, mostly

through company-run schemes.

Every major eruption of struggle by health workers, whether on pay or in defence of beds or services, has found an immediate and powerful echo of public support, and confirmed a potential for deeper and more prolonged resistance. But such struggles have found little in the way of leadership or solidarity from the timid leaders of the British trade union movement. The unions have never really recovered from the massive reverses inflicted on NHS support staff through competitive tendering and privatisation in the 1980s. This fundamentally altered the shape of the health unions, increasing the relative influence of nursing staff, and intensifying an unresolved crisis of leadership within them.

Unresolved problems

The market reforms of the 1980s have boosted bureaucracy and managerial pay, but resolved none of the resource problems facing the NHS. These stem from successive British governments refusing to spend as much on health as their European neighbours, and allowing British employers to pay only half as much in national insurance payments towards health care as in other EU countries. The government's belated decision to boost spending towards European levels over the next three years is a major policy change. It is further testimony to the political strength of the NHS as an issue in the British political arena.

But the new money comes only after health authorities and Trusts have plunged £600m into the red. This means that much of the first year's increase is likely to be soaked up paying off back debts, leaving the imbalance of the service unresolved. Brown's tight-fisted policies for the first three years could yet come back to haunt New Labour, with the possibility of another winter of crisis before the next general election.

The task of the left in the unions and in wider campaigns is to keep up the pressure in defence of threatened services. Campaigners will be demanding that the increased funding is channelled directly to the key areas of a service that in many ways represents the last positive legacy of post war social democracy. ★

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Mozambique: The agony continues

MOZAMBIQUE, a country of 20 million inhabitants, has just suffered the worst floods for 30 years. The government estimates the cost of reconstruction at \$250 million. While the industrialized countries point to the emergency aid they have provided to the victims, they are discreetly demanding that the Mozambican authorities repay the country's foreign debt.

ERIC TOUSSAINT

MOZAMBIQUE, which is one of the poorest countries on the planet, pays \$1.4 million a week in servicing its debt - money it could use to meet the basic human needs of its people. The country's foreign debt amounts to \$8.3 billion (it was \$2.9 billion in 1985 and \$5.9 billion in 1997). The creditors fall into three groups:

- 1) the multilateral financial institutions (World Bank/IMF), who hold \$2.1 billion, or around a quarter of the total (the "multilateral debt");
- 2) foreign states, who hold \$4.3 billion, around half of the total (the "bilateral debt");
- 3) private financial institutions, who hold \$2 billion, or a quarter (the "private debt").

Ensuring control

So far as the multilateral debt is concerned, the World Bank (WB) and IMF, instead of simply canceling the debt that Mozambique owes them, have preferred to postpone some settlement dates and grant some new loans which the country must use to meet its repayment obligations. The WB and IMF wish to ensure the continuation of their control over the future of Mozambique. The bilateral debt, which represents more than half the foreign debt, is mostly owed to governments in the North - in order, Russia, France, Italy, Germany, Great Britain, the USA and Japan. Brazil is also an important creditor. As for the private debt, \$2 billion is owed to banks in the North, who have no intention of canceling it.

Human distress was already immense in Mozambique before the floods.

According to the World Bank, 70% of Mozambicans live below the threshold of absolute poverty. Life expectancy at birth is 46 years: 70% of the population have no access to health services; 60% of adults are illiterate; 78% of women are illiterate. Out of every 1,000 inhabitants, 3 possess a telephone connection (against 564 in France), 3 have a television (598 in France) and 0.8 a computer (150 in France). The country cannot be criticized for spending too much on arms - the armed forces were reduced by 2/3 between 1985 and 1997 (one of the biggest falls recorded in the whole world).

Racist aggression

How, then, did Mozambique get into debt? It can be said without fear of contradiction that the country's debt is the consequence of aggressions launched by the racist regime in South Africa in the 1970s and 80s. With the aim of overthrowing the progressive Mozambican regime (in the mid 1970s, Mozambique won its independence through a liberation struggle led by FRELIMO and thanks to the April 1974 revolution in Portugal), the apartheid regime supported a far right guerrilla movement (RENAMO) which devastated the country. Mozambique had to get into debt to organize its defense against this external aggression and attempt to rebuild itself.

After some years of strict application of the economic reforms demanded by the IMF and the WB, Mozambique should in principle have benefited from a cancellation of its foreign debt. To obtain this commitment of cancellation, the Maputo regime accepted a neoliberal policy which

increased social inequalities and poverty. Some public enterprises were privatized. In December 1998, in the framework of the Initiative for Heavily Indebted Poor Countries, a debt cancellation of as much as 80% was to have been obtained. But the WB and IMF told the authorities in Maputo that in reality the country would in the future repay the same sum it had paid until then - around \$100 million per year. In the Mozambican parliament, majority and opposition came together to adopt a resolution demanding the total cancellation of the foreign debt. In the weeks that followed, international NGOs, European parliamentarians and other pressure groups denounced the avarice of the WB and IMF. Under pressure, these latter announced a scaling down of their demands. Instead of \$100 million, they would be happy with \$73 million for 1999.

A new inconvenience

In June 1999, the G7 summit held in Cologne committed itself to cancel 90% of debts. In September 1999, at the annual summit, the IMF and the WB announced that henceforth they would give absolute priority to the reduction of poverty. Mozambique was in a very good position to accede to an additional lightening of its burden. Then a new inconvenience - to concede this latter the Bretton Woods institution added a new condition.

From January 2000, the authorities in Maputo were asked to draw up a strategic programme for the reduction of poverty in consultation with Mozambican civil society. The government replied that time was too short and demanded the implementation of the measures of debt forgiveness announced in Cologne and Washington. Just before the disaster caused by the flooding in February 2000, the WB and the IMF announced that they would grant no forgiveness until this strategic programme for the reduction of poverty was drawn up.

But surely they would change their attitude after the drama of the flooding? Not in the least - instead of canceling their claims, these institutions decided to furnish aid in the form of loans which have to be repaid.

It's time to tell the WB, IMF and creditor governments that Mozambique has suffered enough - we demand the total cancellation of the country's public foreign debt and the abandonment of the structural adjustment plans. ★

No road but the struggle

THIS sharpened turn towards neoliberalism and authoritarianism reflected one of the gravest economic crises in the country's history. Between January 1999 and January 2000 the sucre was devalued by nearly 300%, and since the beginning of Mahuad's presidential term in August 1998 the exchange rate of the dollar has gone up five times. The last increase was considered as purely speculative by the majority of analysts.

Inflation has leapt by more than 60% in the course of the last year. The workers are suffering the full ravages of unemployment - in 1999, more than 150,000 people lost their jobs. The purchasing power of wages has also deteriorated rapidly - in the 17 months of the Mahuad government the average monthly salary fell from \$160 to \$37. During this time, in December, the Wages Council sanctioned a pay increase of only 10%.

Harsh blows

Meanwhile, the cost of public services has spiraled; the price of water has increased by 400% and telephone and electricity bills have gone up by almost as much. The price of petrol has been held stable following protests but an increase is planned for July 2000. The economy suffered some harsh blows in 1999 - GDP fell by 7%, although the fall leveled off during the last quarter. Company debts have reached \$4.8 billion, and many have already announced their inability to pay up. Small and medium companies have begun to go into liquidation.

The economic crisis was precipitated by a financial crisis. In 1998 and the first quarter of 1999 several of the most important banks went bankrupt and came under state administration. Currently, 60% of the banks are under state control, although government officials have said that once healthy they will be reintegrated into the private sector. Last March the financial crisis led to a freezing of deposits worth approximately \$4 billion. Meanwhile, the state allocated around \$1.8 billion to the 'rescue' of the banks. But before the freezing of assets, nearly \$6 billion had already left the country.

The government's problems were not confined to the economic front. Mahuad

ON THE evening of Sunday January 7th Ecuador's President, Jamil Mahuad, announced the 'dollarization' of the country's economy - the linkage of the national currency, the sucre, to the dollar. Moreover, a number of deregulatory measures were to be taken: increased flexibility of labour contracts as well as acceleration of the privatization of the energy industry and the social security system. At the same time, Mahuad threatened repression and a 'firm hand' against those who would oppose the implementation of the reforms.

**JUAN ADOLFO
MONTENEGRO**

had begun his term in the framework of an apparently solid alliance with the Social Christian Party (PSC), together with the small Conservative Party and the Alfarist Radical Front. On this basis, the government intended to accelerate the hitherto rather restrained application of the neoliberal model, notably in the area of privatization.

Agreement breaks down

But the economic earthquake of the March 1999 banking crisis led to the breaking of the agreement, with the PSC and the bourgeoisie of Guayaquil (Guayaquil, on the Pacific coast, is Ecuador's most important port and Quito's main rival for the economic and political leadership of the country) accusing the government of favouring the banks of the capital, Quito. Through this conflict, the PSC and the dominant groups of Guayaquil waged a struggle for the private appropriation of public funds. By gambling on a 'regionalist' mobilization they rendered disunity inevitable.

Consequently the government tried to reach an agreement with the centre-left,

notably the Democratic Left, which benefited from having a sympathizer as a director of the central bank. But by insisting on neoliberal reforms the government again brought about the breakdown of this agreement. Mahuad's alliance policy then took another sharp wrench - he sought an understanding with the Roldosiste Party of former president Abdala Bucaram, dismissed from office following a massive popular mobilization in February 1997.

Agreement was reached on the condition that the government accepted changes in the penal code seeking to annul the legal process against Bucaram. These changes were finally officially published just after the announcement of dollarization. But these new agreements would also bring their share of difficulties, with a group of deputies from the president's party defecting.

Demands for resignation

From this time onwards demands for the resignation of the president began to gain some ground - among those withdrawing their support from Mahuad were former President Rodrigo Borja, leader of the Democratic Left, former President Leon Febres Cordero, leader of the Social Christian Party, the principal officials of the chambers of commerce in the Guayaquil region, employers' leaders in Altiplano, as well as some deputies from his own party, close to former President Oswaldo Hurtado.

During this time, in late December, the Confederation of Indigenous Nations of Ecuador (CONAIE) and the Coordination of Social Movements (CMS) demanded the resignation of the government as a whole, together with the Congress and the Supreme Court of Justice, calling for the setting up of 'parliaments of the people' to replace Congress.

Of course, the demands for resignation came from opposed points of view, as had not been the case during the fall of Bucaram in 1997. The popular movements demanded a change of social and economic model, whereas the employers' groups were pressing for a strengthening of the neoliberal policy, dollarization and the acceleration of 'reforms' and privatization. At this time the popularity of the president

plummeted, reaching the level of 9% in the first week of January 2000, against 53% demanding his resignation. It was now that Mahuad responded by totally accepting the employers' demands.

The political crisis experienced by the Mahuad government has its roots ultimately in the crisis of the regime which opened in February 1997, something the dominant sectors have not succeeded in resolving to this day.

Each serious crisis accompanied by social protests throws more light on the fragility of the presidency. The mobilizations undermine the stability of the government, preventing it from establishing itself within a renewed constitutional continuity every four years. Social demands can radicalize rapidly and large sectors of the masses have been pushed to a state of quasi-permanent protest by the intensification of the 'reforms'. Thus social mobilization has twice succeeded in preventing the implementation of more radical neoliberal measures, in March and July 1999.

On the other hand, faced with the economic debacle, the bourgeoisie has ceased to take into consideration its general class interests and prioritizes its own sectoral interests, although it has also encountered some difficulties in representing itself as a social class. However, the present situation is characterized by paralysis, for the popular movement has not succeeded in developing a credible alternative for the majority of the population, nor in taking the leadership of a movement of organization and more sustained mobilization.

Army is arbiter

In this context appeals to 'arbitration' by notables, the Church and above all the military, become more pressing. The armed forces, who assumed this task in February 1997, have not abandoned this role of arbiter and exercise a tutelage on democracy with every upheaval. But the armed forces themselves are traversed by the conflicts which determine social life. Their unity seems to be maintained by strong institutional sentiment rather than the firmness of the hierarchy; it is this which has led them to go back to the mechanism of internal consultations.

The social and economic conditions consequently tend to undermine the legitimacy of governments, including the state institutions, and social consciousness detaches itself easily from the idea of their

immutability.

This persistent political crisis ultimately expresses the difficulties of the bourgeoisie and its successive governments in carrying through the neoliberal programme, implemented progressively from 1982 then with more force and coherence from 1994 onwards. Since this date, the social forces have positioned themselves very clearly in this central conflict, throwing into question both the economic model and the political model of limited democracy.

In the period leading up to Friday January 7th demands for Mahuad's resignation became more urgent, coming from everywhere, with the press itself no longer ruling out such a possibility. At the same time, truck drivers announced strikes for Monday January 10th. The CONAIE and the CMS prepared for mid-January mobilizations to strengthen the setting up of 'parliaments of the people'. All in defiance of the state of emergency declared by Mahuad on January 5th - rumours of resignation were flying around. Until the announcement of the measures of the evening of Sunday January 9th.

With dollarization, Mahuad attempted to convince the big employers' groups of his capacity to administer the state by assuming fully the programme demanded by the employers' Chambers. Moreover, he left open the possibility of reaffirming the governmental agreement with the PRE and bringing in the PSC.

Little by little, on Monday and Tuesday, the opposing parties came to accept the measures taken. The clearest sign was the decision taken by the big banks to support the quotation of the dollar at 25,000 sucres. The final result was that the government, at least temporarily, succeeded in reversing the relationship of forces. This reversal was reinforced by the incomprehension among the popular classes of the meaning of dollarization and its effects on living conditions. Thus the first polls showed an improvement in the government's image, reflecting a passive support at least.

New elements

The week of January 17th introduced new elements to this class confrontation. On the one hand, it was apparent that the government had succeeded in rallying the bourgeoisie and its parties behind it, after having adopted the economic policy

demand. At the same time, measures of repression against the popular movement began to be forcefully carried out - arrest of leaders, occupation of universities, escalation of violence against demonstrators, intrusion of the armed forces in the indigenous communities. All this showed that the bourgeoisie as a whole had made the choice to close ranks around the government and thus smash any attempt at a popular alternative.

During this week, mobilizations began in an unequal fashion - partial closure of roads, urban mobilizations although weak and sporadic, appeals to mobilization and occupations of roads. In the streets the division of the mass movement was already apparent, between a sector linked to the CONAIE and another to the Patriotic Front. Their incapacity to coordinate their activity was reflected in competing initiatives.

Movement seizes power

The popular and indigenous movement, together with a group of soldiers with some young officers at its head, took power in Ecuador for several hours on Friday January 21st, in a climate of growing social mobilization.

Antonio Vargas, leader of the CONAIE, and colonel Lucio Gutierrez surrounded the Congress with a group of indigenous peoples, repudiated the powers of the state and formed a governmental junta. In the hours which followed, the top military hierarchy, the employers, the different political parties (Social Christian, Popular Democrat, Roldosist and so on) and members of the government found a response to this coup carried out by the popular movement and a sector of the army, by making vice president Gustavo Noboa president of the republic in place of Mahuad.

Meanwhile tens of thousands of demonstrators came onto the streets across the country to support the overthrow of Mahuad and the formation of a government rejecting dollarization and the various neoliberal measures taken some days beforehand. The pressure brought by the US government (threats of sanctions and a blockade 'like Cuba') the unity of the bourgeoisie, the tardiness of the urban popular sectors in joining the mobilizations, the army's ability to cover up its divisions are some of the elements which determined the defeat of the popular rebellion.

But the profound causes of the crisis are obviously still not resolved.

In the hours which followed his inauguration, the new president announced the pursuit of dollarization and privatization, while the leader of CONAIE, Antonio Vargas, went into semi-clandestinity, several officers were arrested, the last indigenous groups present in Quito were dispersed by special forces and the deputies demanded exemplary sanctions against the 'insurgents'.

While no one could for the moment predict fully the consequences of this defeat, some lessons can already be drawn from these events.

Ecuadorian society is increasingly polarised, and the conflicts clearly take on the character of a class confrontation. The bourgeoisie has closed ranks around an institutional solution. All its divisions have been put aside for the time to face down the popular mobilizations. The strengthening of neoliberalism has also reinforced social polarization.

It appears obvious that there exists inside the armed forces a 'nationalist' current close to the demands of the popular movement which seeks to develop a distinct political project. In his speech, colonel Gutierrez referred to the 'Juliana revolution', a movement of young soldiers who overthrew the regime of the bankers in 1925. But the divergences are still not pronounced enough inside the military institutions. Given that fact, a strategy based almost exclusively on a military *pronunciamento* had little chance of succeeding.

Popular divisions

The popular mobilizations remained marked by strong divisions and by discontinuities. Whereas the countryside was in the vanguard and the struggle rested essentially on the indigenous population, their efforts were only to a limited extent accompanied by significant urban mobilizations.

In most of the big towns, the majority of the popular sectors began to enter into struggle only when the rebels took over Congress and the march on the government palace was organized. The strategy adopted has apparently not taken into account the disparities of the movement. The principal and urgent task to come will be to renew the links.

However, the movement can take com-

fort in some victories; Mahuad has finally been removed from power. This reinforces in the social consciousness the conviction that the government cannot act with impunity, and that it is the people which is sovereign in a democracy - governments are only legitimate when they satisfy popular needs.

It is important to note that social struggles have acquired, almost naturally, a clear class character, without for all that ceasing to attract to them increasingly diverse sectors. The social articulations have then a tendency to stand out with more clarity. The majority of the population has been able to perceive clearly that the political class, the state institutions, the military and Church hierarchy all protect the interests of the dominant classes. The 'parliaments of the people' remain a conquest for future struggles, and it is proba-

ble that some similar forms of organizations will reappear as and when the situation demands it.

But immediately it is not possible to measure the breadth of the defeat in terms of demoralization. Nor is it possible to predict the harshness of the repression, against the officers and against the popular organizations. Beyond this, the pursuit of the neoliberal model and the impoverishment which will result from it could, in addition to demoralization, condemn the social movement to torpor for a longtime. There is no indication that the crisis of the regime has been checked. If the uprising of January 21st has been defeated, the popular movement still has some reserves. Its principal task continues to be confronting the model of pauperization and authoritarianism, even in difficult conditions. And there is no other road than the struggle. ★

Fourth International condemns liberation of Pinochet

PINOCHET: GLOBALIZED IMPUNITY

The Fourth International expresses its most categorical repudiation and shares the indignation of the democratic, progressive and revolutionary forces of the world at the liberation of the mass murderer Pinochet. The decision of the British Home Secretary Jack Straw and Tony Blair's Labour government confirms that the much trumpeted global "justice" is a farce in the new world order dominated by the imperialist powers and the multinationals.

Thanks to the complicity of the governments of France, Switzerland, Belgium and Spain, who for political, economic and democratic reasons have not opposed the British decision, the murderer of thousands of people has returned unpunished to his country. The Fourth International support all protests, democratic mobilizations and demonstrations of solidarity with the Chilean people and honours the memory of those who fell in the combat against the military dictatorship headed by General Pinochet.

At the same time, it demands the judgement and punishment of the former dictator, and all the torturers and murderers who, on behalf of the state and its security apparatuses, have been responsible for terror, crime and disappearances in Latin America. Therefore, we support unconditionally all the initiatives of the human rights organizations as well as the comrades, families and friends of the victims who suffered the atrocities of regimes like that of Pinochet. And involve ourselves in the struggle against impunity and for the creation of a genuine international system that guarantees the defence of and the fullest respect for human rights. ★

March 3rd, 2000 Unified Secretariat of the Fourth International

Facing the future

Declaration of the 9th meeting of the Sao Paulo forum (extracts)

At the dawn of the 21st century and the third millennium of our era, a decade after the creation of the Sao Paulo Forum, the aggravation of the political, economic, social and cultural crisis which humanity is experiencing has borne out the motives (both real and apparent) which lay behind the convocation of the "Meeting of parties and organizations of the left in Latin America and the Caribbean" in Brazil in July 1990.

The founding nucleus of what is today the Forum attended this meeting in Sao Paulo to allow an exchange of views on the impact that the end of the bipolarity resulting from the end of the Second World War would have on the struggle of the parties and movements of the left in Latin America and the Caribbean.

Convergence

The Sao Paulo meeting had the merit of resulting, for the first time in Latin-American history, in the convergence of parties and movements across the whole spectrum of the left.

These latter, who had their origins in the most diverse forms of struggle noted together that the dramatic problems affecting the peoples of the world, particularly those of Latin America and the Caribbean, would not disappear with the end of the Cold War, but would only be eliminated with the end of oppression, domination, exploitation and racism.

In their plurality and their diversity, the movements and parties who were members of the Forum of Sao Paulo came together in the struggle against imperialism, which in the two last decades of the 20th century has adopted the form of neoliberal capitalism.

The 10 years since the creation of the Forum have only served to confirm our initial analyses. Just as in July 1990, we reject categorically the idea that neoliberalism can constitute a project of development, which after a period of adjustment, will pour out wealth to all the inhabitants of the

land. We reject the illusion according to which the liberal doctrine responds to supposed inexorable laws of economic, scientific and technical development.

The reality of the last decade has particularly demonstrated the limits of the neoliberal model and its incapacity to resolve the problems of humanity. The failure of the Seattle meeting in December 1999 is the symbolic expression of the strength of the international anti-neoliberal resistance.

The neoliberal doctrine in reality represents the economic and political interests of those who are ready to sacrifice and exterminate the majority of humanity to pursue the diabolical and dizzying accumulation of wealth, in practically unimaginable proportions.

The world economy has entered a phase of depredation. The "key words" which describe the world today are concentration, polarization and colonial domination: concentration of wealth, property and production; political, economic and social polarization, with its associated poverty, exclusion and marginalisation.

This polarization and this inequality expresses itself at the world level by the small proportion of the population which consumes the major part of the product and benefits from the services available.

It is expressed also by the concentration of wealth in the hand of less than 300 families, by the millions of other human beings deprived of the access to work, health, food, a dignified dwelling place, education, elementary rights, subsistence, reproduction and development conquered by the human race over generations.

US aggression

To this is added the effects of the unilateral military aggression of the United States and its criminal determination to violate the post-war international legal order, clearly expressed by the genocide of the people of Yugoslavia under the auspices of the UN and NATO, reformed for these purposes.

The only way to save humanity from a programmed self-destruction is to establish the satisfaction of human needs as the fundamental priority of the future society - not

individual gain or profit. The solution to the world's problems will involve the eradication, through struggle, of the fundamental class contradictions which are closely linked with the most diverse forms of oppression, discrimination and exploitation, notably those based on gender, ethnicity, race, culture, religion, age, and so on.

Colonial vestiges

The peoples of the world cannot aspire to strengthen their liberty, nor conquer their right to self-determination and their total sovereignty so long as all the vestiges of colonialism (like that which oppresses the peoples of Puerto Rico, Martinique, Guadeloupe, French Guyana, Dutch Antilles and in a certain sense the Malvinas) have not been wiped away.

The left in the 21st century can take into account experiences of elaboration of propositions, conquest of spaces and power, construction of alternative models, all stemming from the study of the social reality that we hope to transform. It must also consider the necessity of envisaging profound changes of structure which can reverse the process of destruction of the forests, combat international financial speculation, redistribute wealth, democratize and socialize the elaboration of the budget, promote social participation and political and economic decentralization.

It will also face the task of transforming the state, to put it at the service of development and the deepening of a new integral democracy: social, political, cultural and of gender. The peace accords in Guatemala can be identified with this type of process. Other significant political processes have taken place or are taking place in Ecuador, Venezuela, Panama, El Salvador or Colombia.

We must also note the presence of the indigenous peoples of America, who resist the assaults of neoliberalism and the transnationals.

Their rebellions and mobilizations have served to highlight the necessity of profound transformations in our national states to guarantee the preservation of biodiversity and the ecosystem, as well as ethnic plurality and the recognition of their identity, rights and self-determination.

Ten years after the foundation of the Sao Paulo Forum, the Latin American left reaffirms its traditions of democracy and resistance. ★

Corruption: an incurable disease

CORRUPTION and rottenness in China are the output of the bureaucratic system, a disease not curable by campaigns against corruption and graft.

ZHANG KAI

EVER since the early 1950s, the ruling party leadership has made resolutions one after another to combat corruption, but they have all been lacking in effectiveness. With the general restoration of the profit-driven market economy, and the collusion of power and money, corruption aggravates both in scale and degree.

This is evidenced again in the speech of leaders after a meeting in mid January this year. The Bulletin of the Fourth General Assembly of the Disciplinary Inspection Committee of the CCP Central Leadership pointed out that this year is a crucial year in fighting corruption and rottenness. Party and state institutions and officials in leadership positions in economic, administrative, judicial and executive institutions should be centrally inspected, and illegal activities should be investigated and brought to justice.

Among those to be put under special investigation would be the leadership of regions or departments which have suffered serious economic losses or major incidents, or where complaints from the public have been directed. The spouses and children of cadres in leadership positions who have used their positions of influence should also be checked.

Serious problems

The above wording sounds empty and ambiguous, yet they offer a glimpse of the serious problems identified to lie with the party and state leadership. Wei Jianxing, Secretary of the Disciplinary Inspection Committee, said that in 1999, disciplinary inspection institutions all over the country investigated and closed files on over 130,000 cases, and disciplined over 132,000 party members, which included over 4,000 officials above the rank of

county heads, over 300 officials above the rank of district heads, and 17 officials above the rank of provincial heads. However, if the statistics are read in a different way, it means that people below the rank of county heads numbered almost 97% among those disciplined. That means most are small flies and not big tigers.

Major scandals

Here are some instances reported in the media, including some major scandals.

1. The State Central Finance Department, in conjunction with the Monitoring Department and the Central Bank, conducted an investigation on the management of funds outside of the central budget, and uncovered that unlawful, arbitrary administrative fees and funds amounted to RMB 735 million yuan, funds for special accounts receivable by the state were 12.46 billion yuan, and receivable budgetary funds were 6.33 billion yuan. This means that besides arbitrary collection of fees, funds budgeted for special accounts and purposes were appropriated for other use, such as for foreign investments or loans.¹

2. The National Auditing Department found out that in 1999, various funds

against financial and economic legislations amounted to 125 billion yuan. Of this, 4.3 billion yuan of poverty alleviation fund was used on subsidizing administrative costs, purchase of automobiles and construction of houses. Three billion yuan was either appropriated from the irrigation construction fund or were forced collection of funds from the people.

The funds involved in the arbitrary collection of fines and fees, or secretive transfer of funds in over 2,400 law courts and 2,100 procuratorates, amounted to 5.7 billion yuan. 62 higher education institutions in 1998 were found to have arbitrarily collected fees and got involved in unapproved financial activities, with the amount totalling 4.9 billion yuan.

Of the funds allocated for the migration of residents affected by the Three Gorges Dam project, 500 million yuan was appropriated for other use, and 10 corruption cases and 14 people were prosecuted.² According to a report of the APF from Beijing, the amount of Three Gorges migration fund appropriated by the officials was 5 billion yuan.³

3. According to Zhao Yongji, Deputy Head of the Public Security Department, economic crimes in China "have increased dramatically and the amounts involved were immense". In the first eight months of 1999, cases investigated by the Public Security bureau involved an amount of 84 billion yuan, an increase of over three times compared to the same period in the preceding year. The number of cases totalled 33,000, an increase of 23% compared to the preceding year. In the second half of 1998, smuggled goods that were seized amounted to almost 3.7 billion yuan. At the end of 1998, in a drive against crimes in telegraphic transfers of money, China redeemed over US\$10 billion.⁴

4. According to a circular issued by the



★ China / Pakistan

Disciplinary Inspection Committee of the Guangdong Province, a particularly notorious case of smuggling in Zhanjiang City was uncovered. From early 1996 to September 1998, smuggled goods totalled a value of 11 billion yuan, tax evasion totalled 6.2 billion yuan, and 331 people were incriminated, with 259 being government officials, including Chen Tongqing, the former party secretary of the Zhanjiang City Party Committee, and others such as the deputy city mayor, and the bureau head of the Public Security customs bureau.⁵

Smuggling network

5. Yang Wenpu, an official from the Fujian Provincial government news bureau, reported that in a notorious case of smuggling investigated by the Central Disciplinary Inspection Committee, it was found that a broad network of leading government, party and bank officials were involved in the smuggling of crude oil and automobiles, and a preliminary estimate of smuggled goods imported into China via Xiamen totalled 80 billion yuan.⁶

6. According to a report by the *China Youth Daily*, underground tobacco factories have extended from Fujian, Guangdong and Guangxi provinces to several other provinces in the hinterland such as Sichuan and Yunnan. Some of them take cover by using empty military camps as factories, and using special vehicles such as military trucks and post vehicles for transportation.

Some processing camps are covered up by the zones being designated as prohibited military zones barring ordinary people from entry. It is reported that smuggled tobacco and fake tobacco are taking up quite a proportion in the market, and a conservative estimate was that the state treasury suffered a loss of 20 billion yuan a year.⁷

7. According to a report by the *Beijing Daily*, in Fujian province, smuggled mobile phones totalled a value of US\$300 million, evading tax of US\$40 million. The Fujian Telecommunications Bureau has been put under investigation.⁸

8. Jia Chunwang, Head of the Ministry of Public Security, made a report to the Standing Committee of the National People's Congress in December 1999, admitting that corruption, graft and abuse of power for economic interests among the public security police have been quite serious.

The above are just some incidences of corruption brought to the light. The fact that both Zhu Rongji spoke about this in the second meeting of the Clean Government Work Committee under the State Council, and Jiang Zemin spoke about this in the Disciplinary Inspection Committee meeting, demonstrates the acuteness of the problem which does not seem to find any viable solutions. Not long ago, a decision was made to increase the salary of civil servants by 30% every year for three successive years as an attempt to rescue the situation. However, the increase in salary cannot be compared to the lucrative amounts from bribery and graft.

The best answer to the state's declaration of its resolution to combat corruption and rottenness is the following. The 15th

Congress of the Communist Party of China convened in September 1997 made a special pledge to combat corruption and rottenness, and called on all party cadres and all the people of China to implement it. After a year, according to Zhao Yongji quoted above, the amounts involved in economic crimes increased by over three times compared to the preceding year. The cancer continues to spread. ★

1. *Wen Hui Bao*, 13 June, 1999.
2. *Sing Tao Daily*, 22 Jan, 2000.
3. APF 21 Jan, 2000 from Beijing, reported by *Shing Pao*, 22 Jan, 2000.
4. *Ming Pao*, 11 Nov, 1999.
5. *Wen Hui Bao*, 16 September, 1999.
6. *Ming Pao*, 23 Jan, 2000, and *Apple Daily*, 21 Jan, 2000.
7. *Oriental Daily News*, 11 Jan, 2000.
8. *Shing Pao*, 22 Jan, 2000.

Article reprinted from *October Review* Vol.27 Issue 1

Pakistan - Labour Party offices raided

by Farooq Sulehria

POLICE and soldiers raided the houses and the offices of Pakistan Labour party leaders on 22nd March. The raids were carried out after the Party had organized a demonstration in front of the US Consulate on the afternoon of 22nd March against the visit of President Clinton. No arrest was made at the time although there were hundreds of policemen present. The main reason for this could be the large presence of national and international media to cover the event.

After a few hours, the police started raiding the different places to arrest Farooq Tariq, Shoaib Bhatti and Zafar Awan, the three main leaders of the LPP. They were fortunate enough to avoid the arrests and have since gone underground.

Labour Party headquarters and the office of the *Weekly Mazdoor Jeddohud* have been raided several times and are now under police surveillance. Labour Party leaders have gone underground and are in consultation with their advocates. They have advised them to avoid arrest until they could move to the courts for bails and other remedies still available.

The strong reaction came after the LPP was able to organize a very successful demonstration despite a ban on political activities. They defied the ban and had announced it beforehand in the national media. LPP leaders had declared that they would not abide by the law, which is in contradiction of basic human rights.

The LPP organized the demo at the time when every single religious group had welcomed the visit of US President, under pressure from the military rulers. The Human Rights Commission of Pakistan issued a statement saying: "If various sections of society are being freely allowed to issue statements and express their satisfaction over the visit of the US president, the council noted that those who opposed this visit are equally entitled to express their opposition to it, particularly if the protest is made peacefully, as the LPP demonstration was... The council demands that no one should be arrested or harassed for expressing their opinion through peaceful means. The recent ban on political rallies and demonstration, which violates fundamental human rights, should be lifted immediately." Officials of major unions also condemned the raids. ★

Please send protest letters condemning the raids to the following addresses: Chief Executive General Pervez Musharaf, email, ce@pak.gov.pk; Federal Interior Minister Lt.Gen. (R) Moin -ud-Din Haider, fax number 92 51 9202642; Governor of Punjab Lt. Gen. (R) Muhammed Safdar, fax number 92 42 9200077. Please send a copy of the protest to LPP, email, lpp@lpp.lhr.sdnpc.org.

A slap in the face of reason

ETA's assassination of Spanish army lieutenant-colonel Pedro Antonio García Blanco brought 100,000 people onto the streets of Bilbao to demand simultaneously the restoration of the cease-fire, the liberation of political prisoners and the return of the Spanish government to political negotiations with ETA.

JOSE RAMON CASTANOS 'TROGLO'

But nobody now seems to be listening to this message from the majority of the Basque people. ETA has implemented its threat to end its truce thus putting an end, at least temporarily, to the hopes created during 18 months of cease-fire.

On the other hand, there has been an unprecedented radicalisation of Spanish nationalism, which is in the process of creating a climate of unbearable political tension in Basque society. What is striking is the total absence of divisions between right and left, between the trade unions and employers in this "nationalist sacred union".

At the big demonstration against violence in Madrid at the end of January, the unity of action between the Socialist Party (PSOE) and the United Left (IU), the Popular Party (PP) and the Spanish Episcopal Conference, the employers' associations and the CC.OO and UGT trade unions, was complete.

Basque nationalism criminalised

The most shocking thing in this new "national front" is that its Spanish nationalism involves the criminalisation of Basque nationalism and its legitimate aspirations to political sovereignty. The appearance of this phenomenon of "national hatred" has been so strong that in the course of the demonstrations organised by this "front" in Euskadi, the old warcries of Francoism ("Death to the Basques") reappeared. Some also demanded that the Spanish army re-establish the state of law in the Basque country.

Without going as far as this in the use of force, the governmental programme proposed by the PSOE-IU electoral

alliance does not deviate one millimetre from constitutional legality and the road of police repression. Now the Basque left (Euskal Herritarrok) is identified with Haider's FPÖ in Austria.

The idea of tolerance is equated with constitutional legality, whereas the affirmation of a Basque differentiation is likened to the idea of "ethnic cleansing". As a consequence of this enormous media pressure, some political parties have ended up sacrificing their dignity. Such is the case with the IU, which has obliged its Basque section to break with the Lizarras pact.

Declaration of Lizarra

In such a tense political context, the Fourth Declaration of the Lizarra-Garazi forum (a broad coalition of nationalist forces) acquired a significance as decisive as the declaration setting the forum up. There were four reasons for this:

1. The ability of the organisations within this pact to remain calm. Its sense of historic responsibility had led the Lizarra Forum to conserve unity as the most precious political capital that Basque society possessed.

2. The firmness of the nationalist bourgeoisie (the Basque Nationalist Party, PNV) in the maintenance of political alliances and commitments, despite the difficulties brought about by the ending of the cease-fire by ETA.

3. Confidence in the Basque people, their capacities of resistance and social mobilisation so as to oblige the state to sit down and negotiate.

4. The public distancing of Herri Batasuna (HB) from ETA's armed actions. The criticism of violence made in this doc-

ument amounts to an unprecedented novelty in the history of relations between the military organisation and the political organisations of the Basque nationalist left. All seemed to indicate that the promise shown by Euskal Herritarrok at the time it was set up (September 1998) to promote a process of refoundation of the Basque left had been confirmed.

The assassination of Fernando Buesa, socialist spokesperson in the Basque Parliament, on February 22, has unleashed hatred and political passions to such a point, that it appears difficult to keep calm in the midst of the torment.

We do not know what ETA's intentions are. Some say that the breaking of the cease-fire is a tactical rupture with the intention of its ultimate renewal. Others think that we are witnessing a change of political strategy which abandons the "impossible conquest" of a social majority with democratic methods in favour of armed resistance with a perspective of the long-term accumulation of forces.

Political suicide

Whatever the truth, ETA's activity can be measured by its results, and these are visible to all. The first thing ETA has succeeded in has been to mobilise the majority of Basque society against it. It undoubtedly amounts to political suicide, all the less easy to understand in that it brutally destroys the progress made in the course of 18 months of cease-fire.

The demand for political sovereignty had conquered an unprecedented social legitimacy, and this has been lost because of the moral repulsion shared by the majority at political assassination as a means of defending a legitimate idea. Thus, the breaking of the cease-fire renders henceforth impossible the democratic alliance of Lizarra.

It is possible that the PNV will not return to the old alliances of antiterrorist pacts, but nor will it return to the Lizarra Forum if ETA does not offer guarantees of dissolution. Neither the Basque trade unions, nor the social movements will go back into Lizarra either if the armed struggle is pursued.

They have reaffirmed that ETA was henceforth an obstacle to the political process of conquest of national sovereignty, and that the best service that it could render to the cause of the Basque people is to decide freely its own self-dissolution.

The inevitable consequence of this attack is the loss of "practical reason", for one cannot demand respect for the decision made by the Basques when they demand the right to self-determination and deny them this respect when they demand an end to violence and terrorist attacks.

The critique of arms

Historic experience tells us that in the last 15 years ETA has on each occasion resolved its political crises in the same way: through putting a death (or several) on the table, thus obliging the civil organisations of the Basque left to choose between it and chaos, between fidelity and treason, between criticism and denunciation.

The self-criticism on the precedent of HASI (a political party dissolved by ETA because of its criticisms of the line of "blind" car bomb attacks) gives us reason to think that this time things will go differently. This hypothesis was strengthened by

the resolutions adopted by the recent HB Assembly, favourable to the engagement of a process of general refoundation of the Basque left, but also by the promises made by the political leaders to distance themselves from the armed struggle, as well as the solemn declarations signed in the Lizarra Forum.

Everybody hoped for a critical distancing on the part of the HB leaders, but these latter did not condemn the attack.

The naive would remark that for once they did not apologise for the violence as in the past, which is true, but it is a sad consolation, for this silence frustrates the hopes of a left which showed promise of renewal.

Those who hurry to rule out prematurely the prospect of renovation in HB are wrong also, for the conflict of direction between the military organisation (ETA) and the civil organisations of the nationalist left has not yet been concluded by the victory of one of the two parties.

Unlike before, the opposition of the LAB trade union (the most solid organisation of the Basque nationalist left) to the armed struggle is now public, as is the defiance of the electorate and the militant base of the nationalist left.

These critical evolutions demand some time to come to maturity, and need to be nourished by groups and individuals who can accompany this critical reflection from the inside.

No doubt the refoundation of this Basque left will necessitate a renewed discourse and a critique of the armed struggle, but it is not with ETA, but with HB that we are committed to building a new left.

The abandonment of arms would facilitate things. But if this does not happen, the unity of the Basque left can all the same open a road, on the sole condition of a critique of arms on the part of Euskal Herriarrok and a public demand for a new cease-fire which re-establishes political rationality among our people. ★

Fourth Declaration of the Lizarra-Garazi Forum

(adopted February 11th, prior to the assassination of Socialist Party politician Fernando Buesa which was to shatter the forum)

1. All the organisations participating in this Forum reaffirm their will to give impetus to a process of dialogue and negotiation in order to seek peace and the resolution of political conflict on democratic bases.
2. No political project can legitimately be imposed through violence; society has in its majority spoken on this question. We, members of the Forum, neither support nor justify any violent action, of whatever form, and we commit ourselves to the Basque country's right to construct its own future freely. The scenario of peace and democracy for the Basque country can only unfold if the whole of society enters into the process and commits itself to its success, by rejecting all the attitudes seeking to prevent it or block it, and demanding legitimacy for all democratic political options.
3. We demand insistently that the political forces who systematically oppose the Lizarra-Garazi Accord abandon this recurrent position of refusal and present their own positions offering a viable way out from the current situation of conflict. We, who respect the plurality of Basque society and who wish to construct a future of liberty and of tolerance, cannot resign ourselves to the current situation of violent confrontation, political stalemate and the prolongation of suffering which belongs more to the past than to the future.
4. We denounce the current attitude and strategy of the governments of José Maria Aznar and Lionel Jospin in seeking to resolve a problem as complex as that of the Basque situation solely through methods of police repression. We note that this strategy, in addition to repeating a historic error at a time when it is necessary to try to find solutions to a political conflict, demonstrates the manifest incompetence of these two governments. To excuse or cover up this inability by using and abusing state resources, notably media power, reveals again, if it was still necessary, their true Jacobinism.
5. We demand insistently that all parties present, each according to its own responsibilities, reconsider their attitudes and positions. The current demonstrations of violence, like the judicial decisions of an obvious political character, are the expression of strategies of confrontation, should be superseded through the development of the process already engaged upon, since they represent an obstacle to the pursuit of this process.
6. We renew our appeal to all citizens of Euskal Herria, to take an active part in the peace process, ruling out any action which supposes a violation of human rights. We commit ourselves to the definition and proposition of significant initiatives which can create a social climate allowing the consolidation of an irreversible peace process and a democratic solution to the political conflict.

Signatories: Political parties; Partido Nacional Vasco, Herri Batasuna, Abertzalen Batasuna, Eusko Alkartasuna, Bazarre, Zutik, Partido Carlista. Trade unions; ELA, LAB, EHNE, ESK, STEE-EILAS, HIRU, ELB. Social organisations; GOGOIA (Charter of Social Rights), Gestoras pro-Amnistia, Senideak, Bakea-Orain, Elkarri, Egizan, Herria 2000 Eliza, Gernika Batzordea, Autodeterminazioaren Biltzarra. ★

SUCH an evolution has been typical of all the Communist parties which succumbed to Stalinism and in the case of Italy it began in 1956 (whereas in the Spanish state, for example, it dates from the end of the 1970s). In the course of the 1980s it had already involved a completed social democratization of the party before leading, after the fall of the Berlin Wall, to the abandonment of the old name and the transformation into the Party of the Democratic Left (PDS).

Then the project or hope was to put an end to the exclusion from government which had been the lot of the Italian Communist Party (PCI) since 1947, in particular through coming to an agreement with the Socialist Party which had enjoyed considerable success at the parliamentary elections of 1987. But this project was torpedoed by two events that the protagonists of change had completely failed to foresee. The first came in 1992, when the PS dissolved itself, in the context of the crisis of the Italian political system and in particular after a cascade of scandals centered on this party. The second came at the time of the proclamation of the PDS, when a significant left split took place with the setting up of the Party of Communist Refoundation (PRC).

Interlocutor sought

Thus a weakened party began the search for a worthwhile interlocutor on the center-left or center which simply did not exist. At the same time, it was forced to recognize fairly quickly that the problem of its new identity was far from being resolved. It is true that Achille Occhetto, who had taken the initiative for change, had not hesitated to proclaim that the traditional socio-political cleavages were henceforth obsolete and that it was necessary to introduce a bipolar system based on the opposition between progressives and conservatives. A more or less explicit differentiation remained nonetheless between those who continued to defend the idea of a social democratic party (like Massimo D'Alema) and those who envisaged a transformation into a party like the US Democrats (such as Walter Veltroni). At the 1994 parliamentary elections the progressive bloc was beaten. Two years later a new coalition, called the Olive Tree, won a relative majority and Romano Prodi was able to form a center-left government with the support of the PRC. In October 1998

A New Milestone

THE congress of Italy's Left Democrats (DS) which took place in Turin in January, merits analysis inasmuch as it marks a new milestone in the evolution of a political formation whose historic origins go back to the early 1920s.

LIVIO MAITAIN*

the PRC decided to break with the Prodi government, which became a minority in the Chamber of Deputies. The DS secretary, D'Alema, then became Prime Minister, his government moving more towards the right (the votes of the PRC parliamentarians were replaced by the votes of centrist if not center-right deputies).

Growing disarray

Persistent economic difficulties, with the maintenance of a very high rate of unemployment, the major problem of the war in Kosovo, the constant divergences inside the coalition government itself, the setback in the European elections, the defeat suffered in Bologna, the flagship city of the reformism of the PCI and its successor, could only provoke a growing disarray among militants and electors. All the more in that all the maneuvers seeking to give a new face to the party through a convergence with other formations of the left and center-left and with intellectuals enjoying a certain renown had not enjoyed significant results. The crisis of identity was revived.

Walter Veltroni, who had become secretary of the party since the election of D'Alema to the post of Prime Minister, was charged with drawing up a text for the preparatory debate for the congress. It was a distressingly platitudinous text, which everybody moreover could interpret in his or her own fashion. To give some examples, here is the definition of the "European model": "the European model is based correctly on the idea that economic growth and employment are compatible, indeed influenced in a positive fashion, by high levels of social cohesion, guaranteed by equally high levels of protection of needs and rights". As for flexibility, which is a leitmotif of the government, Veltroni tells us that "the objective is that of a regulated flexibility, of a new system of guar-

antees and powers, matching the needs of the worker as individual rather than those of a homogeneous working class". And here is how he resolves the much-debated problem of the relationship between the concept of the left and that of the Olive tree coalition: "a broad Olive tree containing a broad left involves a sort of dual loyalty. The Olive tree is the dimension of government, of representation, of reformism, the left that of Europe, the world, human and social rights, values. This dual loyalty is a dual dimension of the same identity." Magisterial! The old masters of scholastic philosophy could not have done better.

Having undoubtedly noted that his text, although adopted by around 80% of those voting at the meetings of rank-and-file members - which, it should be stressed, recorded a presence of less than 20% of members - Veltroni tried hard to make up for it with a more wide ranging report. Nothing new or sensational. But he made the effort to recall the evils and disequilibria which afflict a great number of countries, from Bangladesh to Africa, by stating that he sees things "from the point of view of those who are subjected, trampled upon, exploited, offended, violated, of those who consider as an intolerable scandal the inequalities of today's divided world".

Capitalism unmentioned

But neither Veltroni nor the other leading lights at the congress have breathed a word on the origins of the evils which they denounced, or on the mechanisms which determine it. The daily *l'Unita*, which despite its 'privatization' remains close to the party, published an eloquent headline: "But the left no longer talks about capitalism". Nonetheless this is not the only omission in the thinking of the DS leadership. Veltroni, D'Alema and all the others have confirmed explicitly their unconditional adherence to the 'market economy' and to neoliberal ideas.

★ Italy

In the area of privatization, Veltroni has specified that the objective of the government was "the construction of new markets, the growth of competition, the emergence of new entrepreneurs into the Italian economy". He reminded entrepreneurs that the government had allowed them to save 50,000 billion lira on their debts and that the profits of the biggest companies were up by 30,000 billion lira. For his part, D'Alema noted that 300,000 new jobs had been created in the course of the last year. As he recognized, 80% of these new jobs are flexible, but in his eyes that proves that flexibility is profitable. No doubt this enlightened opinion would be shared by the Agnelli brothers, owners of Fiat, who Veltroni and D'Alema had received just before the opening of the congress.

Support for NATO

The votes at the conclusion of congress, like the prolonged applause that greeted the speeches of D'Alema and Veltroni, confirmed that the great majority of members share the conceptions and political choices that have characterized first the PDS, then the DS. They also confirmed another fundamental choice - that of support for NATO's war in Kosovo. Nor did anybody express any opposition to the decisions on military projects adopted by the EU at its Helsinki meeting. It is true that the congress registered the presence of a critical wing which presented a counter-text for the preparatory debate. This current, which is favorable to the Olive tree project and apart from some isolated cases excludes any hypothesis of splitting from it, does not accept the idea of the third way, advocates a revival of the values of European socialism, condemns the intervention in Kosovo and supports the 'challenge of the third sector' in opposition as much to public as to private property.

Since its inception one of the DS's leit-motifs has been the construction of a modern party. During the congress new statutes were adopted. In fact it is still clearer that the goal is to transform the DS further into a fundamentally electoral party enjoying the 'collateral' help of the Italian General Confederation of Labor (CGIL) to assure some kind of social underpinning. The functioning of the party is increasingly dictated by the necessities of the institutional mechanisms into which it is integrated. A change in the statutes by which the secretary is henceforth elected by local bodies,

whose decision is simply ratified by the national congress, was presented as a novel step towards greater democratization.¹ In fact, it introduces a plebiscitary-type process which will facilitate a kind of Bonapartism. Finally, the congress voted for the decriminalization of drugs. But Livia Turco, a party leader and the minister most directly concerned with this area, said that there is no question of the government adopting such a measure!

At the end of the congress Fausto Bertinotti, the secretary of the PRC, wrote in a commentary that at the Turin congress a new political formation had been formed: "we witness the birth in Italy of a party of the liberal left, which has effected a fundamental separation in relation to the historic, cultural and political experience of the left linked to the workers' movement in all its variants, communist, social democratic, labourist. From the programmatic point of view, the new political formation takes us back to the beginning of the century; the starting point is liberal, Whig England, before Marxism and the birth of the organised workers' movement".²

Breaking ties

Rossana Rossanda was of the same view: "the DS have given themselves an identity; in breaking ties with both communist and social democratic traditions, the Turin congress has traced the profile of a moderated democratic force of government".³ As we have already noted, no one could doubt that Occhetto wanted to break with the very concept of a workers' movement 10 years ago. But the contradiction of his creature, the PDS, was apparent from the beginning. If it wished to have any chance of maintaining its social moorings, even if only for electoral purposes, it could not reject entirely the conception, methods and reflexes appropriate to a social democratic party. We need hardly add that we are not talking about a social democratic party of the golden age nor of the first decades after the Second World War. If we interpret correctly what Bertinotti and Rossana Rossanda are saying this contradiction will now be surmounted. It might be argued that precisely for this reason the divergences between Veltroni and D'Alema seem blurred. We do not at all deny that the DS has made further significant steps forward in its transformation into a vaguely progressive formation. But this does not mean that the contradiction

that emerged at the time of the party's change of name no longer exists.

Relative continuity

Two factual elements are worth stressing. First, the main speakers at the congress, including Veltroni and D'Alema, insisted on the fact that the DS is an integral part of the Socialist International. Like it or not, in Europe the Socialist International signifies continuity, however relative, with the traditions and habits of social democracy. We are fully aware that social democracy today is not what it was at the beginning of the 20th century - nor is it what it was in the case of the SDP at Bad Godesberg or the PS at the time of the Epinay congress. But there remains a continuity of social implantation, of cultural and political approach and organizational questions. In the second place, there is the collateral relation with the trade union organizations.

In addition to Veltroni and D'Alema a third thief was hailed with very warm applause - the secretary of the CGIL, Sergio Cofferati, who took up some fiery social themes. It would be audacious to claim, at least at the current stage, that the CGIL's relationship with the DS is of the same nature as that of the AFL-CIO with the US Democratic Party. Whatever the case, it is obvious that the recent evolution of the DS poses crucial problems for the PRC itself. Let us say that it imposes a qualitative change.

The refoundation began in a timid enough form, subsequently becoming bogged down. The weight of the past, of the negative traditions is still too great, and risks becoming a crushing burden. The drift of the DS renders still more necessary a fundamental reflection both on a political strategy allowing the workers' movement to rediscover its way and on the instruments - parties, trade unions, various mass organizations and so on - which that movement needs to meet the attacks of the dominant classes, at a time of growing internationalization of the economy and political and cultural globalization. ★

*Livio Maitan, a leader of the Fourth International, is a member of the leadership of the Italian PRC.

1. The national secretary, currently Walter Veltroni, will henceforth be elected by congresses of local membership bodies and ratified by the national congress. The president of the Council of Ministers, if a member of the DS, is also president of the party. The president is thus currently Massimo D'Alema.

2. *Liberazione*, January 18th, 2000

3. *Il Manifesto*, January 16th, 2000.

Portugal - new times, new left

A CROWD of nearly 1,000 gathered in the main amphitheatre of the University of Lisbon on January 29-30, 2000, to "listen, discuss, converge" and set up a new political formation - the Bloco de Esquerda, or Left Bloc. The Bloc's founding assembly proved a resounding success, adopting statutes, approving a programme and electing a leadership. Still very much a minority, the Bloc has broken the political monopoly that the Portuguese Communist Party (PCP) has exercised for half a century over the non-social democratic left.

François Vercammen*

ALTHOUGH the convergence between the three political parties involved in the Bloc (UDP - the Union for Popular Democracy, PSR - Revolutionary Socialist Party and Politics XXI) has been underway since 1991, only in the past year has unity become a reality, in the context of success in the European and national parliamentary elections.

Parties not dissolved

Membership of the bloc is individual, but the parties have not dissolved - they maintain their press, meetings and programme, but have no special rights in the new organisation. Public activity is carried out by the Bloc and the elected deputies are identified with the Bloc, whether or not they are members of a party. Inside the Bloc the "Mesa" (the national "Table" or central organ) is made up on a parity basis - the independents on the one hand, the party members on the other. But all the members of the Mesa are elected by the Congress - the parties make proposals, but the members have the final decision. If the structure appears complicated, it flows from political conviction and a unitary internal dynamic generated by the Bloc's initial success.

Until now, there has been political agreement between the parties allowing the development of analyses, points of view and propositions, as well as 2 electoral programmes - but there had been no agreement yet on fundamental programme. According to provisional estimates, the Bloc already has around 1,600 members in 15 of the 20 regions of the country (and

this before any systematic effort at recruitment!). The preparatory Commission proposed that a national assembly be directly convened at which those who have joined the Bloc at least a week before the congress, would have the right to speak, vote, elect the leadership and be elected - those who merely attended the congress would only have the right to speak.

Following the opening of the congress, there were four reports followed by debates - activity in the first year, statutes, a political resolution, and the election of leadership bodies.

Reformist minority

The definition of the goals and nature of the Party dominated the debate on the statutes. A reformist minority current within Politics XXI presented a series of amendments to the main texts. Article 1, as proposed by the Commission and adopted by the Congress, states "the movement defends ... the perspective of socialism as expression of the emancipatory struggle of humanity against exploitation and oppression". The reformist current within Politics XXI proposed instead: the Bloc "considers socialism as the main historic factor in the democratisation and civilisation of capitalism", and "recognises the importance of the market, without attributing to its unconditional liberty some kind of intrinsic value... Without its subordination to the values defined by the community, democracy is impossible". The Bloc "defends and promotes a civic culture of participation and democratic political action in the framework of the state of law and respect

for human rights. Socialism is the name given to social transformation based on these principles".

The other key debate concerned the nature of the new movement. The minority within Politics XXI proposed the suppression of a certain number of articles in the statutes in particular the section of Article 4 which speaks of the "responsibilities of members" and obliges them to "promote [defend] the political objectives of the movement and act in a consequent fashion". The minority also opposed the very principle of the formation of "nuclei" (article 6), as well as their concrete tasks. The debate on these questions was heated and lively. The objections centred mainly on the dangers of "democratic centralism" and "manipulation" in the relations between Party and social movement. A whole series of other statutory rules were adopted by general agreement.

Programme for whole left

The Bloc's programme merits being translated and read by the whole of the militant left in Europe (and elsewhere). The innovation of language and style is striking. A few chapter headings sum it up: starting from "A new political reality", the Bloc identifies itself as "a universalist left based on solidarity". Its radical opposition to globalisation is summed up in the denunciation of a "civilisation of injustice". The third chapter "Left Europeanism: a new contract", which rejects the Europe of the market, is framed by a strategy of the "refoundation of Europe" essentially based on employment and the Convention on Human Rights. There follows "The road to a new left", and "A Bloc in the form of a movement".

A proposed first leadership of the Bloc was approved by 85% of voters. This first national leadership (the "Mesa") creates a unitary functional framework which should allow the expression of all opinions, with 40% women and a representative geographic spread.

It should be stressed that political-institutional conditions are relatively favourable in Portugal (notably in terms of parliamentary functioning and the degree of proportionality), compared to most other European countries. But it is also true that the leading cadre of the Bloc have exploited these conditions very well. This reflects the experience of the Portuguese revolution (1974-75), where the PSR and

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UDP were real actors in the process, but also the experience of its defeat which dealt a harsh blow to a whole generation of militants. Those who did not abandon the struggle had to confront Portuguese society a second time over, this time through universal suffrage and the elected institutions (municipal and parliamentary).

This trajectory, as well as the political changes undergone by the three components of the Bloc in the last decade, explains their capacity to create this space for convergence and their genuine social implantation.

The draft law proposed by the Bloc on "religious liberty and the secularisation of the state" is exemplary from this point of view, insisting on individual freedom of conscience and the democratic rights of the church as a private organisation, but also a radical break with the hold the church exercises on public institutions. It has led to widespread public debate and has split the PS. The same goes for the decriminalisation of abortion (torpedoed by the PS) and the outlawing of "private" violence against women. The Bloc has also reimposed the democratic rule that the programme of the government is voted on by the parliamentary assembly, which had fallen into disuse for some years.

Recomposition of left

In a series of resolutions the Bloc proposes to take parliamentary and extra-parliamentary initiatives aimed at the recomposition of the left, in Portugal and in Europe. At the international level, the Bloc favours "meetings with the currents and formations of the new left, left socialists, communists, ecologists and democratic movements of national affirmation" (resolution 1), notably in the form "of an international seminar on this subject [fundamental rights in the European Union] to be organised in our country, through a decision of the broad leadership ["Mesa"] to be held on the most appropriate date in 2001" (resolution 2).

In the presidential elections, the Bloc will fight against all the limits of the existing democracy and "will launch a great struggle among public opinion for a profound reform of the Portuguese political system". It will also organise a "national conference on the quality of democracy" in Porto (resolution 3). In parallel, the Bloc will develop "a process of Round Tables to discuss with the societal left on an alterna-

tive, capable of converging on the political level without endangering the autonomy of its specific terrains of intervention" (resolution 4). The Bloc also committed itself to considering the objective of a big meeting of an electoral character, without fixing date, agenda, conditions or objectives (resolution 4). The Bloc announced a series of big campaigns, notably against tax avoidance and banking secrecy (resolution 6), for the decriminalisation of abortion and on sexual rights (resolution 8).

Intervention and autonomy

The 10th and final resolution is on "the intervention and autonomy of the social movements". The Bloc does not plan to launch a youth organisation immediately, but favours a conference on this subject. On trade unions the Bloc takes a favourable view of work "towards a new trade union tendency". It also favours "meetings and conferences... which would assist the renewal of the ideals and practices of Portuguese trade unionism". "Listen, discuss, converge" was the slogan



of the first convention of the Left Bloc - it was a valuable step towards the renewal of the left. ★

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The road to the Left Bloc

1973: PSR founded in clandestinity.

1974: The revolution; the PSR plays an important role in the soldiers' movement; the UDP is founded from the fusion of various Maoist (then pro-Albanian, finally "Marxist-Leninist") groups and becomes the most influential revolutionary organization (up to 20,000 members; 1 deputy until 1979).

1975: Defeat of the revolution, a period of decline begins for the left.

1989: Municipal elections. Unitary list of the entire left, headed by Sampaio (left socialist). The PSR participates in this.

1991: Parliamentary elections. One UDP deputy elected in the framework of a coalition with the PCP. The PSR makes spectacular progress but misses having a deputy elected by 200 votes.

1993: Birth of Politics XXI, emerging from the convergence between ex-PCP militants and the MDP-CDE, former electoral partner of the Communists.

1993: Electoral agreement for the municipal elections: PS-PC-PSR-UDP-Greens.

1994: Politics XXI participates alone in the European elections.

1996: PSR breaks with the municipal coalition in Lisbon, after the turn to the right by the PS.

December 1997: Municipal elections: a PS-PC-Greens-UDP coalition and, in Lisbon and Porto, a "United Left" coalition between the PSR and Politics XXI; breakthrough of the first regroupment which will lead to the Bloc; the United Left obtains 3% and 1 municipal deputy in Lisbon.

January 1999: First agreement of the Bloc, concluding positively the discussions undertaken by the UDP, Politics XXI, the PSR and independents since summer 1998.

June 1999: The UDP breaks with the PS-PCP majority in Lisbon. The Bloc participates in the European elections.

October 1999: Parliamentary elections. The Bloc's list has two deputies elected in Lisbon.

January 2000: The Bloc's 1st national convention approves statutes and programme and elects a leadership. ★

The resistible rise of Jorg Haider

THE annexation of Austria by the German Reich in 1938 was in no way a 'year zero' for Austrian fascism and national socialism, just as the military defeat of 1945 did not mean the end of fascist and far right ideologies. From the fall of the monarchy in 1918 until 1934, all the political parties - Social Democrats included - believed that the new, considerably smaller Austria was not viable. Integration with Germany was unanimously considered as an objective necessity. In the 19th and 20th centuries, nationalist theories considered language as the basis of a constituted community. This made a distinctly Austrian nationalism very difficult to conceive. Moreover, the birth of new nations in Europe involved constant changes of frontiers with successive separations and reattachments, as in the case of Salzburg, which has belonged sometimes to Bavaria and sometimes to Austria.

An old tradition

The Christian anti-Semitism of the Catholic Church represents an old tradition. Vienna experienced several pogroms from the 15th century onwards. From the 19th century onwards, anti-Semitism began to be exploited politically. Social Christian and Catholic conservative currents saw it as a means of struggle against economic competition. For the German nationalists, it involved a fundamentally racist anti-Semitism. In 1919, the representatives of these two currents jointly founded the Anti-Semitic League, whose objective was the removal of Jews from all social positions. This League became a privileged terrain of action for the Nazis, who were forbidden from publicly expressing themselves until the foundation of the NSDAP (Nazi party) in 1938. But already prior to this, racist attacks and actions by Austrian Nazis met a great deal of sympathy. The Social Christians attempted to combat Nazi influence by radicalizing their own anti-Semitism. The Catholic Church followed step, even issuing a pastoral letter in 1933 which advo-

THE ERUPTION onto the Austrian political scene of a populist far right party, the FPÖ, and its recent entry into government in the framework of a coalition with the Conservative Party, owes nothing to chance.

BORIS JEZEK*

cated 'breaking the harmful influence of the Jews'. There is then no need for astonishment that anti-Jewish campaigns prospered on a fertile terrain following the Anschluss. During the Kristallnacht of November 1938, when the SA and the Hitler Youth attacked synagogues and Jewish shops, houses and individuals, a great part of the Viennese population supported them, with such virulence that Nazi leaders had to urge restraint.

Lessons never drawn

After 1945 and the Allied occupation which lasted until 1955, Austria was obliged by treaty to adopt antifascist legislation and measures, but the lessons of Nazism and above all of anti-Semitism were never officially drawn. This suppression was facilitated by the rapid reappearance of conflicts between the western powers and the Soviet Union with the outbreak of the Cold War. In their zone of occupation, the USA sought above all to influence politicians, intellectuals, teachers and journalists to make them partisans of the American system. In the south, the British occupation authorities soon made the Communist anti-Nazi resistance (present above all in the minority of Slovene origin) their principal enemies. The officers of the French occupation troops in the west were not themselves exempt from Pétainiste and anti-Semitic traditions. In the Soviet zone in the east the reparations that Austria had to pay were the first priority.

Apart from this, the Soviet army also repressed elements of the left and antifas-

cists. A not insignificant number of left Social Democrats and Trotskyists were abducted in this zone and deported to Siberia. The Soviet liberators were rapidly perceived as 'occupiers' for whom the people (even the working class) felt little sympathy.

In the official doctrine, Austria was the first victim of National Socialism. Its crimes were attributed to Germany, while those of the Austrian Nazis that could not be denied were treated as 'exceptions'. Apart from the Austrian Communist Party all the democratic parties adopted this point of view. This suppression was accentuated by the chase for votes and members in which all the parties, including the CP, took part. Many opponents of the Nazis remained in exile, while the Gestapo had killed more than 12,000 Austrian anti-fascists in the resistance. In February 1938, 180,000 Jews lived in Vienna, but only 2,000 survived the Nazi genocide.

All this means that the political potential that could have generated an open and critical discussion on the past no longer existed. Social Democrats and Social Christians established a 'class peace' - it was no longer necessary to reopen the 'graves of the first republic'.

The law banning Nazism would be enough to prevent any resurgence of fascist type ideologies. Until the Waldheim affair in 1986, anti-Semitism only survived in a subterranean fashion, but sociological studies confirmed its presence in all social classes and layers. It was only during the electoral campaign that preceded the election of former UN secretary general Kurt Waldheim to the presidency that the consensus was broken. However, the hostility to 'foreign' interference felt by numerous Austrians of every tendency made Waldheim's victory possible.

A turning point

This affair nonetheless represented a turning point. A commission of historians was set up to investigate Waldheim's participation in Nazi crimes. Members of this commission as well as other young histori-

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ans went further and established the participation of the Wehrmacht in massive executions in the Soviet Union and Serbia, under the command of Austrian officers in the latter case. The names of Nazi criminals still living in Austria were made public in greater number. The Holocaust and the responsibility carried by the Austrians were no longer taboo.

The administrative measures against former high ranking Nazi officials did not stop many people from escaping justice. Judges and prosecutors resumed their positions and the universities remained points of implantation for far right circles. The reconstitution of the far right was essentially carried out through the associations for 'the maintenance of traditions'. The most significant are the Austrian League of Comradeship, with 300,000 members, the Austrian League of Gymnasts with around 75,000 members, and the Patriotic Service of Carinthia with 110,000 members (it is common to be a member of several of these organizations at once).

It is primarily in the countryside that they play an important social and cultural role, which leads to their being courted and favored in the same manner by the SPÖ (Social Democratic Party) the ÖVP (Conservative Party) and the FPÖ (Freedom Party). This allows these organizations to gain respectability while presenting themselves as associations for the promotion of traditional leisure pursuits. The leadership of these organizations, like all the authors and editors of their publications, can be classified as far right or neo-fascist. The great majority of members do no more than participate in sporting or leisure activities, but this serves to legitimate their 'apolitical' character and the links that the democratic parties entertain with them.

Neo-fascists insignificant

Under the Second Republic, openly neo-fascist activist groups have never been able to attain a significant importance. However they developed a significant press activity with the financial support of former Nazis. Their number has never gone beyond 100 militants, split into diverse groups incapable of reaching agreement. The left organizations prevented them having a presence in the universities, while they were regularly hit by dissolution measures resulting from the application of the anti-Nazi laws, which pre-

vented their consolidation and forced them to reappear under new names. Their attempts to recruit among football clubs and xenophobic rock groups failed because of the reluctance of these youth to submit themselves to a strict discipline. The situation changed in the late 1990s with the rise of racism in society as a whole.

During the labor shortage of the 1960s 'guest workers' were systematically encouraged to come to Austria. For the government and employers, but also for the trade union federation, the ÖGB, foreign workers were never considered as anything other than as a reserve army of labor. In Vienna for example, where the Social Democrats are dominant, local authority social housing is not available to non-Austrians. Social Democratic ministers of the interior over the past 30 years have regulated and limited the presence of 'foreigners'. It was former SPÖ minister Karl Schlögl who had the honor of uniting the various laws into a single code which could make Austria a solid component of 'fortress Europe' and guarantee the frontiers of the community with the Czech Republic, Slovakia, Hungary and Slovenia.

Haider's best man

This led to his being described by Jörg Haider as 'my best man in the government'. While Schlögl was minister a Nigerian refugee was killed while being expelled by police who had gagged him. The police also led an offensive in Vienna against Nigerian drug dealers - a great source of racist arguments. It could be said, then, that if racism and the rejection of foreigners have formed the basis of the electoral business of the FPÖ, the policy of the SPÖ in government has aided them. It is in this context that the neo-Nazi groups changed their social orientation in the direction of the mobilization of young workers and the unemployed. During 'defense exercises' these latter were trained in guerilla techniques. The Anti-parliamentary Opposition Faithful to the People (VAPO), with Gottfried Küssel at its head, became a pole of attraction. This latter was particularly active in 1990-91, during the breakup of the GDR. It prided itself on having given 100 interviews in one year, a media presence which exaggerated the real political weight of the VAPO. Küssel and other leaders were arrested in 1992, which was a blow to the activities of

the neo-Nazis. He was liberated in 1999 for good conduct, and it will be necessary to wait a little to know if he will resume his place.

The tragic apogee of their persecution of foreigners was a series of letter bombs in reaction to Küssel's arrest, as well as a bomb attack on a gypsy hostel which led to 5 deaths. The 10 letter bombs were sent to anti-racist journalists, foreigners resident in Austria, the former mayor of Vienna, Zilk, as well as the collaborators of NGOs and associations linked to the church, active in support for refugees. Although the messages and demands which accompanied the bombs, were a mixture of historic revisionism and anti-foreigner discourse typical of the far right, the authorities still spoke of a single 'deranged' perpetrator. Finally, a culprit named Franz Fuchs was arrested in 1998. The murderous attack on the gypsies mobilized tens of thousands of anti-fascists, democrats and left militants throughout Austria.

In 1947 the Alliance of Independents (VdU) was founded as the legal and democratic cover of the former Nazis. It should not be forgotten that in 1945 700,000 Austrians were still part of the NSDAP, even if membership was not always voluntary. Some SPÖ leaders supported the creation of the VdU because they expected it to weaken the conservative party, the ÖVP. It was out of this assembly of old and new Nazis, German nationalists and some 'liberals'¹ that the FPÖ was born in 1956. During its founding congress, the aforementioned 'liberals' quit, claiming that, "this congress was the confirmation of a 'seizure of power' prepared for a long time by a small circle of rightwing extremists and former Nazi leaders".

Most of the early leaders did indeed have pasts as active Nazis, but the FPÖ disguised itself as a 'party of the center'. During the 1964 congress, a turn was made with the intention of bringing the party out of isolation. The new leader, Friedrich Peter, a former SS member, said that 'nationalists and liberals have their place together in the FPÖ'.

A divided right

From 1970 onwards the party was particularly favored by the Social Democratic chancellor, Bruno Kreisky, with the intention of dividing the right. The leadership of the FPÖ reacted pragmatically without in any way changing its ideology. There were

indeed some resignations of old Nazis and an internal confrontation, but the party maintained itself. At the 1980 congress a showdown between the liberal wing and the nationalist wing ended with Norbert Steiger imposing himself as representative of the liberals. The representatives of the right (among them the young Jörg Haider) attacked the new leadership from the beginning, accusing it of being 'left liberal'. Steiger could not attain the goal he had set himself, namely ridding the party of its old Nazis. Nor was there any critical review of the past. In 1985, the FPÖ defense minister, Friedrich Frischenslager, who was presented as the liberal model, went to personally welcome the Nazi criminal Walter Reder at Vienna airport, greeting him with a handshake, thus rendering manifest the party's links with the Nazi past.

Offensive redoubled

The nationalists within the FPÖ redoubled their offensive against the liberal leadership. A game of secret negotiations and intrigues allowed Haider to take the leadership at the 1986 congress. The following year the liberals, including the former party presidents Friedrich Peter and Norbert Steiger, left the party. Although the FPÖ was still a member of the government coalition with the SPÖ, Haider adopted an aggressive oppositionist policy, which allowed him to push the electoral scores of the FPÖ up to around 20%. 'Foreigners' and 'the welfare of the retired' were the subjects, which exercised him most. In 1992-93, the FPÖ campaigned for a referendum with the aim of putting an end to immigration and worsening the situation of refugees and economic immigrants. Following this campaign, some FPÖ leaders left the party and founded the Liberal Forum (LIF). This latter defended a consistent neo-liberal economic policy, but its proposals in the area of women's and immigrant rights and on the cultural level won it some left sympathies. The LIF is for the right of gay marriage and the limitation of the prerogatives of the Catholic Church. In 1999, it did not get past the 5% barrier and it is no longer represented in parliament.

The opponents of this referendum were responsible for the biggest anti-racist mobilization that Austria had ever seen - 250,000 people took part. This referendum was a defeat for the FPÖ, which hoped for



"Sure of himself, unconventional and aggressive": Jörg Haider

1.5 million signatures and only obtained 417,000. The FPÖ announced that it would not yield. Several internal financial scandals in the party and public polemics between Haider and former allies did not damage the party any more than his declarations on National Socialism did. At the 1999 elections for the National Council, the FPÖ gained 27% of the votes and became the second party, some votes behind the SPÖ.

Until the 1980s, the FPÖ focused primarily on the right. Under the leadership of Haider, the electorate changed significantly. The party itself attracted above all young people in the liberal professions, managers and socially ascendant people. One could then speak of a party of yuppies. This fits in with Haider's image - he loves to turn up at sporting competitions like the New York marathon to give the impression that he is in form and ready to fight. His appearance is studied - he never wears a tie, which marks him out from traditional politicians.

The party only has about 55,000 members, small compared to the SPÖ (more than a million) or the ÖVP (500,000) in a country of 7 million inhabitants. There is no structure which allows militants or sympathizers to be active. Neither has the FPÖ succeeded in attracting the electors on a durable basis, as shown by the referendum for example. This stems from the fact that it positioned itself until then as an alternative for what were essentially protest votes coming from the SPÖ.

The FPÖ's votes come primarily from the petty bourgeoisie and the working class - one worker in two voted for it this time. However, the hard core of SPÖ partisans, the retired, the skilled workers and the

employees have not defected to the FPÖ - 100,000 of them did not vote in protest against the policy of the SPÖ. In Vienna, many voted for the Greens to show their opposition to the xenophobic course of their party, which allowed the Greens, who lead the antiracist campaigns, to become the second party in some neighborhoods.

Austrian authoritarianism?

Left psychosociologist Klaus Ottomayer has underlined the propensity of Austrians to submit themselves voluntarily to an authority. He sees here the explanation of the weak resistance to Nazism and the passivity of many who were not Nazis. The working class also falls into this schema of behavior. The system of comanagement and the policies of the SPÖ have also contributed significantly to this state of affairs. The SPÖ followed a paternalist policy which has been imitated by Haider - 'give us the power, we will look after your business for you' - this sums up the credo of the SPÖ and the ÖGB trade union confederation which is closely linked to it. From 'high' (the higher bodies) to low (the party fulltimers and the trade union delegates) this structure of authority functioned at full capacity. Kreisky was particularly typical of this fashion of dominating by authority. The critical elements inside the party were reduced to silence through pressure, denunciation as pro-Communist or expulsion. This was part of the political culture of the SPÖ and met with widespread approval.

When the Social Democrats were forced to abandon their policy of redistribution in the 1970s and became increasingly reliant on austerity measures which have

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been strengthened still further since the Maastricht treaty, workers did not react as in the other countries of Europe, with active resistance, but sought a personality who identified himself as Kreisky's successor, a man equally as sure of himself, unconventional and aggressive. Haider was this man. The polls confirm regularly that numerous electors appreciate Haider's 'strong opposition' but did not want him in government. This explains also the sense of shock in Austria, the widespread rejection of the ÖVP-FPÖ coalition and the sympathy shown for the demonstrations of recent weeks.

Today, the far right dominates the discourse and the practice of the FPÖ. This is expressed in the choice of candidates in elections and for decisive posts. The Documentation Center of the Austrian Resistance has been able to establish numerous points of contact between these personalities and far right extremism, which is now almost entirely concentrated within the FPÖ, with the exception of the neo-Nazi activists around Küssel or other groupuscules still intent on 'overthrow' through armed struggle. In many speeches and articles the FPÖ has identified itself with the 'social community of the people' and criticized the 'old parties' and the democratic system.

A strong state

Already in 1993 Haider had said in an interview, "in reality Austria is not a democracy which works, it is an authoritarian democracy on the road of development". Naturally Haider is for a 'strong state'. He denounces rampant criminality, the increase in drug trafficking and the waste of social benefits, due, in his view, in particular to foreigners. The antidotes are repression, toughening of penal procedures and strengthening of the police. The image of the woman also corresponds to far right conceptions - she should find her natural place in the family, have children and bring them up.

Haider is a man of the far right who has made the FPÖ into an instrument of the "Führerprinzip". It is he who dictates the line, as much on the ideological level as in day to day tactics. All is calculated - his declarations on the 'orderly employment policies' of the Third Reich, the presentation of the concentration camps as 'labor camps' and his declared sympathy for the 'sincere' men of the SS. The Supreme

Tribunal in Vienna has even recognized that the excuses that he is forced to offer are only 'operations decided by political calculation'.

Neoliberal economics

At the economic level, Haider is a pure neo-liberal. He has tried to introduce himself into economic debates with the 'flat tax', but without success. The decisions of the ÖVP-FPÖ coalition government for the first time lay clearly bare the contradiction between the role of 'defender of the little people' that Haider attributes to himself and his practice. Whereas one week before the change of government he still claimed that he would not accept tax increases, the program of the coalition envisages appreciable increases, which Haider has defended as 'necessary adaptations'.

Capital, in general, is not attracted by the FPÖ. Only some employers hostile to the trade unions, like for example Frank Stronach of the Magna group, support him. There are two reasons for this. Because of its restricted internal market, Austrian capitalism is extremely dependent on international relations. Also, it has benefited over the last 30 years from a social peace guaranteed by the Social Democrats and the integration of the trade union movement in the committees and structures of co-management at all levels. The participation of the FPÖ in the government is a nightmare for the employers: drying up of foreign investment, crisis of the tourism industry following the appeals for a boycott as in Belgium, a run on the Vienna stock exchange.

The FPÖ is today a party of the radical right which enjoys strong support from young electors in the working class. What it lacks is the capacity to organize itself broadly. The FPÖ's electors have no other means of political expression than voting for it. They are, to a great extent, protest voters who want Haider to carry on being an aggressive political oppositionist, but are in agreement with some parts only of his program. What makes the FPÖ dangerous is its capacity of adaptation, which means that a still greater radicalization cannot be ruled out. It is also true that this 'democratic' party recycles elements of the fascist program by rendering them presentable and debatable. It will succeed all the better in this the longer it remains in government.

In the 1970s the antifascist resistance

was primarily interested in the FPÖ. The Documentation Center of Austrian Resistance carried out a scientific analysis of the ideology of the party and other groupings, exposing relations between the FPÖ and the far right. At this time, the far left physically prevented the neo-Nazi groups from organizing in the universities. While polemics about exposed Nazi criminals appeared in the media, this did not give birth to a broad movement.

Anti-fascist takeoff

It was only with the Waldheim affair that the anti-fascist movement took off, with thousands of people demonstrating against the suppression of the Nazi past. New committees and groups developed, which are again playing a role in the current mobilizations. This movement experienced a new growth after the letter bombs and the attack on the gypsies with a number of demonstrations and a rally of 250,000 people in Vienna. The participants were essentially supporters of the left, Greens, Liberals, Social Democrats and Christians. A change of generation had come - a great number of school students and students participated. Since the formation of the new government, demonstrations have taken place uninterruptedly. While the parties were still negotiating, 12,000 people demonstrated in Vienna against racism, with the trade unions participating in the mobilizations for the first time. During the ÖVP-FPÖ negotiations, 15,000 people came onto the streets to demonstrate.

The antiracist movement hailed the sanctions decided on by the European Community, Israel and the USA, because they weaken the government. Since the new government came into power, demonstrations of young antifascists are taking place daily, to the applause of passers by. This sympathy is a totally new phenomenon. Demonstrations begin spontaneously in the afternoon and go on in the streets of Vienna until 2 am. Demonstrations have also taken place in several other towns, with extensive coverage. There is no indication of any end to this mobilization. ★

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1. The term 'liberal' in Austria refers to political currents originating in the 1848 revolution. They are not hostile to 'German nationalists' and support a measured economic neo-liberalism. They often play a progressive role on social subjects like gay rights, limitation of the influence of the Catholic Church, women's equality and cultural questions. They can be compared to the French Radicals.

SCHÄUBLE had accepted DM100,000 from the Bavarian industrialist and arms dealer Karlheinz Schreiber during the 1994 election campaign. He had then denied doing so before the German Parliament, the Bundestag, but was incapable of giving a credible version of the origin of this money and became entangled in contradictions with the account given by party treasurer Brigitte Baumeister.

The rapid decline of the authority of the party number 2 (after Kohl) reflects the deep crisis of this political current since the departure of the "Chancellor of German unity", which followed the electoral defeat of September 1998 and the change of government.

A multiple crisis

Schäuble was the sole party figure nationally recognized by all its components and in some ways its "ideologue in chief" - but since 1992 he was also leader of the parliamentary group, the man who negotiated the compromises between the wings and tendencies of the party, who provided the basis for Kohl to conduct his policies.

There is no longer any personality in the leadership of the CDU enjoying the same authority and experience as Schäuble. The crisis of the party is a multiple one: a crisis of leadership, of programme and of relationship with its members and the electorate.

The detonator of the crisis was the more or less fortuitous discovery in Switzerland and Liechtenstein of secret funds held by the party and its Hesse branch, in the course of enquiries carried out by magistrates in Paris and Geneva. In 1991, the investigators found evidence of a "gift" of DM1 million in return for the sale of 36 tanks from Bundeswehr (German army) reserves to Saudi Arabia.

This transaction was worth DM450 million, DM220 million of which was earmarked as a bribe for all those who had participated in the negotiations. The delivery of the tanks (an illegal act, since the supplying of arms to "regions of tension" is forbidden by the law) was voted through by a narrow circle within the cabinet, against the wishes of the then Foreign Affairs Minister, Herr Genscher.

Nobody knows how much money went to the CDU through various channels, but it is known that the Secretary of State at the

The CDU faces its deepest crisis ever

WITH the resignation of Wolfgang Schäuble from all his functions (the presidency of the Christian Democratic Party and the CDU-CSU parliamentary group), the crisis of the conservative CDU and the German right has come into the open

PAUL KLEISER*

Ministry of Defence, Agnes Hürland, received several millions, which she then transferred to the party. Some money, on the other hand (like the "payment" for the sale of the tanks), went directly into the pockets of intermediary members of the party.

After the affair came to light, journalists focused on the CDU's methods of financing, the protagonists of the scandal being the same as those in the "Flick affair" which had shaken Germany in the mid-80s. The former chancellor Helmut Kohl had been forced, when confronted with the facts, to admit that he had accepted some DM2 million between 1993 and 1998 - but the money was at his disposal and the sums were not registered in the party's financial report.

Moreover, he has never revealed the names of the donors, who were, according to him, "good friends". Between 1990 and 1992, the former chancellor had already personally received a sum of money which was undoubtedly higher.

Scandal deepens

After the Kohl affair, the scandal deepened in the CDU in Hesse. To understand these "affairs" it is necessary to review how the CDU has been financed since the foundation of the Federal Republic in 1949. The CDU has always - because of the federal structure of the RFA, but also because of the German tradition - been a kind of federation, where the branches of the Länder (the provinces) played an important role.

For a very long time, the centre in Bonn, headed between 1949 and 1963 by Chancellor Adenauer, was relatively weak. Above all, the party, with its 200,000 members paying derisory dues, was not "competitive" with a social democracy

which had four times more members and a much stronger discipline. Already, under Adenauer, the financing of the party involved "gifts" from the capitalist big bourgeoisie.

Adenauer's fundamental political conceptions involved the integration of West Germany in a western bloc with France, the Benelux countries and Italy, dominated by reactionary Catholicism and a ferocious anti-Communism. Thus, German unification was a recurrent theme of his speeches but played no practical role in his policy.

Resources needed

To pursue his political line against opposition both from social democracy and tendencies in his own party (led by Jakob Kaiser and Ernst Lemmer, from the Berlin group) who did not agree with his policy of a divided Germany, he needed considerable resources.

Adenauer thus approached Pferdenges - a Cologne banker who had become rich thanks to the "Aryanization" of Jewish goods - and Abs, the chief executive of the Deutsche Bank, condemned to 10 years in prison because of his collaboration with the Nazis, but freed at the beginning of the Cold War.

The third thief in this illustrious circle was the Minister without Portfolio and official reporter of the (racist) Nuremberg laws, Hans Globke, who received the contributions. The president of Germany's industrialists, Fritz Berg, also ensured the CDU's massive subvention by big German capital (the CDU's coalition partner, the liberal FDP party, also received funds).

But in 1958 things had to change, since the Supreme Court in Karlsruhe forbade this kind of direct financing of (bourgeois) parties - the judges saw it as a profound violation of equality of chance in the elec-

★ Germany

tions. The bourgeois parties then founded a "public utility foundation" in Rhineland-Palatinate - the Staatsbürgerliche Vereinigung (SV). The official objective was the training of young cadre in politics and industry, as well as the mastering of scientific techniques that could help with political decision-making.

The young Helmut Kohl was head of the parliamentary group of the CDU in Rhineland-Palatinate in the 1960s and he became Prime Minister of the province in 1969. Throughout, he kept a vigilant eye on the money coming in from the SV. On several occasions, he intervened to prevent the legal authorities from taking too close an interest in the accounts of the SV. Between 1969 and 1980, the SV was able to collect some DM250 million, the great bulk of which was diverted to the CDU, with the rest going to the FDP and the SPD.

Following the Flick affair (this trust had contributed enormously to the success of the SV, but it had also organized its own secret funds to influence political decisions), when several managers and politicians were condemned by tribunals, this kind of party financing became impossible and the SV was dissolved. The courts seized a part of the "treasure", but some DM13 million ended up in the CDU's accounts, in Switzerland and in Liechtenstein.

Finance law changed

In 1994, the law on party financing was amended with the agreement of the parties of the CDU. Henceforth, secret funds would no longer simply be confiscated by the administration - any party that organized or tolerated such practices would have to pay a sum equivalent to double the amount to the state. If this law were applied strictly against the CDU, the party should repay around DM700 million, which would surely bankrupt it (its annual budget is in the order of DM250 million). Obviously, the other parties, SPD and PDS included, have no interest in such a destabilization of the political situation in Germany.

But the first demand from the administration of the Bundestag, which concerns the year 1998 alone, is for DM41.3 million. And there remains another black hole, namely the affair of the sale of Leuna chemical complex in the former GDR to the French company Elf-Aquitaine - in this

case bribes amounting to an estimated DM80 million were paid. Nobody knows, moreover, if it is the CDU itself or merely party members who received the money and how much they got - the documents relating to this affair have disappeared from the Chancellery.

Since its foundation between 1945 and 1949, the CDU was never simply a party, but in a way a confederation of parties. The name "Union" was chosen through a desire to end the division of the Christian political field - before the Third Reich, there had been the Centre Party (Catholic) and several Protestant parties.

Christians unite

Catholics and Protestants united in a single party against the "atheistic" currents, namely the Nazis and the Communists - this new party would integrate political Catholicism, liberal Protestantism and bourgeois conservatism (with the exception of the nationalists who for the most part joined the FDP). But the spinal column of the CDU was definitely Catholicism. Even today, some 75% of practicing Catholics vote for the CDU, although this amounts to a category in permanent decline. Of the 200 CDU-CSU deputies in the current Bundestag, 125 are Catholic.

Christianity was a kind of lowest common denominator for an organization which brought together in its ranks small and big farmers, merchants, artisans, petty and big bourgeoisie, civil servants, housewives and pensioners. The CDU was (and remains still) an interclass party. In this respect, the CDU is the heir of the Centre during the Empire and the Weimar Republic.

After the war of 1870-1871, which ended in German unification and the foundation of the Empire under Prussian domination, the ultramontane Catholics entered into conflict with the new Protestant regime in Berlin. The emperor and his Chancellor Bismarck did not wish to tolerate a double identity, with Berlin and Rome. Hence Bismarck unleashed the "Kulturkampf" (cultural struggle) against the Catholics of the Reich to repress the power of the Church. This struggle provoked a wave of self-organization and politicization of Catholicism and the emergence of a Catholic party, the Centre. The consequences are felt to this day.

After the First World War and the rev-

olutionary crisis of 1919, the Centre became - with the Social Democracy and the liberals "of the left" - one of the pillars of the Weimar Republic. The Centre (and in Bavaria the Popular Bavarian Party) was based on the Catholic milieu with its abundance of very heterogeneous groups, organizations and structures, relatively independent and autonomous. To encompass social layers which were so different and with such divergent interests, a policy of negotiation and compromise was necessary, which was developed during the 1920s and from which Adenauer's CDU greatly profited after the war.

But the Centre and the CDU of Adenauer were not mass parties - apart from the deputies and councillors, it was primarily notables who were organized in it. The Catholic milieus, and to a lesser extent some Protestant milieus, were often mobilized during elections with the assistance of clerics - only to return to their homes afterwards and continue their cultural or community activities. There was a Catholic milieu, but it was decentralized, localist or regionalist. From 1949 to 1994, the CDU-CSU always defeated its principal rival, the Social Democratic SPD, at federal elections, with the sole exception of 1972, when Willy Brandt led an SDP-FDP Social-Liberal coalition to power.

Economic miracle

In the post-war period the Union was identified with the formation of the "free" federal republic, with the integration of 12 million refugees coming from Eastern Prussia, Silesia and the Sudetenland (which had become part of Poland and Czechoslovakia) and with the "economic miracle", whose architect was Ludwig Erhard, the representative of Protestantism in the Union.

However, during the 1960s, the leadership of the CDU did not understand that the policy of detente between the USA and the USSR could undermine the foreign policy of the FRG (which broke diplomatic relations with any country sending an ambassador to East Berlin). The radicalization of youth in the second half of the 1960s also frightened the CDU and its "happy medium". All these events led to splits in the conservative camp with defeat in the elections as a result. For a party which was virtually addicted to power it was a profound shock.

During the 1960s, Helmut Kohl was

regarded as a "Young Turk" in his party. In 1967, he wrote that "if one studied the CDU scientifically, one would discover that it did not amount to a democratic party". He organized around himself a circle of intellectuals with the goal of modernizing the CDU and making it into a party of members.

He was much helped by the big wave of politicization in the 1960s and 70s. Rainer Barzel, CDU leader from 1969 to 1973, tried everything to bring down the SPD-FDP coalition - with the help of money and posts, some FDP deputies were integrated in the parliamentary fraction of the CDU.

All seemed ripe for a return to a coalition dominated by the conservatives. But Barzel failed in his attempts and lost the elections. In 1973, Helmut Kohl was elected president of the CDU with a big majority.

Under the leadership of Kohl, supported by the "modernizer" Biedenkopf and the social Catholic Geissler, a reorganization of the party began. In 1971, the CDU had 329,000 members, in 1977 664,000, and at its apogee, when Kohl won the 1983 elections, 735,000.

The party had won some (petty) bourgeois Protestant layers who were shocked by the revolt of the students and the "socialist" discourse of the young members of the SPD. With the 180,000 members of the Bavarian CSU, the Union came to equal the SPD of the time.

Not only did the CDU become a party of members, but the internal structure also was changed; the "loose groupings" of notables were replaced by a bureaucratic structure and an apparatus, which was capable of organizing political campaigns. But the fundamental traits of the programme remained the same, the CDU remaining very much opposed to the new "Ostpolitik" of Brandt/Scheel or Schmidt/Genscher.

Freedom or Socialism!

In 1976, Kohl was for the first time a candidate for the Chancellorship. His campaign slogan was typical - "Freedom or Socialism!". With 48.6% of the votes he almost gained an absolute majority of seats in Parliament.

But it was the neoliberal wave and the change of conjuncture that led to the FDP's decision to throw in its lot with the CDU. In 1982 the Schmidt government was over-

thrown by a motion of censure and Kohl was elected Chancellor. At the end of the 1980s, his regime became fairly unpopular, even in the ranks of his own party, not only because of his policy of austerity, but also because of the financial scandals which began to emerge.

At the CDU congress of 1989, the "modernizing" wing around Süsmuth, Geissler, Biedenkopf, Späth and others prepared a coup against Kohl with the aim of replacing him by the prime minister of Bade-Württemberg, Lothar Späth.

But with the growing number of refugees coming from the East and the opening of the frontier between Austria and Hungary, the discontent rapidly died down - the party did not want to "change horses in midstream".

Because of the upheaval in the world situation and the break-up of the Eastern bloc, Kohl became the "Chancellor of German unity", with his regime within the party becoming more and more autocratic.

The dangerous victory

After the (narrow) CDU victory in the 1994 elections, Heiner Geissler called his new book *The dangerous victory*.¹ In analyzing the results, he came to the conclusion that the CDU was in the process of losing its structural majority in society. The CDU had won the elections thanks to pensioners and to workers from the former GDR - Geissler saw very clearly that a rapid change of attitude among the elderly and the loss of confidence in the GDR would reverse the situation, which was effectively what happened 2 years later with the victory of Schröder in 1998.

But the process which would shake the CDU the most was the phenomena of globalization of capital and the loss of the "hereditary" enemy to the East. Globalization produced a major rupture within the CDU between the "Internet generation" and the "happy medium", between the winners and the losers of capitalist modernization (above all in the petty bourgeois milieus).

It became very difficult to combine a discourse on security, which also included social security, with a discourse on modernization and progress, where the aim is to dismantle the system of social protection and public services and where the traditional petty bourgeoisie are being asked to adapt themselves to the transformations caused by global competition. The grass

roots structures of the CDU are increasingly depleted, with political meetings being replaced by media spectacle.

Schäuble had tried, starting from the 1990s, to fill the ideological vacuum by a more nationalist discourse. He philosophized on the necessity of stabilizing an established order (and order for him means nation-state), through a reintroduction of traditional values - according to him, individuals must subordinate themselves to the people and to the Nation. "Without a developed civic spirit, a strengthened sense of duty, a consolidated devotion to the community, a liberal state cannot endure".

This nationalist turn led to the blackmail exerted against the SPD to make it accept an amendment of the constitution concerning political asylum seekers. This right was practically abolished. But nationalism rapidly came up against European integration, reinforced by the introduction of the Euro, which massively tore apart the petty bourgeois milieus.

The most damaging development for the CDU was probably the loss of a great part of the young leaders of the Catholic movements. Since the 1970s, these leaders were often involved in the anti-nuclear campaigns (the struggle began exactly 25 years ago at Wyhl near Fribourg) or in the multiple ecological struggles, as well as in the big waves of pacifist movements against the arms race. A good part among them joined the Greens.

Patent careerism

Now, social Catholicism is virtually a dead letter in the CDU. The young personnel of the party are characterized by an absence of social base and by patent careerism. None of these young leaders has proved that they would be capable of integrating the different currents of conservatism. Already, an intense struggle is underway for the succession to Schäuble at the head of the party, but without a really credible candidate. Kohl's 25 years as head of the party weighs heavily. In this situation, a reactionary populist like Haider would have some chance of making inroads into the electorate of the CDU (and of the SPD). The least that can be said is that the future of the CDU is more sombre than ever before. ★

Paul Kleiser is editor of the bimonthly *Sozialistische Zeitung - SOZ*.

1. Heiner Geissler, *Gefährlicher Sieg. Die Bundestagswahl 1994 und ihre Folgen*, Köln 1995.

MAKE ASIA NUCLEAR FREE!

MORE than 150 activists and scholars from 14 countries of South Asia, Southeast Asia, East Asia, and North America met in Dhaka, Bangladesh on February 18-20, 2000, in the first regional nuclear disarmament conference to be held after India and Pakistan conducted their tests in May 1998. The Conference was organized by Focus on the Global South (Bangkok and Mumbai) and the Community Development Library (Dhaka).

The Dhaka Declaration (http://www.focusweb.org/nuclear/dec_nuc.htm) issued by the Conference stated in part: "By conducting nuclear tests in 1998, embracing the doctrine of deterrence, and undertaking the development of nuclear weapons and their delivery systems, India and Pakistan have gravely endangered their own and the region's security and set back the global nuclear disarmament agenda. This nuclearization imitates hegemonic states whose nuclear weapons represent the gravest danger to global security.

It is imperative that India and Pakistan cease all activity pertaining to the development, manufacture, induction or deployment of nuclear weapons and ballistic missiles. They must immediately dismantle these programmes and sign the Comprehensive Test Ban Treaty and other restraint measures as steps towards nuclear disarmament, and as part of their return to the global disarmament agenda."

The Plan of Action (http://www.focusweb.org/nuclear/poa_nuc.htm) adopted by the Conference specified the elements of a freeze of the Indian and Pakistani programs. The Conference called for the Permanent Five nuclear weapon states (United States, Russia, China, France, United Kingdom) to honor their disarmament obligations under the Nuclear Non-Proliferation Treaty and the 1996 opinion of the International Court of Justice. The Plan of Action called for South Asian activists to support global nuclear disarmament, and in that context to work towards a South Asia Nuclear Weapon Free Zone.

Members of the Conference also expressed a desire to work with the Abolition 2000 Global Network to Eliminate Nuclear Weapons. The Conference also adopted three resolutions and concluded with what was probably the first ever two-in-one demonstration in Asia at the Indian and Pakistani missions in Dhaka. ★

Many of the papers delivered at the Conference are available at http://www.focusweb.org/nuclear/key_docu/index.html. See also <http://www.lcnp.org/disarmament/dhakatalk.htm>

APOLOGIES

for the non-appearance of *International Viewpoint* in March - this was occasioned by the cash-flow difficulties mentioned in the previous 2 issues and some logistical problems of editorial transition. We've dispensed with some of the usual items in this issue in order to squeeze in as much analysis as possible to make up for the time we've missed and we hope you're pleased with the results. Many thanks to those readers who have responded to our financial appeal with generous donations, especially readers in Canada, Japan and Hong Kong who have made generous donations and IV supporters in Greece who organised a fete in support of the magazine and raised a substantial sum of money. A fuller list of thanks will appear in the next issue. We hope that you won't have to miss any more issues of *International Viewpoint* in the future, but please keep the contributions to our solidarity fund rolling in to the address given on the subs form below - US\$ and GBP cheques payable to "International Viewpoint", C\$ cheques to "Socialist Challenge" and A\$ cheques to "Solidarity Publications". Thank you once again for your continued support!

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Editor and director: Yannis Felekis, Eressou 34, 106 81 Athens, Greece. Printed by Ioannis Kotsatsos & Cia, Marinou Antipa 4, 163 46 Ilioupoli, Greece. Distributed by Spartakos, Eressou 34, 106 81 Athens, Greece, tel. (30) 01/3300675. Published under the auspices of the Fourth International. Signed articles do not necessarily represent the views of the editors. ISSN: 1294 2925. A monthly analytical review published by International Viewpoint, Dept 303, 255 Wilmslow Road, Rusholme, Manchester M14 5LW, Britain. e-mail <International -Viewpoint@compuserve.com>