

**Socialist
Action**

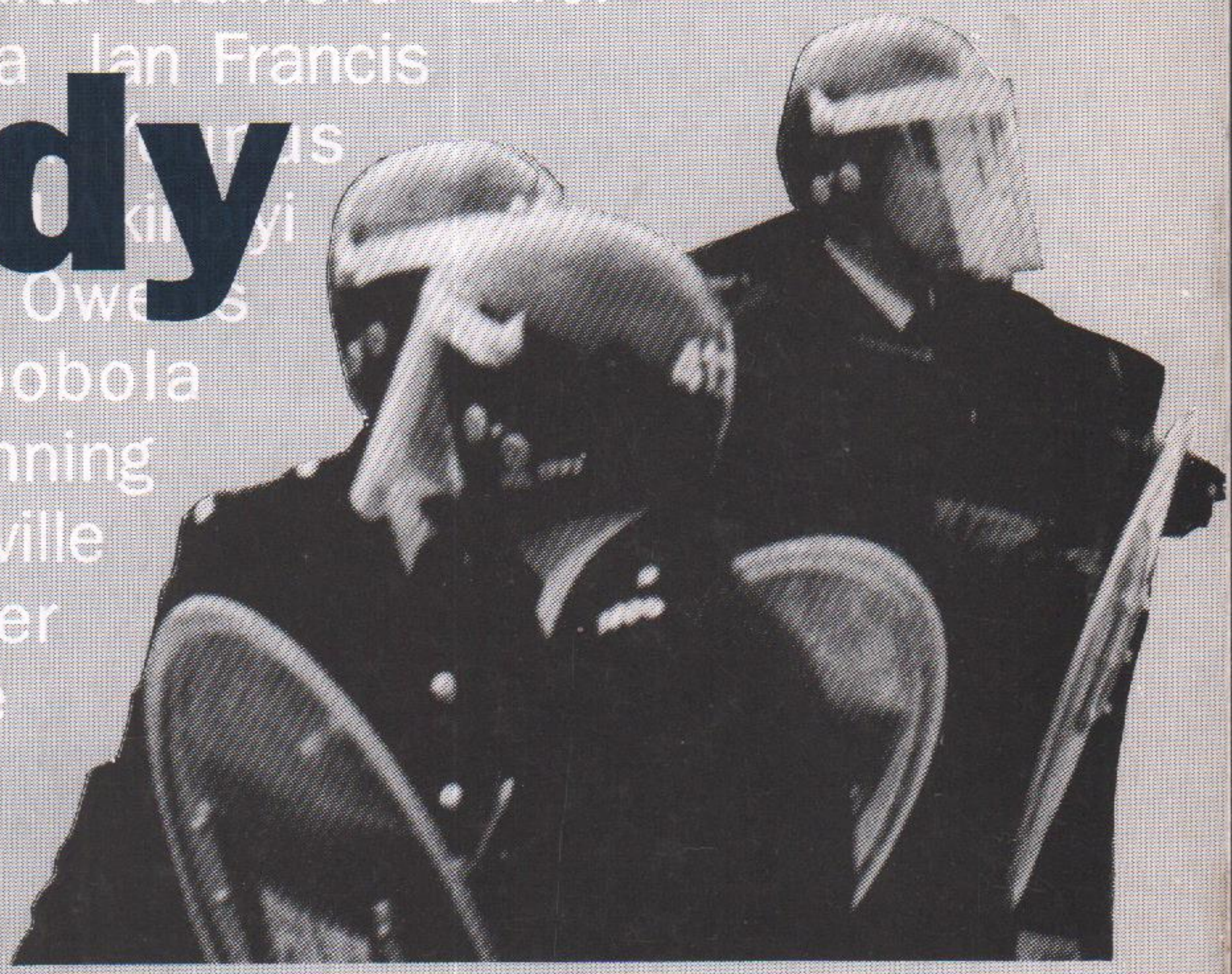
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Review

Ban CS gas
Ban long batons

Adelaja Armando Belonia Bahader Singh Oakley Ramsey
 Wesley ... Singh Atwal Derek Stephen
 ... Wynne Tobison David 'Duke'
 Daley Nicholas Bramble Vincent Graham Jamie Stewart Edwin
 Carr ... Romany Cho lyugive Germain Alexander Kimpua
 ... Asla ... Delroy
 ... Patterson Sohan Sangera Joy Gardner Kwanele Eldah Siziba
 ... Harris Joseph Nn ... Oluwashiji (Shiji) Lapite Tyrone
 ... Dav ... Andrew Ohene
 ... Commock James Segawa Ian Francis
 ... Turan Pekoz Carl Owens
 Oluwafeyisola Akinbobola
 Norman Washington Manning
 Anthony Lloyd Powell Orville
 Blackwood Mark Fletcher
 Munir Usef Mojothi Jerome
 Scott Rupert Marshall
 Brian Douglas Wayne
 Douglas Ibrahim Sey

Another black death in police custody



- Ireland — How Blair helped the Tories wreck the peace process
- The politics the left needs
- Next steps for the anti-racist movement
- Supplement — Lessons of the Chinese economic reform

Comment

US reverts to gunboat diplomacy against China

In its biggest military deployment in Asia since the Vietnam war, the United States despatched two nuclear-capable aircraft carrier battle groups to the coast of China at the beginning of March. Contrary to the claims of the propaganda blitz routinely associated with such operations, this piece of gunboat diplomacy had nothing to do with 'the defence of democracy'. Since the Chinese revolution in 1949, the US has used force to maintain a capitalist dictatorship in Taiwan.

Nor is the issue national self-determination. At the end of the second world war the allies restored Taiwan to China after 50 years of Japanese occupation. In 1949 it was seized by the remnants of the capitalist Kuomintang army fleeing the Chinese revolution and a regime installed which has claimed sovereignty over the whole of China ever since. There was no dispute that Taiwan was part of China. At issue was which *class* should rule China as a whole.

US imperialism has a direct interest in *that* question. The second world war was fought in Asia to determine whether the US or Japan would take over from the European empires in the region.

A series of socialist revolutions — in China, Korea and Vietnam — disrupted US plans. The US intervened in the Chinese civil war, in Korea and Vietnam to try to halt that tide of revolution. Taiwan, like Japan and the Philippines, provided one of the bases from which Washington conducted these operations. It was accurately described by Douglas MacArthur, US commander in the Korean war, as the US' 'unsinkable aircraft carrier' off the Chinese coast.

Having been defeated in China and Vietnam and fought to a standstill in Korea, the strategic objective of the United States is to overturn the revolutions in those countries. That is why it continued to recognise the Kuomintang regime in Taiwan as the government of the whole of China for more than 20 years after 1949.

Diplomatic recognition was only extended to the Communist Party government in Beijing in 1979 following Nixon and Kissinger's grand strategy of exploiting the split between China and the Soviet Union to de-rail the Asian revolution and isolate the USSR.

Even then, while it withdrew recognition to Taiwan, the US pledged to defend it and arm it as an insurance policy against any rapprochement between the Soviet Union and China.

The recent US policy of upgrading relations with Taiwan, allowing its president to visit the US in 1994 and open discussion about recognising it as an independent state with its own seat at the UN are designed to put pressure on China.

With the dissolution of the Soviet Union, the strategic alliance with China, concluded by Nixon, became less significant. The US government is perfectly aware that capitalism is not being restored in China, and of the potential threat from its phenomenal economic growth to US dominance in Asia. Furthermore, since the end of the 1980s there have been signs that China might entertain closer relations with Russia. In the event of a Communist Party government in Russia, a renewal of Sino-Russian relations would be a real option of enormous benefit to both countries. This is openly proposed by the left in Russia. Such a shift would change the entire balance of class forces for the better throughout the world.

The current US gunboat diplomacy off the Chinese coast is designed to warn China of the military and economic price which the US would try to exact for any realignment with Russia. The threat is that a US military build-up and economic sanctions against China would destroy the country's economic reform and plunge it into crisis.

The US show of force in Asia must be totally opposed.

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Lessons of the Chinese economic reform

How Blair helped Major wreck the Irish peace process

The IRA ceasefire on 31 August 1994 provided the best opportunity for peace in Ireland for 25 years. That opening was destroyed by the British government's refusal to convene the all-party talks which it had promised would take place within months of a cessation of violence. In blocking talks the government hid behind the Unionist Parties' refusal to engage in discussion about an overall settlement. The Unionist parties' motivation was clear: their entire position rests upon the maintenance of a system of discrimination against nationalists which is the foundation stone of the northern Ireland statelet. Their sole concern is to maintain that status quo.

But the British government's claim that the Unionist veto over political progress is unmovable is fraudulent. When it has suited London's political interests it has acted with total disregard for the views of the Unionist Parties. Britain withdrew from 26 of Ireland's 32 counties amid a storm of Unionist threats. Stormont was abolished in 1972 in the face of Unionist howls of protest. The Anglo-Irish Agreement was enacted in 1985 in the face of a solid wall of Unionist opposition.

The British government can face down the opposition of official Unionism when it wishes to do so because British financial and military resources have always underpinned the Unionist position. Unionism stands for a protestant ascendancy based on the constitutional link with Britain. But a few hundred thousands Unionist voters cannot impose that link if Britain decides it is time to end it.

Today only 17 per cent of British voters believe that northern Ireland should remain part of the United Kingdom. If the British government made clear that those wishes of the British electorate were going to be respected, then those who presently give their allegiance to Unionist parties in the north of Ireland would have no alternative but to sit down with the representatives of all of the people of Ireland and negotiate a common future.

It is because the bottom line for the Unionist Parties is that there must be no change to correct the anti-nationalist discrimination built into the foundations of the northern Ireland state that the IRA ceasefire was experienced by those parties, not as a step forward, but as a defeat. The ceasefire immediately clarified that the military campaign of the IRA was a symptom, not the cause, of the conflict in Ireland.

It had been preceded, and made possible, by a profound political evolution of Irish republicanism. The armed struggle had originated when Loyalist thugs backed by the Royal Ulster Constabulary and B-specials tried to terrorise the nationalist community into abandoning its peaceful campaign for civil rights at the end of the 1960s. The intervention of the British army, internment, Bloody Sunday, shoot-to-kill policies, the absence of trial by jury, the maintenance of employment discrimination and all of the other injustices over the past 25 years, simply enhanced the IRA's appeal to a section of the nationalist community in the Six Counties.

But over these years the politics of the republican movement went through a profound evolution. The critical turning point in this was the hunger strikes in 1981. Sinn Fein came to recognise that mass struggle, in the form of demonstrations and other mass protests, had a critical role to play. Furthermore, it became obvious that the basis of

participation in such activity could not be restricted to those who supported the armed struggle. It had to include everyone who supported the modest demands of the hunger strikers to be recognised as political prisoners.

Arising from the massive mobilisations throughout Ireland in 1981, it became equally clear that the consolidation of that struggle required intervention into the political arena. Bobby Sands was elected to Westminster with 10,000 more votes than Margaret Thatcher. Two more prisoners were elected to the southern Irish parliament, the Dail.

Sinn Fein was transformed through this process into a mass political party enjoying the support of 35 per cent of the nationalist community in the north. Southern Irish politicians and the British government were seriously worried that it might also make an electoral breakthrough into the south. The material basis for this was the way in which the entire economic and political development of southern Ireland had also been distorted by its previous colonial relationship with Britain and then partition. One figure clarifies this — the net outflow of repatriated profits, dividends and interest payments out of the southern Irish economy amounted to 10.5 per cent of its total economic output in 1992, a figure greater than most Latin American countries. Thus southern Ireland is not simply another capitalist country, it is a state which continues to be marked to this day by its unequal relationship with British imperialism.

As a result of the hunger strikes, international support developed dramatically, particularly in the United States. In Britain the activity of the GLC broke through the intimidation of the Irish community which had followed the 1974 Birmingham bombing and the Prevention of Terrorism Act. The Labour Party adopted policy in support of Irish unification, though subject to a Unionist veto.

The 1985 Anglo-Irish Agreement was the response of the British and Irish governments to this dynamic. Its purpose was to enlist Dublin in undermining support for Sinn Fein by indicating an alternative route to social justice for the nationalist community in the Six Counties. That is, Dublin would become involved, on the one hand, in helping to police the border against the IRA and, on the other, in working to eliminate discrimination in northern Ireland. But nothing changed and so, while Sinn Fein did not make an electoral breakthrough in the south, its electoral base in the north remained solid.

Sinn Fein responded to the London/Dublin axis by developing its own strategy. It began to seek the means to engage all of the parties in Ireland which claimed to support the aspiration for Irish unity in an agreed basis to pursue that objective. This required making clear that the objective was a peaceful settlement in which all of the traditions in Ireland could agree on how they would live together without the British presence.

This whole evolution of Sinn Fein necessitated re-assessing the politics of Irish republicanism. It was specifically recognised that the primary axis of the struggle for national independence, unity and democracy in Ireland, must be *political* and that all other methods were subordinate parts of an overall political strategy. This made the IRA ceasefire possible.

The agreement with the bourgeois nationalist parties north

and south — which in practice had long since abandoned the struggle for Irish independence and democracy — on the objective of Irish self-determination made possible a united campaign to force the Unionist Parties to engage in negotiations with all of the parties in Ireland. Where Sinn Fein differed from Dublin and the SDLP was in that it rejected the Unionist veto over Irish unity.

Throughout the period of the ceasefire, it was Sinn Fein which had the political initiative, while the Unionists and British government demonstrably blocked the dialogue without which any settlement was impossible. The republican movement did not abandon the national struggle, it pursued it by other, *political*, means.

The ending of the IRA ceasefire, following John Major's rejection of the Mitchell report, was greeted with delight by Unionist politicians. Although the British government, then, for the first time, to set a date for all-party talks — sufficient let-out clauses remained to fuel suspicions that it would find excuses to continue to postpone them indefinitely.

The British Labour Party was in a position to have broken this logjam. If the Labour leadership had declared that it would convene all-party talks, without preconditions, as soon as it took office after the general election, that would have provided a guarantee to the republican movement that political progress could be achieved down the route urged upon it by the Sinn Fein leadership. It would also have forced the Unionist Parties to weigh up whether it would not be

better to get the talks off the ground before Labour came to power, because their parliamentary leverage over the Conservative government might no longer exist in the next Westminster parliament. But instead of contributing to the peace process in this way, Tony Blair tail-ended John Major at every decisive point.

As we go to press, a debate has obviously opened up within the republican movement. The Sinn Fein leadership has urged a new ceasefire. The IRA has so far rejected this. As a result the British government has been able to resume its previous strategy of detaching Ireland's bourgeois nationalists from Sinn Fein in order to create a united front against Irish republicanism. The Sinn Fein leadership correctly see that the only way around this is to resume the strategy of the primacy of *politics* which has made them the driving force of the Irish peace process.

The lesson for the British labour movement is simple. If it had fought the Tory Party's obstruction, demanded all-party talks without further preconditions, and made clear that it expected a Labour government to act on this after the general election, it could have tipped the balance in favour of peace and justice in Ireland. By not doing so it has helped the Tories to sabotage the peace process, failed to oppose the PTA and effectively abandoned its policy of Irish unity. The task of the left in the trade unions and Labour Party is to now ensure that entire disastrous course is reversed.

Stop the deaths in police custody — ban CS gas

CS gas sprays, in use by the Metropolitan Police for an initial six month trial period, claimed their first victim only 16 days after they were issued. Twenty-nine-year-old Ibrahim Sey has become the latest in a long line of black people to die in the custody of the Metropolitan Police. Recent deaths, including those of Joy Gardner, Brian Douglas, Shiji Lapite, Wayne Douglas and Ibrahim Sey, have produced an outcry in the black community. The response of the Metropolitan Police has been to attempt to silence opposition by, on the one hand, smearing black organisations which have campaigned against police violence and, on the other, to issue new, more lethal equipment, particularly the US-style long-handled batons and CS gas.

Ibrahim Sey's death came only hours after the report of the

United Nations Committee on the Elimination of Racial Discrimination noted with 'serious concern' that disproportionate numbers of black people die in police custody and black people are disproportionately affected by police brutality, and called for independent investigations into such cases. The labour movement must unite with the black community to call for these recommendations to be implemented, for the immediate withdrawal of CS gas and long batons and for the prosecution of police officers responsible for deaths in police custody. The freedom of speech of black organisations, such as the National Black Caucus, which have articulated the crisis in relations between the police and the black community, must be supported by the entire labour and anti-racist movement.

A turn in the world economy

The rise in long term interest rates throughout the world since the beginning of 1996, and the turmoil on the Wall St stock exchange in March, marked a turn in the world capitalist economy. They showed that any expansion of the world economy encounters a shortage of capital which produces rising interest rates and falling stock markets, choking off recovery.

The underlying cause of this situation is that the United States can only finance its own investment by drawing capital, to the tune of \$150bn in 1995, from the rest of the world. This creates an international shortage of capital. The main source of the US' capital imports is Japan. But Japan is unable to indefinitely sustain both its own economy and the US. As a result

Japanese interest rates began to rise during the last three months of 1995 eventually provoking the crisis on Wall Street.

Within Europe, the shortage of capital means that any economic expansion will be shortlived. This is shown by the slowdown now hitting the European economies. The attempts by governments to cut government spending to meet the Maastricht criteria merely make the situation.

For Britain, where long term interest rates have been rising in spite of government cuts in short term rates, it means no major recovery of the economy is going to take place. That means Labour is likely to win the next general election, but face an economic mess for which Blair and Mandelson have no solutions whatsoever.

Next steps for the anti-racist movement

During the past year the government's Asylum and Immigration Bill and a series of deaths in police custody presented fresh challenges to the anti-racist movement. These were met in sharply contrasting ways. Black and anti-racist forces linked through the National Assembly Against Racism responded by launching the broad-based Campaign Against the Asylum and Immigration Bill which organised the 30,000-strong demonstration against the Bill on 24 February. This has been a model of the broad-based unity in action needed if the anti-racist movement is to be successful.

The only national anti-racist group to boycott the 24 February demonstration was the Anti-Racist Alliance.

In a paper to the National Assembly Against Racism on 9 March, Kumar Murshid explained that when the asylum and immigration legislation was announced last April the National Assembly Against Racism immediately set about creating a broad and united response, which would be necessary to attempt to defeat the government's proposals.

The Bill is an attempt to shift Britain's asylum measures and the status of the black communities in Britain onto the European model of internal policing. France has an aim of deporting 24,000 black people a year and people not born in France can be deported if they commit a criminal offence. Across Europe more than 16 million black citizens are denied citizenship rights, including the right to vote. In Germany millions of black people whose families may have lived in Germany for generations are disenfranchised, German citizenship and the right to vote being considered a matter of 'blood'.

The Asylum and Immigration Bill would shift Britain in this direction by:

- greatly restricting the possibility of gaining asylum in Britain — even further than the very restrictive provisions of the 1993 Asylum and Immigrations Appeals Act. Those countries on the 'white list' of supposedly safe countries, together with asylum seekers who have passed through other EU states to get to Britain, and those who did not claim asylum at the port of en-

try to Britain will have a dramatically reduced right to asylum.

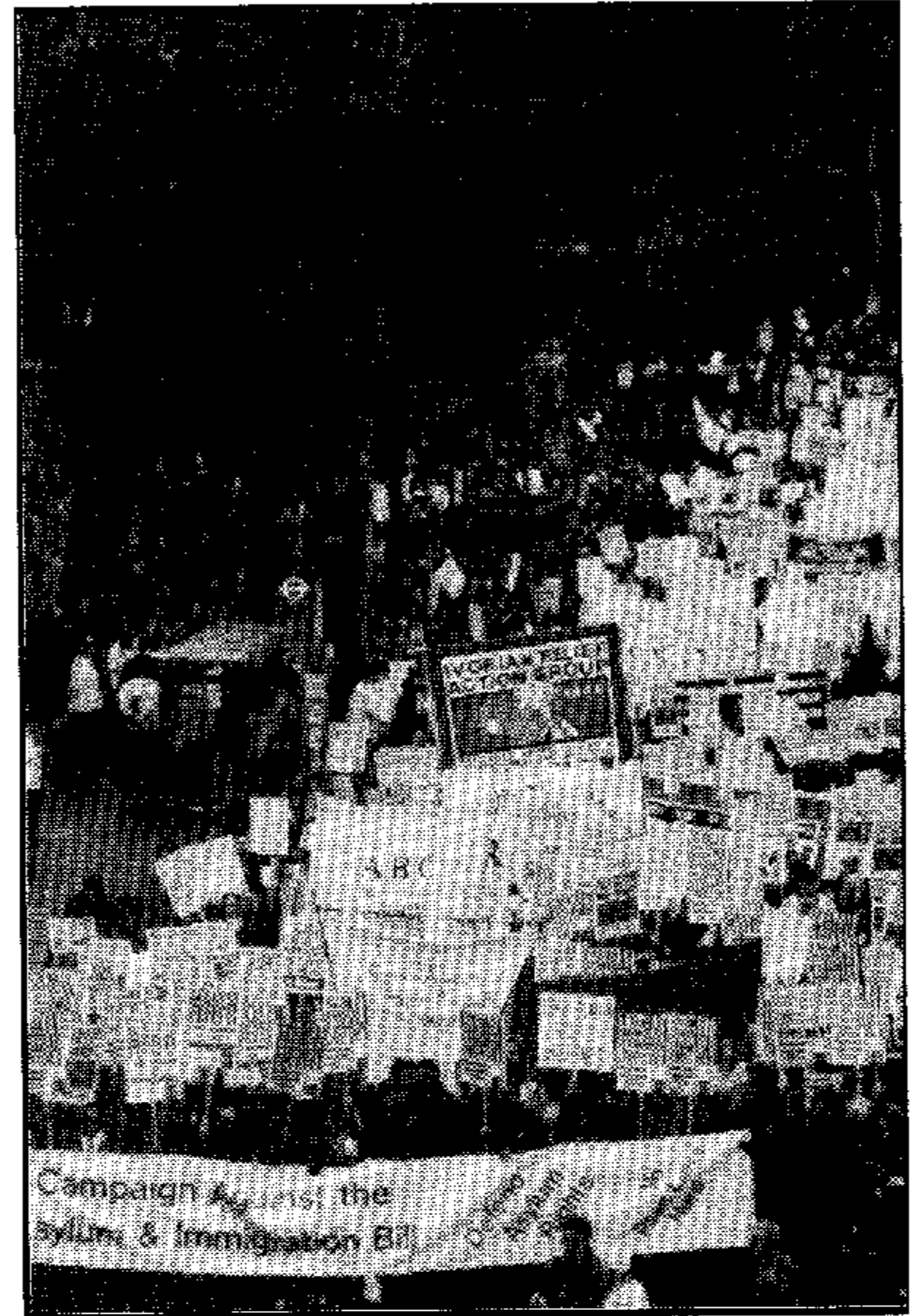
- removing the right of most asylum-seekers to receive housing and other benefits.

- changing the legal status of around two million black residents of this country through the creation of a legal category of 'immigrant', to whom the Home Secretary will have the right to deny benefit and housing rights, without reference to parliament.

The Bill's intention of making employers criminally liable for the immigration status of employees will fuel racist discrimination in employment.

The government is whipping up racism from which they hope to reap electoral benefits. The Labour Party's response has been to oppose the Bill in the mildest manner possible, earning the praise, for instance, of the government's spokesperson on the Bill Ann Widdecombe, who, at the end of the Bill's committee stage said 'I thank the Opposition for giving me an easy time, for which I am extremely grateful'.

The Asylum and Immigration Bill also dovetailed with the increase in racist policing of the black community. In July last year Paul Condon stated that the majority of street crime was carried out by young black men when he launched 'Operation Eagle-Eye'. No one has been brought to justice for a series of deaths of black people in police custody to justice. A witch-hunt was launched against the *Voice* newspaper and the National Black Caucus, both of which articulated the the black communities' protest



against deaths in police custody.

In this light the forces allied in the National Assembly Against Racism understood that the campaign against the asylum and immigration measures was the next challenge to the development of the anti-racist movement, and that the broadest and most united alliance was needed to oppose the measures, including to create pressure on the Labour Party to repeal the Bill if passed.

Together with organisations like the Churches Commission on Racial Justice, Liberty, trade unionists, refugee organisations and MPs like Diane Abbott and Ken Livingstone, the National Assembly launched the Campaign Against the Asylum and Immigration Bill in July last year. The campaign's co-chairs are Diane Abbott MP and Rev Theo Samuel of the Churches Commission for Racial Justice and its secretary is Kumar Murshid. Refugee and asylum rights organisations form the heart of the Campaign and led the 24 February national demonstration.

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— Ann
Widdecombe
MP.

The Campaign created an increasingly wide coalition against the Bill. Its activities included two rallies in the autumn attended by more than 300 people each, a 2000-strong lobby of parliament on 18 December, mass vigils and other activities in London to mark the introduction of Peter Lilley's measures to stop asylum-seekers receiving benefits, public meetings in dozens of local areas and cities in

January and February and a mass demonstration attended by 30,000 people and supported by the TUC on 24 February. A second demonstration is planned for 20 April, which the TUC has also agreed to support.

At the 24 February demonstration speakers included the general secretaries of Britain's three biggest trade unions, Unison's Rodney

Bickerstaffe, from the GMB John Edmonds and Bill Morris from the TGWU. In addition speakers included Diane Abbott MP, Lola Onibiyo whose father has been deported to Nigeria and whose brother is threatened with deportation, CRE chair Herman Ouseley, Mohammed Sekkoum of the Algerian Refugee Council, JCWI director Claude Moraes, TGWU national officer Bob Purkiss, refugee community

Police crackdown on black community

Under intense pressure following a series of deaths of black people in police custody, the latest of which is that of 29-year-old Ibrahim Sey, who died on 16 March after he was sprayed with CS gas, the Metropolitan police have launched a campaign against the National Black Caucus and the *Voice* newspaper, which have campaigned effectively against police violence and deaths in custody. There are indications that arrests of leading activists may follow, on charges of incitement to riot.

The police action followed condemnation of a series of deaths in police custody including those of Joy Gardner, Brian Douglas, Shiji Lapite, Wayne Douglas and Ibrahim Sey. An inquest in January decided that Shiji Lapite was 'unlawfully killed' while in police custody.

The outcry in the Black community over these deaths fed into growing concern about increased police stop and searches, the introduction of US-style long batons, and now CS gas, and 'Operation Eagle-Eye', which from the outset explicitly targeted black youths, with the *Daily Telegraph* headline, for example, 'Met chief breaks taboo to reveal most muggers are black'. Following furious protests from the black community the *Sun* responded: 'Sun readers back top cop for saying most muggers are

black'. The *Daily Star* reported: 'Top cop in race hate fury'. The *Daily Mirror* said 'Battle rages over blacks and crime'. The government stepped in to back the hand of the Metropolitan police which the *Independent* headlined 'Howard backs Yard chief in race row'. The *Daily Telegraph* ran an editorial entitled 'Pointing the finger' which said that the police were hampered in their work in London by 'the refusal of black community leaders (and their politically correct allies on the left) to face up to the serious breakdown of discipline in the black community'.

On 26 January Paul Condon attacked the *Voice*, the biggest selling weekly newspaper in the African-Caribbean community, as being 'dangerously irresponsible' for running a front page showing a photograph of four long-handled police batons with the headline 'Tell us the truth' and the caption 'Did they play a role in Wayne's death'. The front page followed the death of 26-year-old Wayne Douglas in police custody. Condon's comments were widely reported in the media. His claim is that the newspaper's front page, which appeared a day before a protest organised at Wayne Douglas's death, was inflammatory. The protest in Brixton, organised by the National Black Caucus, was attended by 100 people and went off peacefully. But later the same evening aggressive policing sparked off public disturbances. Violent police action was filmed by a video

camera and subsequently appeared on national television.

The attack on the *Voice* was rapidly followed by a campaign against the National Black Caucus. Tabloid newspapers ran a series of attacks blaming the National Black Caucus for disturbances which followed the Wayne Douglas protest, even though the NBC representatives had organised a peaceful protest and had no involvement in subsequent events. This was followed by attacks in the tabloid press early in January on the granting of national lottery funds to the charity the 1990 Trust on the basis that NBC member Lee Jasper was a trustee. Lurid stories were run despite statements of confidence in the 1990 Trust from the National Lotteries Charities Board, which commented that 'It is a registered charity which means it is cleared and approved by the Charities Commission'.

This was followed by a tabloid campaign attacking the NBC for providing race relations lectures for police training courses. The front page of the *Mail on Sunday* (4 February 1996) blared 'Riot man paid to lecture police'. Michael Howard ordered an inquiry.

This press campaign has been assisted by the Anti-Racist Alliance. Marc Wadsworth told the press 'Jasper and his friends are a bunch of hustlers' and 'con men'. (*Q News*, 5-11 January 1996). Clearly only the racists benefit from this.

The orchestrated witch-hunt first against the *Voice* and then against the NBC and Lee Jasper is designed to si-

lence protests against deaths in police custody and to legitimise police racism by criminalising those who take effective political action to oppose it. A political trial of black activists on charges of incitement to riot would be a grave escalation of this — and further confirmation that the government intends to use racism as an element in its preparation for the general election.

Such tactics are not new. They were pioneered against Martin Luther King, Malcolm X and the Panthers in the United States. They regularly surface in Britain using fictitious 'outside agitators' to explain away angry street protests which follow from the levels of police harassment and discrimination. Any 'anti-racist' group which allies itself with the racist tabloids to give credibility to such campaigns is simply helping the racists stigmatise the black community.

The labour movement must make clear that it will not allow black groups fighting racism to be victimised and isolated by racist smears. The issue is very simple — the right to public protest against black deaths in police custody and police statements that a large proportion of the black community is criminal. The labour movement must take a clear stand in support of freedom of speech and public protest by the black community.

speakers including from the Ethiopian Community in Britain, the Ivorian Refugee Action Group, the Tamil Community in London, the Ghanain Refugee Community and Lee Jasper from the National Black Alliance.

This breadth of support for the Campaign Against the Asylum and Immigration Bill and the turn-out at the national demonstration showed precisely the scale of alliances necessary in the anti-racist struggle. The sole exception to this was the Anti-Racist Alliance. The ARA boycotted the movement against the Bill and organised its own separate demonstration.

Writing in the *Morning Star* on 12 March ARA Executive member Jim Boumelha played down the significance of the bill and attacked initiatives 'which solely concentrate on the Asylum Bill (sic)' as 'narrow'. This was reminiscent of the ARA's failure to respond to the BNP victory in the Millwall by-election in 1993. The Asylum and Immigration legislation is both vicious in its effects on refugees and the pivot for a new wave of racism. Campaigning against it is the elementary duty of any group opposed to racism.

The ARA did not participate in the 24 February march. A resolution to the ARA's annual meeting, from Bristol ARA criticises the ARA for 'not playing the role that ARA members would aspire to'.

The launch of police attacks on the National Black Caucus and the *Voice* newspaper, which had effectively campaigned against deaths in police custody coincided with the height of the campaign against the asylum and immigration measures. A tabloid campaign against the National Black Caucus was aided by statements provided by ARA representatives.

A further indication of the ARA's deepening sectarianism was its attack on civil liberties organisation Liberty's submission to the United Nations enquiry on racism. The ARA's attack was quoted in the Tory *Daily Telegraph* as ammunition to attack the anti-racist movement. Quoting the ARA as 'specialists in the field' the *Telegraph* attacked Liberty's 'amateurish over-enthusiasm' and as 'liberal paternalists', in articles which claimed that racism is 'natural'. (*Daily Telegraph* 5 March)

The National Assembly Against Racism held on 9 March, two weeks



after the national demonstration against the Asylum and Immigration Bill, by contrast signified the future direction of the anti-racist movement.

Attended by 500 people, speakers included Commission for Racial Equality (CRE) executive director Sukhdev Sharma, TUC deputy general secretary Brendan Barber, Fire Brigades Union general secretary Ken Cameron, Diane Abbott MP, Lola Onibiyo, Ken Livingstone MP, TGWU national officer Bob Purkiss, National Union of Students vice-president Clive Lewis, Kashmir Singh of the British Sikh Federation, Liberty director John Wadham, Richard Stone of the Jewish Council on Racial Equality, Neville Lawrence, JCWI director Claude Moraes, Lee Jasper, local Tower Hamlets community representatives and many others.

Sukhdev Sharma explained that the CRE has endorsed the Anti-Racist Charter for the New Millennium launched by the National Assembly.

This second National Assembly Against Racism followed a year of discussion among the component parts of the anti-racist movement.

'The breadth of support for the Campaign Against the Asylum and Immigration Bill showed the scale of alliances necessary in the anti-racist struggle.'

Initiatives coordinated by the National Assembly Against Racism and the National Black Alliance had included that against Paul Condon's 'Operation Eagle Eye' campaign.

The Student Assembly Against Racism had organised a 400 strong student conference on 4 November.

The Lesbian and Gay Coalition Against Racism, which is affiliated with the National Assembly, in September 1995 launched itself, drawing together Stonewall, UNISON National Lesbian and Gay Committee and others in a campaign against racism and homophobia, which laid the basis for a notable turn-out of lesbian and gay activists on the 24 February demonstration.

Local groups had been launched in various parts of the country.

The National Assembly Against Racism has now decided to constitute itself as a formal national organisation. Everyone concerned to block the growth of the most serious rise in racism in Britain since the 1930s should unite with it.

By Anna Samuel

The politics the left needs

Arthur Scargill's launch of the Socialist Labour Party raises basic questions about left politics at the end of the 1990s. The discussion around Scargill's initiative has already clarified that this is not fundamentally a matter of organisation, however, but of *politics*. Tactics and organisation are means of advancing definite political aims. For the left to be effective requires not merely good tactics but, more importantly, a correct understanding of the most fundamental political questions facing the labour movement.

The decisive question, therefore, is what *politics* the left advances, which then, of course, have to be translated into tactics. The SLP has been criticised on the left for its timing and its misjudgement of the balance of forces in the Labour Party. But, more fundamentally, by helping to fragment the left in the labour movement and by advancing certain policies — specifically proportional representation — which are actually at the core of capital's strategy for a realignment of British politics to the right, the SLP risks lending assistance to the very class interests which Arthur Scargill undoubtedly wishes to oppose.

In proposing that the left leave the Labour Party, for example, Scargill was warmly encouraged by the media. Editorials, features and column after column of news space were devoted to the idea. Newspapers like *The Guardian* and *The Observer* bent over backwards with sympathy. Right-wing columnist Iain MacWhirter explained that 'it could only enhance the clarity of British politics for the neo-Marxist current in Labour politics to stand openly, instead of hiding in the skirts of social democracy' (*Observer* 6 January). *The Guardian* editorialised that the 'SLP could be an important new part of the political landscape under a Labour government' (5 January).

When the Socialist Labour Party ceased to be a matter of speculation, however, it became clear that the warm welcome and wide coverage to Scargill's proposal was simply because it weakened the left as a whole. An editorial in *The Guardian*, reporting on the press launch of the Socialist Labour Party on 13 January, stated that: 'Mr Scargill's departure is without question Tony Blair's triumph. The Labour leader achieved without really trying, what Neil Kinnock would have sacrificed al-

most anything to do. It is a wind-fall beyond the dreams of even the most right-wing of his advisers', adding that 'Mr Scargill's party is a doomed project'. Following the Hemsworth by-election *The Guardian* front page headline screamed: 'Scargill crushed by Labour'.

This seemingly paradoxical attitude to Scargill and the SLP is actually quite straightforward. The bourgeoisie welcomed the proposal for a left split from the Labour Party because they understood that the decisive fight which will determine the future shape of British politics over the next decade will take place *within* the labour movement. Anything which weakens and fragments the left within the labour movement is therefore to be welcomed both because it reduces the weight of the left in the most decisive political arena and because it thereby makes the defeat of each part of the left, including the SLP, easier.

The main fight with Blair will take place when Labour is in government. It will not be over a mythical 'socialist' past but over whether Labour has an economic policy to raise investment and defend the welfare state, create an adequately funded comprehensive education system, complies with the Maastricht Treaty, the relationship with the trade union movement and constituency members, and coalition with the Liberal Democrats.

In the same way significant sections of British capital, and of the 'moderniser' right of the Labour Party, support proportional representation, which, unfortunately, is not only a policy of the SLP but is written into its constitution. The most decisive sections of capital, which want to carry through an orientation to the EU, recognise that this will require the greatest assault on the working class since the sec-

ond world war. To carry this through, given the decline of the Tory Party, a realignment of the party political system is necessary. PR is the key step which will facilitate this objective. Those on the left who make support for PR in the present period of British politics the centrepiece of their political platform, whatever their subjective intention, support a system which will formalise such a realignment, help free the Parliamentary Labour Party from dependence on the unions and Labour Party members and establish a system of long-term bourgeois coalition governments. Far from helping to forge a left alternative, its support for proportional representation will disorientate the SLP.

These features of the SLP are important not so much in themselves but for what they indicate about the politics of the left and the choices that will be faced over the next decade. The left has to advance first and foremost by understanding how capital is attempting to reorganise itself to attack the working class, and how to develop an alternative to that, both in Britain and on an international level.

Looked at from this perspective the left in Britain falls into two currents heading in basically opposite directions. These currents are defined not by their tactics in the first instance but by politics.

After 1989 and 1991 the left divided into two fundamental international currents over the attitude to the capitalist restorations in Eastern Europe and the attempt to do the same in the former Soviet Union. The first, linking a section to social-democracy, Eurocommunism, Yeltsin and international capital, were those who thought the processes in eastern Europe should be supported. Various analyses were put forward to justify this stance: that they were 'political revolutions', that the societies being threatened were no more worthy of support than the capitalist west, or even, openly considering bourgeois counter-revolution, because the 1917 revolution was a 'mistake' or because they claimed what existed previously was 'pre-bourgeois'.

'Anything which weakens and fragments the left within the labour movement is welcomed by the bourgeoisie because it reduces the weight of the left in the most decisive political arena and thereby makes the defeat of each part of the left easier.'

This de facto bloc included Eurocommunists such as Bea Campbell and Martin Jacques and the right wing of ex-communist currents and, in Britain, currents such as the Socialist Movement, the SWP — which urged 'rejoicing' at the 'collapse of communism' — *Socialist Outlook* and *Workers Liberty*. The latter explicitly supported Yeltsin's banning of the Soviet Communist Party as a necessary step to stabilise bourgeois rule in Russia.

The dynamic of this bloc of forces is towards integration into social-democracy. On many issues consistent left-wing social-democrats have more correct views. It is of little surprise, for instance, that those who failed to understand the stakes in Russia also supported the capitalist unification of Germany and NATO in Yugoslavia. Most of this current gave a left cover to the Maastricht Treaty and failed to grasp the significance of the growth of racism following 1989, combining the latter either with a lack of support for or outright opposition to black leadership.

A second bloc of political forces, from different political traditions, understood that the reintroduction of capitalism to the USSR would throw back the entire working class internationally. By changing the international relationship of forces in favour of capital it would result in a new attack on the third world, like the Gulf war, mass poverty in eastern Europe and the former USSR, the attempt to dismantle the welfare state in western Europe and a new reactionary turn in bourgeois politics — the rise of racism and the far right.

This did not imply support for the previous regimes. On the contrary many recognised the responsibility of these regimes for destroying support for socialism and encouraging the illusion, so widespread though wrong, in Eastern Europe that capitalism would be better.

From this different assessment of the most fundamental issue facing the international working class since the second world war naturally flowed radically different political perspectives. Those who understood the wave of reaction which would follow the strengthening of capitalism after 1989, and the much worse consequences posed if the Russian revolution were overthrown, were able to anticipate and organise in



Blair still needs to remove trade union influence in the Labour Party

defence of the working class in Britain and internationally, playing a central role in initiating campaigns such as the Committee to Stop War in the Gulf, the Committee for Democratic Socialism in the USSR, the Campaign Against the Maastricht Treaty, the First-Past-the-Post Campaign, the Campaign to Defend the Welfare State, the National Assembly Against Racism, the campaign against NATO intervention in Yugoslavia, the defence of women against attempts by bourgeois feminists to isolate single mothers and make the national minimum wage meaningless. These brought together sections of the left from quite different traditions.

This political recomposition driven by the international class struggle intersects with the political crisis in British society and the working through of that in the left. The keys to this are the crisis and decline of the Tory Party, torn apart by the pressure to reorientate to integration into the European capitalist bloc, and its impact on the labour movement.

The left which began to emerge around 'Bennism' at the beginning of the 1970s, integrated key demands of oppressed sections of society in the 1980s and brought these

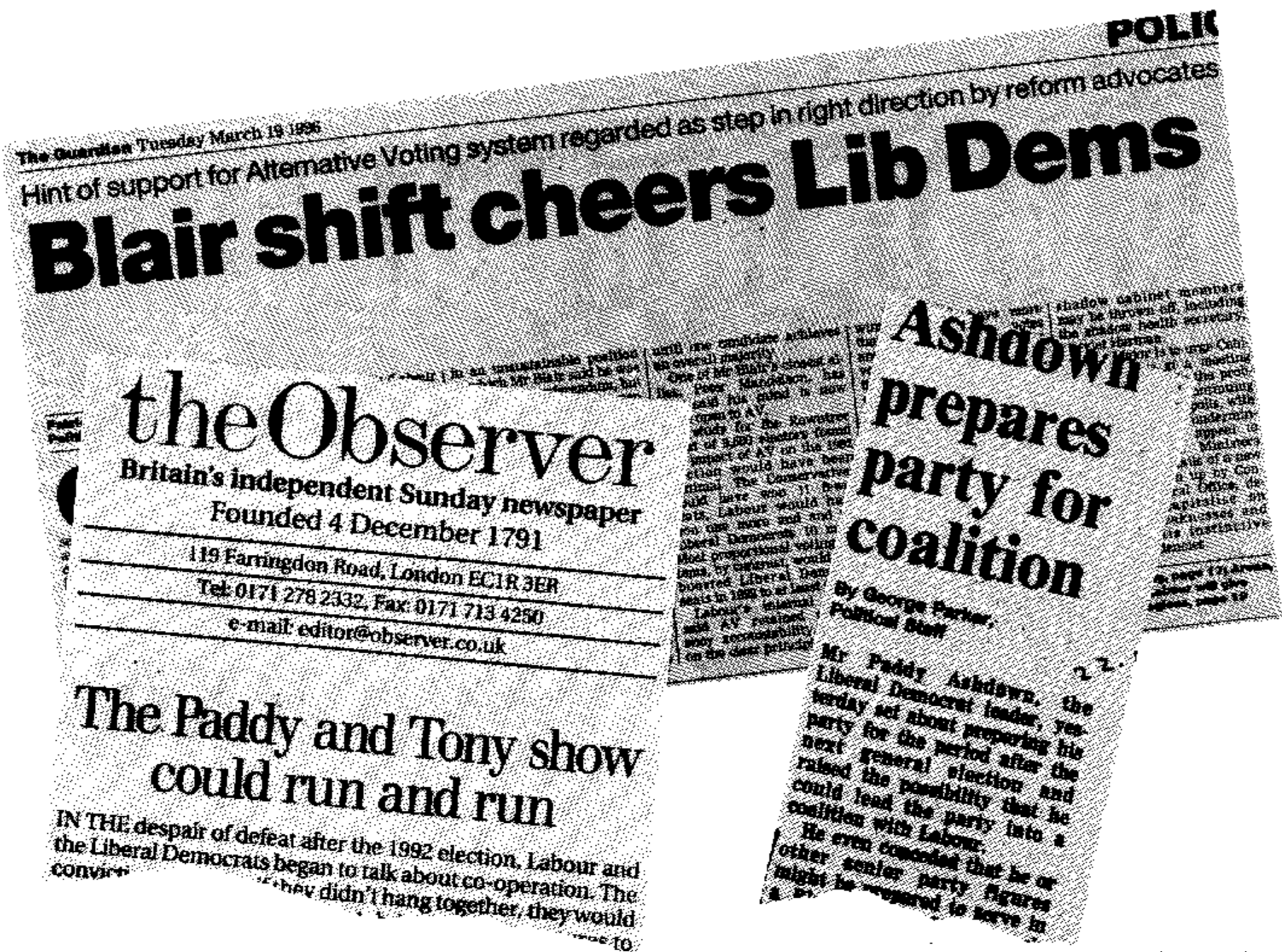
'The left has to advance by understanding how capital is attempting to reorganise itself to attack the working class.'

together in the greatest strike movement in British history in the 1985-85 miners strike, had connected itself after 1989 with the still more fundamental process of recomposition of the entire international labour movement.

Its next great test will be to orient the most advanced sections of the labour movement in the face of the greatest political attack the British working class has faced in fifty years.

At the heart of this is how the left responds to the drive towards a realignment of the party political system. The elements of this are clear. A Labour government will face the same economic predicament as Major, that is the attempt to change the relation of forces with the labour movement so as to permit the integration of British capital into the European capitalist bloc while maintaining the fundamental distortions of the British economy. Given the collision that would provoke with the trade unions, their open influence within the Labour Party has to be sharply reduced. A coalition with the Liberal Democrats and the introduction of proportional representation would make this easier.

From the Blairite right Peter



required to remove this obstacle and ensure that such coalition is a permanent feature of the governmental system. Rather than the illusion entertained by those who advocate 'tactical voting' — such as the 'Get Rid of Them (GROT)' campaign, promoted by Bruce Kent and the Democratic Left — that the Liberals are somehow a better option than the Tories, the Liberal Democrats are the party which most clearly stands for integrating the British economy into the European capitalist bloc under the terms of Maastricht.

Instead of grasping this reality, however, part of the left echoes the rhetoric about the 'fairness' of PR put about by the Liberal Democrats and the section of capital that they represent. Indeed the only political basis on which the Socialist Labour Party makes sense is the assumption that PR *will* be introduced, creating the possibility for a political pole to the left of the labour leadership to gain parliamentary representation.

Among the most prominent advocates of PR on the left are Hilary Wain-

Mandelson has most clearly spelled out this agenda.

The key issue, therefore, is not what should be done if such a political defeat of the labour movement were to take place — but how to stop it.

The main problem in this is confusion on the left. PR provides one of the clearest examples of capital maintaining hegemony over the politics of the left.

The Liberal Democrats, the party which most directly represents the interests of big European capital within the British party political system, preach about the 'unfairness' of the first-past-the-post system and the comparative 'fairness' of proportional representation. PR they say will promote 'political pluralism'. This is, of course, not what Paddy Ashdown has in mind. The Liberal Democrats support PR not because of any 'democratic' value but because it will allow them, and therefore the economic forces they represent, a pivotal role in the formation of any government.

Elsewhere in Europe the scale of assault which economic and monetary union necessitates on the working class and petty bourgeoisie means it is impossible for the pure parties of European big capital to retain sufficient political support to govern alone. This reality has its reflection, in Britain in the internal crisis of the Tory Party.

Capitalist hegemony in Europe is typically exercised by the parties of big European capital — which however are not dominant elector-

ally — in alliance with either the more national capitalist parties, such as the French Gaullists, or with social democracy. In Britain the first-past-the-post system is an obstacle to such a coalition government. Proportional representation is

'The challenge for the left is not to line up with one section of capital against another but to exploit the divisions to allow the working class to advance.'

Ireland provokes split in

The news that supporters of *Workers Liberty* have split from the editorial board of *Labour Left Briefing* (LLB) broke in the February edition of that journal.

Following the failure of their attempt to regroup the left around the *New Left* paper, *Workers Liberty* was accepted onto the *Briefing* editorial board as a minority current, and the magazine was relaunched as *Labour Left Briefing*.

As *Socialist Action* pointed out in response to the argument put in *New Left* that 'there is no reason why the broad Labour and trade union left, including the socialists grouped around the journals *Briefing*, *Socialist Outlook*, *Campaign Group News* and *Tribune* should not combine to produce one paper' there are good reasons for the diversity of the left press, and these are political. Different political views cannot be organisationally neutralised.

And so it was with LLB. The right wing politics of *Workers Liberty* became unacceptable to the pre-fusion *Briefing* supporters, much in the same way as tensions had emerged in the earlier alliance between *Briefing* and

Socialist Outlook.

Contrary to the impression given by *Workers Liberty* supporters, the split from *Briefing* was not an organisational question, but a political disagreement. By their own admission, it was *Workers Liberty* which pushed *Briefing* 'off the fence' in relation to former Yugoslavia — that is into support for the imperialist offensive. As a result, the cover of the September *Briefing* led with the slogans 'Take sides: support Bosnia' and 'Break the arms embargo'.

As soon as *Briefing* had placed itself on the same side as NATO, pressure began to make itself felt. Prominent supporters resigned. Tony Benn opposed the *Briefing* line at the fringe meeting at the Labour Party Conference.

The final breaking point came not with Bosnia, but Ireland. *Briefing* has consistently opposed the British partition of Ireland whereas *Workers Liberty* defends the Unionist veto.

At the September *Briefing* Editorial Board *Workers Liberty* supporters attempted to stop the magazine sponsoring an appeal for all-party peace talks, which they later claimed came

wright, John Palmer, *New Left Review* editor Robin Blackburn and others around the Socialist Movement. Wainwright, editor of *Red Pepper*, criticised Arthur Scargill for his timing, his lack of discussion, and other minor matters: 'the Socialist Labour Party has been set up in two months between the proposal and the agreement on the constitution, by a small group of people without any effort to discuss or negotiate with sympathetic political or campaigning organisations, including many in the Labour Party, over timing, strategy and structure. It is a botched beginning to a sound idea' ('Arthur, you didn't ask us' *The Guardian* 19 January). But she has proposed joint work with the Socialist Labour Party on the question of PR.

Unlike Scargill however, whose support for PR is at odds with other elements of his politics on Maastricht and Eastern Europe, Wainwright and that section of the left with which she is associated include support for PR in a consistently right wing programme. Blackburn, editor of *New Left Review*, explained that he voted for

the Liberal Democrats at the last general election in order to facilitate a Lib-Lab coalition, as this was the best way to ensure that PR would be legislated. These currents have been wrong on every fundamental issue — failing to oppose the Maastricht Treaty, welcoming the process of the introduction of capitalism into Russia and Eastern Europe after 1989 and calling for the end of the trade union vote in the Labour Party.

Their underlying strategy is strictly sectarian. Although PR would represent a strategic political defeat for the labour movement as a whole it might boost their ability to get a few percentage points at the polls, and, if they were very lucky and the bourgeoisie did not construct the electoral system so as to rule this out — which is unlikely — a handful of representatives in parliament. Thus, at the cost of structurally reducing the pressure of the working class on the political party system, they might be able to form a tiny and insignificant party to the left of Labour. In reality, those who wish to seriously oppose the implications of the Maastricht Treaty, defend the welfare state, prevent the destruction of the democratic mechanisms in the Labour Party and really block the other elements of the modernisers' programme will be forced to oppose PR.

On the other hand, it is precisely the fact that what is involved in this is the attempt by capital to change the political party system through which it has exercised hegemony for the last century that contains the potential for working class advance. Such a major change is fraught with contradictions and obstacles. A proportional system, for instance, will threaten not only certain vested interests within sections of the bourgeoisie — as the crisis in the Tory Party and strong opposition to Major's orientation to Europe indicates — but also within the labour movement. For example, a list system would be used to eliminate left MPs from parliament. In local government PR would end Labour control of hundreds of local authorities — with devastating consequences for jobs and services. It would make the Labour Party conference largely irrelevant as government policies would be subject to negotiation with the Liberal Democrats.

The challenge for the left is not to line up with one section of capital against another but to exploit the

divisions to allow the working class to advance. This also requires exploiting the contradictions of the social democratic right. It is obvious that that part of the left represented by Workers Liberty, *Socialist Outlook*, the Socialist Movement and others cannot do this because they not only support the introduction of PR but in some cases even support the Maastricht Treaty.

The basis for such a challenge to Blair resides in connecting the international realignment of the left with the broader forces driven to seek an alternative to specific elements of Blair's programme. The challenge for the currents which came together after 1989 is to understand the core of the next wave of the attack on the working class in Britain.

Blair and Mandelson realise that they could rapidly become very isolated and therefore very vulnerable. They are therefore trying to accelerate the cementing of their alliance with the Liberal Democrats, get their policy agenda in place and weaken the left. This explains why Blair is increasingly in conflict with a range of communities even before he is in government.

The Labour Party is currently being investigated for alleged racial discrimination in connection with parliamentary selection battles in Glasgow, Manchester and Birmingham. Blair has collided with women members by attacking single mothers soon after he became leader, dropping the formula for a minimum wage and by ruling out any appeal against the industrial tribunal ruling that the policy was discriminatory. The Labour leadership's support for loans and a graduate tax is highly unpopular among students. On Ireland, Blair's support for Major's stance on snubbing the Mitchell report and calling for elections helped derail the peace process. Disability activists occupied Labour's Walworth Road headquarters on 11 March in protest at a lack of clear commitment from the Blair leadership to introduce comprehensive civil rights for disabled people legislation.

It is no accident that Blair clashes first with the most oppressed sections of society — but in government these conflicts will step by step move to encompass the very core of the labour movement. The Harman school episode vividly demonstrated just how isolated the modernisers could then become.

It is no accident that Blair clashes first with the most oppressed in society — but in government these conflicts will step by step move to encompass the core of the labour movement

Briefing

from a 'Provo "front"'. Workers Liberty followed this by proposing for publication in *LLB* an article on the peace process, subsequently circulated by its supporters, which claimed that 'The British government has no inherent interest in delaying or sabotaging the Irish peace process'.

A dispute emerged over the article, when *Briefing* did not publish it. Workers Liberty supporters walked out.

Those who split have produced a long, abusive document *Open the Windows — the Future of LLB*, which is being circulated through the labour movement. *Open the Windows* is a witchhunting document which only underlines the increasing desperation of the Workers Liberty as concrete political developments — Russia, Maastricht, Ireland, Yugoslavia, black politics — continue to prove that on the most important class struggles in the world today, they take the side of capital, not the working class.

Labour Left Briefing should draw the necessary balance sheet of these events: that in the class struggle, politics comes first.

The left which has been forged by holding common views on the most fundamental matters in the international class struggle and on decisive matters in British politics has to make its alternative economic and political course as coherent as possible and link it up with the mass social forces coming in to conflict with the programme of the Blair leadership.

Such a link has already been demonstrated on certain single issue campaigns. But the critical issue will be winning acceptance for an alternative economic course to that which will be implemented by a Blair government, and demonstrating the relevance of that alternative to every social interest which will conflict with Blair's programme.

The elements of this dynamic are already clear in the fact that a left has been brought together on the most fundamental issues of the international class struggle, in the mass single issue campaigns initiated from this starting point, and in the level of opposition which Blair's policies are already stimulating.

These elements, if synthesised, represent the next decisive stage of the development of the left, building upon the last periods where coherent left organisation in the labour movement merged with mass social and industrial forces, from the 1970s in Bennism and in the 1984/85 miners strike.

Both the strategy of the left and the key political priorities for the next stage of development of the left are therefore clear.

Firstly, the left must recognise that the project of the Blair and Mandelson leadership has not been concluded and faces significant obstacles. To exploit these obstacles the left has to maintain and extend its influence within the Labour Party and trade unions.

Secondly, the key to the reactionary social policies the Blair leadership is developing — on education, welfare reform, single parents, black and women's representation — is the refusal to tackle the structural distortions in the British economy as a route to raising investment and defending the welfare state. Support for an alternative economic policy for raising investment by reversing the transfer from earned to unearned income (through escalating dividends) that has taken place since 1979 is already estab-



'The principal attack the working class faces is political'

lished in key core sections of the left. It now has to be popularised through the trade unions and among those social groups which will be first and hardest hit by a dismantling of the welfare state.

An immediate component of strengthening support for a coherent economic alternative is maximising opposition to EMU in 1999 within the terms of Maastricht. The Maastricht Treaty is now discredited in much of the west European labour movement.

Another is maintaining support in the labour movement for cutting military spending and for public ownership, as government intervention is necessary to direct resources into investment.

The broad lefts, as well as where possible the leaderships, of the trade unions have to be brought together around this agenda. Trade union opposition will escalate when Blair tries to implement his policies in government. For the labour movement to move from opposition to presenting a way forward, the left has to provide a coherent, convincing and workable alternative.

Thirdly, the left has to act as a vehicle for the advance of all forces in society, and specifically the most oppressed. The left's economic policy has to be made relevant to students, women, the black communities, pensioners, disabled people, on the international plane to the economic assault on Africa and the 'third world'.

For example, just as the left, together with the Labour Women's Action Committee, exploded the right's argument that a national minimum wage at half male median earnings would increase unemployment, so the left has to work with students to demonstrate how a return to 1979 grant levels can be costed and counter the arguments of the right in favour of scrapping grants and setting higher education in competition with other elements of the welfare state.

Finally, into this agenda the left has to establish an understanding that the principle attack the working class will face is political. This means, applying Lenin, following Hegel's formula, that 'the truth is always concrete' to the issue of PR — just as a section of the left was able to differentiate the necessity for greater working class unity in Europe from the devastating impact of the Maastricht Treaty. Those on the left who follow their defence of the labour movement and the left through to the end, in the next phase of the class struggle, will be forced to confront the real significance of PR. To the extent that this takes place, the imperative upon British capital to reorganise its mode of rule could provide the opening for the labour movement to take the political initiative and advance.

By Louise Lang

Mandelson's agenda

Peter Mandelson has made his political trajectory explicit by outlining his agenda for a Labour coalition with the Liberal Democrats. Mandelson's proposal for a realignment with the Liberal Democrats was spelled out in the *Observer* on 24 December 1995. It was elaborated in his book, *The Blair Revolution*, co-authored with SDP founder member Roger Liddle and published on 26 February. Mandelson is not just any Member of Parliament. He has been appointed chair of the Labour Party's general election planning committee. He is Tony Blair's chief strategist.

The centrepiece of his proposals is a coalition with the Liberal Democrats, even if Labour has a majority in parliament after the general election. The *Observer* quoted him as proposing, for example, that devolution should be followed by an end to the 'over-representation of Scotland and Wales at Westminster', thereby ending the possibility of future Labour governments. He went on to endorse much of the Conservatives' legacy, singling out for praise their success in tackling the 'British "disease" of bad industrial relations and frequent strikes'. He calls for the abolition of universal child benefit, the introduction of 'workfare' programmes for the unemployed and single mothers, emphasis to be put on private pensions, no strike deals in the public sector, all schools to be out of local authority control, the option for taxpayers to pay higher tax to meet their children's higher education costs.

The *Guardian*, which serialised Mandelson and Liddle's book, quoted Mandelson as supporting 'electoral reform as part of a Labour government drive to win support for a 'programme of national renewal' in which Mr Blair might seek co-operation from the Liberal Democrats.' (*Guardian*, 26 February)

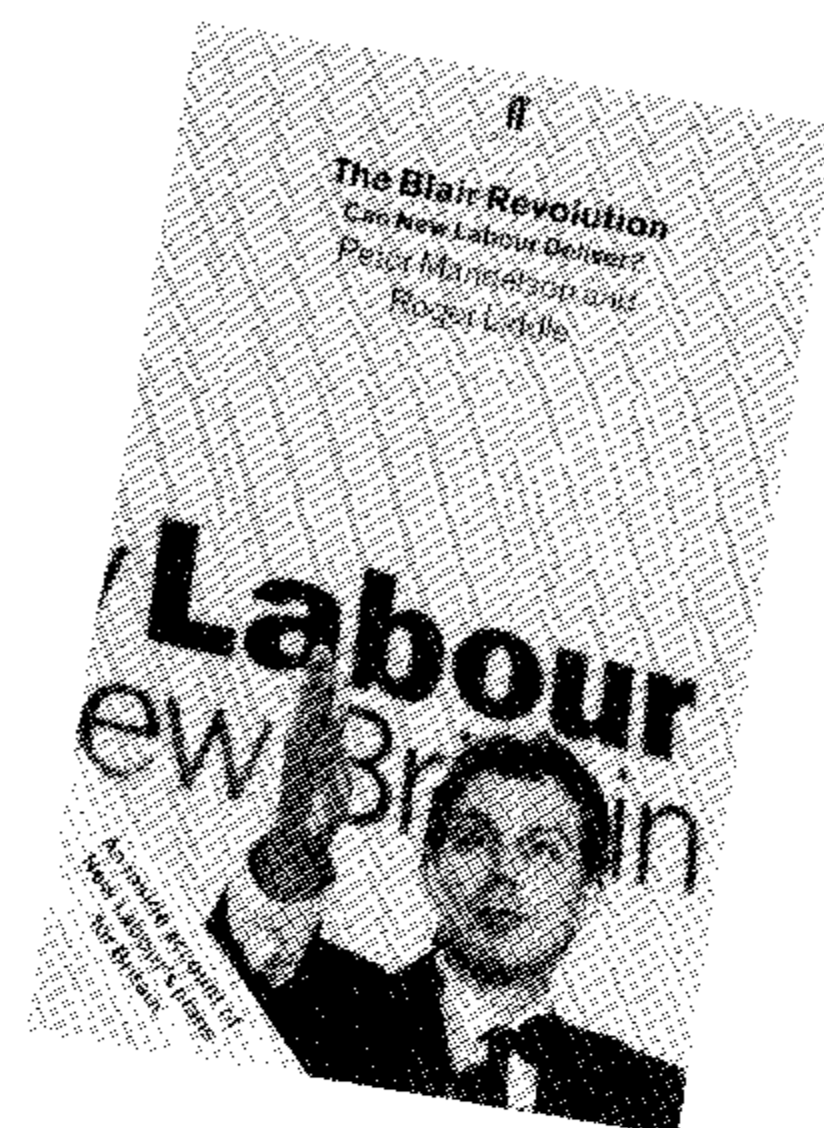
This political line of Mandelson has significant capitalist support. A coalition with the Liberal Democrats would be a crucial guarantee against Labour in government coming under the pressure of the trade unions and the Labour Party rank and file. Thus the *Financial Times* commented: 'The Labour leader recognises that fundamental reform of Britain's political system and economic management will demand more than a single parliamentary term. In addition, it will require broader consent than Labour alone

is likely to secure at the general election. If his own analysis is correct, Mr Blair also needs a partner.' (22 January)

Mandelson and Liddle elaborated further: 'New Labour has set itself the task of national renewal. That task will not be completed in a single term of office. A government with its sights set on the long term needs to have the broadest possible political base from which to obtain consent for change that will last, to overcome short-term unpopularity and to govern in the national interest. For those who are stuck in the traditional confines of narrow party politics, this requires a lot of hard thought, inevitably including consideration of Labour's relations with the Liberal Democrats.' (*The Blair Revolution*)

The *Observer* editorially endorsed Mandelson's proposal, pointing out that although it 'is not a popular message with some of his colleagues...it should not surprise anyone that it has the leader's approval', adding that: 'The official line will remain no pacts, no deals. Blair and Ashdown regularly promise to be honest with the electorate, but on this subject they will continue to operate on the quiet. Yet it is no longer possible to conceal the striking similarities between the two leaders and their policies. The most promising, honest and radical development would be for the parties to map out a joint programme for the long-term renaissance of Britain.' (21 January 1996)

The Liberal Democrats responded positively. According to the *Guardian* (17 January) Lord McNally, a senior adviser to Paddy Ashdown, suggested: 'a coalition with Labour after the next election, even if Tony Blair has an overall majority in the Commons. He also suggested that the two parties might endorse one another before the elec-



'The cost of integrating the British economy into Europe under the terms of the Maastricht treaty is reflected in the policies put forward by Peter Mandelson.'

tion.' A precondition, he added, would be Labour support for proportional representation in a referendum. According to the *Observer*, Paddy Ashdown's dream is a 'long-term, live-in relationship with a Labour government'. (21 Jan 1996)

Mandelson has since explicitly endorsed electoral reform: 'The electoral reform best suited to tackle the remaining unfairness in the British voting system is the alternative vote — the retention of single-member constituencies, but with first-, second- and third-choice voting in order to ensure that MPs are elected with the majority support of their constituents. This is the system which Labour now uses in its parliamentary selection procedures.' (*The Blair Revolution*)

Mandelson may well wish to go further than such a coalition — to eliminate Labour as a social-democratic party and transform it by a full scale merger with the Liberal Democrats, into a straight capitalist party. But the destruction of social democracy as a mass current in Britain is not going to happen irrespective of what Mandelson wants. As Ken Livingstone pointed out, anyone who seriously tries to implement that perspective is likely to find themselves in a minority in the labour movement — which does not mean they could not wreak serious damage, as did Ramsay MacDonald and the SDP, before exiting from the labour movement.

The fault lines of the 'modernisers project' are starting to emerge. The growing political in-

'To see through the whole programme will take more than one five-year parliament and the government will be facing re-election by a possibly sceptical or hostile public...there is a strong argument for working out in advance what understanding Labour should forge with the Liberal Democrats.'

Peter Mandelson December 1995

'had the outcome of the 1992 election been different, Labour and the Liberal Democrats would have been natural partners in government'

The Blair Revolution
Peter Mandelson and Roger Liddle

'eager to test ministers' resistance will be the public-sector trade unions, representing millions of employees who feel badly done by after years of Tory government. Having to say no to many of these pressures will be a painful necessity'

The Blair Revolution

'its domestic policy prescription is feeble... The attack on what the book describes as 'a narrow view of class' is typical. The 'wrongs of race and gender matter just as much'. What a pity that it contains no suggestions about how they can be righted.'

Roy Hattersley,
Guardian 27 February

'it says nothing about the alleviation of family poverty (child benefit is not mentioned) or about the tax changes which might finance it. The watchwords are 'fairness and efficiency' — defined as giving a hard time to the directors of private utilities and the recipients of inherited wealth, two categories who are almost universally unpopular and not significantly numerous to make a significant contribution to the revenue.'

Roy Hattersley, *ibid*

'The coming apart of the Euro-socialist bloc is manifested, on the one hand, in a section of social-democracy distancing themselves from Maastricht while others have moved towards more explicit union with the Liberal Democrats.'

coherence of the Labour right will deepen when Blair tries to put his policies into effect in government. It would therefore be a colossal mistake for the left to assume the inevitability of the right's success and give up on the fight which will unfold over the direction of the labour movement. That is why Arthur Scargill, who assumes that the Labour Party is already indistinguishable from the Liberal Democrats, is making a serious mistake.

The basis of the drive towards closer links with the Liberal Democrats is two-fold. First, there is agreement on European capitalist integration. The Liberal Democrats are the party most closely aligned with the representatives of the interests of big European capital in Britain. Blair's only coherent economic strategy is for integration into the European Union under the terms of the Maastricht Treaty. But he has no proposals to deal with the structure of British imperialism, which makes it incapable of competing within that framework. On the contrary, in *The Blair Revolution*, Mandelson quotes the 'pre-eminence of the City of London' as one of the 'notable economic strengths' resulting from Thatcherism. A Blair government on that line would repeat the experience of Major's enforced departure from the European Exchange Rate Mechanism.

Blair will face the additional problem that on the European level the whole project of capitalist integration outlined in Maastricht, and specifically monetary union, is now in crisis.

At the root of the crisis of Maastricht is the new relationship of forces between the capitalist states in Europe following German unification. The costs of unification swallowed up Germany's trade surplus. Furthermore, economic growth in the west European economy has fallen as a result of the interest rate differential that European capital is forced to maintain against the US, to stop an outflow of capital from Europe into the US.

The effect of economic slowdown is to make it more and more difficult for any major European economy to meet the Maastricht criteria limiting public debt and budget deficits. Germany's budget deficit in 1995 was 3.6 per cent, 0.6 per cent above the Maastricht limit, as a result of slower than anticipated

growth and rising unemployment. As *The Economist* commented: 'The nearer the EU's timetable for full economic and monetary union gets to its 1999 deadline, the more doubtful that deadline appears. Of the EU's 15 member states, only tiny Luxembourg now unambiguously meets the qualifying criteria for EMU set by the Maastricht Treaty. Europe's two largest economies are stagnating. The French economy grew only 0.2 per cent last year, and output may have shrunk in the fourth quarter under the impact of huge public-sector strikes. The German economy also stalled in the third quarter and may have shrunk in the fourth.' (20 January)

The weaker European economies have been forced to move in the opposite direction from monetary union, to decouple themselves from the D-Mark, with the devaluations of sterling, the Spanish peseta and the Italian lira. This has hurt German industry by making its products less competitive. German industrialists want monetary union to stop competitive devaluations within the EU. But they want tight limits on governmental debt so that Germany, by far the strongest economy in Europe, does not have to provide a de facto subsidy to the EU's weaker economies. Finally, they want all EU states' exchange rates fixed against the D-Mark — whether or not they are able to qualify for monetary union. The problem is that the other major EU economies, including France, cannot sustain the political opposition which would result from the welfare cuts and chronic mass unemployment which would be produced by compliance with Germany's demands.

These contradictions mean there is a growing chasm between what big European capital wants — a European Union made powerful enough to compete with Japan and the US by dismantling the welfare state and drastically weakening Europe's labour movements — and the political possibility of attaining it with the consent of electoral majorities in each EU state. The reactionary forms this offensive is going to take in the coming decade is already shown by Maastricht's commitment to hand economic decision-making over to independent central banks, as well as the creation of what the *Financial Times* euphemistically called more 'militant bourgeois' political formations, that is the far right.

The meaning of this for Labour is that the political and economic line which gave coherence to European social-democracy in the 1980s — Eurosoci-alism — is starting to unravel. Eurosoci-alism proposed a bloc with big European capital to carry through European capitalist integration. In Britain it was argued that through European integration British working and living standards would be 'levelled up' to German levels. This was always false: the Maastricht Treaty heralded an attempt to start dismantling the welfare state in western Europe not its extension. The events in France at the end of last year clarified the implications of meeting the convergence terms for monetary union, for an economy with a much higher level of investment than in Britain.

The coming apart of the Euro-socialist bloc is manifested in, on the one hand, sections of social democracy distancing themselves from Maastricht — John Edmonds, for example has said that monetary convergence without real economic convergence would be a disaster — while others have moved to the right, towards closer and a more explicit union with the Liberal Democrats. This is reflected by Mandelson, in *The Blair Revolution*, where he unequivocally endorses the policy objectives of big European capital. He supports a single European currency under the terms of the Maastricht Treaty and is for placing an un-elected independent central bank 'in the driving seat of monetary policy'. He urges more undemocratic, tightly controlled EU machinery — more majority voting, a smaller commission, no extension of democratic control of the European Parliament over the Commission and the extension of the EU to incorporate Eastern Europe, but without the inclusion of these states in the European Commission structures.

In explicit recognition of the new reality, Blair has implied he is not committed to the Social Chapter, previously Labour's main excuse for supporting the monetarist terms of the Maastricht Treaty. The TUC's proposal for a joint campaign with the CBI and the Bank of England in support of monetary union is an attempt to hold this bloc together.

While New Labour has made its commitment to Maastricht and monetary union more explicit, this shaking of the framework which



bound together the 'Eurosoci-alist' current in the trade union and Labour bureaucracy has left Blair floundering about for a new 'big idea', but one which will continue to give the correct message to capital. The 'stakeholder society' which Blair clarified: 'is not about giving power to corporations or unions or interest groups' — is supposed to be it.

The cost of integrating the British economy into Europe under the terms of the Maastricht Treaty is reflected in the policies put forward by Peter Mandelson. These policies would mean dismantling the welfare state, an assault on the economic position and social status of women, ending student grants, a brutal policy on crime, workfare, a major attack on the state retirement pension, and a rise in racism.

It is in the knowledge of the opposition that would be follow these policies that the right wing 'modernisers' have escalated their attempts to centralise decision making and neutralise the structures of the labour movement. Proposals for a coalition with the Liberal Democrats, cemented by proportional representation, would cap the attempts to destroy trade union and individual members' influence within the Labour Party. An independent central bank would allow key areas of economic decision-making which effect tens of millions of peoples' lives to be posed as purely 'technical' and 'above' the political arena.

The concern of the left should be on how to place every obstacle in the way of Blair and Mandelson's project. In order to survive much

bigger backlashes than that over Harriet Harman's decision to send her son to an opted out grammar school, for instance, Blair and Mandelson understand they need stronger allies on the right. This is what Ashdown means by his constant references to Labour's 'vulnerability' and that they will be 'blown out of the water' unless they get their attitude to constitutional reform clear' that is, to PR. (*Guardian* 7 February).

Such 'vulnerability' is Mandelson's core concern in *The Blair Revolution*. He explains: 'eager to test ministers' resistance will be the public-sector trade unions, representing millions of employees who feel badly done by after years of Tory government. Having to say no to many of these pressures and demands for action will be a painful necessity.'

This is indeed the case, to which it could be added, the expectations of women, single parents, black communities, students, pensioners, disabled people and many more.

It falls to the left to link such opposition, which will arise around specific policies — such as education, the welfare state, the minimum wage, impoverishment in the black communities and racism, student grants — to the central axis around which this agenda is organised. That is, Blair's economic orientation to the European Union and support for the Maastricht Treaty, and the realignment with the Liberal Democrats bound up with that economic course.

By Louise Lang

'It would be a colossal mistake for the left to assume the inevitability of the right's success and give up on the fight which will unfold over the direction of the labour movement.'

Acid test for the student movement

The Labour leaderships' steady shift towards ditching any commitment to restoring grants and introducing graduate tax for the funding of higher and further education has taken a significant turn: an explicitly bi-partisan agreement between David Blunkett and Gillian Shepherd over the establishment of a national committee of inquiry into education funding, to be headed by Sir Ron Dearing. The committee would not report back until Summer 1997 — after the general election.

The *Guardian* of 20 February commented: 'both are expected to draw political advantage from an inquiry which may allow them to postpone difficult decisions on whether the traditional student grant should be abolished in favour of loans repayable through a supplementary rate of income tax or national insurance after graduation'.

The intention of the inquiry is clear. As the *Economist* pointed out 'its most pressing task is to find the fairest way to make students pay'. Labour will be able — after the election — to produce the findings of the committee as the excuse for adopting and introducing graduate tax.

The background to the crisis in funding has been an explosion in student numbers. The total number of university graduates has risen from 98,000 in 1985 to 227,000 in 1995 — an increase of 130 per cent, although the rise includes the granting of university status to polytechnics. Student numbers have more than doubled — to one and a half million — in the last decade.

A more highly skilled workforce is essential if British capital is to compete with the rest of Europe, Japan and the US. Britain lags behind considerably, ranked 35th out of 48 countries, including EC members plus Russia, the US, Japan and other other NICs, for its 'adequacy of education system' by the Swiss-based International Institute for Management Development.

The current debate raging between the government and the university establishment over funding is underpinned by the fact that the government has no strategy for dealing with the expansion other than that of squeezing the academic institutions, on the one hand, and continuing to drive down student living standards on the other. This

is having disastrous consequences.

Firstly, the academic institutions, expressed through the Committee of Vice-Chancellors and Principals (CVCP), have hit back by threatening to charge students a £300 one-off payment for fees. Although a meeting on 2 February drew back from introducing a fee this year, it remains on the table for 1997 if the government continues with cuts.

Secondly, student hardship is beginning to have serious effects on the number of university applicants. A survey by the CVCP reported that this year, for the first time in living memory, the number of applicants was down, despite an increase in the total number of school leavers (*Guardian* 20 January). The Universities and Colleges Administrations Service (UCAS) reported a 2 per cent drop in applications this year, as compared to the previous year (*Guardian* 16 February). Government spending per student has declined by 25 per cent since 1989.

Ted Nield, a CVCP spokesperson commented that students from underprivileged backgrounds were more likely to leave. In the same survey, an 10 per cent increase in drop-out rates was reported for the year 1994/5. In total 54,000 students left their courses, with over 60 per cent for 'no apparent academic reasons'. This was despite an increase of seven per cent in student numbers over the same period. Twenty per cent failed due to inadequate course work.

Increasingly students are relying on part-time, low paid jobs to keep themselves in food and accommodation. Even the educational establishments, which once frowned upon students taking jobs as a distraction from their studies, now actively encourage it. Edinburgh university, for example, launched its

own student 'labour exchange' last November to help students get part-time jobs in collaboration with local business.

The government's policy is to progressively reduce the value of grants and replace them with loans. This year grants were cut for the second year running by 10 per cent, with a further 10 per cent cut next year. Presently the maximum value of grants is £2,020 and the maximum loan fixed at £1,150. These figures will be reversed over time. Evidently this is not sufficient to live on, so students are forced into part-time work and run up huge overdrafts with their banks. Barclays Bank estimated that the average student debt last year was £2,293. The CVCP have projected that a student who has just started a three year degree course will leave with £5,000 of debt and those on 5 year courses could face debts as high as £9,517 (*Guardian* 20 January).

This trend is obviously going to affect the applications of students from working class backgrounds, in what remains an unequal social composition of those entering higher education.

How to finance an expansion of higher education — accepted as essential to the British economy — is at the root of the debate and mirrors the arguments used to attack other parts of the welfare state. An ageing population, it is claimed, is putting unbearable strains on the welfare state. In the same way increasing student numbers are blamed for the cuts in education funding. The policy of the government — and the Labour leadership — is that to some degree or another the individual must bear the cost of their own healthcare, pensions and so on and the individual student must bear the cost for their own education, over and above tax and national insurance contributions. The debate has become how — not *if* — students should be made to pay.

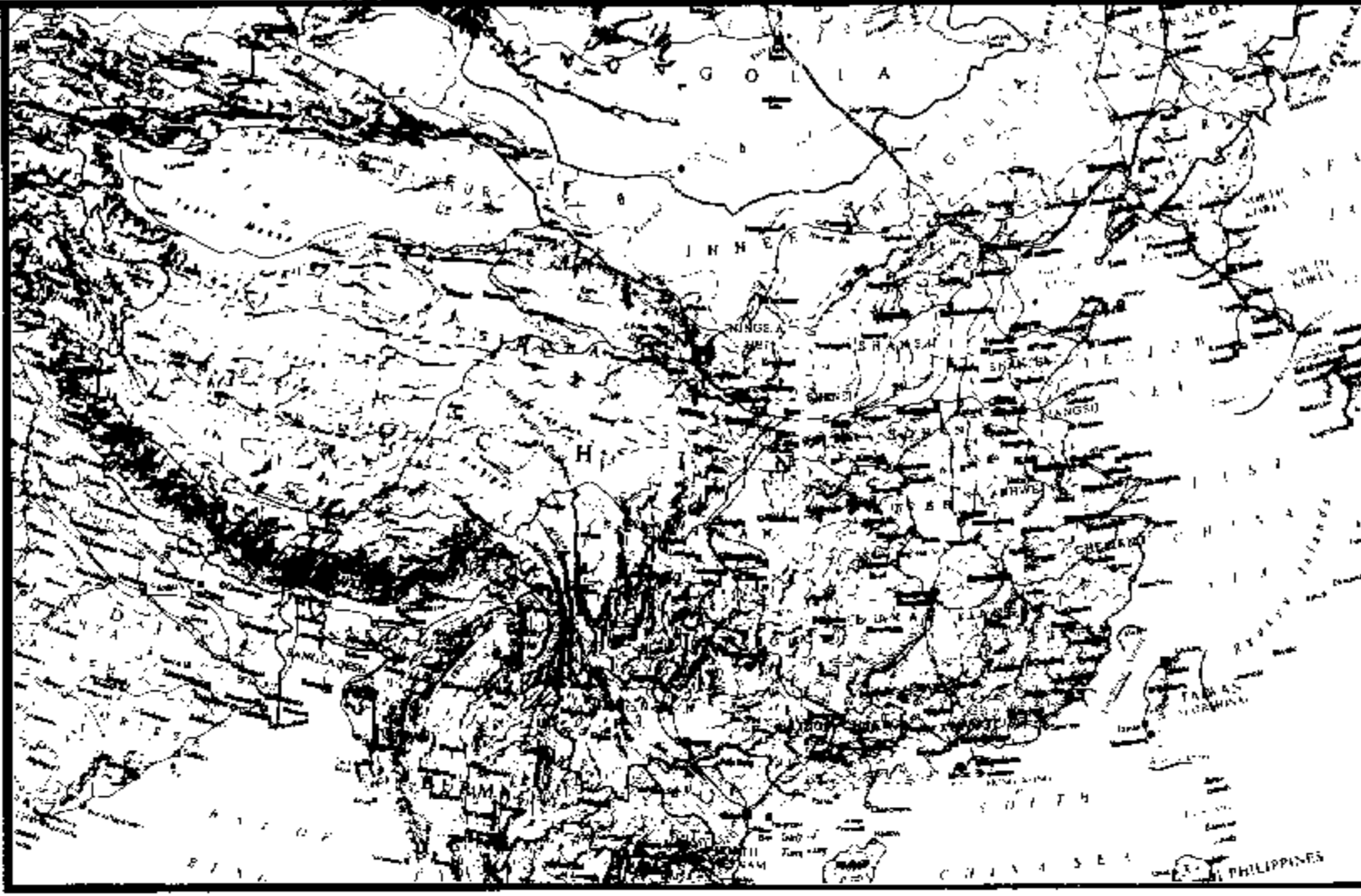
The policy of the government of borrowing through the governments' Student Loans Company at

(continued after supplement)

'The debate has become how — not if — students should be made to pay'

Lessons of the Chinese economic reform

The most conclusive indictment of the economic policies which have devastated Eastern Europe and the former Soviet Union since 1989 and 1991, is their contrast with the spectacular success of the reform of the world's second major centrally planned economy — China — a model now being increasingly applied in Vietnam and Cuba. China's success shows that the suffering inflicted upon the peoples of eastern Europe and the former USSR, under the guidance of the IMF, was totally unnecessary, writes **Geoffrey Owen**.



Since 1978 China has been the most rapidly growing economy in the world. Economic growth averaged 9.4 per cent a year between 1980 and 1993, and moved into double figures after 1991: 'China doubled its output per person in the ten years between 1977 and 1987, one of the shortest time periods for any country to achieve such a record. This impressive growth has in part been the result of significant increases in factor productivity in both the state and non-state sectors, a point of some importance given the well-documented failure of centrally planned socialism to raise productivity. The result is China's economy is now estimated (using purchasing power exchange rates) to be surpassed in size only by the US and Japan and there is a real possibility that China will become the world's largest economy by 2025.'¹

By contrast, under the guidance of the IMF the economies of eastern Europe and, even more so, the former Soviet Union, have experienced an economic collapse unprecedented in peacetime in the modern world. In the former Soviet Union output is now less than half its level prior to capitalist economic reform — and falling. In Russia productivity declined by 22 per cent in 1992 alone.

The rise in living standards in China and rise in death rates in Russia

The driving force of China's sustained economic growth has been a vast rise in the living standards of its population (see Table 1): 'In per capita terms, there have been impressive increases in living standards evidenced by a three fold increase in average consumption of meat and eggs between 1978 and 1991, by a more than doubling of living space in rural areas in the same period, and by the fact that the ultimate basic consumer good, the television set was owned by an average of one of every two rural households and by virtually every urban household in 1991.'²

By 1993, 83 per cent of city households had a washing machine, and, in Shanghai, 98 per cent of households had a refrigerator, 92 per cent a colour television, and 45 per cent a video recorder.³

As the *Economist* noted: 'China's economic performance in ... 14 years ... has brought about one of the biggest improvements in human welfare anywhere at any time... By 1994 China's economy is almost sure to be four times bigger than it was in 1978; if China hits its targets, which are reasonable, by 2002 the economy will be eight times bigger than it was in 1978...

'The overall figures mask a startling rise in living standards... grain output grew by a third in six years, cotton almost trebled, oil bearing crops more than doubled, fruit production went up by a half. Real incomes in the countryside grew even more spectacularly — threefold in eight years... Between 1978 and 1991 grain consumption of the average Chinese went up by 20 per cent; seafood consumption two fold; pork consumption two and a half times; egg consumption more than three fold; edible oil and poultry consumption four fold.'⁴

These figures reflect a vast increase in production of food and consumer goods. China's output of black and white TVs, refrigerators, washing machines, electric fans and irons has risen from negligible levels to become the largest in the world.⁵

The contrast with Russia and eastern Europe could not be more stark. In Russia living standards fell by 50 per cent in 1992 alone. Far

from the consumer society which many hoped capitalism would bring, output of food and consumer goods collapsed more comprehensively than any other part of the economy.

The social consequences have been horrific. The United Nations Children's Fund (Unicef) reported at the end of 1995 that 34 per cent of Russia's population had fallen below the subsistence minimum and that for men in the 20-39 age group in Russia, Ukraine and the Baltic states: 'the mortality increase due to heart, digestive and infectious diseases has taken on frightening dimensions unequalled in its magnitude in peacetime.'

Male life expectancy in Russia has fallen to just 57 years: 'By 1993 Russia's death rate had risen above even the level of low income countries. Russia's death rate now stood on a par with that of such countries as Bangladesh, Nigeria, Sudan and Togo, a dreadful testimony to the awful results of the reform process.'⁶

China's rapid domestic economic growth became the basis of its much publicised trade performance. Since 1979 China's exports have expanded at an annual rate of 16 per cent and moved steadily upmarket. Manufactures now make up 80 per cent of China's exports: 'The growing sophistication of Chinese products is also reflected in the shift towards exports of manufactured items from 50 per cent to 80 per cent last year... exports of machinery, electronic products and transport equipment are the fastest growing areas... capital intensive areas spawned an increase of about 86 per cent in exports of machinery and transport equipment in the first nine months of 1992, compared with 1991. Trade in these items accounted for 16 per cent of exports last year, compared with just 6 per cent in 1988.'⁷

Russia by contrast has seen the dollar value of its exports nearly halved, from \$63 billion in 1990 to \$35 billion in 1994, and been reduced to an exporter of raw materials and energy which, by 1993, made up 80 per cent of its exports.

With a Communist Party in power, China has become one of the largest recipients of foreign investment in the world — far greater than the whole of eastern Europe and the Soviet Union put together. Foreign investment is drawn into China because it is the fastest growing

economy in the world — major international companies simply cannot afford to keep out. Far from representing a weakening of China's international position, this reflects its strengthening. China's economic growth gives it the leverage to demand significant transfers of technology and training from foreign investors.

Russia, on the other hand, carrying out the policies prescribed by the IMF, has faced capital flight, \$20bn a year on Western estimates, far exceeding the combined total of foreign investment and transfers from the IMF, because its economy is collapsing.

In short: 'The contrast in performance under reform policies is breathtaking. Almost every major indicator in the two countries moved in an opposite direction. At every stage of China's reform programme commentators predicted that growth would shortly run out of steam. Instead, its economic boom continued almost uninterrupted right through to the mid-1990s. Moreover, the most important indicators of all, those concerned with the physical quality of

The IMF is perfectly aware that the contrast between Russia and China presents them with a serious political problem.'

life, almost all showed substantial improvement alongside the accelerated growth of output and real income. In Russia, the poor performance of Gorbachev's early years turned into a very poor performance in the later period of his rule. It became nothing less than a disaster in the 1990s. Output declined precipitously. While foreign investment poured into China, it shunned Russia. Most important of all, the indicators of the physical quality of life showed a sharp downturn with a large rise in death rates.'⁸

Bourgeois explanations of the Chinese economic reform

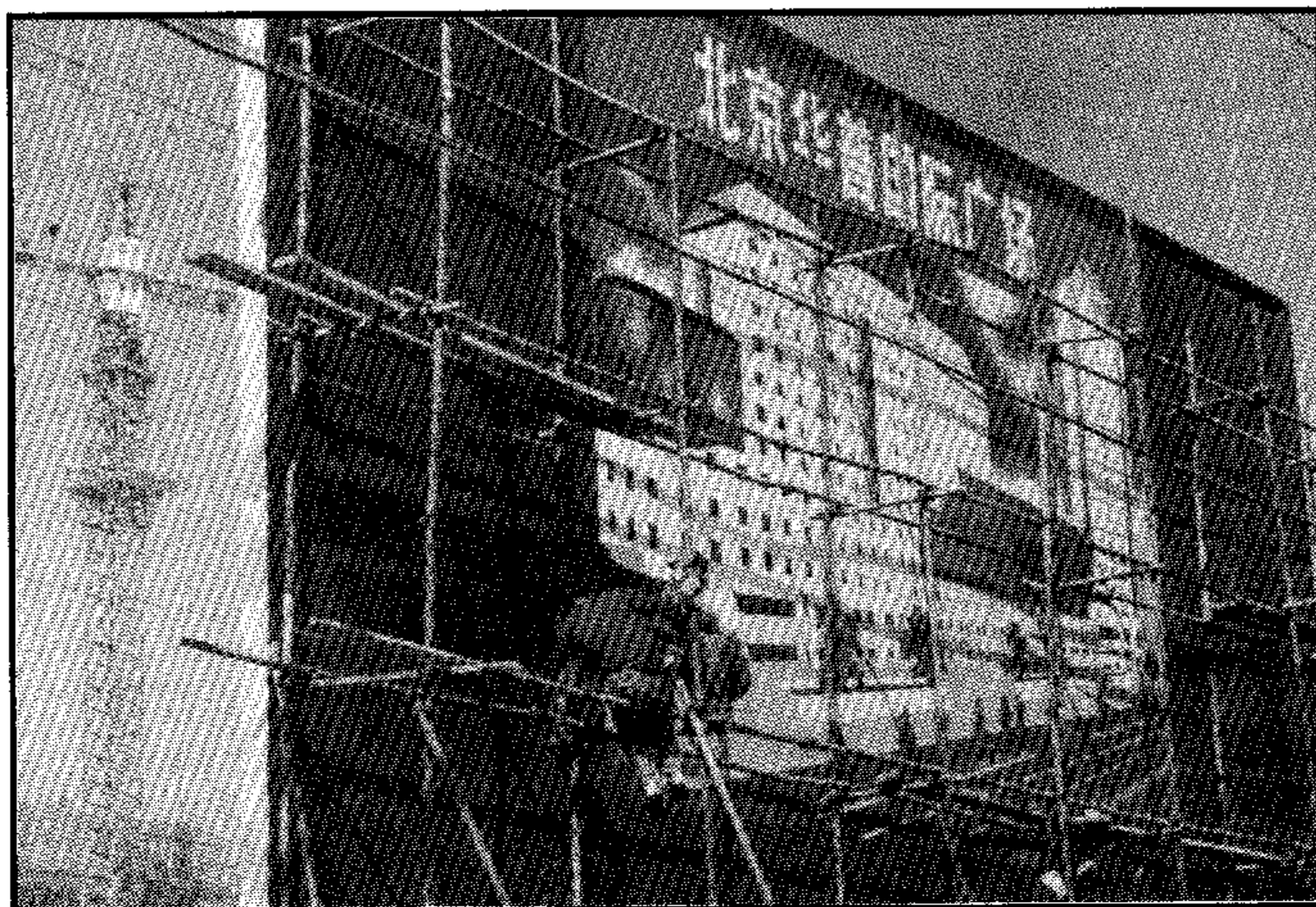
Given their consequences for such a large proportion of the world's population, explaining these contrasting economic performances should be a principal task for anyone seriously interested in improving the well-being of humanity. The IMF, for example, is perfectly aware that the contrast between Russia and China presents them with a serious

Table 1
Changes in the material standard of living in China, 1978-92

	1978	1992
Index of real per capita consumption	100	252
Consumption per capita of:		
grain (kgs)	196	236
edible oil (kgs)	1.6	6.3
pork (kgs)	7.7	18.2
fresh eggs (kgs)	2.0	7.8
sugar (kgs)	3.4	5.4
aquatic products (kgs)	3.5	7.3
cloth (metres)	8.0	10.7
Ownership of consumer durables (no./100 people):		
washing machines	—	10.0
refrigerators	—	3.4
tape recorders	0.2	12.2
cameras	0.5	2.3
TVs	0.3	19.5
sewing machines	3.5	12.8
bicycles	7.7	38.5
radios	7.8	18.4
watches	8.5	51.6 (1990)
Retail outlets and food and drink establishments (no. per 10,000 people):		
establishments	12	101
personnel	57	249
Health provision (no. per 10,000 people):		
hospital beds	19.3	23.4
physicians	10.7	15.4
Housing space per capita (sq. m.)		
cities	3.6	7.5
villages	8.1	20.8

Source: SSB, ZGTJZY; 1991, p. 42; SSB, ZGTJZY, 1994, pp. 48, 51; SSB, ZGTJNJ, 1993, pp. 279, 283-4.

From Nolan, 1995



political problem. Their view is that China is on route to the same destination as eastern Europe, but it has only travelled half-way and must 'catch up' by privatising and bankrupting most of its state-owned industry. In other words, they want China to emulate eastern Europe's 'success'!

Milton Friedman argues: 'Using or not using the market is not the crucial distinction. Every society, whether communist, socialist, social democratic or capitalist, uses the market. Rather the distinction is private property or no private property. Who are the participants in the market and on whose behalf are they operating? Are the participants government bureaucrats who are operating on behalf of something called the state? Or are they individuals operating directly or indirectly on their own behalf? That is why in an earlier paper delivered in China, I advocated the widest possible use not of the market but of 'free private markets'... The words 'free' and 'private' are even more important than the words 'market'. The wide use of the market that is sweeping the world is better called 'privatisation' — transferring government owned enterprises to private hands and thereby giving greater scope to the invisible hand of which Adam Smith wrote.'⁹

In other words, for Friedman, China's success in introducing markets within the framework of a planned economy must be rejected because it does not place private property in command.

The *Wall Street Journal* argues

'No person concerned with raising the living standards of the majority of humanity can dismiss the extraordinary economic performance of China over the last 18 years.'

the same case even more emphatically: 'China is still a largely socialist economy... The CP in China however hasn't found a way to retreat from central planning... Privatisation is the obvious solution, probably it would be tantamount to bankruptcy in most cases, though some firms would yield a hefty liquidation value because of their land holdings. Yet the government has decided, on the whole, that public ownership must not be tampered with. As long as that commitment stands, China's reforms will remain blocked... the state sector still haunts the economy, and until a stake is driven through its heart, we fear an ugly reckoning lies ahead.'¹⁰

If what concerned the *Wall Street Journal*, the IMF or Milton Friedman, were economic efficiency, let alone living standards, the only rational approach would be to reject the policies which brought disaster to eastern Europe and apply those which brought success in China. This is not done because for the IMF *et al* everything is subordinate to the irreversible and rapid restoration of capitalism — irrespective of the social and economic consequences for the peoples affected.

As a western advisor to the Russian government put it: 'In 1992 Russia re-discovered capitalism — one of the main events of the century. Yet many people say the reforms have failed, since inflation is still rampant. This line of thought is flawed. For the aim of the Russian reform is to change from communism to capitalism.'¹¹

Thus the real concern was to de-

stroy the planned economy as rapidly and irreversibly as possible, not raise living standards: 'The experience to date shows that most of us looking at the transition process beforehand paid too much attention to the need to shatter the old system, and insufficient attention to the dangers of institutional breakdown and self-reinforcing fiscal and macroeconomic collapse. Indeed, the absence of these worries from the early literature is, in retrospect, quite striking.'¹²

The Chinese road is rejected because its destination is not capitalism. Jeffrey Sachs and Wing Thye Woo, for example, conclude, that whatever China's successes the critical issue from a capitalist point of view is: 'The proportion of the Chinese labour force employed by state-owned units was 18 per cent in 1978 and was still 18 per cent in 1992. This means that there were actually 32 million more Chinese working in state-owned units in 1992 than in 1978. The state-owned sector is not "withering away".'¹³

The *Economist's* 1995 survey of Vietnam, which is applying a variant of the Chinese economic reform, points out that after four years of annual economic growth averaging 8 per cent, the weight of the state sector in Vietnamese industrial output has increased from 33 per cent in 1990 to 40 per cent in 1994. The *Economist* wryly comments: 'The opening of the economy, far from weakening the state's grip, is strengthening it.'¹⁴

There is also a *left* version of the view that China is moving in the same direction as eastern Europe but at a different pace. In this perspective, China is either on the road to capitalism, or already capitalist, because it is departing from an implicit model (derived from Stalin, not Marx or Lenin) that a planned economy must be based on the nationalisation of everything.

Even if this were the case — which it isn't — no person concerned about raising the living standards of the majority of humanity, as socialists must be, can simply dismiss the extraordinary economic performance of China over the last 18 years. Whatever its mechanisms, it is obviously preferable to the fate which has befallen Africa, India, Latin America, the Middle East, the former Soviet Union and eastern Europe. Therefore it has to be explained, not explained away.

However, the very facts which lead Sachs *et al* to reject the Chinese economic reform — that the state owned sector is not 'withering away' — also refute the left variant of the view that China is on the road to capitalism, albeit more slowly than eastern Europe. There has been no privatisation of large scale industry in China. Publicly owned enterprises (owned by the state and local government) continue to account for 80-85 per cent of China's industrial output. Land remains publicly owned.

Far from different applications of the *same* economic medicine, China's economic success derives from policies *diametrically opposed* to those pursued in eastern Europe at the behest of the IMF: 'At the end of this process [in China], public ownership remained a central feature of the property rights regime in every sector. The economy remained highly protected from the forces of international competition. The state remained at the centre of the economic process, having fundamentally shifted its approach away from economic commands towards economic planning which worked in tandem with market forces. In every major area, China pursued a reform strategy which ran counter to the transition orthodoxy. In terms of the conventional wisdom of the late 1980s about how to reform a Stalinist system of political economy, China got all of the main policies wrong, yet it was the world's most dynamic economy in the reform period... The advice which flowed from this orthodoxy contributed substantially to the Soviet disaster. The decision not to follow it helped the Chinese achieve enormous success in their transitional programme.'¹⁵

In reality, as we shall see, it is the retention of the industrial core of the Chinese economy under public ownership and the planning which this makes possible which is the key to the success of the Chinese economic reform. Those who claim that China, the most successful economy on earth in terms of economic growth, must 'complete' its success, by adopting the policies which caused the catastrophe in eastern Europe, are living in an Alice in Wonderland world.

It is *because* China has been less 'successful' than eastern Europe in privatising industry and has not attempted to re-introduce capitalism that the Chinese economy has

achieved a level of growth almost unprecedented in history. While eastern Europe's 'success' in this has produced economic collapse.

A second line of argument by the think tanks of international capital is that whatever its strengths, the Chinese economic reform has no relevance to Russia. Jeffrey Sachs argues that China had a potential surplus labour force in agriculture which could be transferred into new private industries, whereas in Russia the largest part of the workforce was already immobilised in state industry — making the demolition of the state sector a precondition for the development of smaller enterprises in Russia.

In fact it is far more difficult to transform unskilled peasants into manufacturing workers than to transfer workers from one sector of manufacturing to another: 'The comparison then is between the Russian task of transferring skilled urban workers to alternative manufacturing and service-sector jobs versus the Chinese task of transferring unskilled peasants to manufacturing jobs. Which is more costly? The assertion that the Russians have a more difficult task would be met with disbelief by the majority of economists who have studied the development process. It is simply not true in general, and it is even less true in a situation where, at least at the outset of reform, the Russians have a close to full employment economy while the Chinese struggled with labour surpluses. The European centrally planned economies do not need to continuously generate millions of new jobs to absorb the workers shed by inefficient producers. In that sense, a moderate growth of new firms should be able to gradually draw workers away from inefficient state firms, and produce a transition without massive amounts of socially de-stabilising unemployment. The ECEs have the same unexploited niches that China has, but fewer reserves of grossly under utilised labour in the countryside. Thus, a strategy of opening niches to new entrants should aid the restructuring process *more* rapidly than in China. From this point of view, there is a mature economy variant of the Chinese pattern of economic reform. It would certainly produce less rapid growth, but it might be a strategy of reform preferable to one that induces maximum economic dislocation.'¹⁶

In fact, as we shall see, there were fundamental similarities be-

tween the Russian and Chinese economies at the outset of reform.

China's problems of feeding its enormous population given the relative shortage of agricultural land, creating tens of millions of industrial and service jobs to replace those eliminated as agricultural productivity increases, the far lower starting point in terms of living standards, technology, education, industrialisation, and so on, made reform of China's economy, potentially more, not less, difficult.

The distortions of the Chinese and Soviet command economies

'China's economic success derives from policies diametrically opposed to those pursued in eastern Europe at the behest of the IMF'

The strength of the Soviet economy, and to a lesser extent China's, was that it had created an independent heavy industry and sustained over a long historical period a relatively high rate of economic growth. In fact, the USSR and Japan, and latterly China, are the only large countries in the twentieth century to significantly reduce the gap in GDP per capita between themselves and the advanced capitalist countries. (see Angus Maddison). This economic achievement, which would not have been possible without the October 1917 revolution, allowed the USSR to create scientific, cultural and academic resources unmatched in any country outside the United States. The USSR became one of the only centres of machine tool production, the nucleus of investment goods industries, in the world — the others being the United States, Western Europe and Japan. These economic achievements allowed the former USSR to eradicate extremes of poverty, create welfare services, achieve a high level of education and create a military capacity far superior to Japan and Germany which had threatened it in the past. Starting at a much lower level of development China also succeeded in creating a heavy industrial sector of its economy.

But the strategy of socialism in one country — formulated by Bukharin and applied by Stalin and subsequent Soviet and Chinese leaders — that the Soviet Union, on the basis of its own resources, could create a self-contained socialist economy, also deeply distorted its economic development. Agriculture and light industry, and therefore the living standards of the working class and peasantry, were totally subordinated to heavy industry. Through

forced collectivisation of agriculture in the USSR and the Commune system in China, attempts were made to eliminate the peasantry as a class. Consumer services, like shops and workshops, were grossly underdeveloped as a result of the largely successful attempts to eliminate the urban petty bourgeoisie. To take just one example, the problems of the Soviet retail system are easily understood when it is seen that only 6 per cent of the Soviet workforce was employed in retailing and wholesaling compared to 15 per cent in Germany and 22 per cent in the United States.

While the protection of industry from more advanced capitalist competition was necessary, the attempt to isolate the economies from the international division of labour was not. On the contrary, *the most important single advance of the productive forces under capitalism, from which socialism must start and advance, not retreat, is precisely the international division of labour.*

From these distortions flowed others — a pricing system which made rational planning impossible, shortages of consumer goods imposing an enormous burden upon women, and so on. These distortions in turn destroyed the incentive to work and to economise labour time — even where greater effort was rewarded by higher wages, there was little to buy with them.

This economic system required the suppression of democracy — because were the working class given the choice, it would have chosen economic priorities which raised, not lowered, its living standards. In the absence of both the market and any direct influence of the working class over planning, waste and corruption proliferated.

This produced the characteristic disproportions of the bureaucratically centrally planned economies — in particular, a level of living standards manifestly lower than the degree of development of the economy permitted.

In the United States total individual consumption made up 68.6 per cent of the economy in 1991. In the former Soviet Union only 55 per cent of the economy was devoted to consumption. In China, in 1978 prior to economic reform, private consumption made up just 53 per cent of the economy.

This unnecessary underdevelopment of the consumer oriented sectors of the economy also undermined productivity of both labour

and capital. It meant that the Soviet and Chinese economies were least developed in the most rapidly growing parts of the world economy — which are not steel, shipbuilding, etc, but consumer goods and services. Finally, this economic structure also impacted onto trade because heavy industry requires far higher levels of investment per unit of output than light industry, making it far more difficult to create industries capable of competing in the world economy.

The Chinese economic reform

To correct these structural imbalances in the Soviet and Chinese economies would have required a large shift in the economy into the production of consumer goods and services. The only rational strategy for achieving this would have been to maintain the economies' achievements, the creation of heavy industry, while correcting the distortions — by prioritising the production of food, consumer goods and services.

The vast unsatisfied demand for consumer goods in both countries could have made the necessary 'straightening out' of the distortions of the planned economy relatively painless — because it would be accompanied by rising living standards.

As one recent study put it: households in both eastern Europe and China 'found their consumption aspirations frustrated, regardless of their level of money income. Supply of many goods was erratic, shortages were common, and household members often had to queue for available supplies, in the Eastern and Central European economies and China alike. Thus there was not only a low level of real resource allocation to households, there was also substantial unsatisfied demand at prevailing income levels.

'These factors suggest that, in a sense, radical reform of systems such as these should have been "easy". The persistent lack of consumer goods means that there were many unexploited opportunities for production of consumer goods and services. Transferring even modest amounts of resources into consumer goods would increase output rapidly. Moreover, because there was such large unsatisfied demand, the "pull" of resources into consumer goods production would be

strong.'

This is what China has done since 1978 — the demand for consumer goods and services was increased, this stimulated an enormous increase in their production, which later also led to rapid growth in heavy industry not as an end in itself but to produce the inputs necessary for light industry and agriculture.

The IMF inspired economic reform in the former Soviet Union produced the opposite result. As living standards collapsed, so too did demand for consumer goods and services. Light industry and agriculture were crushed leading in turn to collapse in heavy industry as the demand for its products fell.

Thus: 'It is obvious that the ECEs did not stumble into a "virtuous circle" in the way that China did. Is this because the constituent elements of China's virtuous circle were absent in the ECEs? Surprisingly, when we turn to the actual transition process itself, we find that all the elements of China's virtuous circle were also present or potentially present in the ECEs... There seems to be nothing about China's economic structure or level of development that limits the Chinese approach to that one unique country. The ECEs could also have adopted such an approach... it is likely that these countries would have been better off had they followed an approach more similar to the one followed by China.'

Neither the free market, nor the command economy, could correct the distortions of socialism in one country

At the outset of the economic reform in China there was a discussion about the purpose of socialist production. The Stalinist model, that the highest possible rate of capital accumulation must be maintained at the expense of the living standards of the workers and peasants, was explicitly rejected. Instead, it was recognised that too high a rate of accumulation, at the expense of consumption, reduces the efficiency of investment. This was the roadblock which the Soviet Union had run into. The neglect of consumption undermined the incentive of the workforce to produce and

'The strategy of socialism in one country — that the Soviet Union, on the basis of its own resources, could create a self-contained socialist economy — deeply distorted its economic development'



worsened the quality of goods, created shortages of materials and reduced the resources available for the development of agriculture and light industry. The conclusion of this debate in China in the 1970s was the precise reverse of the Stalinist orthodoxy. Agriculture was given first priority, followed by light industry and then heavy industry.

The policy of developing consumption was then implemented by scaling down investment and military spending to correct the previous imbalance in favour of heavy industry. Under the Chinese economic reform the development of consumer production and consumption was to be the driving force of the economy, with investment fixed at levels consistent with rising living standards.

However, a shift to prioritise the production of consumer goods was impossible to implement without markets. The structure of consumer supply is quite different to heavy industry, in that it requires a network of many millions of far smaller units of production. That is why the attempts to solve the problems of consumer goods production under Gorbachev failed. It is simply not possible to create a vast network of small farms, shops, workshops and consumer goods producers by administrative command. It can only be created, and linked, by a market mechanism. The development of heavy industry could be carried out under Stalin administratively because it involved the concentration of resources into a relatively small number of heavy industrial units — the small business and

farm sector were taxed to the point of extinction and legally prohibited while prices were skewed to favour heavy industry. But this process cannot be run in reverse. It is impossible to administratively create millions of small consumer producers and services.

The attempt to entirely eliminate the market by bureaucratic fiat in the USSR had been an adventure. Market relations have to be progressively outgrown, not suppressed. As Trotsky put it in his critique of Stalin's first five year plan: 'The innumerable living participants in the economy, state and private, collective and individual, must serve notice of their needs and of their relative strength not only through the statistical determinations of plan commissions but by the direct pressure of supply and demand. The plan is checked, and to a considerable degree, realised through the market. The regulation of the market itself must depend upon the tendencies that are brought out through its mechanism. The blue prints produced by the departments must demonstrate their economic efficiency through commercial calculation.'¹⁹

The market is a set of social relations which will 'wither away' over a long historical epoch. The attempt to abolish it administratively simply threw the Soviet economy backwards in the spheres most important for the living standards of its people.

On the other hand, the instruments of intervention into the economy created by the overthrow of capitalism in China and the Soviet Union did make possible major incursions into the operation of the international and national markets to regulate their effects and establish priorities which would have been overturned by unfettered market forces. Thus in China's economic reform: 'the role of the state has been evident in mediating between world market forces and national interests — both in setting key prices (such as the exchange rate and the long-term interest rate) as well as in guiding the economy along a particular path. Whilst the market has served as a useful benchmark which has given planners useful information it has never been allowed to be an all-pervasive influence.'²⁰

In Russia, on the other hand, after 1992 the mechanisms for protecting the domestic economy from the more powerful forces which

dominate the international market economy started to be dismantled. This made impossible what Peter Nolan accurately describes as a precondition for successful reform — planning: 'Success in the transition was conditional upon learning how to plan.'²¹

The capitalist economic programme launched in Russia in January 1992 — price liberalisation, privatisation and subordinating the economy to the forces of international capital — could not solve the problem of developing the consumer sector either. The reason for this is that, under full price liberalisation, the demand for consumer goods collapsed as living standards fell, while the prices of industrial inputs, produced by larger more monopolised units, rose much more rapidly than the prices of consumer goods. Finally, whole sectors of consumer production are simply eliminated by imports from more productive economies. That is why the greatest collapse of all in the former Soviet Union has occurred in the light industrial and agricultural sectors. They are crushed between more rapidly rising industrial prices, foreign competition and collapsing consumer demand.

The IMF's policies made the distortions of the former Soviet economic structure worse not better.

The mechanism of the Chinese economic reform

Given that neither an administrative command mechanism nor full price liberalisation could correct the distortions of the command economies, what was necessary to do so? This was the problem which the Chinese economic reform solved. It maintained the output of heavy industry while simultaneously pumping resources into creating light industry, farming and consumer services. Domestic producers were protected by tariffs on imports averaging 35 per cent (compared to an average level of 15 per cent in other developing countries).

The starting point of the reform was a radical increase in the share of individual consumption in the Chinese economy — new consumer industries could only develop if there was a vast increase in demand for their products. In the three years, 1978-81, the share of individual consumption in the Chinese economy was increased from 53 per

The attempt to administratively abolish the market threw the Soviet economy backwards in the spheres most important for the living standards of the people'

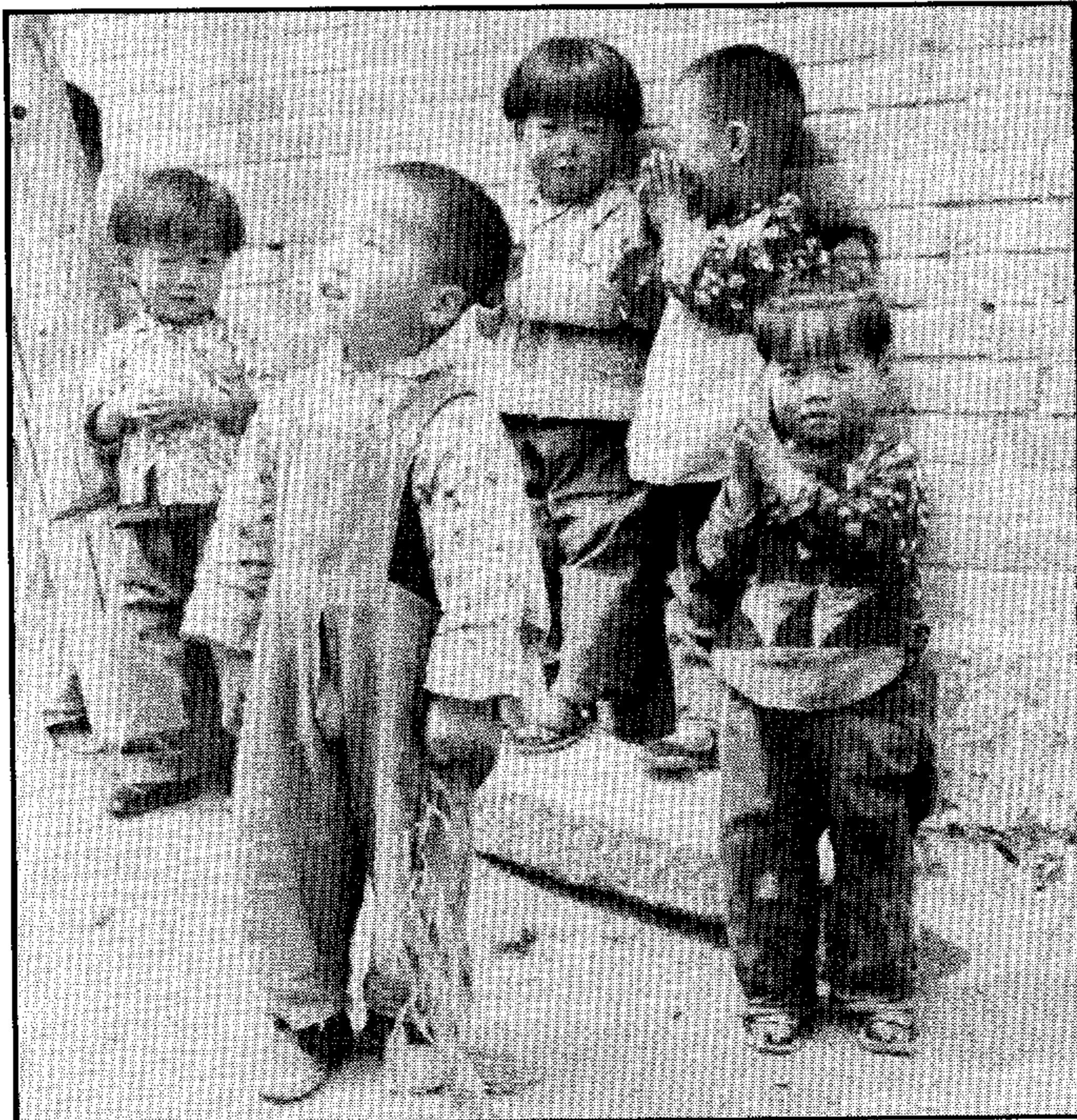
cent to 59 per cent of GDP. This was achieved administratively by reducing the share of investment in the state sector by five per cent of GDP and transferring this to consumer subsidies and wage increases: '...during the first phase of Chinese reform, especially from 1979 to 1981, there were substantial reductions in military industrial output, and in heavy industry as a whole. The effect of this on output was swamped by the rapid increase in consumer goods production that occurred at the same time.'²²

The administratively determined increase in demand for consumer goods was then connected to the supply side, not administratively, but via a market mechanism, that is by an increase in the relative prices of food and consumer goods. At the same time the prices of the state-owned, monopoly, industrial sector were held down. As a result, over the decade from 1978, agricultural prices relative to industrial prices rose by 77 per cent, and consumer prices rose by 25 per cent compared to average prices. Unlike in the former Soviet Union and eastern Europe there was no big bang price liberalisation. This relative increase in the prices of consumer goods increased the incentive to produce them.

On the demand side, the population was compensated by raising, first, the level of state subsidies on consumer goods, and then, because subsidies have the defect of distorting the price structure, by phasing out subsidies and replacing them by wage increases. This is quite different from eastern Europe where 'price reform' simply removed indirect subsidies to the population's living standards. In China living standards were increased not cut.

As a result, the demand for consumer goods was increased and the economy gradually moved to a more rational pricing system reflecting real costs. At the same time the state retained the ability to intervene to limit price increases where this was considered necessary.

If the price increases paid to Chinese farmers had been passed onto the consumers, then there would have been no increase in the share of individual consumption in the economy as a whole. Instead consumers would merely have been forced to spend more on food and correspondingly less on other consumer goods. Food production would have increased but other sectors such as consumer durables, like



'The decision in China to fully compensate the population for price increases was an indispensable condition for the success of the economic reform.'

washing machines refrigerators and televisions, would have declined, providing no overall boost to economic growth. Thus *the decision in China to fully compensate the population for price increases was an indispensable condition for the success of the economic reform.*

The population gained from the increased supply of consumer goods and was fully protected against the price rises. So the changes were greeted by popular support. By this mechanism a large shift in prices in favour of the consumer sector of the economy was created, stimulating a spectacular increase in their production.

Second, to allow the price change in favour of consumer goods to take effect, all prohibitions on the formation of enterprises to serve the consumer sector were removed — resulting in the formation of millions of small farms, private and cooperative small businesses, shops and workshops.

On this basis huge resources flowed into the consumer sector — with spectacular results. In the decade 1979-89 total agricultural production increased by 49 per cent and

total food production by 45 per cent. Food production per capita of the population increased by 29 per cent.

The increase in production of higher quality foodstuffs was even more impressive. In the decade 1979-89 production of pork increased at 7.7 per cent a year, milk at 8.4 per cent a year, butter at per cent a year, eggs at 9.7 per cent a year, grapes at 17.9 per cent a year, bananas at 26.1 per cent a year and so on.

Overall the result was a long term increase in agricultural production productivity: 'The real gross value of crop output per arable acre rose by around three quarters during the reform period. The average annual real grown of net farm output per worker accelerated sharply from only 0.3 per cent between 1957 to 1978 to 4.3 per cent from 1978 to 1991'²³

This shift in production was accompanied and made possible by the creation of an enormous number of new small businesses linked via the market. In the agricultural sector, where reform began, responsibility for production was transferred from collectives to individual households and pur-

chases by contract replaced mandatory state procurement. After a number of experiments, by 1984 the household responsibility system emerged as the dominant arrangement. Two hundred million small farms came into existence. However, while land *use* was effectively privatised, land *ownership* was not. Households contracted to use farmland for a fixed period — by 1984 the contract period was 15 years for annual crops and 50 years for tree crops. Farmer contracted to supply specified crops to the state and production over and above the contract could then be sold at market prices.

In 1988 the government legalised the existence and development of privately owned enterprises. These, particularly very small enterprises, grew rapidly. By 1986 there were 500,000 industrial enterprises in China of which 420,000 were small or medium scale. The expansion of consumer services was equally rapid. In 1977-88 China's total workforce increased by 35 per cent, but employment in restaurants increased by 327 per cent, in retailing by 380 per cent, and in other services by 750 per cent. Total employment in these three service sectors increased from six million to 30 million — which meant an enormous increase in the quality of life for the Chinese people.

But to this day the specifically private sector accounts for a very small share of China's overall industrial output because, as we shall see, the biggest change of all was in the spectacular growth of collectively owned enterprises at village, town and city level — chiefly owned by local government structures. These, together with the small scale private sector, were able to soak up the labour released by the rapid rise in productivity in agriculture and were the basis on the supply side for meeting the mushrooming demand for more and more sophisticated consumer products.

While its starting point was a tremendous stimulus to agriculture, the overall process of the economic reform led to a further and deeper industrialisation of the country with a very large proportion of the growth of small private and collective enterprise located in the rural areas.

Thus: 'The Chinese experience is based on industrialisation; industry represented 35% of GDP in 1970 to 42% in 1990. The decline in per

centage terms of agriculture, went from 38% of GDP in 1970 to 27% in 1990. .. The pattern of industrial growth during the 1980s has favoured light industry, much of it in collective enterprises and, to a lesser extent, private firms as compared to substantially lower, though supposedly still rapid, growth in heavy industries in state-owned enterprises'²⁴

Industrialisation was not confined to the urban sector: 'the share of agriculture in total village gross income declined from 69 per cent in 1978 to 36 per cent in 1992, alongside the rapid growth of the rural non-farm sector.'²⁵

This planned increase in the weight of consumer production in the Chinese economy was only made possible by maintaining state ownership of the industrial core of the economy. That allowed the government to coordinate a shift in relative prices in favour of consumer goods. If industry had been privatised and prices fully liberalised — as in eastern Europe — then Chinese agriculture and consumer goods industries would have been caught in precisely the price scissors which crushed light industries and agriculture in those countries after 1989. The more monopolised heavy industries and energy producers would have raised their prices more rapidly than was possible for the farmers and consumer goods producers who were subject to much greater competition as a result of the smaller scale of their units of production and the greater ease of starting up new small firms. Thus, *far from state ownership of heavy industry being a relic of the past which should be discarded as rapidly as possible, it is at the heart of the mechanism which made the Chinese economic reform a success.*

The virtuous circle of the Chinese economic reform

As the consumer boom took off, however, it had an increasing knock effect upon the state owned industrial sectors of the Chinese economy. The increased income of farmers and small businesses created a demand for rapid expansion of production of materials for construction, farm equipment, fertilizers and all kinds of machinery necessary for the further expansion of consumer production.

'The pace of growth of light in-

dustry accelerated sharply in the reform period. From 1978 to 1992, light industry (real gross value of output) grew at a reported rate of almost 15 per cent per annum. However, in a relatively closed economy such as China's, such growth can only be sustained through simultaneous rapid growth of output from heavy industry to provide the inputs for light industrial products.

'Consequently alongside a boom in output of light industrial products often from the small-scale sector, went a simultaneous rapid growth of output from the heavy industrial sector... The real growth rate of heavy industrial output was reported to be almost 11 per cent per annum in the period 1978 to 1992... Paradoxically, an economy which had shown large heavy industry bias under the communist command system continued to require rapid growth of output from the heavy industrial sector during the reform period. The inter-sectoral relationship under reform had shifted from unbalanced heavy industry growth to balanced growth path, rather than to the emphasis of light industry to the neglect of heavy industry. Indeed, between 1978 and 1992, China's ranking in total world output shifted from fifth to fourth largest in steel, from third to first place in coal, from eighth to fifth in crude oil, from seventh to fourth in electricity, and from fourth to first in cement.'²⁶

As a result of the growth of first agriculture and then the mainly collectively owned new consumer industries, the expansion of heavy industry was also driven forward. In this sense, the Chinese experience since 1978, is superior not only to the IMF-inspired disasters in eastern Europe and the former Soviet Union since 1989 and 1991, but also shows the ultimate dead-end of the Stalinist strategy of developing heavy industry *at the expense of* consumer goods and services (outside of such emergencies as war). *Both* are based on reducing the living standards of the working class and peasantry. The working classes of eastern Europe and the Soviet Union finally rejected the Stalinist regimes because their living standards were subordinated to a utopian project, socialism in one country, which ultimately undermined the entire functioning of the economy. Recent elections demonstrate that they are now grasping that capitalism is worse. China's experience is a *practical* alternative to *both*.

'The specifically private sector accounts for a very small share of China's overall output because the biggest change was the growth of collectively owned enterprises at village, town and city level.'

The ownership structure of the Chinese economy

The Chinese economic reform created the most rapid growth of small businesses and farms anywhere in the world, possibly ever in history. Yet there was virtually no privatisation of large scale industry: 'Unlike Eastern Europe, China has made no efforts to privatise its large state-owned sector but has relied instead on collective enterprises and joint ventures (with foreign partners), and private business, though the latter only accounts for a small part of the economy.'²⁷

Public ownership remained predominant even in the rural areas. For example, in 1990 village collective organisations were responsible for ploughing more than 35 per cent of farmland, irrigated 70 per cent of the irrigated area, providing crop protection for 62 per cent of protected crops, supplying more than one third of seeds, fertilizer, insecticide and diesel-oil inputs. It is estimated that in 1992, the income generated by rural collective and cooperative organisations accounted for 45 per cent of the total income of China's rural economy.²⁸

Public ownership of land was a powerful countervailing force to the social inequality which inevitably accompanied elements of the market reform: 'Farmland was 'de-collectivised' in the early 1980s. This was not followed by the establishment of private property rights. Because the Chinese Communist Party wished to prevent the emergence of a landlord class, it did not permit the purchase and sale of farmland. Still in 1994, the Party 'adhered to the collective ownership of farmland'. The village community remained the owner, controlling the terms on which land was contracted out and operated by peasant households. It endeavoured to ensure that farm households had equal access to farmland... Farmland was not distributed via a free market auction, which would have helped to produce a locally unequal outcome. Rather the massively dominant form was distribution of land contracts on a locally equal per capita basis. This huge 'land reform', affecting over 800 million people, was a remarkably orderly process. It was not a disorganised land grab in which the strong members of the village squeezed out the weak... The egalitarian land reform

'The basic industrial structure which emerged was one in which the state sector remained dominant in large-scale heavy industry, rural areas experienced rapid industrialisation driven by the development of collectively owned enterprises and the private sector grew rapidly in the smallest units of production.'

in the 1980s tended greatly to increase socio-economic stability. It provided equality of access to the use rights of the most important asset in China's villages... It made public action easier to implement since villagers shared a common position in respect to the principal means of production. It provided a hugely egalitarian underpinning to rural, and indeed national, income distribution.'²⁹

The system of farming and land ownership which has developed in China has made rational use of markets without creating the structure of land ownership characteristic of *capitalism* in either the advanced industrial countries or the countries which remain dominated by imperialism: 'The distinguishing feature of China's land tenure system in the post-reform period is separation of individual user rights from other ownership rights which remain 'collective'. The right to use village land is granted to individual households. However, the village retains other rights associated with ownership. Specifically the village collective, as the delegated owner, has the right to allocate land among its members, the right to lease land to outsiders or sell land to the state, and the right to claim rent income from the land... Under the household responsibility system, peasant households are the basic units of farm production, while the village collective takes charge of managing land contracts, maintaining irrigation systems, and providing peasants with equitable access to farm inputs, technologies, information, credit, and the services of farm machinery, product processing, marketing, primary education and health care.'³⁰

In the industrial sphere, the largest scale change was not from public to private ownership, but a change in the weight of different types of publicly owned enterprises — a vast increase in the collective sector controlled by local government at village, town and city level: 'The most significant change has been the rise in the industrial output produced by the collective sector. This sector consists largely of enterprises under the administrative control or ownership of local-level government at the provincial, city, township and village levels... This sector represents ... a form of social ownership (as opposed to state ownership which is but one form of social ownership)... socially owned enterprises (ie state

and collectively owned enterprises) still produce over 85 per cent of China's industrial output. Whilst growth rates may be highest in the private sector, the percentage of output this produces is still very small and the most significant quantitative change in the composition of industrial output during the reform period has been the change *within* the socially owned sector from the state-owned to the collective sector.'³¹

Furthermore, this change occurred on the basis, not of a collapse of state-owned industry, but because the collectively owned sector in light industry grew even *faster*: 'The state's share of total industrial output (gross value fell sharply during the reform, from 78 per cent in 1978 to 48 per cent in 1992. However, the share of the collectively owned sector (ie the locally publicly owned sector) rose rapidly, from 22 per cent in 1978 to 32 per cent in 1992. Thus in 1992, fourteen years after the reforms began, the publicly owned sector still produced over 80 per cent of industrial output. Even in Guangdong province, much the most market oriented province in China, the publicly owned sector still in 1992 produced 68 per cent of gross industrial value. The pure private sector produced just over 5 per cent and 'other' sectors, which were mainly joint ventures, usually with public sector firms, produced just over 26 per cent of industrial output (gross value) in Guangdong. Thus, during at least the first decade of China's reforms, entrepreneurship was mainly employed in the service of some form of public enterprise.'³²

The part of the state sector which was displaced by collective and private industry was precisely that producing on the smallest scale: 'the share of the non-state sector, including both the collective and latterly the individual and foreign investment sector, rose dramatically from 22 per cent in 1978 to 52 per cent in 1992. However this was almost entirely achieved at the expense of the small scale state sector. The share of the large-scale and medium scale industrial sector, which was almost wholly state-owned, remained remarkably constant, at around 43 per cent of output throughout the reform period.'³³

This was theorised on the basis that state ownership was less efficient than a market mechanism in relation to the smaller units of production. The attempt to operate the

Table 2
Shares in gross industrial output value by form of ownership

Year	Total (billion yuan)	State %	Collective % (total)	Collective % (urban)	Collective % (rural)	Private %	Other %
1980	515.43	76.0	23.5	13.7	9.9	0.02	0.48
1985	971.65	64.9	32.1	13.3	18.8	1.85	1.20
1990	2392.44	54.6	35.6	15.0	20.6	5.39	4.38
1992	3706.6	48.1	38.0	13.2	24.8	6.76	7.11

Source: Calculated from *Statistical Yearbook of China*, 1993, p. 414.

Collective total = Collective urban + collective rural.

Private refers to private firms employing less than eight people.

Other refers to private firms employing more than eight people, joint ventures and wholly foreign-owned firms.

From Bowles and Dong, 1994

whole of industry in the state sector prior to 1978 had simply meant that the millions of smaller scale enterprises necessary to produce consumer goods failed to develop. As a result of the economic reform: 'The rapid growth in the non-state sector's share of industrial output was largely at the expense of the small-scale state sector. The large-scale state-owned sector grew at roughly the same (ie very rapid) rate as the whole industrial sector. Indeed, the share of large scale industrial plants in total gross industrial output remained constant at around 25-26 per cent throughout the 1980s.³⁴

The basic industrial structure which emerged was one in which the state sector remained dominant in large-scale heavy industry, rural areas experienced rapid industrialisation driven by the development of collectively owned enterprises and the private sector grew rapidly in the smallest units of production of all.

As regards the relative weights of the collective and private sectors: 'In the 1980s it once again became legal to set up and run small businesses, and the pure private sector grew rapidly. By the early 1990s, the total number of people working in individual rural non-farm businesses had risen from negligible levels to around 47 million. However, the rural collectively-owned sector still employed a much large number of people, around 59 million in 1992.³⁵

By 1994 the collective sector of town and village enterprises employed 112 million people and since

1990 had created 6.5 million jobs a year, absorbing 70 per cent of the annual net addition to the rural labour force.

The 'pure private business sector was mainly small-scale 'petty commodity production', located predominantly in non-industrial activities with small amounts of fixed assets per business. The collective sector occupied the 'commanding heights' of rural industry accounting for 63 per cent of employees in rural industry in 1992... The rural collectively owned sector was much larger than the urban one. Its output value in 1992 was 2.2 times larger than that of the urban collective sector.³⁶

Although the collective enterprises operate in a market, they do not have the characteristics of co-operatives in a capitalist economy: 'China's 'collectively' owned enterprises were not cooperatives in the normal sense of the word, namely each enterprise run by its owners. Rather, they resembled national state-owned, with the 'state' being the local community, each of which typically owned multiple enterprises.³⁷

The relevance of such structures to the former Soviet Union is obvious: 'If the transition orthodoxy's view of the relationship between property rights and economic incentives were correct, one would have expected that, whatever changes had taken place in the setting within which China's rural non-farm collectively-owned enterprises operated, they would still have been unable to operate successfully. Instead of stagnation, the 1980s witnessed

phenomenal growth in rural non-farm industry in which the public sector was dominant. Between 1978 and 1992 total employment in the sector increased from 17 million to 63 million and the gross value of output rose by around 22 per cent per annum. The share of the township enterprise sector in China's gross material product rose from 17 per cent in 1985 to 25 per cent in 1990 exports from China's rural township enterprises rose from \$1.7bn to \$9.6bn, and their share of China's rapidly growing exports increased from 4.8 per cent to 15.2 per cent... had the export performance of a single developing country improved in such a dramatic way, teams of Western experts would have been despatched to understand the cause of the phenomenon. Yet there was little serious outside investigation of the reasons for the explosive export growth of this predominantly publicly owned sector.³⁸

Furthermore, the fact that these enterprises were owned by the local village and town communities meant that their surpluses could be made available for the development of welfare services locally: 'China's local authorities were able in most areas to generate revenue from the rural non-farm sector, so that they were in a better position than might have been the case with privatised small businesses to undertake community welfare expenditures of benefit to the standard of living of the whole local community.³⁹

The overall structure of China's industrial output by forms of ownership is shown in Table 2.

The international success of the Chinese economy

The driving force of China's phenomenal economic growth has been its *domestic* economy. It was the success of China's domestic economy which attracted foreign investment, not vice versa. As late as 1983, by which time the Chinese economy was growing at 9 per cent a year, annual foreign investment was less than \$2bn. It was the priorities established in China's domestic economy which made possible the extraordinary expansion of its foreign trade and foreign investment into China.

That is the *only* way in which economic policy could proceed. It is not possible to apply fundamen-

'China's economic reform is an alternative to both capitalism and the economic strategy of Stalin and Brezhnev.'

tally un-integrated domestic and international economic policies. The priorities established in the domestic economy determine the resources available for international trade. The priorities established in international trade will require the corresponding allocation of resources in the domestic economy.

In this sphere too, neither the theory of socialism in one country, nor opening the economy up to the international market, could achieve the desired result — to take advantage of the international division of labour to progressively upgrade the performance of the economy.

Socialism in one country was a dead-end quite simply because it is not possible, *on the basis of one country*, to create a development of the productive forces superior to capitalism which is based upon *an international economy*. The overturn of capitalism is both possible and necessary in individual countries. However, to date capitalism has been overturned, not in the most advanced capitalist countries, but in those countries whose further development was blocked by capitalism. Without the socialist revolutions of 1917 and 1949, Russia and China would have been prey to more powerful imperialist states which would have broken them up and colonised them — just as the Ottoman empire was parcelled up between the western imperialist powers. Lenin summarised the problem: ‘a backward country can easily begin because its adversary has become rotten, because its bourgeoisie is not organised, but for it to continue demands of that country a thousand times more circumspection, caution and endurance. It will be different in western Europe; there it will be immeasurably more difficult to begin but immeasurably easier to go on.’⁴⁰

Thus the problem confronting the Russian and Chinese revolutions was that they occurred in backward countries confronting more advanced and powerful capitalist states organised in a world capitalist system of states. The only way out of this situation was for the overturn of capitalism to be extended to the more advanced capitalist economies. On the domestic economic front this meant using the levers created by the socialist revolution to raise living standards and strengthen the alliance between the working class and peasantry to act as a base of support for the extension of the revolution when and as



‘To develop the domestic economy required not national isolation but participation in the international division of labour to the maximum extent, on the basis of a planned and socialised economy.’

this became necessary. That is why the original leaders of the Russian revolution gave such enormous importance to the creation and development of the Communist International.

To develop the domestic economy, however, required not national isolation but, participating in the international division of labour to the maximum possible extent on the basis of a planned and socialised economy: ‘We cannot escape from capitalist encirclement by retreating into a nationally exclusive economy. Just because of its exclusiveness such an economy would be compelled to advance at an extremely slow pace, and in consequence would encounter not weaker, but stronger, pressure, not only from capitalist armies and navies (“intervention”), but above all from cheap capitalist commodities.

‘The monopoly of foreign trade is a vitally necessary instrument for socialist construction, under the circumstances of a higher technological level in the capitalist countries. But the socialist economy now under construction can be defended by this monopoly only if it continues to come closer to the prevailing levels of technology, production costs, quality, and price in the world economy.

‘The aim of economic management ought to be not a closed-off, self-sufficient economy, for which we would pay the price of an inevitably lower level and rate of advance, but just the opposite — an all-sided increase in our relative weight in the world economy.’⁴¹

In terms of the international relations of a non-capitalist economy, therefore: ‘The greater the success

of the development of the Soviet economy in the future, the more extensive foreign economic relations will have to be. The contrary theorem is even more important — it is only through a growing extension of imports and exports that the economy will be able to overcome in time the partial crises, to diminish the partial disproportions and to balance the dynamic equilibrium of the various sectors in order to assure an accelerated rate of development.’⁴²

This is precisely what the Chinese economic reform has started to approach in the sphere of its international economic relations — a success inextricably linked to the domestic economic reform. The expansion of foreign trade has now become even faster than domestic growth. China’s world export rank increased from 32nd in 1978, to 17th in 1987, to 11th in 1995.

The pattern is clear. First, it is China’s economic growth, as opposed to Russia’s collapse, which makes it attractive to foreign investors who are aware that, unlike in Russia, the Communist Party remains in power. China’s economic growth makes it a crucial market for entire sectors of the world economy. Large international companies face a situation where if they do not invest in China they may face elimination by their competitors in the world market.

Secondly, the priority given by the Chinese economic reform to the production of consumer goods meant it focused on the sectors in which it is easiest to become internationally competitive — because they require far lower levels of capital investment than heavy industry: ‘The proportion of primary product

exports has been relatively small... exports have been predominantly of manufactures, 73 per cent in 1990, a considerably greater fraction than is typical in 'low income countries'. It is interesting to note the contrast with some of the east European countries. Chinese exports appear to be largely the products of light industries — one third are textiles and clothing.⁴³

Third, the Chinese government used its leverage, of a population numbering more than one billion in the world's most rapidly growing economy, to exact concessions from foreign investors. For example, tariffs and other measures were used to pressure foreign companies to produce consumer goods in China rather than simply importing them (as with Russia). Where part of the production of such goods was for export, raising foreign currency which could be used to upgrade China's technology, the government gave tax concessions to foreign investors. Similarly, firms competing for investment contracts in China had to offer transfers of technology, training for Chinese workers and even investment in infrastructure projects. For example: 'In order to gain access and rapidly growing China market, Boeing was required to assist the main Chinese aircraft manufacturer in Xian to successfully establish a capacity to produce spare parts and then manufacture whole sections of aircraft, and finally to assist in the development of a capacity to produce complete aircraft within China.'⁴⁴

Fourth, foreign investment then gave China access to international marketing networks and the know-how to improve the quality, presentation, packaging and advertising of Chinese goods - increasing its ability to export.

Fifth, once China's position as a producer of consumer goods had been transformed, the enormous demand generated for improving the infrastructure and heavy industry, provided a further impetus to foreign investment. The *Wall Street Journal* reported: 'Discussions about infrastructure are usually boring - until you come to China... Its infrastructure shopping list for the next decade is eye-popping: 40 airports; 114 metropolitan light railway systems; scores of ports, power plants, roads and bridges... "It's the greatest market in the whole future of the world," says Paul Donovan, president of Asea Brown Boveri Plant Systems... It's no surprise that

when Shi Dazhen, China's energy minister, recently passed through Washington, some 200 representatives of US companies flocked to an impromptu appearance he made, and hung on his every word.'⁴⁵

The *Financial Times* recently noted: 'China is regarded as the world's fastest growing market for new aircraft... The US company [Boeing] estimates that sales of commercial aircraft in the country in the next two decades will be worth \$100bn, making it the third biggest aviation market in the world after the US and Japan... the authorities are now turning their attention to improving airport facilities to cope with expected annual passenger growth of 10 per cent for the next 20 years, compared to a forecast worldwide increase of 5.1 per cent.'⁴⁶

This situation means that, far from becoming more dependent on foreign powers or susceptible to pressure by international capitalist companies, China's economic growth is giving it the power to extract better deals from those foreign investors which it chooses to let into its economy.

Thus, on the basis of its domestic economic reform, China was able to move on to create a parallel 'virtuous circle' — increased consumer production, attraction of foreign capital, exports, improvement of quality and technology of production, greater consumer production, a wider variety of exports, and then, on the basis of the resources generated by the first wave of development, the expansion of heavy industry and the whole infrastructure of the country. The result has been a huge surge not merely in *output* of the Chinese economy, but in its *productivity*. Far from making a virtue of isolation from the international division of labour, China has succeeded in turning it to its advantage on a colossal scale. Again, this was only possible on the basis, not of the free market, but a planned economy in which the decisive decisions are taken by the state, not private companies.

The expansion of trade, in turn, provides a significant stabilising factor in relation to China's domestic economy: 'On balance, trade was a stabilising force in China's economy. Domestic economic fluctuations — which were considerable — were dampened by the ability to run large short-term trade deficits.'⁴⁷

The contrast with the 'vicious circle' into which the re-introduction of capital-

ism has locked Russia is dramatic. First, the break-up of the Soviet Union and the loss of markets in eastern Europe, took the Russian economy in the opposite direction to what was necessary. One of the largest single factors in Russia's economic collapse, was the retreat from an economy of 280 million people to one of 150 million.

Second, under the guidance of the IMF, Russia has become an exporter of raw materials and energy — whose prices relative to manufactured goods have been falling for more than 100 years — driving the economy steadily down, not up-market and trapping it in an historical dead-end.

Third, to release energy and raw materials for export, domestic consumption was cut, by raising their prices to world levels. The price of fuel has risen three times more than the prices of the food processing industry's products and eight times more than those of light industry. This is a key factor in the unparalleled slump in Russian manufacturing industry.

Fourth, rising energy and other industrial prices, reinforced by falling living standards, led to an 85 per cent fall in output in light industry between 1990 and the end of 1995, alongside a catastrophic crisis in Russian agriculture with the worst harvest in 20 years in 1995. A pricing policy was followed which favoured energy and metals, the sectors which internationally are undergoing the greatest declines in prices, and require the greatest levels of investment per unit of output, at the expense of consumer production and agriculture.

Fifth, the consequent spirally decline of its domestic economy means that, even though, Russia has had a government faithfully following the advice of the IMF for four years, it is one of the least attractive places in the world for foreign investment.

This contrast is clearly understood. It is illustrated by the regular humiliation of a Russian government dependent for its survival on assistance from the IMF whose conditions for further loans are precisely the continuation of the economic course which has produced the present situation.

Democracy, planning and the market

On the level of domestic economic policy, the Chinese bureaucracy has

'Far from becoming more dependent on foreign powers, China's economic growth is giving it the power to extract better deals from foreign investors.'

thus applied reforms which raised the material and cultural level of the Chinese working class. This in turn allowed the Chinese workers' state to re-cement the alliances with both the peasantry and the urban petty bourgeoisie which were shattered by the economic strategy of socialism in one country.

But, the economic reform produces new contradictions. Any major stalling of economic growth would bring these into the open.

Democracy in China meets the objective constraint of the country's overall level of development. To raise Chinese living standards to west European levels is the work of many decades even with the best conceivable economic policy.

State control of industry and planning introduced powerful levers for directing economic development but these are constrained by the real resources available to Chinese society. The market will remain for a very long time to come the only possible mechanism capable of coordinating the production of tens of millions of peasant households, small manufacturers, consumer services, shops, workshops and so on.

This situation dictates that hard choices in terms of the allocation of resources between consumption and investment, industry and agriculture, different sectors of each, infrastructure and social welfare, different regions of the country and so on, be taken on the basis of the widest possible input from the Chinese working class and peasantry. This implies, for example, that the trade unions be restored to their role of representing the views and interests Chinese workers in state enterprises, collectives and joint ventures with foreign capital. Only in this way can the different demands on economic policy be resolved in such a way as to maintain as the first priority of the raising living standards.

Second, the very success of China's economic reform was based upon achieving more correct proportions in the economy between consumption, agriculture and food production, light industry, services and heavy industry. The de-collectivisation of agriculture and recreation of the urban petty bourgeoisie made possible a vast increase in the production and distribution of food. Planning and state control of industry allowed a move towards rational pricing starting with changes to stimulate the production of consumer goods. The resulting devel-

opment of light industry secured the alliance with the peasantry by making consumer goods and cheap inputs available to them in exchange, via a market mechanism, for food. The stimulus to agriculture and light industry allowed heavy industry to be re-integrated as a cog supplying the inputs to develop light industry and agriculture, rather than an end in itself.

But the proportions between the different sectors of the economy, the quality of their output, the levels of investment in each, have to be constantly re-appraised and altered in accordances with real economic development. This can only be done on the basis of involving the working class and petty bourgeoisie in making the basic economic choices and monitoring their results. Thus, the further advance of the economy requires the ever-increasing involvement of the working class in assembling the information, making the decisions and checking the progress of their realisation. This the Chinese bureaucracy refuses to countenance.

Third, having freed itself from accountability to those it claims to represent, the bureaucracy of the Chinese Communist Party is subject to widespread corruption. Because officials cannot be held to account, they can seize privileges, are subject to bribery and can use their control of the state and economic apparatus to accumulate capital. This opens a chink in the Chinese state to international and indigenous private capital — creating a pro-capitalist wing of the bureaucracy linked to capitalist forces outside the Communist Party. Without the ability of the working class to control and purge the bureaucracy and periodic campaigns against corrupt officials are ineffective — touching only the tip of the iceberg.

Fourth, market mechanisms themselves deepen inequalities — particularly the huge differentials between regions, between urban and rural areas and also through the emergence of genuine Chinese capitalists. Such inequalities require central government action to re-distribute income to the poorest parts of the country. A critical problem is that the decentralisation of tax collection has greatly reduced the share of central government in the economy and so decreased its ability to alleviate regional inequalities. The power of the central state to overcome such centrifugal tendencies, which naturally are encour-

aged by international capital, depends crucially on its ability to draw the population directly into making the decisions about how to redistribute resources within different regions and sectors of the economy. Without accountability to the working class, the bureaucracy is susceptible to bribery by those with the means for this, in the richer regions to resist subsidies to the less developed parts of the country and so to transfer regional and class antagonisms into the Communist Party bureaucracy itself.

Fifth, the only countervailing force to such developments would be to increase the political weight of the working class in Chinese society at every level of decision making. But, that runs up against the fact that it would undermine the privileged positions of the bureaucracy. This role of the Chinese bureaucracy in atomising the Chinese working class stores up explosive contradictions for the Chinese revolution because it weakens the most powerful force — the Chinese working class — capable of countering the pro-capitalist tendencies which must constantly re-emerge.

While the success of the economic reform in raising living standards reduces the ability of imperialism to take advantage of those contradictions they remain real and will emerge with even greater violence if economic growth falters. The Chinese bureaucracy is the most important transmission belt of the pressure of international and domestic capital against the Chinese revolution.

Where is China going?

To lead the Chinese revolution to victory in 1949, the Chinese Communist Party had to break with the line of the Soviet bureaucracy which opposed a socialist revolution in China. It thereby overthrew capitalism, and ended 100 years of colonial humiliation symbolised by the former signs in Beijing parks 'no dogs or Chinese', in the most populous country on earth. Whatever their errors and subsequent crimes, Mao and the Chinese Communist Party led one of the greatest revolutions in history.

The Chinese socialist revolution was second only to the Russian revolution in the weight of the blow it struck against imperialism and in its significance for world politics. Even before its victory in 1949 the

'Further advance of the economy requires the ever-increasing involvement of the working class in making decisions and checking their realisation. This the Chinese bureaucracy refuses to countenance.'

struggle led by the Chinese Communist Party was a determining factor in the outcome of the second world war because it prevented Japan from opening up a second front against the Soviet Union from the east — allowing the USSR to concentrate its forces against Hitler.

In Korea, the entry of the Chinese army into the war stunned the US and fought it to a standstill — making Korea the first war in history which the US did not win. In Vietnam, China played a crucial role in both the war against the French in 1946-54 and against the US in 1966-75.

Following the crushing defeats of the West European working class in 1923-39, the class struggle in Asia played the decisive role in the advance of international class struggle. On the most fundamental level of world politics, the period from 1949-75 was dominated by the clash between the working class and peasantry of Asia with the United States. This prevented the USA from concentrating its forces against the Soviet Union for the entire period from 1949 to 1975.

While the objective significance of the Chinese revolution was a massive extension of the international revolution, the political line of the Chinese leadership was not this, but the construction of socialism in one country. This was even more utopian for China than the Soviet Union — because China started out on a far lower level of economic development — Soviet income per head in 1928 was three and a half times greater than in China in 1952.

On the domestic level this policy led China into an economic impasse. The attempt to collectivise agriculture through the Great Leap forward resulted in agricultural production in the mid-1960s falling well below the level of 1957. The political terror and ultra-left course of the Cultural Revolution, which opened in 1966, further threw back the Chinese economy.

The Sino-Soviet split from 1960 — whose negative consequences for the international class struggle cannot be over-stated — was a logical outcome of the strategy of socialism in one country. Each bureaucracy could argue that the Soviet bureaucracy could not tolerate an independent political leadership within the international communist movement because it would legitimise alternative views within the USSR. In



Chinese troops move up towards the front in Yunnan in 1943

1960 it unilaterally withdrew its economic aid and advisors from China — at a time when China was the country most threatened by the military build-up of US imperialism.

The Soviet Union then paid a colossal price for Krushchev and Brezhnev's bureaucratic chauvinism. Following, the initial ultra-left turn of the cultural revolution, in the 1970s the Chinese bureaucracy made a sharp right turn in foreign policy to increasing alliance with the United States. If, from 1949 to 1975 the greatest weight applied against imperialism had been the struggle of the Asian workers and peasants, from 1975 the greatest relief provided to imperialism was the de-railing of that struggle by the right wing turn of the Chinese bureaucracy. This culminated in the Chinese invasion of Vietnam and the military tension along the Soviet/Chinese border — including the establishment of a line of US listening posts in China.

In the second world war and through to 1975 the Chinese revolution and its extension in Asia had prevented imperialism concentrating its forces against the Soviet Union. The consequences of the Sino-Soviet split after 1975, by undermining the class struggle in Asia, allowed the US to re-orient to cracking the Soviet economy via Reagan's military build-up. That led to Gorbachev's assumption of power and the crisis which ensued.

The US alignment with China was purely for the purpose of disposing of its principal military opponent — the USSR. This has not

yet been achieved. Every poll demonstrates that the great majority of the Russian population rejects the capitalist economic course embarked upon from January 1992. If democracy is maintained in Russia, that economic course is going to be overturned. However, if capitalism were to triumph in Russia, the consequences for China would be grave.

Russia is the only country in the world with the military capability to destroy the United States. If that counter-weight to the US were to be removed, the US would back up its demands on China by the threat and even the use of military force. The US gunboat diplomacy, with the despatch of two aircraft carrier battle groups to Taiwan at the beginning of March is just a foretaste of what is to come.

In strictly military terms China is no match for the United States — it possesses just a handful of nuclear missiles capable of reaching the US. Japan's perspective is equally clear. While it could never stand up to the Soviet Union militarily. It has a simple strategy vis a vis China — the acquisition of nuclear weapons to counter China's advantage in population.

Thus from the point of view of the international positions of both China and the USSR the political results of socialism in one country have proven to be as disastrous as the economic distortions it produced. They have helped put the Russian revolution in even greater peril than Hitler's invasion in 1941 and, if the Russian revolution is overcome, they will expose China as the next non-capitalist domino

'US imperialism's nightmare is that in the event of a defeat for Yeltsin in Russia, there could be a realignment between China and a government overturning capitalist economics in Russia.'

which the United States and its allies will seek to overturn. The benefits to imperialism of the re-conquest of China for capital would far outweigh the temporary losses which would result for individual capitalist companies.

China and Russia

It is therefore on the field of foreign policy that the reactionary role of the Chinese bureaucracy is most clear. The right wing course of collaboration with US imperialism was maintained from the mid-1970s through to China's refusal to use its veto in the UN Security Council to block either the Gulf war or the NATO intervention in the former Yugoslavia. However, as we have seen, that policy merely allows the US to bring forward its preparations to tighten its military noose around China itself.

US imperialism's nightmare, however, is that in the event of a defeat for Yeltsin in Russia, there could be a realignment between China and a government overturning capitalist economic policy in Russia. A non-capitalist Russia would rapidly draw back together large parts of the former Soviet Union. It remains militarily powerful enough to vastly reduce the US nuclear threat to China. Its economy would not merely benefit from the lessons of the Chinese economic reform, but also has the potential in many fields to complement and gain from economic exchange with China.

There were signs prior to 1991 that the Chinese leadership were moving in that direction — to Washington's extreme displeasure. In Russia, it is argued that alliance with China is the only possible counter-weight to NATO expansion into eastern Europe. Imperialism will do everything in its power to stop such a rapprochement between China and Russia — including military threats. But that does not mean that it will be able to prevent it. That would signify that the most damaging division in the international workers' movement in the entire post-war period had been overcome — with immense positive consequences for the entire international class struggle.

Conclusion

The contrast between China, eastern Europe and the former USSR shows that it is possible to reform a centrally planned economy without creating either the eco-

nomie collapse caused by the attempt to restore capitalism or returning to the distortions which destroyed popular support for the command economy created under Stalin and Brezhnev.

These conclusions have explosive political implications in the former USSR. In the former Soviet Union and Eastern Europe hundreds of millions of people have, in the space of six years, been reduced to desperate poverty. Simultaneously, large parts of the capitalist third world, notably Africa, have suffered an economic and social holocaust over the last decade.

In China, by contrast, the largest population in the world has enjoyed rapidly rising living standards for 17 years. Anyone, who does not see the necessity to explain such facts has lost touch with the issues which determine the quality of life for the majority of the earth's population.

China shows how one of the poorest countries in the world, having overturned capitalism, can develop its economy at a pace almost unprecedented in history. This means that the peoples of the former Soviet Union are going to understand, not merely that they were lied to when they were told that capitalism would bring prosperity and democracy (that is already understood), but also that their immense suffering was entirely unnecessary. The explosive political potential of that understanding was illustrated in Russia's December 1995 parliamentary election.

A reversal of the capitalist economic policy in Russia would have immense attractive power to Ukraine, Belarus and other former Soviet states whose economies have been even more devastated since 1992. It would start to reverse the entire course of world history which followed from the events of 1989 and 1991 in eastern Europe and the USSR. Finally, it would pose the possibility, not the certainty given the role of the Chinese bureaucracy, of a realignment of China with a non-capitalist Russia — the greatest blow which imperialism could conceivably suffer at the close of the twentieth century. Every socialist, and oppressed person, in the world has a direct interest in doing everything they can to contribute to such an outcome.

Footnotes

- 1 Paul Bowles and Xiao-yuan Dong, 'Current successes and future challenges in China's economic reform', *New Left Review* 208, p49
- 2 Ibid p49
- 3 *Wall Street Journal*, 13 December 1993
- 4 *Economist*, China Survey, November 1992
- 5 *China's Rise, Russia's Fall*, Nolan, Macmillan 1995, p210
- 6 Nolan, p22
- 7 *Financial Times* 16 January 1993
- 8 Nolan, p303
- 9 Cited in Bowles and Dong, p54.
- 10 *Wall Street Journal*, 3 February 1994
- 11 Layard, 1993, pp 15-16, quoted in Nolan, p269.
- 12 'Reforming a planned economy: Is China unique?' in 'From Reform to Growth: China and other countries in transition in Asia and Central and Eastern Europe, Naughton, OECD 1994, p70
- 13 Jeffrey Sachs and Wing Thye Woo, 'Understanding recent reform experiences of China, Eastern Europe and Russia' in 'From Reform to Growth: China and other countries in transition in Asia and Central and Eastern Europe, Naughton, OECD 1994, p25
- 14 *Economist* 1995
- 15 Nolan, pp8-9
- 16 Naughton, p68
- 17 Naughton, p50
- 18 Naughton, p70
- 19 Trotsky, 'The Soviet economy in danger', *Writings* 1932, p274
- 20 Bowles and Dong, p67
- 21 Nolan, p4
- 22 Naughton, p66
- 23 Nolan, p199
- 24 F. Gerrard Adams, 'Economic transition in China: What makes China different', in 'From Reform to Growth', p219
- 25 Nolan, p199
- 26 Nolan, p207
- 27 Adams, p216
- 28 Bowles and Dong, p65
- 29 Nolan, pp191 and 200
- 30 Bowles, p64
- 31 Bowles, p55
- 32 Nolan, p175
- 33 Nolan, p205
- 34 Nolan, p217
- 35 Nolan, p218
- 36 Nolan, p219
- 37 Nolan, p219
- 38 Nolan, p221-2
- 39 Nolan, p222
- 40 Lenin, *Collected Works*, Vol. 27, p291
- 41 Trotsky, 'The platform of the left opposition', in *The Challenge of the Left Opposition* 1926/27, pp 334-336
- 42 Trotsky, 'Successes of socialism and the dangers of adventurism', *Writings* 1930/31, 104
- 43 Adams, p222
- 44 Nolan, p188
- 45 *Wall Street Journal*, 13 December 1994
- 46 *Financial Times*, 31 January 1996
- 47 Naughton, p66

the expense of direct government grants has rightly been described by NUS as 'an unmitigated disaster'. It has increased hardship because many students do not take up the loans, to avoid massive debt. Only half of those eligible even apply for the loans.

Of the £751 million loaned since the scheme was introduced in 1990, only £19.8 million has been repaid. Students start to repay the loans when they reach an index-linked salary target of £16,000 gross a year after graduating. Just 41 per cent have reached this threshold. Since the government set up the Student Loans Company it has lurched from disaster to disaster, culminating in March last year when the Chief Executive, Ron Harrison, resigned due to 'financial irregularities'. It is notoriously incompetent, with thousands of students waiting for months for their applications to be processed.

The latest Student Loans Bill aims to involve the private sector — banks and building societies — in the loans scheme. The attraction to do so is not great.

The latest twist is that the government is considering adopting the 'contingent loan' — a proposal first floated by the Commission on Social Justice report back in October 1994. This scheme would fund students through their education and they would then repay the money either through increased income tax, or through a levy on national insurance.

This 'graduate tax' was reported as being proposed by Conservative central office and would be tested on post-graduate students (*Guardian* 3 February). It is also being strongly pushed by the Labour front bench, Labour Students and the NUS leadership. It would be even worse than the current loans. Firstly, it abolishes any level of state payment for university education, apart from tuition fees, although even that is under discussion. Secondly, it would be compulsory and would mean that university students would face substantial debt following graduation. Many young people will not want to sign up for the equivalent of a small mortgage on gaining entry to university.

The Liberal Democrats have gone even further becoming the first of the major parties to come out with firm proposals for a graduate tax to fund both maintenance and fees. The graduate tax paid back

through national insurance is favourite because, as the *Economist* of 24 February pointed out, it is easier to get the money back: 'Employers are obliged to deduct contributions from their workers pay. Even self-employed people think twice about evading national insurance payments because doing so also deprives them of their entitlement to some benefits'.

The principle that further and higher education should be accessible to all, grant and tuition fee funded by the state is completely absent from the debate. If followed through these proposals will reverse the revolution in education which has allowed working class people access to universities.

Even more incredible is that the leadership of both NUS and Labour Students is continuing the attempt to persuade students to support these policies. Last May the NUS leadership were roundly defeated in their attempt to push through support for 'maintenance income contingency loans' — that is a graduate tax. This was despite organising a 'special conference' at short notice to minimise colleges full participation.

However, at this year's NUS conference the struggle is set to be had out yet again, at what could be the last conference before a general

election. The 'modernisers' who run NUS are determined in their attempts to neutralise the student movement before a Blair Labour government comes to power.

In order to fund both higher education and the welfare state a completely different set of economic priorities is required. The Free Education Campaign, which has attracted wide support, points to increased taxation at the top income bracket, but this alone is insufficient, and allows the right wing to knock it down as a high-tax, vote losing policy. In fact, a whole series of measures, including increasing the top rate of income tax, but also cutting defence spending and limiting dividend payments are required. Fundamentally it requires a reversal of Labour's current economic policy, based on support for Maastricht and European Monetary Union, which will drive forward the assault on the welfare state, including education.

Education funding poses a contradiction which, ultimately, the modernisers cannot resolve. On their current line a future Labour government will find itself in a monumental clash with students.

By Kim Wood

'Funding higher education requires a reversal of Labour's current economic policy, based on support for Maastricht and European Monetary Union.'

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SAT 22 ■ SUN 23 JUNE

Yeltsin and Zhirinovskiy unite against rising left in Russia

As the 16 June presidential election approaches in Russia, the Communist Party candidate, Gennady Zyuganov is leading the polls, while President Boris Yeltsin and extreme right wing nationalist, Vladimir Zhirinovskiy, are moving into a closer alliance.

The majority of the British and west European left has completely misunderstood both the significance and the content the class struggles which have unfolded in Russia since January 1992. Instead of analysing the class character and dynamic of the contending forces, they have simply regurgitated the analysis of Western governments. These argue that the chief danger in Russia is the threat of a 'red/brown' alliance linking communists and fascists to suppress democracy.

Thus *Workers' Liberty* recently carried an article by Hillel Ticktin, attacking Russian democratic socialist Boris Kagarlitsky for allying with the Communist Party of the Russian Federation (KPRF), because, Ticktin claimed that 'the closest analogue [with the KPRF] in this country is the National Front' and that Zyuganov is 'closer' to Hitler than Lenin.

In a similar vein the Socialist Workers' Party argues: 'The Russian Communist Party... has adopted a position on the extreme right of the political spectrum...'

In reality, the chief threat to democracy in Russia today arises, not from the Communist Party and the left, but from those, like President Boris Yeltsin, seeking to suppress the growing popular opposition to it. This is because, as all polls demonstrate, if democracy is maintained in Russia, the capitalist economic course begun in January 1992 is going to be overturned. Furthermore, the key representative of right wing nationalism, Vladimir Zhirinovskiy, is in an explicit alliance with *Yeltsin* — not the left — declaring, for example, in the *Wall Street Journal*, that, in a second round run-off between Yeltsin and the Communists, he will be calling for a vote for Yeltsin.

The basic class forces in this situation are, on the one hand, international capital, with various domestic allies, trying to create a capitalist economy. And, on the other

hand, the Russian working class, seeking to defend its living standards, economy and the very existence of the country, from the devastating effects of the re-introduction of capitalism.

The new capitalist class in Russia is fantastically weak socially and politically. It has not succeeded in building a single political party capable of getting even 10 per cent of the vote in last December's parliamentary elections (see Table 1). Without the state apparatus behind them, with its control of the television and unlimited resources, none of them would even get five per cent.

It has been impossible to build mass conservative political parties because the economic bases upon which such parties rest in the West do not exist in Russia for profound structural reasons. In the West, the core base of the conservative parties is mass rural support based on large subsidies to agriculture under policies like the European Union's Common Agricultural Policy.

In Russia, far from agriculture benefitting from subsidies, it has been decimated by a huge shift in prices against its products following full price liberalisation. As a result, Russia's countryside votes to the left of the cities, or for extreme nationalists.

Neither has it been possible to create the second pillar of the political party systems which exist in western Europe — mass social democratic parties. In December 1995 social democrats won less than two per cent of the total vote. This is because the welfare state, which is the material basis of social democracy in the West, is being dismantled in Russia.

The system of political parties which has started to emerge does not correspond to that of western Europe but to the specific economic and social situation in Russia. This has developed in two phases — from January 1992 to October 1994 and from the latter date to today.

The basis of the first phase of political development was the economic collapse provoked by full price liberalisation from January 1992. Price liberalisation led to the almost complete collapse of the production of consumer goods — with the output of light industry falling 85 per cent since 1990, a massive crisis in agriculture and a collapse in investment. Living standards initially fell by nearly half.

This provoked the first wave of opposition to the regime whose initial focus in 1993 became the Russian parliament which had originally elected Yeltsin. As parliament held supreme power under the Russian constitution, its attempts to obstruct 'shock therapy' led to sharpening confrontations with Yeltsin.

Within the parliamentary opposition the Communist Party of the Russian Federation, re-constituted in 1993, was a tiny minority. The leading forces, parliamentary speaker Ruslan Khasbulatov and Vice President Alexander Rutskoi, were not opposed to capitalism *per se* but to 'shock therapy'. Ken Livingstone accurately described Khasbulatov as at that time having similar politics to a figure like Bryan Gould.

Yeltsin adopted the strategy of smashing out this middle ground. The result was the October 1993 destruction of the Russian parliament by Yeltsin's tanks. The president aimed to force new elections which he wrongly assumed he would win.

While the December 1993 elections registered a major defeat for the governing party, Russia's Choice, nonetheless, through this period the Yeltsin regime, though already a minority in the country as a whole, retained significant support in Russia's main cities, particularly Moscow and St Petersburg.

The basis of this was an economic structure in which Russia exported oil, gas and some products of heavy industry, circulated the financial surplus created by this through the growing system of commercial banks, and imported consumer goods to feed the cities. While in the countryside and smaller towns living standards con-

'The system of political parties which has started to emerge does not correspond to that of western Europe, but to the specific social and economic situation in Russia.'

tinued to fall, in the big cities there was some recovery. The problem, however, was that this economic system, and the new capitalist class based upon it, was unsustainable. With savings eliminated by inflation and the destruction of most of Russia's light industry, it became impossible to sustain investment in the economy.

By the autumn of 1994, the new economic structure had exhausted itself. On 11 October 1994 the exchange rate of the rouble fell by 22 per cent. Russia's new financial system began to collapse and with it the political system that it had underpinned. The partial recovery in living standards was reversed with real wages falling by 20 per cent in 1995. As a result, the mass opposition provoked by falling living standards extended dramatically.

At the same time, conflict broke out within the new capitalist class as to which sectors would have to sacrifice serious resources in order to try to re-stabilise the situation — the energy industries, represented politically by the prime minister Victor Chernomyrdin, or the commercial banks. The energy sector won and tried to consolidate its dominance with the launch of its own party — Our Home is Russia.

But it had no strategic way forward. The idea that the energy industries would be the core of a capitalist economic structure in Russia could not work. First, it meant throwing the country backwards to become reliant on the export of raw materials, whose prices have been falling relative to manufactured goods for more than a hundred years. Second, the economic collapse in Russia meant that the country did not have the resources necessary for the huge levels of investment needed to develop the oil and gas industries. Furthermore, foreign investors would not solve the problem given the economic and political situation in the country. The attempt by Chernomyrdin to woo them by foreign policy concessions to the West, simply further undermined the political support for his party.

The administration now concluded that it could not win democratic elections. The 1995 regional elections were postponed by presidential decree, following a series of communist victories extending far beyond its strongholds in the countryside and small towns. A campaign was also

Table 1

Main Political Blocs at the 17 December Election

Socialist	32.2%
KPRF	22.3%
Working Russia/Communists for the USSR	4.5%
Agrarian Party	3.8%
Power to the People	1.6%
Nationalist	20.4%
LDPR (Zhirinovskiy)	11.1%
KRO (Lebed)	4.3%
Derzhava (Rutskoi)	2.6%
Bloc of Gavorukhin	1.0%
My Fatherland	0.7%
Transformation of the Fatherland	0.5%
For the Motherland	0.3%
Pro-government	17.5%
Our Home is Russia	9.9%
Russia's Choice (Gaidar)	3.9%
Forward Russia (Boris Fyodorov)	2.0%
Bloc of Ivan Rybkin	1.1%
Party of Unity & Accord (Shakhrai)	0.4%
Party of Economic Freedom (Borovoi)	0.1%
Stable Russia	0.1%
Liberal	13.1%
Yabloko	6.9%
Women of Russia	4.6%
Bloc of Pamfilova-Gorov	1.6%
Social Democratic	1.8%
Union of Labour	1.6%
Social Democrats (Gavril Popov)	0.1%
Other	9.9%
Party of Self-Management (S. Fyodorov)	4.0%
Kedr (Ecologists)	1.4%
Other small parties	4.5%

begun, backed by some of Russia's key commercial banks, to postpone the December 1995 parliamentary elections.

Chechnya was invaded by Yeltsin, backed by Zhirinovskiy, not to defend Russia's borders, but with a view to creating the conditions for a declaration of emergency throughout Russia, which would have permitted the cancellation of the parliamentary elections. But, as the social base of the Yeltsin regime has contracted so too has its capacity to impose a new coup d'etat. This was reflected in the way the Chechen war rebounded against Yeltsin, with deep divisions in the army, and popular opposition to the war led by the Communist Party.

As the regime sought to find an authoritarian way out of its impasse, and other bourgeois parties saw their vote collapse, Grigory Yavlinsky succeeded in consolidating a small liberal bourgeois party, based in the cities, precisely on the basis of urban liberal opposition to the authoritarian moves by the regime.

When the parliamentary elec-

tions took place they showed the support for the Communist Party and the left extending from the countryside and small towns more and more clearly into the major cities, in spite of significant electoral fraud (for example, Our Home is Russia was claimed to have won a majority of the vote in Chechnya!).

Furthermore, the vote revealed that the deterioration of the economic situation and the war in Chechnya had also accelerated a profound change in the relationship of forces *within* the opposition to Yeltsin. Whereas previously the opposition had been evenly divided between communists and nationalists, the communists now gained overwhelming preponderance. This was most spectacularly shown in the street demonstrations. In 1993 these had been made up of roughly 50 per cent nationalists and 50 per cent communists. But, by 1995, on the 200,000-strong unofficial Liberation Day demonstration, for example, the Communist supporters made up 95 per cent of the demonstrators. This became the pattern.

A similar transformation of the relation of forces within the opposition also began to occur on the electoral field. In December 1993, Zhirinovskiy's party had gained the largest vote — double that of the Communist Party. By December 1995, the two most powerful fascist organisations — Russian Unity, led by Barkashov, and the Russian National Assembly, led by Sterlekov — couldn't even get enough signatures to get onto the ballot. In the elections themselves, while the Communist vote doubled, that of Zhirinovskiy was halved.

This shift shows that the attacks on the Russian left for seeking to lead the patriotic opposition to the destruction of the country are entirely misplaced. If the Russian Communists had taken the advice of the west European left and left the issue of patriotism to the nationalists and fascists, it would now be a completely marginal force and the opposition would be led by fascists and right wing nationalists.

The reason for this is that the capitalist economic policy since January 1992 has not only created an economic catastrophe, but also threatens the very existence of the country. The West's role in formulating the policy of shock therapy, the IMF's supervision of Russian economic policy, western support for the destruction of parliament in

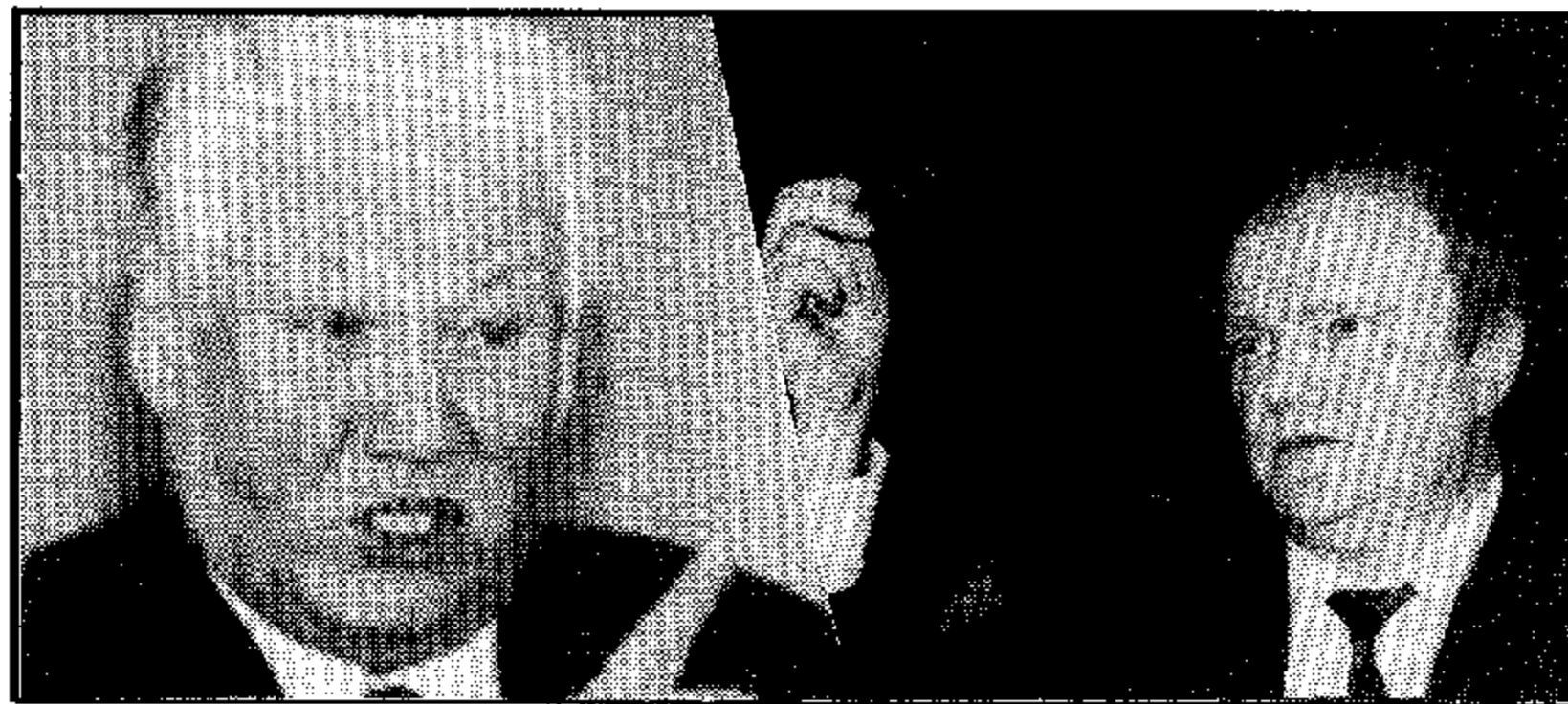
'If the Russian communists had taken the advice of the west European left and left the issue of patriotism to the nationalists and fascists, the left would now be a completely marginal force.'

October 1993 and the stream of western leaders now calling at the Kremlin to back Yeltsin in the presidential elections are all bitterly resented by the majority of Russia.

Revulsion at western interference in Russia's affairs is reinforced by the very real understanding that the expansion of NATO into eastern Europe is designed to bring the NATO war machine closer to Russia. The bombing of the Bosnian Serbs has left Russians in no doubt as to what that war machine is there to do.

This in turn taps into the defining experiences of Russian history — invasion by Napoleon in 1812 and invasion by Hitler in 1941. The Russian perception is that they were attacked without any justification by more powerful states. But, on the basis of superhuman efforts and sacrifices, the invaders were completely destroyed. In the face of such attacks whatever is necessary to defend the country is justified because the consequences of not doing so are far worse.

With Russia's existence once again threatened, progressive patriotic demands, such as opposing NATO expansion and rejecting IMF interference in economic policy, are therefore completely entwined with the other demands necessary to defend the Russian people from social, economic and national catastrophe.



'The key mining region, Kuzbass, which at one time backed Yeltsin now gives its biggest vote to the Communist Party.'

It is on this basis that the left has won the leadership of the progressive patriotic movement in Russia and made it the leading political force in the country.

The shift in the relation of forces within the opposition to Yeltsin was reinforced by significant strike movements. Overall strike activity in 1996 is up 500 per cent on 1995. In the city of Bryansk in the autumn of 1995 one person was killed in riots which followed strikes over the non-payment of wages. The teachers have staged several national strikes. The police went on strike in the Oryol region. Prison warders have been on hunger strike. Then the Russian miners' strike had a major impact. The pro-capitalist press wrote stories saying that the miners were worse than the Chechen terrorists! But the government rushed to settle the strike as fast as possible. The key mining area of the Kuzbass, which at one

time had backed Yeltsin, now gives its largest vote, 37 per cent in December 1995, to the Communist Party.

This entire political dynamic makes clear that it is possible, but by no means certain, that the Communist Party could win the presidential election in Russia.

That would open a new situation, posing the left with the possibility of leading the country out of its crisis. It would immediately open a political struggle of the different currents within the left — with social democrats, nationalists and communists roughly equally strong in the KPRF leadership. The left throughout the world should be devoting its energies to ensuring that Russia is able to pursue that debate without Western interference.

By Geoffrey Owen

Dirty politics in Poland

The dirty campaign which characterised the Polish Presidential elections at the end of last year has continued into the New Year. The defeated presidential candidate Lech Walesa is doing his best to make good his promise to galvanise an anti-communist front to unite the fractious Polish right with a view to success in the 1998 parliamentary elections.

Immediately after the victory of post-communist social democrat Aleksander Kwasniewski was announced, Walesa rejected the legitimacy of the election. Claiming that Kwasniewski had lied about his educational qualifications, Walesa mounted a national petition campaign and attempted to overturn the result in the constitutional court. Simultaneously, he established the 'Lech Walesa Institute,' conceived

'All major political camps support the transition to capitalism. Kwasniewski promises stability modernisation and a safe pair of hands.'

as a think-tank based upon the centre and right of Polish politics and hoping to attract Polish-American financial backing.

The political temperature was further heightened by the announcement by the outgoing Interior Minister (a Walesa appointee), Andrzej Milezanowski, that Jozef Oleksy, the Prime Minister, had acted as a KGB agent since the early 1980s. The campaign around this issue succeeded in bringing down the Prime Minister, who was nevertheless, in an uncompromising gesture, overwhelmingly elected leader of the (post-communist) Democratic Left Alliance.

The spy hysteria is part of a more general poisonous anti-communist campaign, in which the resentments of the losers in the changes of recent years are being exploited by a

demagogic campaign. Accusations of past corruption and crimes by communist officials threaten that the 'red web' of patronage and favours will return, now that the post-communists have captured both houses of parliament and the presidency.

Polish law prohibits the funding of political parties from abroad and on this basis the well-attested \$1.2m. loan from the Soviet Communist Party to the Polish Communists in 1990, which was used to relaunch their political fortunes, has been cited as a basis for banning the governing Social Democratic Party. President Kwasniewski hit back by calling for all relevant security files to be published. The implication is that many former Solidarity figures have things to hide in their past dealings with the security forces.

A welcome breath of fresh air in this atmosphere was provided by an open letter published in *Gazeta Wyborcza*, signed by veteran ex-Solidarity figures, Jacek Kuron and Karol Modzelewski, denouncing the unscrupulous exploitation of the spy scandals, branding it as the worst kind of dirty tricks provocation, with the finger-prints of intelligence community fixers all over it. Kuron ran in the Presidential elections as the candidate of the liberal Union of Freedom. Modzelewski is an MP for the post-Solidarity social democratic formation, the Union of Labour. Both men have honourable records in the opposition, stretching back to the 1960's, when they served prison sentences for left opposition activities.

The new Polish premier is Włodzimierz Cimoszewicz, who was the candidate for the Democratic Left Alliance in the 1990 presidential elections. Although he has a CP background he never joined the reformed Social Democracy and he has better relations with the ex-Solidarity left than many of his colleagues.

Two manoeuvres surrounding the formation of the new cabinet indicate important lines of tension. The Peasants' Party (PSL) threatened to withdraw from the coalition, if Wiesław Kaczmarek, the Privatisation Minister, was not removed. The Peasants' Party is anxious to slow down the privatisation process and accused Kaczmarek of acting by decree on his own authority. Kaczmarek survived the challenge, but the PSL did exact a promise that further privatisation measures would at least have to be agreed by the whole cabinet.

Another interesting straw in the wind was the demand by Ewa Szychalska, the leader of the parliamentary trade union contingent in the Democratic Left Alliance, drawn from the OPZZ trade union federation, that a formal agreement be concluded, defining the rights of her grouping in the DLA. Excluded from consultations on the formation of the coalition, shut out of the Social Democrats' press and unhappy with the strongly pro-market and pro-capitalist orientation of the DLA, the OPZZ deputies have hitherto been rather the dog that did not bark. Perhaps, under pressure from major Solidarity led strikes by railway workers and miners, the OPZZ is beginning to flex its muscles.

The background to these tussles at the top is that capitalism in Poland is thriving, but at a predictably high social cost and greatly increased social inequality. GDP in 1995 is reported to have risen by 7 per cent. The zloty is now freely convertible and is being revalued upwards. Inflation, which peaked in 1990 at 618 per cent was down to 27.8 per cent in 1995 and is continuing to fall. Sixty three per cent of the working population is now employed by the private sector and 40 per cent of state enterprises have disappeared in the course of the last five years. A major privatisation programme of heavy industry still in state hands is due to begin in February, beginning with the state copper mining enterprise, valued at around \$2 billion.

All major political camps support the transition to capitalism, early entry to the European Union and membership of NATO. Nothing divided the main presidential candidates on these issues and indeed the 'post-communist' victor Kwasniewski was the quietly expressed preference of western interests. A Polish Tony Blair, Kwasniewski promises stability, modernisation and a safe pair of hands, by contrast with the volatile and quarrelsome Walesa.

The absence of genuine programmatic differences goes a long way to explain the concentration on symbolic issues in the presidential campaign and its aftermath.

The difference between Kwasniewski and Blair is that whilst the Labour Party is apparently prepared to go to any lengths to grovel to big business and provide assurances that it will be a safe managing agent for capitalism, the Social Democracy of Poland is in a real sense the natural party of business there. Former members of the nomenklatura bureaucracy have been conspicuously successful at establishing themselves as leading representatives of the new national capitalist class. Naturally, this transformation has excited resentment and accusations of corruption and is compounded both by grudges from the past and the existence of rival political elites and aspirants who feel shut out of the old red tie network.

Nevertheless, millions of Poles voted in 1993 and 1995 for the ex-communists, to express their opposition to the social costs of shock therapy. This has meant 2.6 million people unemployed, or about

15 per cent of the work-force. Real wages retain only 75 per cent of the purchasing power that they had in 1989 and there is a chronic housing shortage, reflecting the collapse in the construction of social housing, which is down to levels not seen since the 1940s. Meanwhile the rich have grown richer.

The presidential elections showed that neither anti-communism nor the intervention of the Church could now swing an election for the right. Cardinal Glemp helpfully pointed out that voters had a clear choice between Christian values and neo-paganism. Young voters in particular seem to have opted firmly for neo-paganism, with Kwasniewski enjoying a 7 point lead over Walesa in the first round amongst voters aged between 18 and 29.

The counter-offensive by the right since its defeat in the elections appears to be an attempt to reverse this situation. Smears and provocations will not be enough to this on their own, but combined with the disappointed expectations of Polish young people facing continuing mass unemployment, they may provide a basis for the right's recovery. The only real answer to this threat can be a recomposition of the Polish left. This remains a relatively distant prospect. It is still the case that a gulf yawns between the post-Solidarity and the post-communist camp, each of which has its own right and left wing.

Thus, the post-Solidarity Union of Labour has 43 MPs and no fundamental programmatic differences with the governing post-communist Social Democrats. The same might be said of the opposition Union of Freedom liberals and the right wing of the Social Democrats.

Political clarification however has been postponed by the atmosphere of witch-hunt, smear and hysteria stirred up by Walesa and his allies.

This atmosphere threatens to squeeze Cimoszewicz's coalition allies the Peasants Party and his potential links with the Union of Labour. Social discontent from the losers in Polish society from the transition to capitalism may provide a volatile fuel for exploitation by demagogic political campaigning in the coming period.

By David Holland

David Holland is a member of the Editorial Board of *Labour Focus on Eastern Europe*

'Nevertheless, millions of Poles voted in 1993 and 1995 for the ex-communists, to express their opposition to the social costs of shock therapy.'

Economic choices in India's elections

As India prepares for elections beginning on 27 April, the central question is whether it will survive as a nation. India's population at 920.6 million constitutes one sixth of humanity. This is the context of the growing crisis of bourgeois nationalism that threatens the gains of the independence struggle and the post-war gains in the strongest semi-colonial and most populous capitalist country in the world.

India was created out of the national independence struggle in opposition to British imperialism. Independence was muted however by the split in national unity, when East and West Pakistan were created as Islamic states. This resulted in millions of displaced people and approximately half a million deaths in communal and religious violence, as well as subsequent conflicts between India and Pakistan. Despite this, the Indian nation remains a mosaic of peoples — different religions, ethnic, linguistic and caste groups. Its break-up would represent a huge retrogressive step — posing the nightmare of the type of social disintegration and civil conflict seen in Africa.

The present political crisis, exemplified in the Hawala corruption scandal involving 115 politicians, bureaucrats and business people, has already claimed major figures in the political establishment. L.K. Advani, head of the right wing Hindu fundamentalist party, Bharatiya Janata Party (BJP) resigned his parliamentary seat. Many cabinet ministers and ministers from the ruling Congress party have resigned, including Arjun Singh, the leader of the rebel faction, Madhavrao Scindia, often tipped as future Prime Minister and Devi Lal, who used to be Deputy Prime Minister during the left-leaning bourgeois nationalist Janata Government of 1989-90.

The crisis of bourgeois nationalism began over two decades ago with the state of emergency declared by Indira Gandhi, her subsequent playing of the communal card in the attack on Amritsar and her own assassination and that of her son Rajiv Gandhi.

The rise of Sikh, Kashmiri and Assamese separatism and communalism, and most importantly, the rise of the BJP, has seriously eroded

the post-independence bourgeois nationalist basis of Indian unity and introduced communalism to the centre stage of Indian politics. The BJP is now the largest opposition party. The regionalist parties in places like Tamil Nadu are in crises and disarray. Only the Left Front (composed of the Communist Parties and other left forces) have escaped from the Hawala scandal, which has put them in a very favourable political position.

What lies behind these crises is the change in world politics in favour of imperialism. The Gulf War, the introduction of capitalism in Eastern Europe, the crisis in Russia, the global shortage of capital leading to the sucking of capital from 'third world' countries: all of these have had a huge impact on Indian bourgeois nationalist rule.

The last four years, since Prime Minister Rao and his Finance Minister, Manmohan Singh, embarked on their economic policy of foreign trade 'liberalisation' through the abandoning of high tariffs on foreign goods, 'privatisation' and public expenditure cuts, have produced economic instability in India.

Last year, the Bombay (now called Mumbai) stock-market crashed by almost 25 per cent following the Mexican and emerging stockmarkets crash. The value of the rupee has been falling — making imports more expensive and increasing the balance of trade deficit — thus leading to a failure of the export-led growth strategy. Foreign debt has risen to \$85 billion with no near prospect of being able to pay for this without a severe IMF structural adjustment package and loans. Foreign direct investment (FDI) has grown in terms of approvals from \$5 billion in 1994 to \$10 billion in 1995 with a \$2 billion equity inflow. Imports of consumer goods have risen with the symbolic entry of Coca Cola and Ken-

tucky Fried Chicken into the country to exploit the vast consumer market of middle class India.

However, the real question at stake is the huge capacity of India for economic growth, which could be realised with the development of agriculture and the consumer goods sector and infrastructure. China, the only country in the world with an even greater population than India has demonstrated that this can be done. A comparison between India and China shows why China's strategy is the road down which India must go in order to preserve the gains of Indian independence.

The GDP per capita (purchasing power parity) is \$2,660 in China and in India half that at \$1,280. Total GDP (PPP) is \$3,172 billion for China, but a third of that in India at \$1,180 billion and compares with GDP of France \$1,147 billion, Britain \$1,054 billion, Italy \$1,045 billion. China has a savings rate of 36 per cent and India of 24 per cent. The current account balance is favourable in China at \$7.7 billion, whereas India has a current account deficit of \$2.7 billion.

Social indicators are a further startling contrast. Whereas China has achieved a literacy rate of 80 per cent, India's literacy rate is only 52.5 per cent. Infant mortality in China has fallen to 31 per thousand, whereas in India it is 79 per thousand. Life expectancy in India is 61 and in China 71. Daily calorie intake in China is 2,703 but in India is 2,243. The number of people per telephone is 93.5 for India whereas it is 36.4 per telephone in China. China has 6.7 people per television, India 23.6. China has nearly half the number of people per doctor: 1,034 to India's 2,165.

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Given the crisis of bourgeois nationalism, China's example shows how the Indian left could take the leadership of the struggle to prevent the disintegration of the Indian nation.

By Atma Singh

Atma Singh is a member of the Indian Workers Association (GB)

'The change in world politics in favour of imperialism has had a huge negative impact on Indian bourgeois nationalist rule.'

Ken Saro-Wiwa's 'Progress and unity of which we dream'

Ken Saro-Wiwa's death has prompted some ambiguous tributes from 'socialists' who focus on his personal wealth. But if he came from an elite he sacrificed his life for the oppressed. Unambiguously we must lay claim to his political and literary heritage. For as Nigeria continues its struggle to a diverse identity, writes John Church his death and work will be a constant inspiration.



The Nigerian state was established as an administrative body by British colonialism. There was no Nigeria prior to the 20th century. This administrative convenience for the British very swiftly became a permanent problem for the African peoples trying to forge a Nigerian nation.

In the struggle against colonialism no single Nigerian nationalist party was established, unlike elsewhere in Africa. Instead parties dominated by the largest ethnic communities inherited the state. Thus the Hausa/Fulani broadly supported the Northern People's Congress (NPC). The Igbo (Ibo) supported the National Congress of Nigerian Citizens (NCNC). While the Yoruba supported the Action Group (AG). Each of these parties dominated regional states in the Nigerian Federation. Thus the NPC held the Northern Region, the NCNC the Eastern Region, and the Action Group the Western Region.

The main 'national' organisations which crossed the divides were the civil service, the police, and the army. All of these institutions were inherited from and trained by the British imperialists.

The regional structure of the state was also bequeathed by the British. No regard had been given to the complexity of society. Over 300 distinct communities existed, and over 200 languages are used in Nigeria.

The continental significance of Nigeria is not just in the diversity of its ethnic composition. It is also the sheer size of its economy.

In sub-Saharan Africa (excluding South Africa) of the total manufactured product of 45 countries Nigeria contributes 28 per cent.

From independence in 1960 to 1966 the parties, dominated by the NPC, held control of the state. Constant communal tensions over the control of the federal product resulted in 2 coups in 1966 by the Nigerian army. These coups appeared to large sections of the population as 'nationalist' moves against corrupt politicians. In reality they were fractures in the army, opening up an overt communalism which led firstly to a massacre of Igbos in the North and secondly to the Biafran secession in the East. The civil war was inevitable given the split in the most important national institution, the army.

The Biafran war was a genuine civil war. It remains a signal event in contemporary Africa. Many African states share some of the diversity of Nigeria. Had the Biafrans been successful there would probably have been a succession of such wars.

Of course the intervention of the imperialist powers prolonged and exacerbated the war. The British government supported and armed the Federal government. The French government armed the Biafrans and used covert diplomacy with Biafran allies like the Ivory Coast. These moves complicated a solution at the cost of many African lives.

It is notable, both in memoirs and imaginative literature, how little social content was present in the idea of Biafra. The most

radical statement of Biafra was Governor Ojukwu's 'Ahiara Declaration'. Here, despite references to 'Revolution' and the 'New Biafran Social Order', one searches in vain for a vision of a society different from Nigeria. Apparently Ojukwu was influenced by radical intellectuals in the drafting. But the impression is one of phrases rather than policies.

This really is not surprising. It was the massacres of the Igbos and their subsequent flight which gave the social impetus to Biafra. It could equally have been the Nigerian rather than the Biafran state that halted the pogroms. The economic viability of Biafra rested entirely on the prospect of control of the oil reserves. Given that no new relation was envisaged with the transnational oil companies there was no reason to support a Biafran rather than a Nigerian

control of these reserves.

This absence of an alternative social order is confirmed by the failure of any attempts to revive 'Biafran' nationalism and by Ojukwu's return to Nigeria under the toleration of the military.

Many of the minority communities supported the Federal side exactly because it appeared that a federal state would have to accommodate minorities more generously than a Biafran state. The Federal government, under Gowon, reorganised the state by the establishment of 19 regions.

Ken Saro-Wiwa supported the Federals against Biafra. His reasoning remained consistent to his death. He wanted self-determination for all the minorities in a unified Nigeria.

'The event of British colonialism was to shatter Ogoni society and inflict upon us a backwardness from which we are still struggling to escape. It was British colonialism forced alien administrative structures on us and herded us into the domestic colonialism of Nigeria. Right from 1908 when Ogoni was administered as part of Opobo Division, through the creation of Rivers Province in 1947, Eastern Region in 1951 and Rivers State in 1967, the

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Ogoni people have struggled to resist colonialism and return to their much cherished autonomy and self-determination.'

As well as a political leader Ken Saro-Wiwa was a creative writer. Very little of his work is available to a British audience. Amongst his achievements was to be scriptwriter for the most popular soap on Nigerian television, the satirical 'Basi and Co'. Of his available work the most powerful is 'Sozaboy', a novel of the civil war.

Novels and stories of the civil war form a powerful body of African writing. A list of some of the most important is given in the bibliography. These stories open up the

war from many perspectives. We see Federals and Biafrans, military and civilians, women and men, participants and refugees, minority peoples and dominant social groups. The horrors of death, rape, starvation, physical agony and atrocity are revealed. The qualities of selflessness, courage, intelligence and kindness remind us of the humane within the inhuman.

'Sozaboy' is not the least of these important fictions. A boy from a rural minority community is drawn into the war. He longs to break from his community and gain social prestige. It is the uniform more than the idea that attracts him. He goes into the thick of war, through betrayal,

into refugee camps and into a life which finally excludes him from his own people. Saro-Wiwa invents a language to convey Sozaboy's naivete, inarticulateness, and blunt observation. Alongside Sozaboy is created his nemesis, the knowing, fluent and cynically evil Manmuswak. Just as Sozaboy (Soldier-Boy) must lose in every situation so Manmuswak (Man must work) must gain from every situation.

In his autobiography of the civil war Saro-Wiwa locates the real enemy:

'On the wider Nigerian plane, it is equally important that the relationship between all ethnic minorities are built on sure foundations, on the

principle that both hawk and eagle may perch. No civilised society can be built on exploitation deceit and slight of hand... the minorities of the Niger Delta and its environs in particular must remain awake to the real threat that is posed to their very existence by the politics of competitive ethnicity and involuted loyalties of the majority groups. Indigenous colonialism and the blind materialism of international capitalism which prospects for oil in the belly of the delta ring the death knell of these peoples'.

A regime which destroys so fine a mind cannot be finally successful. Ken Saro-Wiwa's legacy in fact and fiction will triumph.

Gulf war: five years later, half the truth comes out

The fifth anniversary of war in the Gulf was marked by a flurry of media attention. Predictably, much of it is devoted to justifying the role of the United States and its allies and, by extension, continued sanctions against Iraq, explains Carol Turner.

Five years after the imperialist assault on the Gulf, one Iraqi child in every three is malnourished. There are still insufficient drugs to treat the growth in cancers and birth defects which are part of the aftermath of this dirty war. On conservative estimates, over 100,000 Iraqis died in the Gulf War. More than double that number have perished since of famine and disease.

There is no justification for them. But the US is adamant: sanctions cannot be lifted.

Despite these statistics, the final programme in BBC 2's four-part series, *The Gulf War*, began with a commentator's unabashed declaration that Iraq was defeated with 'fewer casualties than anyone dared hope'. This is the ultimate in demonisation: a whole country assigned to the status of non-people.

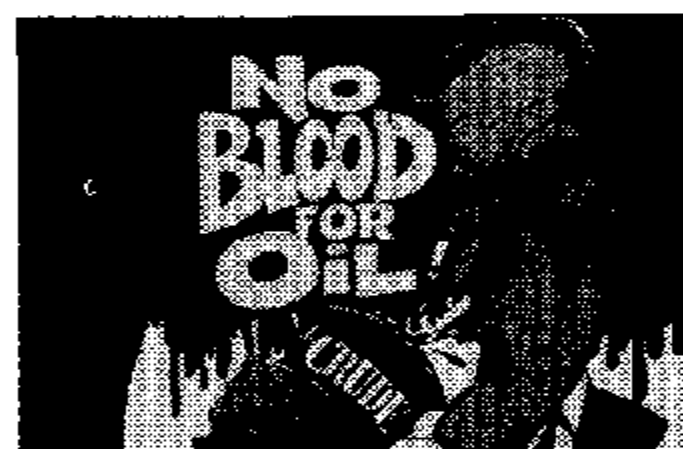
In the same programme, a US participant in the battle of Modina Ridge described how: 'We took very few prisoners. Most people we saw were

dead. There were pieces all over the place. I've never seen such destruction in my life.'

The symbol of western carnage is still the massacre of deserting Iraqi soldiers on the Basrah road. It was not the opponents of this war, but allied pilots who labelled it the highway of death.

Thankfully, not all retrospectives glorified the allies. Maggie O'Kane's documentary for Channel 4, *Riding the storm: how to tell lies and win wars*, was an excellent account of the systematic deception carried out by the United States government and its allies.

It exposed how Kuwait engaged a US public relations company, Hillon and Knowlton, at a cost of \$11 million, and how that company arranged for Congress to hear the testimony of a Kuwaiti nurse. Her claim that Iraqi soldiers looted incubators from a hospital, leaving babies dying on the floor, played a powerful role in persuading



the Senate to vote for war.

The nurse turned out to be the daughter of Kuwait's ambassador to the United States; the incubators were found stored away in the hospital they were supposed to have been stolen from; nurses on the ward at the time had never seen the ambassador's daughter there.

O'Kane presented evidence of America's use of napalm, and Britain's use of other chemical weapons. Depleted uranium shells and their effects were opened to scrutiny. Pentagon records were cited, proving US navy attacks on oil installations resulted in slicks that the allies claimed were Iraq's doing.

Peter Arnet, one of America's foremost war reporters, exposed phoney claims of a clean war fought with smart bombs — giving a first-hand account of the destruction of a baby milk factory that George Bush claimed was a chemical

weapons test centre. Guided missiles comprised only 6 per cent of the 72,000 bombs dropped in the course of the Gulf War.

'The US government is perfectly capable of lying to achieve its aims at the time of a national crisis,' said Arnet, reflecting the message at the centre of the O'Kane documentary.

This dissection of government disinformation was welcome. But O'Kane stopped short of another conclusion waiting to be drawn: that during the assault on the Gulf the media was a willing accomplice in the United States and British governments campaign of lies.

In reality, it was the anti-war movement — which merited not a single mention in this documentary — that attempted to expose the official propaganda. With few exceptions (John Pilger foremost amongst them in Britain), Maggie O'Kane and her colleagues at the time presented it to us ready-digested.

Watching her programme, you couldn't help wondering whether Ms O'Kane would be back on television in another five years — this time telling us the real story of Bosnia.

The new bourgeois feminism

A recent article in the Guardian questioned why some feminists are trying to distance themselves from abortion rights. What the Guardian failed to do, writes Sarah Colborne, was link the rightwards ideological drift of a current of bourgeois feminists to the material context of an offensive against the social and economic position of women unparalleled in the post-war era.



Naomi Wolf

Recent examples included the departure from the pro-choice movement of Norma McCorvey (alias Jane Roe in *Roe v Wade*), the example of Claudia Nolte, German Minister for Women and the Family, who is quoted as saying that 'women who have had abortions should be forced to work for a year to 'make amends', and prominent US feminist Naomi Wolf's attacks on the pro-choice movement.

Naomi Wolf justifies her sweeping condemnation of pro-choice activists and women who have abortions by claiming that abortion rights are not under threat. However, abortion services in the US, are under attack, as seen in the recent decision of the House of Representatives to allow state authorities the option of refusing to pay for abortions with government money unless the woman's life is in danger.

In the US the attempts to claw back welfare provision first established in the depression years of the 1930s has been accompanied by a growth and popularisation of anti-choice ideology, as well as a re-emergence of racist ideas of inherited intelligence and ability. This is reflected in the appearance of books like *The Bell Curve* and the views of Philippe Rushton, presented

at the 1996 American Association for the Advancement of Science, that men and Europeans have bigger brains and are more intelligent than women and people of African origin.

Naomi Wolf's main contribution to the ideological attacks on abortion was an article entitled 'Our Bodies Our Souls' first published in the *New Republic*, and reprinted in the *New Statesman* on 20 October 1995. This article questioned the link between feminism and abortion rights, basing itself on her personal experience of pregnancy:

'We stand in jeopardy of losing what can only be called our souls. Clinging to a rhetoric about abortion in which there is no life and death, we entangle our beliefs in a series of self-delusions, fibs and evasions. And we risk becoming... callous, selfish and casually destructive men and women who share a cheapened view of human life'.

The underlying point is to blame women who become unintentionally pregnant.

'Fifty seven per cent of unintended pregnancies come about because the parents used no contraception at all. Those millions certainly include women and men too poor to buy contraception, girls and boys too young and ill-informed to know where to get it, and countless instances of marital rape, coerced sex, incest and couplings in which the man refused to let the woman use protection. But they also include millions... who have no excuse whatsoever for their carelessness'.

In *Fire with Fire*, her 1993 book, she put herself forward as a model of how women should behave:

'My friends will tell you that I am sometimes spacy

'Feminists and the rest of the liberal world were clear about which side of the fence they were on. Not any more' Guardian 30 January.

'One of the most debilitating legacies of the reproductive-choice battles of the 1980s was that it became a truism that a woman was not a feminist if she was not pro-choice... Some of the most thoughtful feminists are beginning to describe abortion as violence against women'
Naomi Wolf, Fire with Fire.

beyond belief... But I have never neglected contraception. When the time comes to use a condom or prepare my diaphragm, I experience an alertness and attention to detail that are completely out of character... It feels as if some dark part of my brain is saying to my body, 'Careful, careful, you have to transcend your blind spots. This is a matter of life and death'.

Her conversion to the cause of ensuring that women should sufficiently suffer for their abortion is explained as a personal one. However it fits neatly into the political framework of her attack on so-called 'victim feminism'. By contrast with 'victim feminism' she applauds the strategy of 'Emily's List' for achieving power for women in both the US and Britain. Emily's List is a self-selecting network of Labour Party women politically affiliated with the Blair leadership.

Naomi Wolf conceals her right-wing agenda by misrepresenting the current situation of women. 'We will either understand that we are in the final throes of a civil war for gender fairness, in which conditions have shifted to put much of the attainment of equality in women's own grasp or we will back away from history's lesson, and, clinging to an out-dated image of ourselves as powerless, inch along for another several hundred years or so, subject to the whims and wind shifts of whatever backlash comes next...we are at... 'an open moment'. Twenty-five years of dedicated feminist activism have hauled the political infrastructure into place,

enough women in the middle classes have enough money and enough clout, and most women now have enough desire and determination to begin to balance of power between the sexes... Old habits left over from radical feminism's rebirth from the revolutionary left of the 1960s — such as a reflex anti-capitalism, an insider-outsider mentality, and an aversion to the 'system'... are now getting in our way.' (*Fire with Fire*)

This argument, that women are about to achieve equality and that socialist aspirations are the main obstacle to that equality, is the exact opposite of the truth. The expansion of the welfare system has been intimately connected with the social advances won by women in the last four decades. The attempt to dismantle the welfare state in Europe and destroy the meagre forms of social protection in the US threaten to throw back the entire social position of women.

Just as the ideas emanating from 'science' have sunk to a new low, so there is an attempt by a minority of high profile bourgeois women to hijack feminism in their own narrow class interests. If this were tolerated, 'feminism' would be emptied of its progressive meaning.

The advance of women requires not the severing of the alliance between the left and women, but its deepening so that the assault on single parents, abortion rights, equality of political representation, the minimum wage and the impact of racism are at the centre of the left's agenda.

Marxist theory and the British labour movement

Theoretical underdevelopment and false counterposing of theory to practice has critically weakened the left in Britain. This majority British tradition has historically contrasted with the emphasis on the integration of theory and practice by the most advanced working class political currents internationally. The recomposition and renewal of the socialist left in Britain poses afresh the necessity of theoretical exchange and development. We reprint here an article by Peter Lewis examining the relationship of Marxist theory and the British labour movement.

The historical attitude of the majority tradition of the British labour movement to Marxist theory was established very early in its formation. Thus Ben Tillett, a future leader of the Transport and General Workers Union went out of his way to condemn 'hair brained chattering and magpies of Continental Revolutionists' at the founding conference of the Independent Labour Party in 1893.

Instead he praised as a model the practicality of 'the trade unionists of this country, a body of men well organised, who paid their money, and were socialists at their work every day and not merely on the platform, who did not shout for blood-red revolution, and when it came to revolution, sneaked under the nearest bed'. (*Pelling, Origins of the Labour Party*)

This basic idea that theory is 'unrealistic', and that what is needed is 'to be practical', was continued into the early Labour Party itself. A questionnaire sent out to Labour and 'Lib-Lab' MPs in 1906 revealed that only two out of the 45 who replied had studied any works of socialist theory at all. (*Miliband, Parliamentary Socialism*)

For once Ramsay Mac-Donald, leader of the Labour Party at that time, spoke the truth when he said that Marxist theory 'had little to do with the Labour Party and nothing to do with its policy'. (*Ibid.*)

This attitude was not confined only to reformists, however. It also affected even the early revolutionary Communist Party. Harry Wicks,

'National insularity has penetrated so deeply into the labour movement that it profoundly affects even those attempting to be revolutionaries'

a member of the CP in the 1920s, has described the situation well: 'The British Communist Party was not rich in theoretical Marxism. In fact, the British movement as a whole for generations was devoid of theory, one could almost say contemptuous of it. What Deutscher termed the 'classical Marxism', those debates that occupied Social Democracy before 1914, scarcely found an echo in this country.

'So not surprisingly, the Communist Party which was formed in the halcyon days following the October revolution was equally indifferent to Marxist theory, it was to an extent insular in outlook, and devoted itself to giving a left-wing militant edge to trade union struggle.' (*Wicks, 'British Trotskyism in the 1930s' in International, Vol 1, No 4*)

This situation aided the easy conquest by Stalinism of the British Communist Party. Hugo Dewar had described the process very clearly: 'The party was almost exclusively proletarian in character (too much so, in fact; with the added disadvantage of "anti-intellectualism"); its membership had reached their appreciation of the social order more through their experience of working class life and labour, than from theory.

'This was their strength, but also their weakness. Constant pre-occupation with agitational activity on a hundred and one issues left little time for study and discussion of political issues that were being fought out in Russia (against Sta-

lin)... the need for such information and discussion was recognised by only a handful; for the rest, with their markedly anti-intellectual bias, theoretical discussion tended to be regarded as time-wasting, holding up the action.

'There were, of course, good grounds for regarding intellectuals with suspicion, their record in the parliamentary labour movement offered damning evidence of opportunism and careerism. But wariness is one thing, almost total rejection quite another, making it all too easy for the professional functionaries to stifle awkward discussion of policy.

'This anti-intellectualism of the CPGB, translating itself into impatience with critical discussion, was probably the main reason why opposition to bureaucratisation found so little response among the rank and file.' (*Dewar, Communist Politics in Britain*)

This basic attitude continued into the later development of most of the revolutionary left in Britain.

This does not mean that everyone considered that nothing could be learnt from Marxism. What was (and is) held was that although individual things could be learnt from Marx, and the 'spirit' of his championing of the oppressed could be praised, the Marxist theoretical framework as a whole nevertheless had to be rejected as 'dogma'.

The young Aneurin Bevan, for example, paid generous tribute to the 'spirit' of Marx's *Communist Manifesto*: 'The largeness of its conception, its profound philosophy and its sure grasp of history, its aphorisms and its satire: all these make it a classic of literature, while the note of passionate revolt which pulses through it, no less than its critical appraisements of the forces of revolt, make it for all rebels an inspiration and a weapon.'

But he was careful to add that of course the *Manifesto* was irrelevant

for 'practical' purposes: 'The (*Communist*) *Manifesto* is today tactically valueless, except insofar as persistent stress on first principles is of tactical importance'. (Quoted in *Foot, Aneurin Bevan, Vol 1*)

In this framework Marxism is seen merely as one part of a 'socialist tradition' containing many other 'valid' currents — Keir Hardie, Christianity, labourism, libertarianism, 'common sense', etc. The labour historian E.P. Thompson summed up this view in the argument that it is necessary to see Marxism less as a self-sufficient system, more as a creative influence within a wider socialist tradition'. (*Edward Thompson and John Saville, 'A Communist Salute', The Left in Britain 1956-1968, ed. Widgery*)

Thompson also states that pragmatism, a rejection of any consistent theory and instead a 'practical rule of thumb' approach 'has served the British people a great deal better than most Marxists have been prepared to admit'. (*E.P. Thompson and John Saville in The New Reasoner, Vol 1, No 1.*)

If the answer is to 'blend' Marxism with some other approach, then of course virtually any different mixture can exist according to taste. The Labour right can reject the ideas of Marxism outright while the Labour left adds a stronger mixture of Marxism to the other brew — provided, of course, that it never completely contaminates the pot.

Michael Foot spelt out how Bevan, in his most left-wing period, attempted to apply this synthesis of Marxism and 'British traditions': 'The Marxist theory of the state was inescapable, but the liberal criticism of it would re-emerge. Somehow a synthesis must be devised... Britain, and perhaps only Britain could set the example. Here the British democratic tradition, deriving from the Levellers and the Chartists, was grafted onto Bevan's Marxism.' (*Foot, Aneurin Bevan, Vol 2*)

This last quotation sums up another part of the 'Great British Tradition' in its attitude to Marxist theory. This is its national insularity.

Thus Ben Tillet didn't merely confine himself to attacking theory in general but specifically went out of his way to denounce 'Continental' Revolutionists. This coupling together of 'theoretician' and 'foreign' as terms of abuse runs right through the history of the British labour movement.

Since labour reformism spent a greater part of its history accepting the oppression of hundreds of millions of people by the British Empire, and since then has supported countless imperialist aggressions in such places as Vietnam and Ireland, such national insularity is scarcely surprising.

This tradition has penetrated so deeply into the labour movement that it profoundly affects even those attempting to be revolutionaries. The first leader of a Marxist organisation in Britain, H.M. Hyndman, supported a battleship building programme, was anti-semitic, and championed the war against Germany in 1914.

His first Marxist book, *England for All*, which was also the first well-known Marxist work by anyone in this country, also set the same pattern. While all the theoretical chapters were adapted from Marx's *Capital*, Hyndman did not mention the originator of the ideas by name on the grounds that if it was known that they were by a foreigner then people would not accept them!

Even today attacks on 'Third Worldism', 'being enthusiastic about revolutions abroad but not paying attention to the bread and butter issues in Britain' abound through the left press.

In reality, one per cent of the problems of the British working class derive from excessive internationalism and 99 per cent from concentration on 'bread and butter questions'.

This, then is the overwhelming majority tradition of the British working class movement: indifference to theory and its counter-position to 'practical' questions; national insularity in relation to international developments and ideas.

But this view is not confined to them, or their class, alone. At the beginning of 1901, for example, the Russian Tsarist secret police drew up a report on the newly exiled dissident Vladimir Ulyanov. They concluded that, while all socialists were undesirable, this one did not present a particularly serious danger to the state. While others were engaged in dangerous activities such as manufacturing bombs and planning assassinations, Ulyanov spent much of his time reading purely theoretical socialist books. He was also ultra-dogmatic in his adherence to every last word of Marx and Engels.

In fact, if anyone had wanted to find a good example of the imprac-

tical, abstract revolutionary — this Russian revolutionary would have fitted the bill perfectly.

Whereas the 'practical' British working class movement went down to crushing defeat in the General Strike of 1926, and capitalism exists to this day in Britain, the Russian working class liberated one-sixth of the world from the yoke of capitalism in the greatest revolution ever seen in history.

How could the Bolsheviks be so totally practical 'despite' such an extraordinary attachment to 'abstract theory'? Supporters of the British tradition simply cannot understand it. Attempts have therefore been made to portray the Bolsheviks as a sort of party possessing the traditional virtues of British shop stewards writ large.

This corresponds to a view that the revolutionary party which needs to be built in Britain will essentially be a coming together in one organisation of the type of trade union militants that exist at present.

Of course, by carefully sifting through all the evidence — as Tony Cliff does, for example, in his book *Lenin* — you can find a few facts which, with a bit of distortion, can be made to show that the Bolsheviks were indeed some sort of super shop stewards movement.

Lenin, in fact, had some very 'British' virtues of the type sometimes held up as the last word in revolutionary Marxism by left tradition. He was an extremely good writer of short and simple agitational articles for workers. He was a highly skilled and efficient organiser with a tremendous 'nose' for the mood of the working class.

But such description is rather like trying to deal with Marx's activities by concentrating on his links with the British trade unions and omitting to mention that he made a few 'small' contributions to economic, political and philosophical theory and wrote *Capital* and the *Communist Manifesto*!

The pleasantly efficient habits of the Bolsheviks had nothing to do with the fact that Lenin had the chance to study the virtues of the British labour movement at first hand while living in London. They had everything to do with the conditions under which the Russian revolutionaries worked. As Lenin wrote: 'During these fifteen years (to 1917), no other country (than Russia) knew anything even approximating to that revolutionary experience, that rapid

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and varied succession of different forms of the movement — legal and illegal, peaceful and stormy, underground and open, local circles and mass movements, and parliamentary and terrorist forms. In no other country has there been concentrated, in so brief a period, such a wealth of forms, shades, and methods of struggle of all classes of modern society' (*Collected Works*, Vol 31).

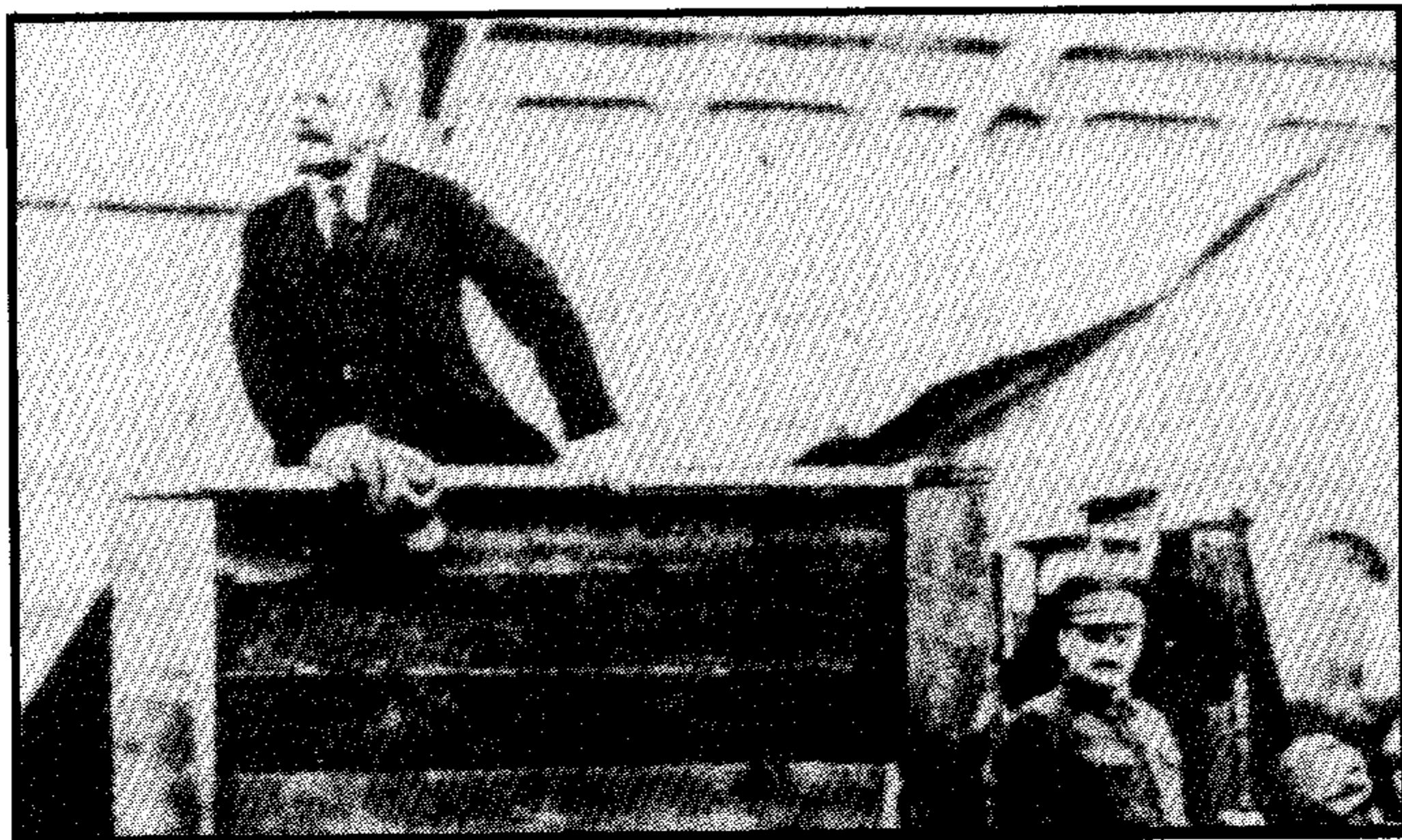
Second, and more important, the Bolshevik leadership displayed characteristics very far removed from those typical of the British trade union movement and which are generally urged on the British revolutionary left. Lenin himself, in the famous introduction to *Left Wing Communism: An Infantile Disorder*, described the creation of a party like the Bolsheviks: 'Bolshevism arose in 1903 on a very firm foundation of Marxist theory... For about half a century... progressive thought in Russia, oppressed by a most brutal and reactionary Tsarism, sought eagerly for a correct revolutionary theory, and followed with the utmost diligence each and every "last word" in this sphere in Europe and America.

'Russia achieved Marxism — the only correct revolutionary theory — through the agony she experienced in the course of half a century of unparalleled torment and sacrifice, of unparalleled revolutionary heroism, incredible energy, devoted searching, study, practical trial, disappointment, verification, and comparison with European experience.

'Thanks to the political emigration caused by Tsarism, revolutionary Russia, in the second half of the nineteenth century, acquired a wealth of international links and excellent information on the forms and theories of the world revolutionary movement, such as no other country possessed' (*Collected Works*, Vol 31).

The approach of the working class and party which showed beyond all dispute that it was 'practical' by overthrowing capitalism in Russia could not have been more different from the majority traditions of the British labour movement.

Lenin's description was no idle statement. Essays written by Engels even before he became a Marxist were already known to Russian revolutionaries by the mid-1840s. The first translation of *Capital* into any language was into Russian in



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1872.

The Bolshevik leadership itself showed these characteristics to an even greater degree. Lenin spoke five other languages and could read two others. He had read almost every living writer on economics and politics and studied the classical works of bourgeois philosophy.

As to fear of excessive theory, we need only to look at Lenin's reading to see how he occupied himself. For *Imperialism: The Highest Stage of Capitalism*, Lenin read 232 articles, 49 periodicals and 148 books.

And what about the other Bolshevik leaders? Trotsky was even more of an 'abstract internationalist'; when he wasn't engaged in impractical activities such as leading the Russian revolution or organising five million people into an army to win the civil war, he spent most of his life wandering from one country to another writing on virtually every single international and national question under the sun.

Bukharin spent much of his life attending to the latest developments in economic theory and writing long books against bourgeois theorists.

Zinoviev, by comparison, was a veritable ignoramus, speaking only two or three other languages; he was only useful for mundane tasks such as delivering a four hour speech in a foreign language (German) to win 300,000 people from the German Independent Socialist Party to the Communist International.

In fact only one leading Bolshevik showed the true British labour movement characteristic of disdain for 'unrealistic theory', rejection of 'abstract internationalism', and belief that day-to-day organisational

question were the real meat of politics. His name was Stalin.

The rest of the Bolshevik leadership, however, were only following in the path of all the really great practical working class leaders. Marx himself read or spoke every single major West European language in addition to Russian. He formed his theories from German philosophy, French socialism, and British economics.

Marx's positions, by their very origin and nature, were international right from the start. Both he and Engels never founded a purely national revolutionary party. In every case their organisations were international.

This tradition was carried over into the early part of the 20th century by such as Rosa Luxemburg. This great Polish revolutionary was a militant in the German socialist party and wrote her first great contribution against the entry of the Frenchman Millerand into his country's government. She was active simultaneously in the Polish, Russian and German parties as well as in the International.

The Russian working class and its leadership simply possessed these authentic practical revolutionary traditions to an even greater degree than any other proletariat. But nothing could be more remote from that than the dominant historical characteristics of the British working class movement.

People who can simultaneously wage a civil war and insist on being experts on Hegel, Marx and bourgeois economics simply don't exist in the British tradition, and would seem an absurd paradox if

they did.

Such comparisons are necessary for a very elementary reason. The Russian movement, historically characterised by its extreme interest in what Lenin referred to as the 'last word' in international revolutionary theory, overthrew capitalism in one-sixth of the world.

The British movement, characterised by its national insularity, disregard of Marxist theory, and obsession with 'bread and butter' questions, remains very far from overthrowing capitalism.

We will now consider the connection between the two different traditions of these labour movements and their historical fates.

The basic attitude of the Russian revolutionary movement to Marxist theory was well illustrated in a story told by the Bolshevik Nadezhda Krupskaya in her book *Memories of Lenin*: 'Vladimir Ilyich (Lenin) and I recalled a simile that L. Tolstoy used somewhere: Once when walking, he spotted in the distance the figure of a man squatting on his haunches and moving his hands about in an absurd way; a madman, he thought — but on drawing nearer, he saw that it was a man sharpening his knife on the paving-stone.'

'It is the same thing with theoretical controversies. Heard from aside, they do not seem worth quarrelling about, but once the gist is grasped, it is realised that the matter is of the utmost importance.'

This little story captures two things which rapidly become apparent to anyone coming into contact with Marxism.

At first glance, Marxist theory does frequently sound like mere abstract squabbling. 'United Front', 'Popular Front', 'economism', 'reductionism', 'revisionism', 'labour and labour power', and innumerable other pieces of apparently incomprehensible jargon dot the pages of Marxist works.

Yet any knowledge of the history of the working class movement shows that these 'abstract' questions have in fact had tremendous importance.

Take the dispute between the Bolsheviks and the Mensheviks in Russia — between what became the revolutionary and counter-revolutionary wings of the working class movement. This first appeared in the form of a difference around a single phrase in their party rules concerning whether a member was

one engaged in 'personal participation in one of the party organisations' or one who 'renders it regular personal assistance under the direction of one of its organisations'.

Similarly, the struggle between Trotsky and Stalin assumed its fundamental form on the apparently ultra-abstract question of whether it was possible to build socialism in one country or not.

So why have the most tremendously important struggles in the working class movement been inseparably bound up with questions of 'abstract theory'? To answer that it is necessary to go back and look at the nature of revolutionary theory itself.

When Marx and Engels first developed their positions, they adopted the term 'Scientific Socialism' to describe their theories. This was not merely a grand phrase but exactly expressed the relation of their theories to material reality. As Engels explained in criticising the German theorist Karl Heinzen: 'Herr Heinzen imagines communism is a certain doctrine which proceeds from a definitive theoretical principle as its core and draws further conclusions from that. Herr Heinzen is very much mistaken. Communism is not a doctrine but a movement; it proceeds not from principles but from facts.' (*Marx and Engels, Collected Works, Vol 6*).

A socialist system basing itself on the facts of reality. That was what Marx and Engels meant by scientific socialism.

Yet while they based their positions on facts, Marx and Engels obviously brought about a tremendous revolution in social theory — as anyone who has tried to read *Capital* or any other major work of Marxism will rapidly find out.

For the British tradition, technically known as 'empiricism', this relation of facts and theory is an insuperable problem. That tradition counterposes facts and theories. In reality, however, there is no contradiction between facts and theories. Theory is precisely something which reflects, or if false fails to reflect, the real forces and facts of reality. As Marx put it, 'the ideal [theory] is nothing else than the material world reflected by the human mind and translated into forms of thought'. (*Capital, Vol 1*)

Or in the words of the *Communist Manifesto*: 'The theoretical conclusions of the Communists are in no way based on ideas or princi-

'In reality there is no contradiction between facts and theories. Theory is something which reflects or, if false fails to reflect, the real forces and facts of reality.'

ples that have been invented, or discovered, by this or that would be universal reformer. They merely express, in general terms, actual relations springing from an existing class struggle, from a historical movement going on under our very eyes.' (*Marx and Engels, Collected Works, Vol 6*)

Compared with the forces analysed by Marxism, the 'common sense' approach loved in Britain is the height of impracticality.

This can be seen in one of the most famous theoretical 'debates' in the history of the workers movement — that on the state.

The position of Marxism, put forward in Marx's *The Civil War in France* and given its classical re-statement in Lenin's *The State and Revolution*, is that the state apparatus of capitalism must be smashed. The German Social Democratic leader Kautsky, however, argued that the state machine must be 'taken over' or 'transformed'.

'Smash' or 'transform'? It might seem an obscure quibble over words. But if we look at the realities reflected in these terms, it rapidly becomes obvious that something far more is involved.

The concept of 'the state' reflects the reality of a force of hundreds of thousands of people with tanks, guns, atomic bombs, law courts, the army, the police etc. The debate about 'transforming' or 'smashing' the state is not about words but about how that tremendous armed force and apparatus will act in reality.

When the socialist positions of the working class achieve a majority, will the army quietly dissolve? Will the capitalists surrender their wealth? Will Prince Charles meekly pack his bags and leave Buckingham Palace?

Or, on the contrary, will every single weapon which the bourgeois class has at its disposal be turned against the oppressed in one final violent attempt to maintain the power and wealth of the capitalist class?

That is far from being an abstract debate about words. It is literally a life and death question for millions of people.

If the working class does prepare itself beforehand, if it makes propaganda and organisation among the rank and file soldiers against the officers, if it arms and organises the ranks of the working class, then historical experience shows that the

capitalist state can be smashed and defeated.

But if the working class is not prepared beforehand, then examples such as Chile under Pinochet and Germany under Hitler show only too clearly what will happen.

In Chile, a country with a population one-fifth that of Britain, over 20,000 people were murdered by the army within six months of the military takeover of September 1973. That is equivalent to 100,000 people being executed in Britain.

In Germany, the fascist takeover of power led to the murder of six million Jews and hundreds of thousands of trade unionists and socialist activists, and the unleashing of a world war in which 50 million people were killed.

The people who led the working class to those terrible slaughters precisely prepared these catastrophes by rejecting armed resistance to the ruling class under the banner that the capitalist state could be 'transformed'.

This is what is involved in the 'quibble' over whether the state apparatus of the capitalist class must be smashed or whether it can be 'taken over'.

That is a far bigger and more powerful reality than the day-to-day 'practical' questions which dominate the majority tradition of the British labour movement.

That is why the 'theoretical' Russians were able to lead the working class to power while the 'practical' British achieved only defeats. The Russians, in their obsession with what Lenin called the 'last word' in revolutionary theory, were not turning away from reality but towards it. The concentration on 'day-to-day' questions was and is totally unrealistic because it ignores the really fundamental and powerful forces which shape reality.

We now turn to the root cause of the specific characteristics of the British labour movement. They are due to the historical strength of British imperialism.

The truth of this assertion can be most easily demonstrated by examining the workers movement in Britain prior to the rise of imperialism, when it was not backward but the most advanced in the world.

The Chartist movement of the late 1830s and 1840s was characterised by the exact opposite of the so-called 'virtues' of the British labour movement. Its focus was not

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economic but political. Right from the beginning it was not only ideologically but organisationally international in character.

Looked at 160 years later, the six demands put forward by the Chartists — universal male suffrage, equal electoral districts, annual parliaments, payment of MPs, secret ballot and no property qualification for MPs — appear reformist and inadequate (not to mention sexist). But at the time they were revolutionary.

The conditions demanded did not exist in any country in Europe. Moreover there was no mass conservative stratum within the working class, no stable reformist party, which could have confined the struggle to such a programme. Victory on the six points would have unleashed open class war.

The bourgeoisie certainly understood this. The Government's response to the last great Chartist demonstration in 1848 was to blockade London with troops, fortify buildings, place the marines on alert and recruit 170,000 'special constables'.

In addition there were wholesale arrests and deportations. Confronted by this massive repression, the Chartists had to develop new forms of struggle or turn to arms.

In November 1839, John Frost led 4,000 Chartists, mainly miners, in an armed attack on Newport in South Wales.

More importantly, in 1842, the Chartists developed a new and uniquely working class form of struggle for the first time anywhere in the world — the political general strike. The idea developed from plans for a 'sacred month', but the implications of what actually happened in the North-west went a great deal further than this.

The strike was spread by mass agitation — Oldham, for example, was brought out by the physical arrival of several thousand striking cotton workers from Ashton-under-Lyme. The general strike was wholly political in character — there would be no return to work until the Charter was granted in full.

It was amid this agitation that the key question of an independent working class political party was finally taken up.

Thus, already in the 1840s, the Association for the Protection of Labour, formed out of the Chartist agitation, was discussing the idea of forming a working class political party based on the trade unions.

If such a party had been established at that time it would have been vastly different from the later Labour Party.

Mass action with politics to the fore, the political general strike, the integration of politics and trade unionism, the need for a working class political party — these were the clear elements of working class activity in the mid-1840s.

Given another decade to develop, the working class in Britain would have emerged with traditions twenty years in advance of developments in Europe.

It was the massive rise of British imperialism from the late 1840s which succeeded in diverting the working class movement into the safer channels of trade unionism and the 'day-to-day' issues.

This emphasis on politics, prior to imperialism, was also true of international questions. The 1830s and '40s saw the first sustained attempts to create international working class political organisations throughout Europe.

For example, German and French revolutionaries, organised in the international League of the Just, participated in Blanqui's 1839 attempt to overthrow the French monarchy.

These international organisations rapidly spread. In 1840 the German Workers Educational Association was formed in London.

This became an international organisation under the name of the Communist Workers' Educational Society. It had Scandinavian, Dutch, Hungarian, Czech, and Russian as well as German members.

The British Chartists took part in these organisations. They had strong links with the struggle in Ireland. The left-wing Chartist leaders, Harney and Ernest Jones, helped set up a 'Democratic Committee for the Regeneration of Poland' in solidarity with the Polish liberation struggle. This had the support of the Communist Workers Educational Society, the Union of French Democrats, and the left wing of the Polish Democratic Society.

Political solidarity action of this kind posed the need for international organisation — the modern prejudice that national organisations had to be built before international ones did not exist.

The first international organisation grew out of a London meeting in 1844, held to honour the German Communist leader Weiling. It was

addressed by English, French and German speakers, and was probably the first major international socialist public meeting in history.

The Society of Democratic Friends of All Nations was set up from this gathering and involved the Chartist Lovett plus Polish, German and French revolutionaries.

The next initiative came directly from the left wing of the British Chartists. George Harney helped to establish the Society of Fraternal Democrats. Its executive committee included prominent members of the Charter Association together with Schapper from Germany, and representatives for France, Scandinavia, Hungary, Switzerland and Poland.

In 1848 Harney explained the ideals of the Society to a meeting of German Communists:

'I appeal to the oppressed classes in every country to unite for the common cause... the cause of labour, of labour enslaved and exploited. Do not the workers of all nations have the same reasons for complaint and the same causes of distress? Have they not, therefore, the same just cause?'

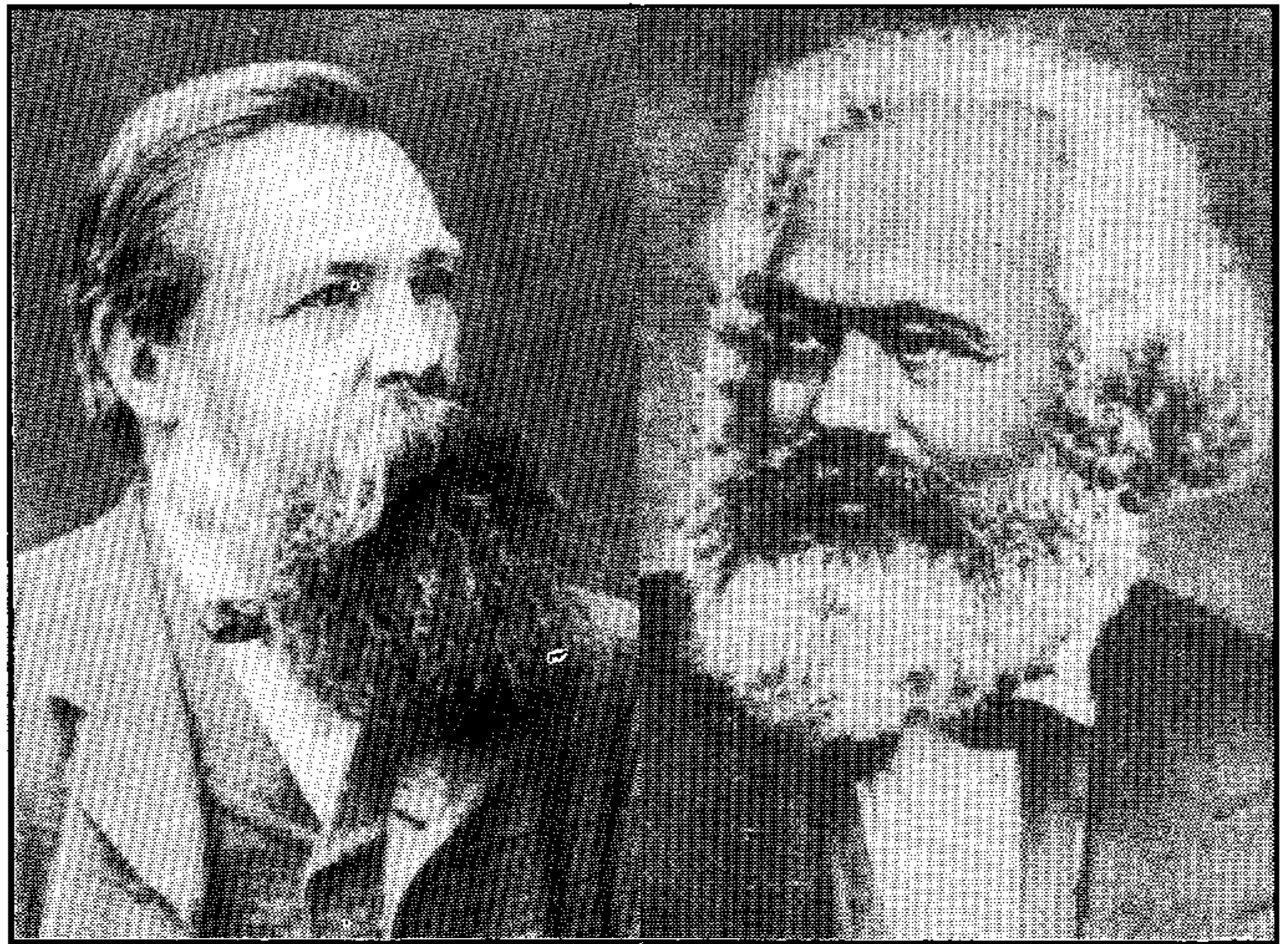
In pursuit of these ideals the Society tried to create a wider and more authoritative international organisation. It was in contact with the Democratic Association in Belgium which at that time was led by Marx.

These two organisations jointly decided to call an international congress for a 'union of all democrats of all nations in the great struggle for political and social equality'.

The defeat of the European revolutions, and of the Chartists, in 1848 was a severe blow to the Society of Fraternal Democrats. The force of the combined defeats led to its disintegration — but this was not the end of attempts to form an international organisation.

In April 1850, Harney, Marx, Engels, and the French revolutionaries Vidil and Adam took the initiative in forming the Universal Society of Communist Revolutionaries.

Harney himself survived the defeats of 1848 — his paper, the *Red Republican*, published the first translation of the *Communist Manifesto* in November 1850. But, like the majority of the old militants, Harney became demoralised and turned to open reformism in the period of prosperity of the 1850s. The first development of modern



British imperialism created unfavourable conditions for the development of a revolutionary workers movement in this country.

But the most left-wing forces in the old Chartist movement tried to keep up the pre-imperialist traditions even into the 1850s. Ernest Jones, one of the greatest figures of the English workers movement, used all his energy and money in founding a new Chartist *People's Paper*, and trying to unite the Chartist, trade union and co-operative organisations into one Parliament of Labour. The internationalist tradition was maintained in the *People's Paper*. Marx was one of the contributors.

Out of this activity Jones set up the International Committee in 1855 together with French, German and Polish groups. Its first meeting was addressed by the Russian revolutionary, Alexander Herzen, the French socialist Talandier, the Chartist leader Holyoake, and messages were read from Victor Hugo and Blanqui's supporter Barbès.

Its aims were outlined as: 'to protest against alliances with tyrants... to help the oppressed nationalities win their freedom; to proclaim and promote the sovereign rights of Labour, that uncrowned but only legitimate monarch of the world...'

'For us, nation is nothing, man is all. For us the oppressed nationalities form but one: the universal poor of every land, that struggle for life against the nation of the rich...'

'The Chartist movement of the late 1830s and 1840s was characterised by the exact opposite of the so-called "virtues" of the British labour movement.'

'We begin tonight no mere crusade against an aristocracy. We are not here to pull one tyranny down only that another may live the stronger. We are against the tyranny of capital as well.'

The International Committee held weekly meetings, and in August 1856 it joined with the French Communist Revolutionaries, the German Communist Workers' Educational Association, and the Union of Polish Socialists to form an enlarged International Association.

Its manifesto 'To the Republicans, Democrats and Socialists of Europe' rejected all alliances with the bourgeoisie in the name of 'national liberation', and called on workers to refuse to participate in the predatory war between France and Austria in 1859.

It was these overtly political and organisationally internationalist traditions of the Chartists which formed the progressive current in the British workers movement.

The retreat on these aspects within the dominant tradition of the British workers movement, towards national insularity and stress on 'bread and butter' issues, came about as a result of the pressure of imperialism.

The choice facing those seeking to renew the so-called left in this country is well summed up by the choice between these two traditions: the tradition of the Chartists or the tradition imposed by British imperialism.

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