

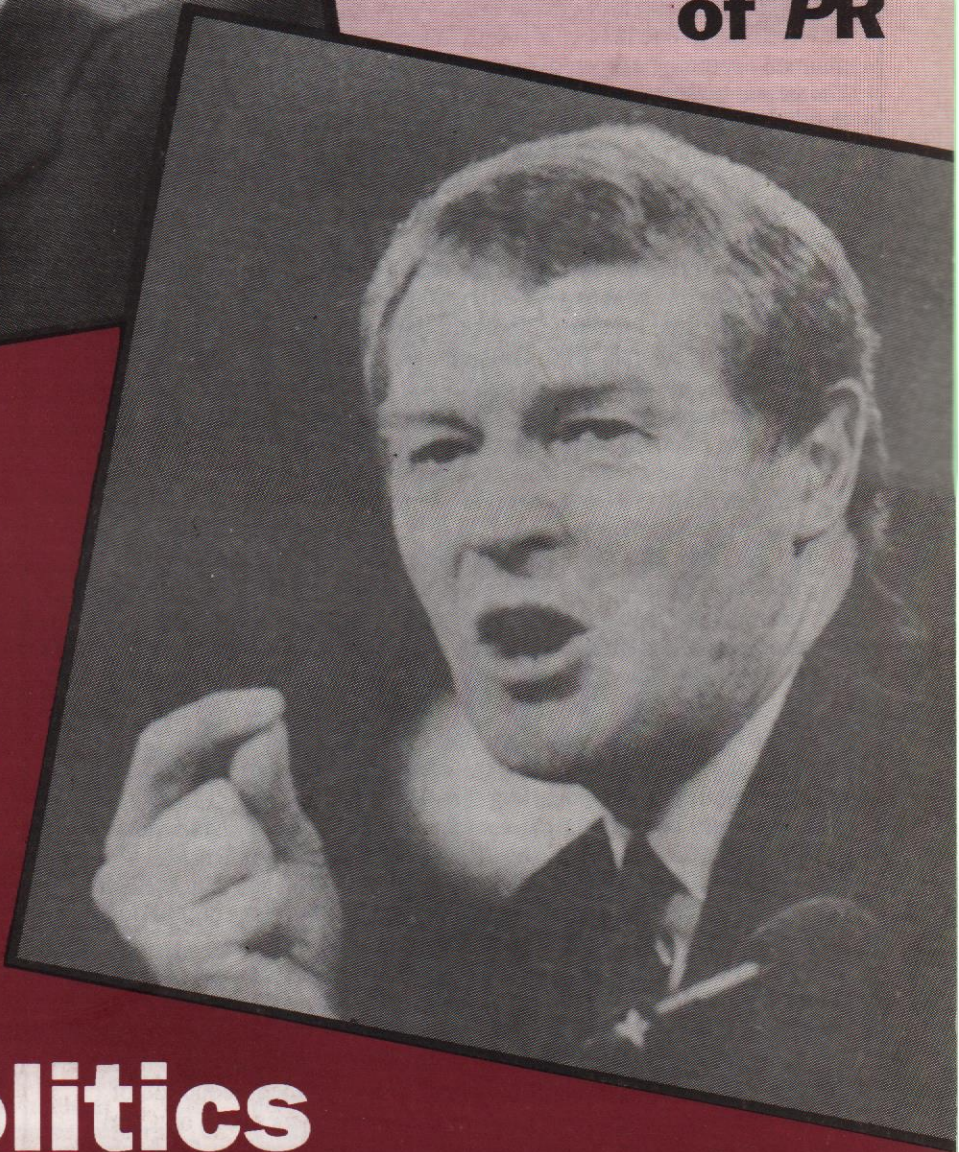
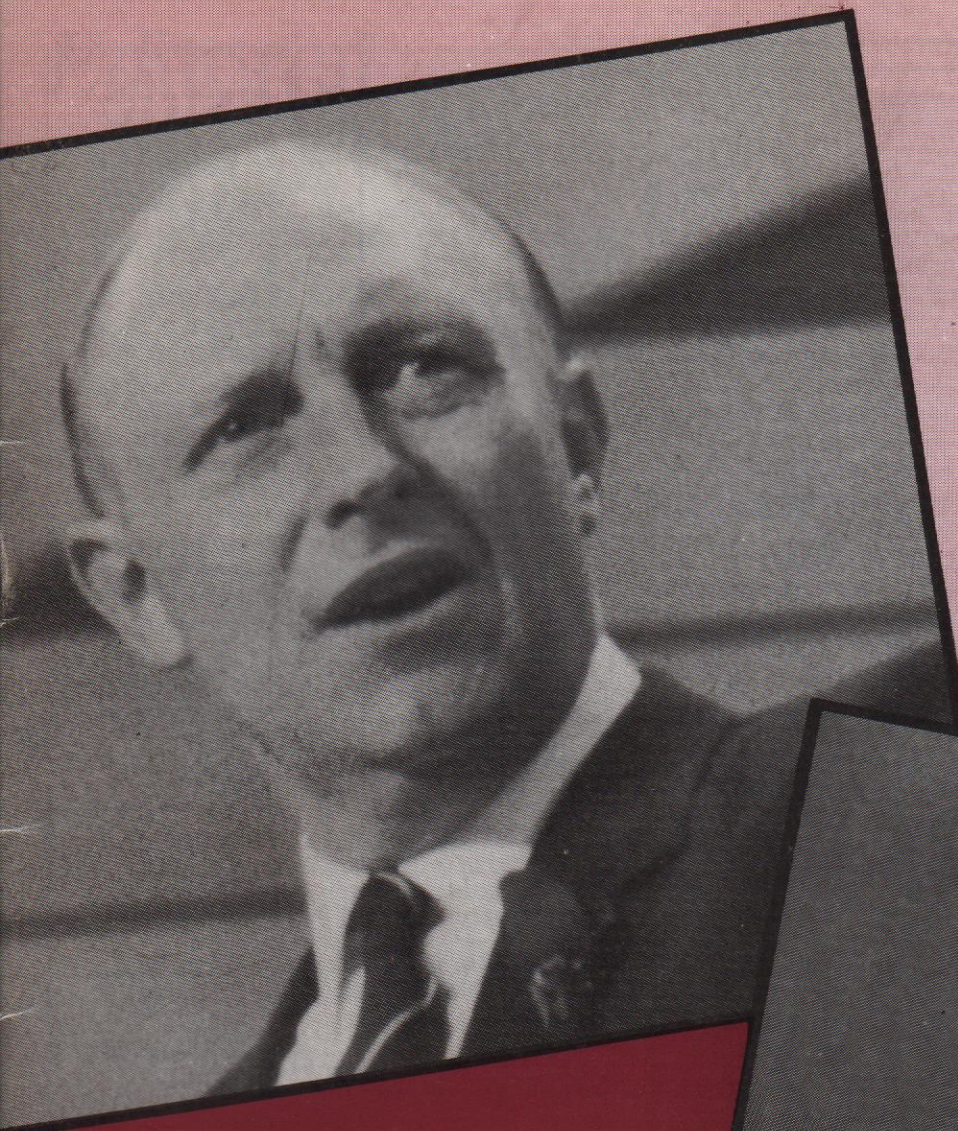
Socialist **Action**

No 11

Summer 1991

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The threat of PR



The remaking of British politics

Inside: Germany after reunification ● Dynamics of Eastern Europe — Debate ● Choices for lesbian and gay movement ● Global credit crunch ● Middle East after the Gulf war

Comment

USSR for sale

To try to get himself invited to the July meeting of the Group of Seven (G7) richest imperialist states, Gorbachev has proposed the most far-reaching economic concessions to imperialism ever put forward by a Soviet leader.

For their part the imperialists have made clear on many occasions that — apart from one-off deals such as the \$4bn from Saudi Arabia for services rendered on the Gulf, or German funds for the annexation of East Germany — there are clear preconditions for aid to the Soviet Union. These include: an irreversible and rapid replacement of the planned economy by the market; radical reduction of Soviet military spending and forces; and ending Soviet support for Cuba.

In addition, the imperialists are discussing whether to continue to primarily back reform via Gorbachev or proceed by trying to dismember the Soviet Union.

But the problem for any steps to radical market reform in the USSR, let alone the reintroduction of capitalism, is that it would devastate the living standards of the working class — the most powerful force in Soviet society. The reason is simply that the October revolution, and the planned economy it created, prevented the colonisation of the Soviet Union and built up an industrial base, which though more backward than the imperialist states, is way in advance of any third world country.

Opening that industrial base up to the world market would simply destroy it and reduce the USSR to third world conditions. What is happening to Eastern Europe would be repeated on a far vaster scale in the USSR. Estimates of the effects of the Shatalin plan endorsed by Yeltsin and Gorbachev last year, for example, were 11 million unemployed within the first year and a 40 per cent cut in real wage levels.

As this became known, support for that plan evaporated — leaving Yeltsin and his liberals allies isolated and Gorbachev re-orienting to an alliance with conservative neo-Stalinists. But the latter have no answers to the economic crisis, other than piecemeal market reforms which made it worse and price increases which just enrage the working class. As a result by April this year Gorbachev found himself in confrontation with the Russian miners, as well as other sections of the Russian working class over price increases.

The government's collision with the working class, and the international situation following the Gulf war, allowed Yeltsin to regain the initiative. Gorbachev responded with a new agreement with Yeltsin to attempt a radical market reform, give more power to the republics and to form a common front against strikes.

The proposal for an economic reform policed by the IMF and World Bank is the result. The idea is that the imperialist states should provide financial support to prevent an explosion of the Russian working class against the effects of dismantling the planned economy.

Their worry is that enough resources simply do not exist to make moves in the direction of the restoration of capitalism in Russia politically feasible, and that the size of the USSR means that whatever is done will take a great deal of time, increasing the risks of a political explosion and backlash against the market reform.

So both the bureaucracy and the imperialists want this process to be taken step by step, tying aid to specific measures, and retaining maximum control.

Significant steps appear to have been taken by Gorbachev to meet the imperialists' demands including radical, and one-sided, reduction of Soviet forces in Europe, and as yet undisclosed concessions on Cuba and Yugoslavia. After his meeting with Yevgeny Primakov, Gorbachev's personal envoy, on 31 May, George Bush said: 'I can say that this visit by Mr Primakov was extraordinarily helpful.'

Having exhausted all other possibilities on his course, Gorbachev has now offered the Soviet Union for sale to the highest bidder — and by this means is preparing still more terrible defeats for the working class. For the third time in seventy years the October revolution is fighting for its life.

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Building an alliance
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PO Box 50, London
N1 2XP

Editorial/Business
071-254 0128

Typeset, designed and
printed by Lithoprint
Ltd (TU), 26-28
Shacklewell Lane,
Dalston, London E8.
Phone: 071-249-7560

Published by Cardinal
Enterprises Ltd.

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Kinnock turns to PR

Two facts dominate the British political situation — the continuing low popularity of the Tory government and the beginning of a shift to the left in the unions. Between them they are propelling the third crucial development — the move of the Labour Party towards proportional representation (PR).

The failure of the government under Major to re-achieve popularity is now obvious. There is also little chance of this altering. Unemployment is rising at a rate equivalent to nearly a million in a year. The quarterly rate of inflation — not the annual one distorted by last year's introduction of the poll tax — is rising sharply after a slowdown at the end of 1990. Labour's lead in the polls has increased.

But the recession is not just undermining the government's popularity: it is also beginning to undermine the base of sections of the trade union right. The union right was consolidated by the nine year boom from 1981-90 (following the defeats suffered by the unions in 1979-81) during which real wages for those in work rose an average 27 per cent, with the need for few major wage battles comparable to the 1970s. For nine years the direction in the unions was all one way — to the right. It was reflected inside Labour when, in 1981, the right won a decisive majority on the NEC through gaining control of the trade union section. The recession is shaking up this whole situation.

This started in 1990 when the left increased its majority on the TGWU executive. The left also won the elections in London for the AEU and made gains in NATFHE.

In 1991 this trend has been consolidated with a series of clear shifts to the left in executive elections and at union conferences.

The first example was USDAW where the left candidate, Audrey Wise, won the presidency and the left improved its position on the executive. In NUCPS the left

won the executive elections. In UCATT the left won a 3 to 2 majority on the executive after years of right wing domination — unleashing a vicious press witch hunt against UCATT's new chair Peter Lenahan. In the new print union created by the merger of the NGA and SOGAT, the GPMU, the left candidate, Tony Dubbins, defeated Brenda Dean in a 70 per cent turnout. The shift in UCATT and GPMU means that the switch to the left in 1991 has moved into major industrial unions.

The picture is completed by the general secretaries elections in the MSF and TGWU. The MSF is a very specific situation, given the old dominance of the Communist Party, and the bad organisation of the left in the campaign — it was unable to agree on a single candidate until very late. The victory of Kinnock-supported candidate Roger Lyons over Barbara Switzer was a serious defeat, but the left won the positions of president and vice-president. If Bill Morris defeats George Wright's challenge in the TGWU that will leave the soft left in control with a significant hard left minority.

In short, with the exception of the MSF, the traffic is all to the left, after a decade of shifting to the right. Although the left has not regained the position of 1981 the trend is clear.

The same pattern can be seen at a local level and in rank and file responses at union conferences. A shift to the left among the London unions led to the election of left candidate Jim Fitzpatrick as chair of the London Labour Party against the right wing incumbent Glenys Thornton.

The UCW conference was the most militant in years, with delegates resolving to take industrial action in pursuance of pay claims and against management restructuring. NALGO is likely to confirm opposition to incomes policy. Pay restraint was also rejected at the AEU and MSF conferences and by the Wales TUC. MSF and NUPE conferences also rejected PR, and the latter voted



to defend trade union input into the selection of MPs. The NUT conference saw a series of left wing rebellions.

Furthermore the right is seriously divided over incomes policy — with the AEU against.

This trend in the unions has clear consequences on two fronts. First it poses the risk for capital that at some point this leftward shift will be translated into industrial struggles — currently at a low level. Second there is the likelihood that it will reflect itself in internal Labour Party matters — the first breath of this was felt last year when the unions defeated Kinnock's proposal to abandon mandatory reselection.

A combination of declining Tory popularity, a somewhat greater chance of official union support for industrial struggle, and new obstacles to Kinnock's rightward drive, is distinctly bad news as far as the bourgeoisie is concerned. It raises the possibility not simply of a Labour government being elected but that such a government would face the same type of internal problems Callaghan's did.

As a result the introduction of PR has to move rapidly up capital's agenda. PR has three functions. First, through eliminating the possibility of a majority Labour government, to exclude any possibility that a shift to the left inside the working class could be reflected in government — via the trade union-Labour link. Second to continue the strengthened position of the employers against the unions by preventing the possibility of any significant repeal of the anti-union laws. Third, to

smash Labour's base in local government — together with the unions one of the main bastions of self-defence by the working class. Under PR Labour would lose control of such councils as Newcastle, Sheffield, and Birmingham, as well as 10 out of 15 London boroughs it currently controls. With the risk that a Tory government cannot be elected, which of course remains capital's preferred option, the campaign for PR is gathering full steam.

The key vehicle for this campaign has become the Kinnock leadership of the Labour Party — with various pro-Liberal or pro-coalition campaigns such as Charter 88, and the Labour Campaign for Electoral Reform, providing the ideological cover. The proposal for Labour's June NEC to adopt PR for at least some, or all, of the European Parliament, the Scottish Assembly, any replacement for the House of Lords, and parts of local government (for example an all-London authority) is the thin end of the wedge for introducing PR for parliament and local government.

Capital has responded to the crisis of Tory popularity and the beginning of a new left wing advance in the labour movement by upping the political stakes.

The most vital issue in British politics now is whether these left developments are going to be able to develop politics rapidly enough to fight not only the economic attack of the employers but the deadly threat represented by PR — and that means before this year's Labour Party conference.



When the finance ministers of the Group of Seven nations — the US, Japan, Germany, France, Britain, Italy and Canada — met in Washington in April they received an unprecedented summons to meet George Bush. His subject was the perceived threat of a 'global credit crunch'. This is a situation in which capital is in such short supply that it is not available for loan at any rate of interest — the most dramatic historical example of a credit crunch being the 1929 crash. This shortage of credit in turn reflects a shortage of capital.

The background to Bush's fears is the implosion of credit in the US and, since the end of last year, in Japan and Britain. The annual rate of expansion of the US broad money supply, which primarily reflects credit, has been contracting for four years — from a peak of 9.2 per cent a year in December 1986 to a low of 1.5 per cent in December 1990. Since then, despite the reduction in US Federal Reserve interest rates from 7 to 5.5 per cent, the annual rate of expansion has only increased to 2.2 per cent. This is the longest and most severe contraction of US credit since World War II.

What has become particularly worrying for the international monetary authorities is that this violent contraction of credit is now also hitting the Japanese and UK economies. The annual rate of expansion of Japanese money and credit fell from 12.2 per cent in September to 3.7 per cent, the lowest on record, in April. Britain shows a similar trend. The annual rate of

Bush faces 'global credit crunch'

growth of M5, the broadest measure of credit, fell from 17.2 per cent in June 1990 to 10.5 per cent in February 1991 — the sharpest fall since the slump of 1975 and far more severe than any decline during the 1979-81 recession.

The result of the international contraction of credit has been an escalating series of bankruptcies. In April the Institute of International Finance, the international organisation of commercial banks, reported that arrears to banks climbed from \$18 billion in September 1990 to \$27 billion by the end of March 1991 — a rise of fifty per cent in six months.

In Japan debts left by bankruptcies in April were \$3.7 billion — a record. In the fourth quarter of 1990 the number of UK company bankruptcies was the highest on record.

In the US the squeeze has particularly hit the financial system. The report on the state of US banking presented to Congress in December stated: 'Not since the creation of [bank] deposit insurance in 1933 have the commercial banking industry and its deposit insurers been as troubled as they are today... Indeed, it is conceivable that for the first time since 1933 bank insolvency costs could rise so high that they would exhaust not only the resources of the bank insurance fund but of the financial ability of healthy banks to pay for them.'

The US's proposal for dealing with the tightening vice of credit contraction and bankruptcies is to lower interest rates. This is clearly imperative for the US where, by the end of last year, new credit had almost disappeared and the financial system had become strained virtually to breaking point. Only large scale infusion of funds from Saudi Arabia and Kuwait, in payment for the Gulf war, succeeded at that time in stabilising the United States' international finan-

cial position. These inflows explain the rise in the exchange rate of the dollar which has taken place since the end of last year. These inflows in turn allowed the US to reduce interest rates without the threat of a collapse in the international value of the dollar and the consequent rapid rise in US inflation, due to the rise in important prices, that would result. By these means the 'credit crunch' was temporarily staved off.

The danger for the US is that the payments for the Gulf war will soon come to an end. Meanwhile US short term interest rates are now far lower than those of Japan and West Germany — on 21 May US short term money market interest rates were 5.95 per cent compared to 7.5 per cent in Japan and 9.0 per cent in Germany. Even US long term interest rates, which have been substantially higher than those of Germany and Japan since the late 1970s, are now scarcely higher than those of Japan and actually lower than those of Germany — and German rates risk going higher.

The risk that faces the US is clear. Given that the US continues to run a major balance of payments deficit it requires significant inflows of capital merely to finance this and stave off dollar devaluation. Throughout the 1980s these were guaranteed by the fact that US interest rates were higher than those of its rivals. But, by being forced to sharply reduce its interest rates, because of the threat of a 'credit crunch', the US is now unable to attract capital by these means. The danger is that as soon as soon as the inflows of capital resulting from the Gulf war halt the normal operation of the money markets will begin.

At worst capital will begin to flow out of the US in search of the higher interest rates in Japan and Germany — a trend which would be heightened by the devaluation of the dollar ac-

companying such a development. This would risk a rapid collapse of the dollar.

At best the US will be unable to attract new funds to finance its balance of payments deficit — in which case the dollar will also fall but at a slower rate. Either way the dollar would devalue with a resulting significant rise in US inflation in 1992's presidential election year — which is why George Bush took the step of collectively summoning the G7 finance ministers to meet him.

The only way out of this situation is for the US to persuade Germany and Japan to lower their own interest rates so that capital will flow to the US — which is what Bush attempted to do. That, however, means Japan and Germany agreeing to fund the US at a time when they have their own pressing needs for capital — Germany to finance reunification and Japan to overcome the effects of the 35 per cent fall on the Japanese stock market which has taken place over the last year. Japan and Germany have therefore refused to meet the United States' requests.

The result is an incipient political crisis in the United States. At the end of the Gulf war Bush was declared to be politically invincible and the US was festooned with yellow ribbons to welcome home the troops. Within three months there were riots in Washington, a national railway strike — which was banned by legal injunction, and rapid slipping in Bush's position in the polls. Democratic candidates for the presidency, who previously were nowhere to be found, are rapidly coming out of the woodwork.

The impact of the credit crunch makes it certain that there will be a major political crisis in the United States during the next eighteen months. If it takes a turn for the west it can produce a financial crisis on a scale not seen since World War II.

Women and the recession

The onset of the recession means stepped up attacks on women. But the nature and form of these attacks have to be correctly identified if the women's, and labour, movement is to respond to them most adequately.

The unemployment figures confirm that women are not being disproportionately hit by unemployment but are even being made unemployed at significantly lower rates than men. Labour force forecasts for the 1990s show a continued increase in the proportion of women in the labour force.

Of the official unemployment total of 2,175,100 in April male unemployment accounted for 1,646,200 and female for 528,900. This represents a rise of 469,000 in male unemployment since its lowest point in April 1990, but a rise of only 100,200 for women from its lowest point in March 1990. While these figures do not include the significant number of women who do not register as unemployed, the general pattern is clear.

These figures are despite the current recession in the service sector which has a high concentration of women workers.

This differential pattern of unemployment is so marked that it is already having an impact on the proportion of women in employment. The projection in the 1990 Labour Force Survey is also for the trend of increasing women's employment to continue, despite the slower overall rate of increase in the labour force anticipated in the 1990s. The Survey projects women accounting for almost the entire increase in the labour force up to 2001, which would make women 45 per cent of the labour force by that time. It is clear that the pressure on trade unions to reform their structures, and in some respects their policies, which arises from the growing number of women in work, is set to continue over the next decade.

However these figures should not be taken to mean that the recession has little ne-

gative impact on women. On the contrary, taken together the pattern of women's employment, the drive to keep wages down, and the attacks on welfare spending, explain the exact nature of the impact of the slump on women.

Much of the projected rise in female employment is in part-time work, as it has been for the last twenty years. Part-time work means less job security, little or no fringe benefits or shift allowances, allowing employers to make substantial savings.

Despite the recession the proportion of women in the workforce is continuing to rise

There is a further financial incentive for employers to take on women due to the continuing fact of unequal pay. Not only is the intention to keep women's wages as low as possible, but to use these lower wage rates to drive down wages overall.

The effect of this will become even harsher as a result of radical cuts in welfare spending. Low paid women workers have had a taste of this already: cuts in child benefit; the proposal to make women with children dependent for around 20 per cent of their income on maintenance from ex-partners or the father of their children; the absence of low-cost child-care.

The assault on welfare spending is certain to continue, whichever party is in government, and will have a devastating impact on women in particular. The European economies are competing against Japanese productivity levels. But Japan's productivity is based on a qualitatively higher investment level than that in Europe which is primarily accounted for by its much lower level of public spending — approximately 9 per cent of GDP in Japan and 20-22 per cent in Europe. But the very high rate of produc-

tivity growth in Japan means that women have not been drawn into the paid labour force in the same numbers as Europe — if unpaid family workers are excluded Japanese women account for only 35 per cent of the labour force compared to 44 per cent in Britain. Therefore while in Japan low welfare spending can be offset by exploiting the traditional social role of women, this is impossible in the British situation. Japanese productivity, and very low welfare spending in the US now exercise great pressure on the European economies.

Women in Britain, and in other countries in Europe, are therefore increasingly facing 'Americanisation': drawn into work — and forced off welfare — but on extremely harsh terms, with little or no state support.

These features of women's employment will intersect with the debates developing on incomes policy. Labour's current proposals for a National Economic Assessment reflect the Labour leadership's aims of raising money for investment by keeping wages down. To attempt to cut into the inevitable hostility such a policy raises, the labour right is exploiting the enormous desire of millions of low paid, mainly women, workers for a national minimum wage. As in the 1970s the scene is set, the right hopes, for pitting

low paid women workers against higher paid, largely male, skilled workers — but the Labour leadership is doing any fundamental overhauls of its economic priorities in this vein for example USDAW, a union overwhelmingly of low paid women workers, voted at its April conference in favour of a national minimum wage and incomes policy.

For the Labour leadership the minimum wage is seen as a useful tool in its fight for an incomes policy. The result is, catastrophically, to form a split between high paid (primarily male) and low paid (primarily women) workers to the disadvantage of both and the advantage of capital. While using it to campaign for incomes policy the Labour leadership is however intent on degutting the national minimum wage itself as much as possible.

An sign of what is to come is indicated in a new Fabian pamphlet which argues, to avoid higher unemployment, the minimum wage should be fixed at half the average of all workers' earnings, not half male earnings — a difference with drastic implications for women.

The left in the labour movement is going to have to take as a top priority developing the arguments and alliances to resist these new attacks. ANNE KANE

Socialist Strategy in the 1990s The left and the recession

- The rise of North-South conflict
- The threat of incomes policy
- UK recession and socialist economic policy

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Can India survive?

The assassination of Rajiv Gandhi has brought to the forefront the key issue facing India: will India survive?

The end of the Nehru dynasty may have been finally signalled by the bomb blast in Tamil Nadu and with it the end of the near total dominance of Congress politics and government in India since 1947. Rajiv Gandhi had attempted to turn Congress into the 21st Century and failed. Rajiv's mother, Indra Gandhi, had attempted to mobilise the Hindu votes behind Congress to create a new petty-bourgeois base for a faltering party and had failed. Instead, she was shot down, by the very forces she unleashed, as she opened up the Pandora's box of communalist violence in India.

Now Congress is no longer the party of government in India and its political base is scattering in many directions: with the Hindu base going in mass droves towards the ultra-reactionary Hindu chauvinism of the Bharitya Janata Party (BJP) of L.K. Advani, and, with the 'minorities' (for example, the 100 million Muslims, the 600 million lower castes etc.) going towards V.P. Singh's Janata Party, Chandra Sekhar's Socialist Janata Dal, various regional parties and the Left Front (composed of the once giant and second party in India, the Communist Part of India).

The BJP has been the most dramatic beneficiary of the collapse of the Indian independence alliance in the Indian National Congress. In 1984 it had two seats, in 1989 it had 88 seats and now it is expected to get nearly 200 seats. The CPI has failed to capitalise on the collapse of Congress because of its craven capitulation to the Moscow line of support for Congress come hell or high water during the Indo-Soviet alliance.

However, no party answers the economic questions that face India with the near collapse of its economy due to imperialism. The external debt is \$70 billion (22.6 per cent of the GDP). Debt servicing devoured 21.9 per cent of the current account receipts in 1989-90. The balance of payments deficit has grown from \$2,268 million in 1980 to \$7,538 in 1989. The foreign exchange reserves have collapsed this year from \$2.2 billion in January to only \$1 billion now. The rupee's value is rapidly collapsing. Inflation is now 11.6 per cent. India borrowed \$1.8 billion in January from the IMF, a further \$1 billion in April and now wants to borrow another \$2 billion. The IMF will go ahead with the latest loan only if India implements structural readjustments to its economic, fiscal and public policy. This means in effect that the state stops subsidy to industry, destroys its public health, education and employment programmes and adopts a market approach to investment.

Imperialism is strangling India and its consequence is social collapse. The crisis of bourgeois nationalism takes place because of this not because of any inherent communalist, religious tendency in India. The solution to this requires a challenge to the new world economic order, refusal to pay the debt, a new social alliance (V.P. Singh's formula of lower castes plus minorities is along the right lines, although he capitulates to imperialism) and defence of the public sector. This would represent a real turning point in Indian politics. It would be the radical nationalist and socialist tradition represented by Subhas Chandra Bose, Udham Singh Saheed and M.N. Roy. It is only through this that India can survive.

ATMA SINGH

The present

Despite its success in the Gulf war, the US has been unable to achieve a stable realignment of Middle East politics in its own interests. Israel, Palestine, Iraq, the Kurdish people, and Kuwait itself remain potential sources of instability for imperialism. JOAN S. BROOKE looks at the key components of the situation in the region in the aftermath of the war.

The Gulf war was the most decisive step so far by United States imperialism to destroy opposition to its policy of passing the burden of a growing US economic crisis onto the semi-colonial countries. The invasion of Kuwait by Saddam Hussein provided the pretext to allow the US, backed by the rest of the imperialist powers, to intervene in the Gulf to attempt to consolidate its strategic interests.

At the end of the war in the Gulf however the US, regardless of its military success, has failed to establish a durable realignment in its own interests. Most significantly Egyptian troops, part of the forces there during the war, have been withdrawn from Saudi Arabia — frustrating immediate US plans to use Saudi and Kuwaiti money to fund Egyptian and Syrian troops to stabilise the Gulf. Simultaneously Israel's refusal to concede even one millimetre of its occupied territories to ensure any sort of settlement with its immediate Arab neighbours — which would be the US's preferred outcome of any so called Middle East peace conference — has begun to cause problems for the US's relations with the Arab bourgeois regimes and its attempts to freeze the PLO out of the picture.

The *Guardian* in an article on 20 May, with the graphic headline, 'Regional agenda fades as coalition falls asunder' noted: 'The ambitious agenda outlined by the victorious allies at the end of the Gulf war — an effective security system for the Gulf region; an Arab-Israeli settlement; a regional arms control agreement; measures to reduce economic disparity in the Middle East — is, less than three months later, proving a mirage, disappearing in the old quicksands of Middle

East politics.'

Within the Middle East, three elements are decisive for immediate developments — what happens in Iraq itself, where a weakened Saddam Hussein remains in power but faced spontaneous popular uprisings across the country; the situation in Kuwait, where the undemocratic character of the regime has increasingly forced itself onto the attention of the West; and, most importantly, the continued resistance of the Palestinian people.

The US did not offer the most token support for the democratic aspirations of the peoples of the region

Having declared throughout the crisis that the underlying issues were the defence of 'freedom' and 'democracy', at the end of the war, despite an overwhelming military victory, the United States did not offer even the most token support for the democratic aspirations of the peoples of the region. Such stirrings of the masses against the Arab regimes therefore inevitably collide with imperialism in the region.

Taking first the situation in Iraq, in the wake of the uprisings across the country at the end of the war, the US is seeking the most compliant possible dictatorship. The US was determined that the Kurdish and southern Iraq uprisings would be crushed as it did not want any regime imposed from below. At the same time the US wants a pro-Saudi government in Iraq. What Bush is therefore seeking is the replacement of an unreliable Saddam Hussein with another general who will both carry out repression and form an alliance with the Saudi r...

situation in the Middle East

family — the inducement being offered for such a figure is the lifting of economic sanctions. The failure of such a candidate to come forward immediately at the end of the war made the maintenance of a weakened and chastened Saddam infinitely preferable to even the most self-seeking of the would-be leaders of the popular uprisings.

However the US's cynical attitude to the Kurds has led to its first reverse in Iraq since the war. The Kurdish leadership, rightly, suspected that there was nothing on offer to them from either the US or its allies, in this case Turkey and Iran, and therefore turned towards a deal with Saddam. The prospective Kurdish-Baghdad deal has taken some pressure off Saddam's regime.

Saddam Hussein stepped into a space created by the United States own cynicism to outflank the US in the fight for his own survival. Although the outcome of the IKF-Saddam talks is as yet unclear, it is possible that the Kurds can win some concessions, as a result of the weakened situation of Saddam — but only with the framework of the dictatorship remaining.

What Saddam did achieve, however, was to split the opposition. The 17-party 'Joint Action Committee' was formed in December at the behest of the Saudis and Syrians. But the most powerful opposition movement was the Kurds. Without Kurdish involvement in the struggle the opposition is far too weak to challenge the regime.

The US tactic in the short term is to try to starve Iraq into changing the regime at the expense of the most appalling suffering to the Iraqi people.

The second crisis is in Kuwait — which faces the most serious situation in its history. The real extent of economic and environmental damage is not as yet fully known. But even the most pro-Western experts admit massive devastation. Only ten out of a total of close on 1,000 oil fires have been extinguished in the three months since fighting stopped.



Throughout the crisis in Kuwait the ruling al-Sabah family, which only returned to the country at the end of the war, has remained largely paralysed. The monarchy finds itself squeezed by a bourgeois opposition movement, composed primarily of merchants who stand to lose from the manipulation of Kuwait's trade by the al-Sababs, and popular opposition to their corrupt regime. To counteract this economic and political pressure the al-Sababs have stepped up their campaign of state violence. Goon squad attacks are directed against the Palestinian population, who are strong among the middle strata of technical and managerial workers, and against the poorer Asian workers who provide the manual labour of Kuwait. Not only is this failing to fully re-establish the political stability of the al-Sabah family but it has drawn the attention of some in the West to the completely undemocratic nature of the Kuwaiti state.

A fundamental obstacle to dealing with this situation is that the other Gulf regimes cannot accept that the al-Sababs make any serious democratic concessions. Kuwait is a paragon of democracy compared to other Gulf regimes. The less than ten per cent of the Kuwaiti population entitled to vote in the Gulf's only nominal parliamentary-type system appears positively liberal compared to the absolutist monarchy of Saudi

Arabia — which does not even have the pretence of elections. The feudal Gulf monarchies are at the heart of the world's oil industry and will not accept any threat to their ruling families position. Therefore any limited constitutional monarchy, to defuse the situation in Kuwait, is out of the question as it would be seen as threatening the Saudi and other ruling families.

The Israeli government would like to destroy Palestinian resistance by repression and create a fake alternative leadership to the PLO

As *Business Week* graphically summarised the situation: 'The al-Sababs' jockeying is compounded by the emergency of Kuwait's first real political opposition, raising questions about who will eventually run the country. The US faces the prospect that victory over Saddam Hussein will be soured by a long internal struggle that could leave Kuwait a wasted asset...Much more is at stake than the control of 94 billion barrels of oil and \$80 billion in foreign assets. An unstable Kuwait would siphon energy from Bush's campaign for an Arab-Israeli peace settlement. And any challenge to the al-Sababs could roll into neighbouring Saudi Arabia, where the war has prompted a questioning of

the absolute rule of the house of Saud.' (*Kuwait: the war within*, 27 May)

Finally, by far the most explosive issue remains the position of the Palestinian people. Despite the significant loss of income from Palestinians driven out of Kuwait during the war, and despite the imposition by Israel of the curfew in the occupied territories, which much worsened the daily conditions of Palestinians, there is no indication that the fight for Palestinian self-determination will subside. No 'land for peace' deal, even of the most token kind, is possible as Israel will not accept it. A Palestinian state would be unstable and prone to having its leadership won by the left — which is unacceptable to every regime in the region. At the same time every attempt by Israel to create a puppet Palestinian leadership, that would accept continued Israeli occupation with simply extremely limited local autonomy, has failed.

The way the Israeli government would like to square this circle is to destroy the Palestinian resistance by repression and establish a fake alternative leadership to the PLO. But, first, this is most unlikely to succeed and, second, the level of repression necessary to do so would be likely to provoke an international outcry. Therefore, little by little, the PLO is reestablishing its international position and the peace-conference is running into the sand.

Confronted with this situation the Israeli regime is likely to start gearing itself up for another war to try to weaken its enemies — this time almost certainly with Syria.

The Middle East is entering a period of prolonged turmoil requiring solidarity in this country. The Committee for a Just Peace in the Middle East, formed as the continuation of the Committee to Stop War in the Gulf, is the broadest and strongest body on the issue in this country. The crisis in the Middle East means it has a real space to fill.

Latin America: the price

The outbreak of cholera in Peru and its spread to neighbouring countries, which is already affecting thousands and killing hundreds, threatens to acquire monstrous proportions. Hundreds of thousands if not millions will be hit in Latin America, and it may even extend to the slums of the US. Bourgeois commentators have rushed to blame poor sanitary conditions and government mismanagement, but, as JAVIER MENDEZ explains, the real cause lies in the destruction of the Latin American economies through a new phase of imperialist plunder.

A good example of bourgeois responses to the cholera epidemic could be found in *The Economist*, 27 April, arguing the reason for the disease's spread in Peru is 'all too obvious, in the filthy shantytowns to which poor and ignorant countryfolk are driven by misgovernment and terrorism'.

But such views conceal more than they reveal of the real causes of this scourge. Regular readers of *The Economist* will know that it constantly takes up the 'mismanagement' and 'misgovernment' of which Latin American governments have been guilty for decades. But while it is true, there has been mismanagement and misgovernment for decades, cholera has only appeared now, after an absence since the turn of the century. Obviously, the explanation has to be sought elsewhere.

Their main concern is to conceal the connection between the immense external debt burden in Latin America, the very harsh conditions for fresh loans imposed by the IMF and the World Bank, and

the savaging of the precarious systems of social services, health, education, infrastructure and welfare provision which have been the favourite targets of IMF adjustment packages.

'IMF adjustment packages have insisted on savage cuts in limited health, welfare and social service spending'

The world economic crisis has led imperialism — especially the US — to embark on a massive economic offensive against Latin America, and the Third World as a whole, squeezing it dry by means of the external debt.

Concretely, this has meant a spectacular 'international redistribution of resources: net external transfers to Latin America swung from a positive inflow averaging US\$15.1 billion in 1978-81 to a negative outflow averaging US\$24.2 billion in 1982-89, a shift in the order of 5.3 per cent of regional gross domestic'. (*Debt, Crisis and Class Conflict in Latin America, Capital & Class*, August 1990) A European Commission on Latin America survey of 10 countries in the continent shows that by 1989 there were nearly 183 million poor (71 million more than in 1970), of whom 88 million were below the poverty line (an increase of nearly 28 million since 1970).

For Latin America as a whole for the same period the rise in number below the poverty line was over 34 million.

Half the total poor were in Brazil, and between 85 and 90 per cent in four countries, Brazil, Colombia, Mexico and Peru.

Despite the 1970s being characterised by authoritarian regimes or military dictatorships the inflow of capital to Latin America, even if in the form of loans, did bring about some economic growth, but this was reversed in the 1980s.

These figures cover only up to 1986, but all the signs, including the outbreak of cholera, indicate that the situation has worsened dramatically since then.

At the root of the rise in poverty in Latin America is the decline in capital inflows compounded by IMF-induced adjustment programmes which, apart from savaging social spending, have also had the effect of drastically slashing domestic production. The ECLA study states, if we leave out Brazil, that over this period production grew by only 3.2 per cent in real terms, meaning per capita product in 1989 was more than 12 per cent lower than in 1980, with this drop taking place over just two to three years, and accompanied by disproportionate falls in income for the poorest sectors.

In the 1970s per capita income increased at an average of 3.6 per cent per year, while poverty declined by 1 per cent. In the 1980s, however, there was a *decline* in per capita income 2.3 per cent per year, accompanied by a 5 per cent *increase* in urban poverty. This reflects a crushing shift of income from the poor to the rich, exacerbating inequalities to an unprecedented degree, a situation which has been most noticeable in countries which had a relatively equitable income distribution in the 1970s, such as Uruguay and Argentina. All the indications are that this trend has deepened ever since the mid 1980s and will increase in the 1990s.

The main beneficiary of the capital outflows from Latin America is the US. It now proposes to tighten its economic grip on the area by

proposing a Latin American free trade zone.

The free trade agreement with Mexico is already well advanced and will mean massive penetration by US capital. Bush has labelled the proposal for a free trade zone 'Enterprise for the Americas'. Its main plank is 'tariff freedom', which can only lead to a massive increase in the process of de-industrialisation already underway, to the benefit of foreign suppliers, primarily the US. With a free trade zone engulfing the whole of the Americas from Canada to Tierra del Fuego, the US intends to ease its own budget and trade deficits at the expense of Latin America.

Bush toured Latin America recently to sell his idea to the key countries south of Mexico and got an extremely good response from most recently-elected governments in the region.

Nevertheless, the Latin American ruling classes know full well the dire consequences a free-trade agreement with the US will have for their economies, but any other policy to stem the outflow of

'Figures to 1989 showed at least 183 million living in poverty in Latin America'

capital would mean conflict with imperialism, potentially giving the masses greater space for independent action.

Over the last two months there have been a wave of summits involving several Latin American governments trying to revive mechanisms of economic regional integration set up in previous decades. On 26 March the presidents of Argentina, Brazil, Paraguay and Uruguay signed a treaty to set up the South Cone Common Market which will be completed in 1994. Likewise, the presidents of Bolivia, Colombia, Ecuador, Peru and Venezuela met in



of the 'lost decade'

racas, the Venezuelan capital, and agreed to revive the Andean Common Market and make it into a fully regional free trade zone by the end of 1995.

Though at both meetings the usual platitudes about improving trade and establishing closer cooperation were uttered, what obviously prompted these two groups of Latin American nations to get together is their intention to negotiate as blocs with the United States on the specifics of the 'Enterprise for the Americas'. In short, the key Latin American ruling classes have embarked on a policy of striking as tough a bargain as they can to get better conditions from the yankee initia-

tive which they see as politically inevitable.

The problems they face in harmonising their economies are large indeed: the rate of inflation in Brazil was 1,800 per cent last year, Argentina's was 1,344 per cent, Uruguay 129 per cent and Paraguay

'Cholera in Peru, Ecuador, Brazil and Chile is just the first result of the impoverishment of a continent'

about 40 per cent. The Andean Pact nations face similar problems. Furthermore, what is



common to the two summits is the total commitment to a policy of free trade, the reduction of tariffs, the cutting of fiscal deficits, austerity, privatisation and other policies 'dear to the IMF' as *The Economist* put it on 30 March.

The Latin American ruling classes have embarked upon a path which if followed through will deepen poverty still further, and tie their economies even more to American

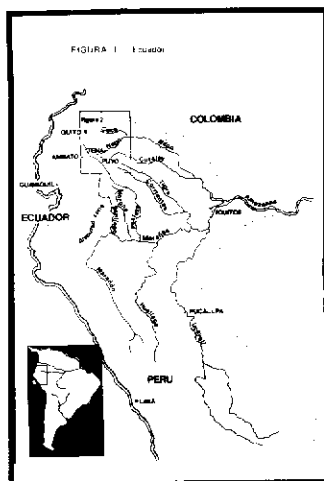
imperialism. It will lead to the 'Africanisation' of Latin America. In short it will bring about the economic collapse of entire regions in the continent. As we know the number of people at risk of dying of starvation in Africa is at present 30 million whilst many more face death from disease. The outbreak of cholera in Peru, Ecuador, Brazil, Chile is just the first manifestation of this.

Black wealth, misery and unrest in Ecuador's Amazon region

CARMEN ROJAS reports from Ecuador

In March this year a two week general strike paralysed the oil town of Francisco de Orellana, in the province of Napo. In solidarity with demands of the white town dwellers, several thousand Quichua Indians occupied 13 oil wells and were joined by Quichua and white settler communities. The local population, particularly women, participated in overwhelming numbers. Access roads to oil fields representing 50 per cent of the Amazon oil output were blocked, causing a loss of 20,000 barrels of oil per day.

In the '70s, when large oil fields were discovered by Texaco, the exploitation of oil reached an unprecedented scale. In 1988 exports of petroleum and its derivatives provided 44.5 per cent of Ecuador's export earnings. It provided up to 74 per cent in 1983. Successive governments have considered oil revenues, which account for 45 per cent of the national budget, central to economic development policy. However, reserves are only expected to last 10 to 20 years.



Although the area around Francisco de Orellana and Lago Agrio, the two oil boom towns, produces most of the national wealth, it is one of the most economically deprived.

The population of the Napo has grown 8 per cent per annum since the 1970s, and localities such as la Joya de los Sachas, Francisca de Orellana and Lago Agrio have recorded up to 15 per cent annual growth rates. However, jobs are scarce. In addition to under-employment typical of capital intensive industry the companies employ workers on renewable short contracts

only.

With no permanent jobs, workers and their families survive on petty trade, by cash cropping and participating in the informal sector. Most of the oil wealth is invested outside the region of production.

The strike committees' demands, for instance, included basic services such as installations for drinkable water, sewage, electrification, health centres and schools.

Cesar Andi, in charge of the ecology and agriculture affairs for the Confederation of the Indigenous Nationalities of Ecuador (CONAIE), has said they will call a second national Indian uprising if the government continues to ignore the problems of land, health and education faced by the indigenous population and their demand for autonomy.

The first national Indian uprising, 4-10 June 1990, confirmed the existence of a powerful Indian movement. Indians represent 40 per cent of the population of Ecuador and 80 per cent of rural dwellers in the highlands. Acutely aware of getting the worst education and healthcare, of having the smallest say in the running

of the country's affairs, and of not being respected as citizens, the Indian populations of Ecuador have had a long history of struggle. Today they are conscious of the fact that their struggle is part of the more general struggle of the nation's poor and oppressed. The CONAIE, formed in 1986, explicitly claims to represent the 'fourth front' of Ecuadorian society, along with left wing parties, trade unions and the social movements.

The CONAIE has presented a law on 'nationalities' which, if adopted, would require the amending the constitution, as well as the 'alternative programme of territoriality', which demands Indian sovereignty over the province of Pastaza's natural mineral resources and for the removal from Indian land of all military camps and government offices.

Along with all the poor and oppressed of the country who are increasingly affected by the economic crisis and the repayment of the foreign debt, the indigenous people of Ecuador are saying no to the continuous sacking of the country's wealth for the profit of a minority.

Remaking British politics

Since the English bourgeois revolution of 1642-49 there have been only four crises of equivalent scale — 1688 with the 'Glorious Revolution', 1783 with the turning point after the American war of independence, 1832 and the passing of the first Reform Act, and 1886 with the fatal split in the Liberal Party over Irish Home rule. In order to grasp the scale and nature of what is unfolding in British politics today it is therefore valuable to step back from immediate issues and consider the general course of British political history.

The existence of a variety of political parties is a defining feature of bourgeois democracies. It represents one of the distinctions between a situation where the bourgeoisie exercises political dictatorship, through one party or figure, and where it exercises political hegemony — where opposition of various types is permitted provided it does not pass certain limits.

It follows from this that it is an error to make the fundamental unit in analysing bourgeois democratic political systems the individual political party. The fundamental element of analysis must, of course, be the state and, within that, the *system* of political parties — that is the sum total of political parties through which the bourgeoisie exercises its hegemony or those through which, more rarely, its political hegemony is contested. That is, in the US it is necessary to study the specific nature of both the Democratic and Republican Parties, in Germany the Christian Democratic, Free Democrat, Christian Social Union and Social Democratic Parties, in France the Gaullists, Giscardians, Socialist and Communist Parties, in Britain the Conservatives, Labour, Liberals, Scottish Nationalists, Plaid Cymru etc.

Considered in this framework there have been four periods of political party systems in British political history — using 'party', in Gramsci's

A potential change of government from one party to another is a fairly routine matter in British politics. But what underlies the decline of the present Tory government, and the evident inability of the Labour Party to present any convincing alternative, is something much more fundamental argues JOHN ROSS. Britain is approaching one of those great turning points in political history which have so far occurred roughly only once a century, which imply a shift in the entire party political system, that is in the form of bourgeois political hegemony.

sense, to indicate not simply formal organised parties in the modern sense but, in earlier periods, groupings of political interests. The first such system was between Whigs and Tories from 1688-1783, the second between the 'new' Tory party, created by Pitt and the Whigs from 1783 to 1832, the third between the Whigs/Liberals and, following 1846, the new Conservative Party created by Disraeli, and finally the division between the Conservatives and the growing Labour Party. The features of the new, fifth, party political system which is currently developing are discussed below.

What distinguishes these party political systems, is that within the system one party is typically dominant — with this dominance shifting from period to period and the transition from one system of party dominance to another constituting major watersheds in political history. Thus, for example, if the modern history of the United States is considered party dominance was exercised from 1860 to 1932 by the Republicans, the only significant period of Democratic presidency during this period being that of Woodrow Wilson from 1912-20, and from 1932 to 1968 by the Democrats — the only Republican president in this period being Eisenhower. Since 1968 dominance in national US politics, although not locally, has been exercised by the Republicans — the only Democratic president being Carter.

In British political history since the bourgeois revolution it can be clearly seen that there have been four periods of party dominance corresponding to the political party systems outlined earlier. These are: (1) 1688-1783 dominance of the Whigs over the Tories; (2) 1783-1832 dominance of the new Tory Party over the Whigs; (3) 1832-86 dominance of the Whig/Liberal Party over the Tories/Conservatives; (4) 1886 to the current day dominance

of the Conservatives over first the Liberals and then Labour.

Naturally there can be argument on the precise dating of these periods. Each sees a period of central dominance bounded at either end by a phase during which the parties fight for supremacy — we have taken the turning points of the periods as those in which the party dominance of the previous period definitively collapsed.

For example what is generally referred to as the Whig Party — although it was a loose grouping of ruling class factions — was in office continuously from 1715 to 1760. This is an obvious period of supremacy. It is debatable when the Tory Party's supremacy at the end of the eighteenth century should be dated from — either the beginning of its revival after 1763 or its definitive victory after 1783. However these are details analysing at what point the domination of the old party clearly begins to break up and at what point the supremacy of the new party is clearly established. Each of these political periods is constituted by a central core of almost total domination by a single party with greater fluctuations at the beginning and end. Various transitional grouping also naturally exist at the point of transition from one party system to another.

In the modern period it is possible to use exact election figures as the indices of these party developments. In earlier periods, with corrupt and 'rotten' elections, other indicators must be used. But nevertheless the shifts are clear. We will consider these periods in order.

The bourgeois revolution of 1642-49 was consolidated by military dictatorship under Cromwell — which left no space for organised political parties. The restoration of the monarchy in 1661 inaugurated a struggle among bourgeois factions over the attitude to attempts at monarchism:

counterrevolution — crystallised by the attitude to the succession of James II and his attempt to rebuild a powerful absolutist state apparatus. The nucleus of the Whigs constituted the faction resolved to take decisive measures to block this — succeeding in this task with the flight of James II in the 'Glorious Revolution' of 1688.

While 1688 inaugurated Whig power there followed three decades of conflict with the Tory minority within the ruling class. The Whigs secured a permanent anti-Tory majority in the judiciary from 1696 onwards and firm control of the House of Lords from 1701 — reflecting the Whig dominance among large landowners. In the House of Commons a struggle between organised Tory and Whig factions continued — in particular in the seven general elections fought between December 1701 and 1715. In 1710-14 the Tories won decisive electoral victories in reaction to the financial burdens placed on the country by the Whigs during the 14 year War of Spanish Succession against Louis XIV.

In 1715 the Whigs utilised the occasion of the succession of the Hanoverian kings, and the Jacobite Stuart rebellion in Scotland, to totally destroy the Tories as a governmental force. From 1715 to 1760 the Whigs were in office without a break — their domination becoming so great that they dissolved into a series of loose groupings.

From 1760 onwards, however, amid the Seven Years War against France, which once more financially strained the country, increasing turbulence unsettled Whig domination. From 1760 to 1782 a period of political instability and factionalism, marked by the government of Lord North, set in. This culminated in the great political crisis in 1783 following British defeat in the American war of independence — in which year there were no fewer than three governments. After 1783 a quite different period commenced with the more than 20 year prime ministership of William Pitt and the emergence of what became a new period characterised by Tory supremacy.

The curve of the Whig Party is a period of rise from 1688 to 1715, a period of total supremacy from 1715 to 1760, and a period of decline from 1760 to 1783.

If the social base of this first party system is considered the Whigs represented the interlocking of large landed and mercantile interests. The Tories represented primarily lesser landowners. The working class of this period was too underdeveloped to play a

major political role.

Within this system the Whigs were dominant. However in periods of sustained conflict with other ruling classes, notably the War of the Spanish Succession of 1700-1715 and the Seven Years War of 1756-1763 the predatory policies of the Whigs resulted in overtaxation and overstrain of the economy during which the Tories would rise in influence in order to bring the war to an end. Whig dominance would then be resumed as economic recovery set in.

Whig dominance collapsed amid the debacle of the war with the American colonies — accompanied by external military defeat and rising internal discontent marked by the Gordon riots of 1780 in which, as George Rude has graphically illustrated, for the first time the developing working class turned to an assault on property.

Confronted with external defeat, and a new class threat internally, the Whig system of dominance collapsed. The task of the bourgeoisie was to create a new base for its foreign policy and a new social bloc capable of confronting the working class.

The new dominant bourgeois bloc after 1783 was organised by William Pitt. Pitt brought together an alliance of ex-Whig factions and the remnants of the old Tories — initially cemented by patronage from George III. Cumulatively during the 1780s, starting with the election of 1784, Pitt assembled these groupings into a more and more coherent force. The outbreak of the French Revolution in 1789, with both an external threat to the dominance of British capitalism and the risk that revolutionary ferment would ignite the new British working class,

forged a dominant ruling class bloc against the threat of French capitalism externally and 'Jacobin' agitation internally. (The extreme policies of repression carried out by the Pitt regime internally, and the struggle against them, are classically chronicled in EP Thompson's *The Making of the English Working Class*.)

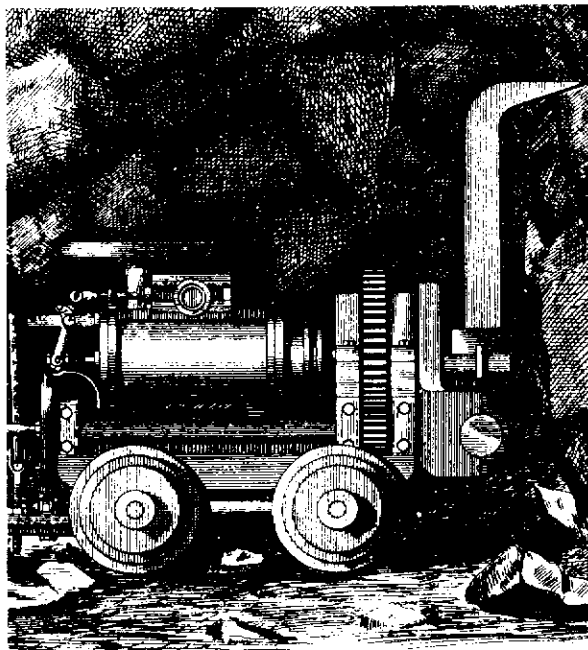
Ideologically the expression of the new dominant bloc was Burke's *Reflections on the Revolution in France*. Socially it comprised a bloc of the rising industrial bourgeoisie, whose economic interests were pursued by Pitt, with the majority of landowners, who exercised direct political control, in an alliance characterised by repression, against the working class — such a social bloc, in a more reforming form, being later known as 'Bismarckianism' after the similar bloc constructed in the industrialisation and unification of Germany.

If the political cement tying landowners and industrial capital together was fear of the working class, the crucial economic policy linking the landowners together, and dictating the policy of repression against the working class, was agricultural protectionism — which guaranteed a high price, and therefore high profits, for agricultural products but at the expense of reducing potential working class living standards. (Agricultural protectionism, consolidating an industrial capital/small landowner alliance was also the social lynchpin of Bismarck's Germany and contemporary Japanese capitalism.) The political expression of this bloc was the new Tory party of Pitt which dominated Britain during the decisive period of the consolidation of the industrial revolution. This bloc in turn collapsed amid both internal and external challenges.

By the 1820s, after four decades of Tory supremacy, the industrial bourgeoisie had enormously developed in weight and was no longer content to play a virtually negligible direct political role — commencing the agitation which led to the first Reform Act of 1832. Furthermore, after the defeat of France in 1815, no serious external rival to British capitalism existed — alleviating the need for the extreme national unity between industrial bourgeoisie and landowners required in the wars against the French revolution. The working class had grown to the point where simple repression risked a revolutionary explosion by a now powerful adversary. Finally the issue around which crisis erupted, agrarian discontent in Ireland threatened the base of the Tories.

Tory supremacy collapsed in the

'There have been four periods of political party systems in British history'



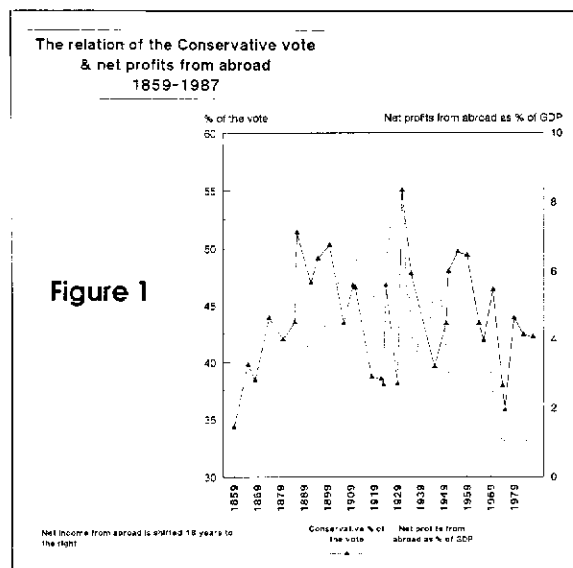
crisis of 1830-32 in which, first, Catholic Emancipation was decreed, allowing political power to be grasped by the Tories' rivals in Ireland, and then the first major element of direct political power by the industrial bourgeoisie was gained in 1832.

The curve of development of this Tory Party is therefore one of increasing influence from 1760 to 1783, the establishment of Tory dominance, and increasing homogenisation of Tory forces, from 1783 onwards, supremacy from 1789 until the 1820s, and Tory crisis and decline from the mid/late 1820s. In the entire period from 1783 to 1832 the Tories were in office for 45 out of the 49 years.

The period after the 1832 Reform Act saw not simply concessions to the industrial bourgeoisie but a new 'reformist' orientation to the working class in an attempt to buy off rising discontent — symbolised by the de facto legalisation of trade unionism. However, initially, this policy was not successful — the working class acquiring increasing political independence through Chartism. The coping stone of the new reformist orientation was only established in 1846 with the repeal of the Corn Laws — that is the import tariff on agricultural goods. This, at one stroke, opened the country to cheap imports of food, thereby raising working class living standards, and destroyed the economic viability of the small landowners. A new social bloc was created of the industrial bourgeoisie, the largest landowners (who could survive repeal), and the most privileged sections of the working class — who, after 1850, began to organise in new reformist craft trade unions. This political bloc was maintained in the long period of capitalist expansion from 1848-1873. Its political expression became the Liberal Party.

The subordinate party within the new political system was the Disraelian Conservatives — whose essential base continued to be the small landowners concentrated in the South and South East of England.

The Whigs, and then Liberals, won the vote in twelve out of thirteen general elections, and were in office for 40 out of the 54 years, between 1832 and 1885. The Tories were defeated in the vote in twelve out of thirteen general elections, suffered a catastrophic split in 1846, and in 1847 were a party essentially confined to the rural areas of the country. It took 27 years after 1847 for the Tories to win an majority of seats in the House of Commons, and 39 years to win the



largest share of the popular vote. There is no problem in establishing the period from 1832 to 1885 as one of Whig-Liberal supremacy and Tory subordination.

The collapse of the Liberal supremacy, in turn, began with the post-1873 'Great Depression'. Rising unemployment and pressure on real wages began to break the working class from the Liberals — crucial symptoms being unemployed riots in London, the formation of the Social Democratic Federation in 1884, and the election of 'independent' Liberal candidates in Wales and Cornwall in 1885. Simultaneously Home Rule candidates achieved dominance in the south of Ireland. The British ruling class thereby found its position threatened both within its own country and in its traditional colony in Ireland.

The first attempt to deal with this was the 'radicalisation' of the Gladstonian Liberal Party — with its espousal of Irish Home Rule in 1885 and commencement of anti-landlord agitation. This policy was, however, incapable of containing the situation — the collapse gathering pace throughout the 1880s and 1890s and occurring openly with the creation of the Labour Party in 1900.

The second orientation was the regroupment of all landlord forces and a section of the industrial bourgeoisie led by Joseph Chamberlain, under the banner of imperialism and, thereby, cementing into this bloc the most privileged sections, around one third, of the working class. This new bloc was the post-1886 Conservative Party — a consolidated expression of British imperial capital and landlordism.

Following 1886, and the split of the Liberal Party between Gladstone and Chamberlain over Irish Home Rule, Conservative supremacy was estab-

lished. The Tories won the largest share of the vote in twelve out of the thirteen general elections between 1886 and 1945. After being a secondary force for half a century prior to 1886 the Tory Party was then in office, alone or in coalition, for over 70 per cent of the time in the next 80 years. With the sole major exceptions of the pre-First World War Liberal government and the post-Second World War Labour administration, the Tories were in office virtually continuously from 1886 to 1964.

The 1960s, in turn, mark the beginning of the period of the break up of the Conservative Party dominance. The Tory Party was in opposition for 11.5 out of the next 15 years. It lost four out of five general elections. It was to halt this decline that Thatcher was elected to lead the Conservatives — utilising the temporary new resources given to British capitalism by North Sea oil amid the huge rise in international oil prices that accompanied her first period in office. The current crisis of the Tory party, and John Major's attempt to reorient it, represents the end of this period.

The curve of the modern Conservative Party is therefore a preparatory period of rise from 1847 to 1886, a period of massive supremacy from 1886 to 1964, and a new period of crisis after 1964. The new features of British politics arise from the breakup of that ability to dominate by the Tory Party.

Before passing on to the present period if we consider the base of these phases of party dominance it is clear that each corresponds to a definite period of capital accumulation. The 1688-1783 dominance of the Whigs is the period of accumulation of landed, mercantile, and banking capital in Britain prior to the industrial revolution. The 1783-1832 supremacy of the Tories is the core period of the Industrial Revolution itself — the primitive accumulation of industrial capital. The 1832-85 supremacy of the Whigs and Liberals is the period of classical laissez-faire capitalism. The period of Conservative supremacy from 1886 is the epoch of classical British imperialism based on foreign investment.

Indeed, taking this last period in detail, it is scarcely possible to imagine a more mechanical relation between the base of the Conservative party and its electoral position — with, as always, the political and ideological explanation simply lagging behind the economic base. To show this Figure 1 illustrates both the Conservative

'The base of each party system corresponds to a definite period of the accumulation of capital

percentage of the vote at general elections and the ratio of income from foreign investment to GDP. To make the trends clear, and show the lags involved, the ratio of profits from foreign investment to GDP has been shifted rightwards 18 years ie the peak year of profit from foreign investment, 1913, has been placed to coincide with the peak year of the Tory vote in 1931. With this lag, and taking into account inevitable fluctuations in general elections, the Conservative percentage of the vote tracks the income from overseas investment extremely accurately. The base of the rise and fall of the Conservative party in the most classical form of imperialism, income from overseas assets, is scarcely in doubt.

This trend also makes clear the reasons for the decline of the Conservatives' dominance in the exhaustion of this economic system. While there was short term recovery in income on UK assets overseas during the early Thatcher period, and North Sea oil revenue functioned to some extent as a substitute, nevertheless the relentless historical decline in profits from abroad is clear. From a peak of 8 per cent of GDP prior to World War I income from overseas investment fell to 4-5 per cent of GDP in the inter-war period, around 3 per cent in the immediate post-war period, and 1 per cent of GDP by the 1980s. The weakening of the position of British imperialism progressively undermined the base on which the Conservative Party was based.

It was this decline of British imperialism which inaugurated the crisis of the Conservative party from the early 1960s. The decline of the independent base of British imperialism required reorientation into integration to the new consolidating European imperialist system — which was com-

menced with Macmillan's application for EEC membership, taken to its first decisive culmination in Heath's achievement of EEC membership in 1972, and now consolidated in Labour's espousal of Europe and Major's explicit attempt to recast the Conservative party in a European, Christian Democratic, mould. An entire new period of capital accumulation has thereby commenced — one rooted not in an independent British imperialist course but in progressive integration into the EEC and European capital. Such a new period of capital accumulation necessarily requires a new party political system to accompany it. The political events of the last thirty years, reduced to their essentials, are the coming into existence of that new system.

The nature of this new party political system becomes clearer if the trends of development of the old party system are set out systematically. This is illustrated in Figures 2 to 4 which show, respectively, the percentage of the vote gained by the Conservative, Liberal and Labour parties in general elections since 1859.

As may be seen the trend of development of the parties is not short term in its nature. Each shows a clear long term development. The Conservative vote rises progressively from the mid-nineteenth century to 1931 and then declines. The Labour Party vote rises from its foundation in 1900 to 1951 and then declines — with a revival in 1987 and the certainty of a further recovery in 1991-92. Liberal support falls from the mid-nineteenth century to 1951 and then rises.

It should be clear in considering the Liberals/Alliance, however, that we are not, in essence, dealing with the same party as that of the earlier period,

despite possessing the same name. The distinctive feature of the Liberals from the 1950s onwards was their support for Europe — they adopted support for entry into the EEC earlier than either of the two major parties.

In the 1950s the Liberals were forced back to essentially a base among small holders in Scotland, Wales and South West England — the distinctive feature of the social formation there, compared to the rest of England, being the domination of agriculture by self-employed farmers rather than the agricultural capitalist/wage labour system characteristic of the rest of English agriculture (ie the 'Gaelic fringe' of Liberal support had nothing to do with cultural features but was rooted in a distinctive social formation). From the 1950s on, however, the Liberals set out to carve out a distinctive position through an orientation to big European capital and those sectors of British capital linked to it. This became explicit when they took on board, first through the Alliance and then through fusion, the pro-EEC wing of the Labour Party (Jenkins, Williams etc). This orientation is maintained today with the Liberals the party most strongly in favour of a single European currency, of immediate moves to narrow bands in the ERM etc.

Indeed the new 'European' shape of British politics is already consolidating itself. In each major West European country today the essential forces are a strongly pro-European capitalist party — the Giscardians/Barrists in France, the FDP/CDU in Germany, the Liberals in the UK; a more 'Gaullist' bourgeois party with a stronger petty-bourgeois base — the Gaullists/RPR in France, the CSU in Germany, the Conservatives (particularly the Thatcher wing) in Britain; and a strongly pro-

Figure 2

Conservative percentage of the vote
1859-1987

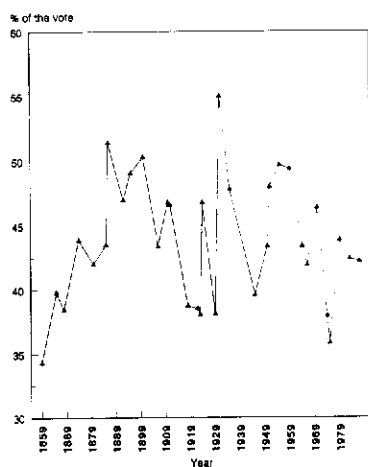
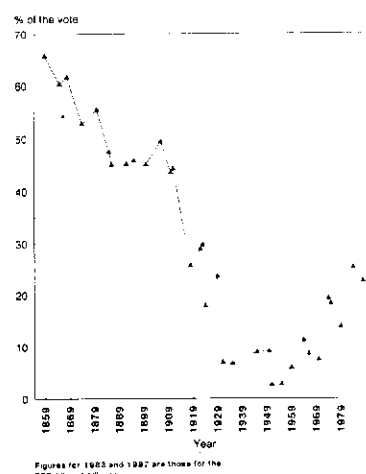


Figure 3

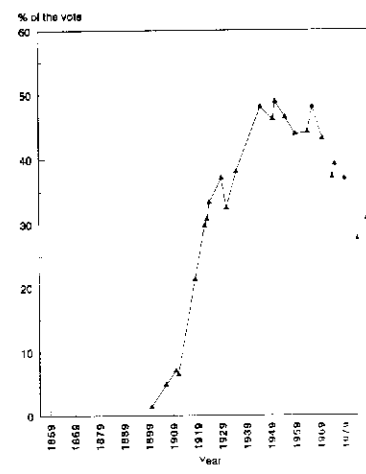
Liberal percentage of the vote
1859-1987



Figures for 1982 and 1987 are those for the SDP-Liberal Alliance

Figure 4

Labour percentage of the vote
1859-1987



EEC social democratic party — the French SP, the Spanish PSOE, the German SPD, and the new Kinnock/Smith Labour Party. The distinctive European political party formation has now replicated itself in Britain.

The essential base of this system of parties across Europe lies in the fact that policies of European integration require such a violent assault on both the working class and the petty-bourgeoisie that it is extremely difficult for 'pure' parties oriented to big European capital to gain a mass base (even the German CDU is less extremely pro-EC than the small FDP). Hegemony of big European capital is therefore typically exercised by the pro-European party of big capital making, according to the needs of the situation, alliances with either the more pro-petty bourgeois 'Gaullist' formation (FDP-CDU-CSU coalition in West Germany, UDR-RPR alliance in France, a potential Ashdown-Major coalition in Britain) or with social democrats (the attempt of the second Mitterrand presidency to forge an alliance with the 'centre' bourgeois parties, the FDP-SPD coalition in West Germany, a potential Liberal-Labour coalition in Britain). The peculiarity of Britain is that the 'first past the post' electoral system prohibits this coalition system. The essential moment in bringing the new party political system to dominance will therefore be the establishment of the electoral mechanism for such coalitions — the introduction of proportional representation.

The resolution towards which the British political crisis is driving, the defeat of the Tories and the introduction of PR, will therefore represent not simply the transition from one government to another but the inauguration of a new party political system. Whether this takes place at the next election, with a hung parliament and a Labour-Liberal agreement to introduce PR, or whether it is delayed beyond the next election is merely a matter of timing. The overall direction is already clear.

What, therefore, will be the historical role of this new party system? It is driven, given its nature, not simply by developments in Britain but by those across Europe. In that context its function is clear. *The role of the new party system for capital is to attempt to destroy the reformist gains made by the British working class under British imperialism and, in tandem with similar moves across Europe, to destroy the welfare state.* The two goals, as we will see, coincide.

Taking first the specific context of

British imperialism, its historical strength allowed the working class to achieve massive reformist organisation. The Labour Party was the most politically backward mass working class party in Europe, but it was also the one, outside Scandinavia, that received the highest proportion of the vote. The trade unions organised almost half the workforce *without* the systematic government encouragement given in Sweden. Local government was dominated by the Labour Party.

The British bourgeoisie now cannot afford such luxuries. It has to qualitatively drive down trade union membership and break any possibility of reformism through local government *without* permitting opposition to this to be expressed through a radicalisation in the labour movement. Proportional representation, blocking the possibility of the formation of majority Labour governments, and subordinating Labour to the Liberals, ensures this. Extended into local government it would allow the Liberals to smash Labour's base there — rapidly expanding the process of privatisations and cuts. A Liberal blocking mechanism would be created against any attempt to loosen the laws against the unions. These specific attacks on the positions of the British working class dovetail perfectly with the European wave of attacks on the welfare state which will dominate the next decade.

The assault on the European welfare state is determined by a combination of two processes. First the welfare state was itself a compromise produced by the post-war situation in Europe. The working class was unable to overthrow capitalism in Western Europe but at the same time the bourgeoisie felt deeply threatened by the existence of non-capitalist states in Eastern Europe. To ensure the working class in Western Europe did not go beyond reformism the bourgeoisie created the welfare state.

Following the beginning of the destruction of workers states in Eastern Europe in 1989 the West European bourgeoisie no longer feels so threatened. It can therefore afford to begin to dismantle the welfare state.

Secondly the bourgeoisie not merely has the possibility to but is *compelled* to begin to eliminate the welfare state. The competitiveness of the West European economies has now been decisively overtaken by Japan and East Asia. Their is no longer the possibility to exact imperial tribute to compensate for the squeeze on Western Europe from the rise of the Pacific economy and the reinforced imperial exactions

of the US.

The arithmetic of that squeeze is clear. The Japanese and East Asian economies have achieved a rate of investment, around 30 per cent of GDP, which is qualitatively higher than that of Western Europe — whose average is around 20 per cent. This difference is largely accounted for by the fact that the East Asian economies, as with the US, carry no burden, from a capitalist point of view, of a welfare state. The elimination of the welfare state has therefore become the condition for European capital to compete with Japan and the Newly Industrialising Countries of East Asia. The year 1989, by bringing together economic necessity and political possibility, commenced the assault on the European welfare state.

The first fulcrum of that assault is Germany. The rapid development of unemployment in east Germany exceeds the resources of the German welfare state. Attempted radical reduction of the German welfare state is the inevitable path which the German bourgeoisie will embark on. Reduction of the German welfare state, by the pressure of competition, will tend to spread itself throughout Europe. A similar crisis of the welfare state, arising for different reasons, has commenced in Sweden — where the crushing defeat of the Social Democrats and the inauguration of the most right wing government since the 1930s is already approaching.

The link of the new party system in Britain into this process is clear. The enormous assault now in prospect on the basis both of historical British reformism and the welfare state cannot help but produce a radicalisation of sections of the labour movement. The bourgeois party political system requires a mechanism to exclude the possibility of any reflection of this radicalisation on the governmental level — ie a new maintenance of bourgeois political hegemony. The introduction of PR will not be, as those with deep illusions in the bourgeoisie, such as John Palmer, Hilary Wainwright and the Socialist Society believe, the basis for a new advance for the British working class but the occasion for the most vicious and determined assault it has suffered for over a century.

These are the stakes in the coming reorganisation of the bourgeois political system. A new phase of capital accumulation requires a new, and more vicious party political system to accompany it.

'The role of the new party system is to attempt to destroy the gains made by the working class under British imperialism and to destroy the welfare state'

Choices for the lesbian and gay movement

'Lesbian and gay pupils and students should see reflected in the curriculum the richness and diversity of homosexual experience and not just negative images'
GLC Charter on lesbian and gay rights

'Homosexuality is being promoted at the ratepayers expense, and the traditional family as we know it is under attack'
David Wiltshire MP

In the wake of progress in the early 1980s, and in the context of huge expansion in the visible lesbian and gay community, the last few years have seen the most serious attacks on lesbian and gay rights since the 1950s. Although the severity of this offensive has resulted in the largest mobilisations in defence of lesbian and gay rights in the history of this country, this has been alongside a confusion of political perspective in the lesbian and gay campaigns. ANNE KANE and JIM WHANNEL begin an examination of the issues confronting the movement today.

With the growing possibility of Labour winning the next election this confusion, which is at root over the strategic alliances necessary to win lesbian and gay liberation, has deepened. If continued it will mean further defeats and disillusion for lesbians and gay men.

Over the last few years the successful attacks on lesbian and gay rights has been the most substantial area of progress on the bourgeoisie's social agenda — compared with the failure of assaults on abortion rights in the 1980s for instance. The aim of these attacks has not been the recriminalisation of homosexuality — or criminalisation in the case of women — but at confining homosexual rights to the limits of the 1967 Reform Act, formal legal tolerance of private homosexuality and nothing more, and thereby improve the ground for other attacks on, at present less vulnerable, aspects of the 'social revolution'. The features of the assault form a coherent whole.

Section 28 aimed to prevent the 'promotion' of homosexuality by local authorities, 'pretended family relationships' by schools. It did not directly attack private homosexuality, but the validity of homosexual relationships and lifestyles. The Section was also the first infringement in law on the rights of lesbians. Public opinion surveys showed an overall increase in hostility to homosexual relationships through the mid-1980s, but the greatest opprobrium was reserved for the right of lesbians or gay men to adopt children (86 per cent and 93 per cent against respectively in the 1987 survey), giving the right a firm base of reaction to exploit.

Second was the attempt to amend the Human Embryology Bill to bar lesbians and single women from access to donor insemination and other reproductive technologies. While a parallel attempt to use this bill to restrict abortion rights was defeated, the motion by David Wiltshire, Ann Widdecombe and others that services must not be provided to women 'unless account has been taken of the welfare of any child who may be born as a result ...including the need of that child for a father' was passed by 52 votes. Although this wording incorporates a crucial discretionary element it was an important step in the right's ideological campaign. The same reactionary pot has since been stirred by the so-called 'virgin births' issue.

In the same vein was the recent attempt to restrict the ability of lesbians and gay men to foster children, by the statement in Paragraph 16 of the guidelines to the Children's Act 1989 that

'the chosen way of life of some adults may mean that they would not be able to provide a suitable environment for the care and nurture of a child. No one has the right to be a foster parent and gay rights and equal rights have no place in fostering services'. Under widespread protest, in particular from local authorities and organisations such as Save the Children and the NSPCC, that the child's interests alone must remain the central criteria, the wording was withdrawn.

Interestingly, despite a series of sensationalist media reports of lesbian custody cases, the Rights of Women legal group have documented that in an encouraging number women have been successful.

The proposals in Clause 25 of the Criminal Justice Bill, now in the House of Lords, are the most direct attempt to date to limit male homosexual rights strictly to the terms of the 1967 Act. Clause 25 makes entirely consensual sexual acts between men a crime, and strictly redraws the line of the 1967 Act that sexual behaviour between men is only legal in certain limited circumstances — in particular that it be in private with no possibility of a third party being present. Indecency — for example kissing in public — would be a serious crime under the Clause. Government changes to the Bill to the effect that heavier custodial sentences would only apply where there is 'serious harm' met a divided response. The Stonewall group, days before the major protest demonstration planned for March 16, claimed this meant 'most cases would not be subject to longer sentences'. As the direct action campaign Outrage stated, this covered up the essential matter, namely defining a wide range of consensual sexual behaviour as criminal.

Outrage's position that there can be no confidence in judges interpreting 'serious harm' in a 'liberal and non-discriminatory manner' has particular force in the wake of the 'Operation Spanner' or 'SM' trial in December, in which the judge ruled that 'consent was no defence' for the 16 men involved. Alongside legal assault, 1989/90 saw a sharp increase in the level of police harassment of gay men, including the highest number of arrests of gay men for making contact with each other in public places since 1954/55, and a continuing rise in the number of physical attacks and murders of gay men and lesbians with a noticeably low police clear-up rate.

Other steps include moves to tighten censorship, in particular with the potential of the Broadcasting Standards legislation to be used to

label lesbian and gay material as offensive. The positive images of homosexuality in the media — major television series like *Eastenders* and *Brookside* have featured gay characters, programmes such as *Out on Tuesday*, *Oranges are not the only fruit* and Channel Four's *In the Pink* series — have provoked right wing outrage.

But behind these attacks lie the gains of the previous two decades. Although the provisions of the Sexual Offences Act of 1967 were extremely limited — simply decriminalising private homosexual relations by male adults over 21, with many qualifications — it fundamentally altered the atmosphere around homosexuality, launching 20 years of political struggle by lesbians and gay men. These years have seen changes far beyond the terms and intentions of the 1967 Act.

Demands, such as for an equal age of consent, for 'positive images', rights which demanded resources, positive action, preventing job discrimination, and which in the case of the struggles around lesbian custody cases, donor insemination and fostering inevitably challenge the institution of the family, began to gain support.

The material underpinning of these struggles is the immense economic and social changes of the post war period, the expansion of employment, in particular bringing women into the workforce in unprecedented numbers, and the increase in welfare provision, education, housing and other resources. This precipitated changes in family patterns, marriage rates, divorce, births, and opened the space for the legitimisation of lesbian and gay life.

Jeffrey Weeks, a prominent historian of the lesbian and gay movement in this country, has suggested that these demographic and social patterns and the consequent pressure on the traditional family have been overstated. Since 'most people still passed through, at some stage of their lives, a traditional family framework' which 'is still the norm', he implies that the right's reaction, as in Section 28 and expressed by its mover David Wilshire that 'the traditional family is under attack', was emotional over-reaction.

But while the 'traditional family' has evidently not been replaced as the basic social unit, the diversification of family and household patterns since the 1960s is enormous *relative to what went before* and is deepening.

These changes and the connected liberalisation of attitudes and expansion of social expectations, has become extremely worrying for the bourgeoisie. Its attempt to bolster the family ideologically, and reinforce de-



'Although the provisions of the 1967 Sexual Offences Act were limited, they launched twenty years of struggle by lesbians and gay men'

pendence on it is completely logical. And to make a key lever of this offensive an onslaught on lesbian and gay rights makes sense.

On all available indicators lesbian and gay rights, in contrast to similar rights, still fail to win widespread public support. Of the pioneering work done by the GLC, for example, which helped influence social attitudes in London, the policies on lesbian and gay rights never won majority support, although support did rise substantially.

However these attacks also had some crucial pieces of additional help

First was the impact of the HIV-AIDS crisis. By the end of the 1980s there were nearly 3000 registered cases of AIDS in this country and 1465 people had died. Between 30 and 50,000 people were believed infected with HIV. Although the first cases were recorded in 1981/82 and despite ardent campaigning by the lesbian and gay community, including the formation of the Terence Higgins Trust in 1982, and the knowledge of the spread of the disease in Africa, the USA and elsewhere there was no governmental response until 1986. Despite consistent pressure from the World Health Organisation (WHO) and the Health Education Authority a cabinet committee on AIDS was not established until 1987. In September 1989 a survey of sexual behaviour which could produce vital information was vetoed by Thatcher. HIV research did not just suffer from the general underfunding of health. The WHO's director called this a mixture of 'complacency and prejudice', which has a clear message: gay men were expendable. As long as AIDS was not particularly spreading

into the 'heterosexual community' it had no priority for the government. James Anderton, Chief Constable in Manchester, put it more succinctly 'People are swirling around in a cesspit of their own making'.

The message got across. The mid-1980s saw a sharp regression in public attitudes to homosexuality. An opinion poll for London Weekend Television in January 1988 showed that support for the legalisation of homosexual relations dropped from 61 per cent in 1985 to 48 per cent in 1988. The social trends survey in 1990 showed a similar pattern: asked whether 'homosexual sex' was mostly or always wrong those answering yes rose from 62 per cent in 1983 to 74 per cent in 1987 (to fall again to 68 per cent in 1989).

Secondly the response of the labour movement aided the government.

Through the early 1980s an alliance of lesbian and gay activists with the left in the labour movement brought startling successes, best symbolised in the GLC under Ken Livingstone and the change in policy of the NUM on lesbian and gay rights during the course of the 1984/85 strike.

The GLC's work, from 1981-86 completely changed the standing of lesbian and gay rights issues within the labour movement. Grants were first awarded to lesbian and gay groups in 1982. The London Lesbian and Gay Centre, unique in Europe, was opened with GLC funding in 1985. A 'London Charter for Gay and Lesbian Rights' was launched. Encouragement was given to 'positive images' in education, the media and elsewhere. With this example similar policies began to be developed in left Labour controlled local authorities.

Although support for Labour increased during this period of the GLC, the policies on lesbian and gay rights were used to attack Labour, and in turn used by the leadership of the Labour Party to pursue its wholesale revision of party policy and assault on the left.

On the eve of London council elections in 1986 *The Sun* whipped up homophobia about the 'positive images' policy, focussing on the *Jenny Lives with Eric and Martin* book. The *Guardian* claimed ridiculously that 'No single policy — not even defence — has cost the Labour Party so dearly at local level in London and elsewhere'. And the Conservatives' first election poster of the 1987 campaign featured a schoolchild under Labour with a book 'Young, Gay and Proud'.

Labour jumped swiftly on the bandwagon: conference policy of 1985 counted for nothing. An internal party

statement from Neil Kinnock private secretary at the time, Patricia Hewitt, claiming that these policies were losing Labour support in London 'leaked' into the press. Lesbian and gay policies featured pre-eminently in the 'loony left' accusations thrown at the GLC and which it was claimed lost Labour support in the 1987 election.

In fact these few years stand out as the one period of improvement in Labour's vote since 1974, when Labour first began to do disproportionately badly in London. In the 1979 election Labour's vote fell 2.4 per cent nationally but 4.2 per cent in London. In 1987 the vote nationally went up by 3.3 per cent but only 1.6 per cent in London. The 1983 election was the only one in this whole time where Labour halted its relative decline in London: the vote nationally fell by 9.5 per cent and in London by 9.8 per cent.

The labour leadership, despite conference votes, has been consistent in its approach to lesbian and gay matters. There has been no struggle for HIV-AIDS funding. The initial response to Section 28 was to support it, and was reversed only by the overwhelming scale of protest. Labour opposition to Clause 25 came from MPs like Harry Cohen and Chris Smith in an individual capacity. Conference policies such as the equal age of consent for gay men have been dropped or watered down in the Policy Reviews. On the age of consent the party leadership insists that a Labour government would allow a free vote, making clear exactly what status it has as party policy and giving a free reign to the right to vote against.

It is obvious that a hard battle will be necessary to win the most minimal implementation of lesbian and gay rights policy from a Labour government. With this in mind the current orientation of the lesbian and gay campaigns to the labour movement is worrying.

On one side there is the work done by the new direct action campaigns like Act-Up and Outrage, both formed in the late 1980s. These campaigns have led successful and important protests and continue to do so. However their effectiveness would be complemented by developing a wider system of alliances. Specifically, to advance fundamentally on the struggle for lesbian and gay rights requires an organised link between the lesbian and gay movement and the labour movement, which is not to underestimate the difficulties in doing this. It is precisely in arguing for this perspective that the Labour Campaign for Lesbian and Gay Rights, the main lesbian and gay cam-

paign in the labour movement right through the 1980s, could and should have played a key role in directing the impressive activism and energies of these campaigns in the most productive way. Instead LCLGR has increasingly isolated itself and abandoned this role, weakening itself and helping effectively to limit the wider movement in the process.

This mistake has been part of the damaging political misorientation of LCLGR in the last few years, principally under the influence of a bloc of *Socialist Outlook* and the LCC. LCLGR, which was behind the struggles for all Labour's policy gains since 1985, has cut itself out of systematic alliances with the left of the labour movement. In particular the campaign has refused to be part of the umbrella of similar campaigns in Labour Left Liaison. Seeing the campaign as able to get wider support than just the left, which is obviously true, the leadership of the campaign has isolated it from the other forces on the left which have any real commitment and capacity to exert pressure in the face of what will be enormous resistance by a Labour government.

Instead ridiculous illusions in the 'soft left' have been cultivated: no organised relationship with the left but prioritising discussions with Roy Hattersley and Robin Cook.

Behind this is a complete confusion on the strategic alliances necessary to make real progress on lesbian and gay rights. Just as Thatcher's assault on lesbian and gay rights was not illogical, so the resistance by the Labour right is not just a matter of prejudice and homophobic ideas. Advance on lesbian and gay rights strengthens progressive trends in society and the Labour Party itself; while stirring up backward public opposition, including on the right of the party which the Kinnock leadership relies on for support; moreover it demands resources, hence the leadership and sections of the party tied to it will do everything to obstruct the implementation of policy.

The most meaningful real steps on lesbian and gay rights have resulted from alliances with the left: for example the experience of the miners' strike and the involvement of lesbian and gay activists led the NUM under Scargill to change its policy, and play a key role in winning positions at the 1985 TUC and Labour conferences.

The failure to develop and take forward these alliances, which was possible even in the more difficult situation of the late 80s, weakened LCLGR, and helped smooth the way for a campaign more palatable to the

Labour leadership.

The Stonewall group was launched in 1989 by Ian McKellan and other well known figures. It is not a campaign but a US style lobbying organisation. It has no membership structure. But it has considerable resources, employing four full time workers. The approach is to influence opinion across the parties by lobbying, supplying informed briefings and so on. While on paper its demands are wide-ranging, its political framework and structure do not provide a basis for real advances. As we saw it took the controversial position of welcoming the government's amendments to Clause 25.

Not surprisingly the group has good relations with central figures in the Labour Party and is promoted by *Tribune*. The latest cynical example was the front page article of *Tribune* on 5 April, which held up Stonewall as the voice of supposed good sense and compassion against *Outrage's* 'outing' of Cliff Richard. Since this was hardly the most pressing matter facing the labour or the lesbian and gay movement, and *Tribune* does not regularly carry lesbian and gay issues on its front pages, it can only be seen as an intervention into the movement, caricaturing the left and promoting Stonewall.

Absolutely the key to making progress on lesbian and gay rights under a Labour government which will be completely hostile is the strongest possible alliances with the left. Of course broader support can and must be won, but without the left the illusion of broad support will disintegrate when erstwhile supporters on the Front Bench fail to deliver.

Lesbians and gay men will be hoping for change from a Labour government: the repeal of Section 28, an equal age of consent for gay men, anti-discrimination legislation, the repeal of discriminatory rulings on reproductive technology and substantial funding for HIV-AIDS research and care for people living with AIDS. The most minimal of these changes will mean an enormous struggle, and against many of the people who say they support us today. LCLGR in particular must get itself and the left into a position to lead that fight.

Underneath these developments within lesbian and gay politics lie differences over the meaning of lesbian and gay liberation, of what rights we are fighting for, and ultimately the basis and nature of sexual and in particular lesbian and gay oppression. While some of these issues are out of the scope of this article we will be looking at them in future issues.

'The key to progress on lesbian and gay rights under a Labour government will be the strongest possible alliances with the left'

The consequences of German reunification

The imperialist reunification of Germany, the destruction of the East German workers' state and its reintegration into the Federal Republic of Germany, is not simply the greatest defeat suffered by the international working class since the coming to power of Hitler but an enormous defeat of the German working class itself.

With up to 90 per cent of East German industry made uncompetitive by direct competition with the West, and German unemployment threatening to reach five million by the end of this year, East Germany is experiencing an economic collapse more rapid than after 1929. Alongside this overall wage levels in the East remain around 45 per cent of those in the West, while subsidies, including on rents and transport, are being eliminated. Women have borne the brunt of the attack with an explicit campaign to get them to abandon work and return to the home, and the destruction of the state creche system allowing them to participate in the workforce.

The expression of this defeat in West Germany itself was registered by the all German elections in December 1990, when the SPD polled 33.5 per cent of the vote overall, its lowest post-war share, and won only a derisory 23.6 per cent in the ex-GDR. The West German Greens also suffered a defeat. With only 4.7 per cent of the vote they were excluded from the Bundestag, the German parliament, for the first time since their emergence as a substantial political force in the mid-1980s.

Indicative of the generalised blow suffered by the German working class, the far left has also suffered massive crisis, with a number of the far left organisations that were built up after 1968, totally obliterated. Meanwhile measures to permit German military activity abroad, for the first time since World War II, have begun.

This massive shift in the relationship of forces in favour of the German bourgeoisie, and German imperialism, is of course not without its contradictions. Carrying through German unification is expensive and destabilising in the short term. The IMF survey of the costs of reunification, carried out on the basis of figures available to mid-1990, estimated that a minimum of DM 1000 billion in additional invest-

ment in East Germany would be necessary over the next 10 years if the eastern economy were to achieve 80 per cent of West German productivity. The social and economic disintegration that is continuing is leading to continuing massive emigration from the East to the West.

The Kohl government's plans for dealing with the transition involve increasing East German wages in a series of steps to reach West German levels by 1994, and eliminating subsidies on consumption and rents, while increasing taxes in the West to raise the necessary finance to pay for soaring unemployment rates.

This, together with the high interest rates and tight monetary policy demanded by the Bundesbank, is tending to deepen the recession in the East. It is only massive subsidies to the East which for the present time are buying the German bourgeoisie's way out of the crisis.

However this course has led to disputes both internationally and within the German economic establishment — hence the disagreements on monetary policy between Kohl and Pöhl which contributed to the latter's resignation as chair of the Bundesbank in May.

A Berkeley University report published in early May argued that, on capitalist economic grounds, wages in the East should not have been increased so sharply as it deepened the recession. But for Kohl political considerations were dominant and while unemployment tends to destabilise the East allowing the real incomes of Eastern workers to plummet could be even more explosive.

But Kohl's higher taxation policies are already proving unpopular in the West, especially as 'no tax increases' was an election promise in December — broken within three months. The resulting disenchantment with the policies of Kohl and the CDU led to defeat in the Rhineland Palatinate regional elections in April.

The scale of the coming attack on the wages, incomes and welfare gains of the German working class is so vast that the CDU is bound to become deeply unpopular. Therefore the German bourgeoisie is turning to the German

social democracy to involve itself in government, possibly even in a 'Grand Coalition' with the CDU, to act as a brake on the labour movement in the course of reunification.

In time-honoured fashion the SPD is, in turn, rushing to the aid of the ruling class, rather than taking advantage of the dangers confronting Kohl to win steps forward for the working class.

When demonstrations resumed in Leipzig at the beginning of this year, this time against Kohl and the effects of reunification on employment and living standards, it was the social democratic West German unions that called the demonstrations off.

In fact the defeat imposed by reunification has shifted the entire mainstream German political spectrum to the right. The SPD, having endorsed German capitalist reunification despite some reservations about its impact on living standards in the West, is moving sharply behind the key strategic proposals of the German bourgeoisie for dealing with the new economic and social situation. In particular, to add to the many great betrayals that mark the SPD's history, it is almost certain to support constitutional change allowing the German government to declare war, and its armed forces to operate internationally, despite its recent congress decision to oppose it.

It is possible that from the Autumn there will be a de facto, or even official, Grand Coalition between the SPD and the CDU, as previously existed in the mid-60s. After the CDU's defeat in the Rhineland Palatinate regional elections, the SPD chose to form a coalition administration with the FDP — the CDU's national coalition partners — rather than a new experiment in red-green local government with the Greens — a clear indication of their desire to occupy a 'centre-ground' in politics, support the process of reunification, and aid the bourgeoisie through its teething troubles in establishing the new German state.

The Greens themselves have moved to the right, with their last Congress at the end of April introducing a new party structure abolishing 'rotation' of parliamentary posts, and et-

ding the ban on holding multiple office in the party.

The trade unions have yet to draw together any effective opposition to the impact of reunification in the West or East. The German trade unions rapidly abandoned their long running campaign for a 35 hour week when early responses to reunification from the bourgeoisie clearly indicated that this put any further cut in hours off the agenda. Recent proposals from the unions have included a one per cent increase in trade union levies from their membership in the West to establish a fund for investment in the East.

The bourgeoisie has waged a rather successful ideological and political offensive in the West for 'national sacrifice' to rebuild a united Germany. Objections to higher taxes, or queries on future prospects for wages and welfare services, are dubbed 'anti-German', disloyal to the 'Eastern brothers and sisters' needing Western help.

The goal of the bourgeoisie is quite simple, the majority of the DM1000 billion it needs for the East will be found from the pockets of the working class in the West — through higher taxes, lower wages, and a radical attack on the welfare state. The working class in the West is confronting a massive offensive on its living standards for which it is totally ideologically unprepared, politically weakened by its endorsement of German reunification, and with mass unemployment in the East a powerful constraint on offensive action.

The elementary arithmetic indicates what the bourgeoisie will seek to achieve — to drive down the growth of incomes in the West, so that the work-

'The defeat of the workers' state in the East releases German imperialism to play a more aggressive military role internationally'

ing class itself pays to bring East German incomes up to a new lower all-German level. The German bourgeoisie has no intention of paying the levels of wages, welfare and living standards that prevail in West Germany — on the basis of one of the strongest imperialist economies in the world — in the East, where the economy is in the process of being virtually destroyed. The fundamental meaning of German imperialist reunification has been a massive strengthening of the German bourgeoisie and German imperialism, leading not only to the destruction of a workers' state and an entire economy in the East, but to a major assault on the gains of the West German working class.

Internationally German reunification has profound consequences. The new German state will totally dominate the European Community, and its defeat of the worker's state in the East releases German imperialism to play a more aggressive military role internationally — for which the peoples of the Third World will pay the ultimate price. There could have been no other outcome to the imperialist reunification of Germany and the overthrow of the East German workers' state.

This reality of the international and domestic consequences of German reunification makes it pitiable that many on the erstwhile left supported German reunification, claiming that *any* overthrow of Stalinism, even by a strengthened German imperialism, was positive, and indeed was a major step forward due to the 'reunification of the German working class'. Such political forces even denounced those small forces of the left in Germany who courageously stood up to the offensive of

German imperialism and opposed reunification, even arguing that they had contributed to the defeat, for failing to take the leadership of the so-called German national struggle and turn it in a socialist direction — which leaves aside the small matter that the nationalism of an imperialist state has ceased to play a progressive role for over a hundred years.

Those who opposed reunification were representing the interests of the international and German working class, East and West, against a scale of defeat whose consequences are still only just beginning to unfold. With the small forces available to fight against the imperialist reunification — which after February 1990 the East German Communist Party did not — it was not possible to affect the outcome in 1989/90. But, on the basis of such an understanding of the real stakes involved in Germany it is possible to build something for the future and at least to survive and accumulate valuable experience as a revolutionary marxist force while the other organisations of the far left are disappearing.

One of the few organisations of the West German far left that took a correct view of the issue of reunification, and understood its implications for the international and German working classes was the United Socialist Party (VSP), an organisation of Trotskyists and other socialists of the German far left, which produces the fortnightly paper, SoZ.

SYLVIA ASHBY discussed the current situation in Germany with the editor of this paper, WINFRIED WOLF, and with ANGELA KLEIN, a member of its editorial board.

The German economy after reunification

German reunification, the 'anschluss' of Eastern Germany by the West, means the creation of the most powerful state in Europe. Its population is now 80 million, and its GDP alone will be equivalent to at least 35 per cent of the whole EEC — which it will dominate. It is evident that the German bourgeoisie has had a massive success. But there is another side, for there will be major economic, and other, problems for the next few years, and given the scale of this nobody can have any clear idea of the precise outcome — there are far too many variables.

First of all, reunification is a very expensive business. As is already becoming well known, West German industry is destroying up to 90 per cent of East German industry. Moreover, East German industry was the 11th or 12th strongest in the world, according to the World Bank. For West Germany this creates a boom, as it has won an entirely new market where it faces no competition.

But new jobs will have to be created, and together with overcoming major infrastructural problems in Eastern Germany, of the railways and roads etc, this requires huge investment.

The figure given a year ago by the most important bourgeois magazine in Germany, *Der Spiegel*, which seems correct on the basis of the first year, suggested that reunification would cost 100 billion DM per year for 10 years, that is a total cost of 1000 billion DMs (£340 billion).

Evidently the question is where the money will come from. For marxists it is not such a problem to show ways of getting it. For example the Deutsche Bundesbank says that German capital, that is industry and banks, have about 800 billion DMs (£270 billion) on the accounts, which they are not willing to

invest in Eastern Germany. We can demand that this money is used for the East.

But in the reality of the class struggle in Germany, with the working class so weakened politically, the bourgeoisie's aim — that the money will be found from the East and West German working class itself — will be very difficult to prevent.

In fact in Eastern Germany we have a fantastic situation, where a west German dominated institution, the Treuhandanstalt (Treuhand), owns about 80 per cent of East German industry. The intermediary government of Modrow, from December 1989 to May 1990, transferred the entire state property in East Germany to the Treuhand. The idea behind this was what they called the 'third way', which the Treuhandanstalt was supposed to achieve.

When the new East German government, under the Christian Democrat De Maiziere — who is now accused of being an old Stasi agent — was elected in May 1990, he developed the Treuhand in the direction of the interests of West German capital. After reunification the state property of East Germany, in the Treuhand, came to the West German state, or the new German state. Now the new German reich has direct power over 85 or 90 per cent of industry, agriculture, infrastructure, and even some institutions which would normally be municipally controlled.

While officially controlled by the German state, the actual personnel of the Treuhand are de facto representatives of West German capital.

The function of the Treuhand is to privatise, although it was officially established to 'sanitise', that is to save and make healthy. Some companies which were competitive were sold very quickly. For example, a few weeks ago 80 per cent of the press and media in East Germany was sold to papers in West Germany — there is no 'East owned' newspaper now except the *Neues Deutschland*, the paper of the PDS [Party of Democratic Socialism — the successor of the old East German Communist Party], which has a very limited circulation now, about 200,000, when it had about 2 million a year ago.

But the problem is that the majority, 98 per cent, of East German industry is not competitive with West German companies. As you would expect, while Eastern Germany may have been relatively strong industrially on a worldscale, it was weak compared with the FRG. The same would apply

Ninety eight per cent of East German industry is not

competitive with West German companies

to Greece, Portugal, Spain or even Britain if they suddenly found themselves part of West Germany, especially with the same language, same freedom of the market — people can go to both parts — no customs barriers and so on. And those with skills, if they can get 50 per cent more wages by moving to another part of the same country, will go.

Additionally there were economic problems because of the introduction of hard currency. For example about 35 per cent of the East German industrial production was exported, and 85 per cent of these exports were to the USSR and Eastern Europe. When, from 1 June 1990, there was the same currency in Eastern and Western Germany, these countries had to pay in hard western currency for East German goods. With such a sharp change they were not able to — and one of the secrets of the whole industrial breakdown in Eastern Europe is this direct confrontation with Western productivity. Everybody knew it couldn't work.

Now developments in East Germany are going so seriously wrong that even the bourgeoisie are expressing some fears. We wrote an article a year ago entitled 'Apocalypse Now', saying that in a year we would face the same levels of unemployment as in 1931/2 at the height of the world economic crisis. When we estimated that we doubted whether it could really be true, and wondered whether we were afflicted with a kind of left-wing alarmism. Now, in April 1991, all the bourgeois analysts agree that in the Autumn of this year we will have about 5 million officially registered unemployed in Germany — not including those not shown in the official figures.

At present the figures show 1.7 million unemployed in the West, and about 1 million in the East. But under a special regulation in the East there are about 2 million on short-time work receiving full pay despite being 90 per cent unemployed. In the West they would be counted as unemployed. Before the end of the year this regulation will expire, although they may prolong it for a short time, and they will have to include these workers in the unemployment figures — which means by the end of the year in the East alone there are likely to be 3 to 4 million unemployed. In the West the figure is likely to fall to 1.5 or 1.6 million unemployed, but this still means a total of around 5 million for the country as a whole.

Secondly, wages in the East overall remain around 40 per cent of those in the West, which together with unem-

ployment, is creating emigration from the East.

The trade unions have achieved agreements in some sectors, such as banks and engineering, bringing wages up to 50 to 60 per cent of the West. Officially over the next three years wages in the East will reach the same levels as in the West. But obviously even if this occurs it will only affect those with a job, and for at least three years there will be an incredible gap between East and West German incomes. A gap on this scale, 35 to 40 per cent difference, is impossible to sustain politically.

This situation is going to get worse because the cost of living in some parts of East Germany is still substantially lower than the West — which partly compensates for the difference in wages. Transport and rents are cheaper. But this will change over the next six months with the elimination of the remaining price subsidies. However the standard of housing is much, much lower than in the West, and people object to this when only 100 kilometres away there are much better houses, even if the rents are 40 to 50 per cent higher.

The authorities now want to privatise municipal housing by selling it to occupants. People are very anxious to buy, but possessing only 20 to 30 per cent of the price, they have to go to the banks. As interest rates are rising this is a very profitable business and a social disaster.

The other side of this process is the pressure of those coming to the western part of Germany to get work, any work, at a lower wage. For example in one of the biggest retail companies about 25 per cent of the workforce now comes by bus each day from the East, a trip of three or four hours.

So far this trend has had no major impact on West German wages, but it is a clear downward force if there is no successful trade union campaign for higher wages for the whole German working class.

The political implications of this are just beginning to bite.

For the elections of December last year the bourgeoisie denied the real costs involved in reunification, saying it would cost a few billion marks, and that there would be no tax increases. Then they announced a tax increase, for June this year. This set of tax and national insurance increases will raise the government around 30 to 40 billion marks per year.

This is of course not enough. They need three times this sum — so the

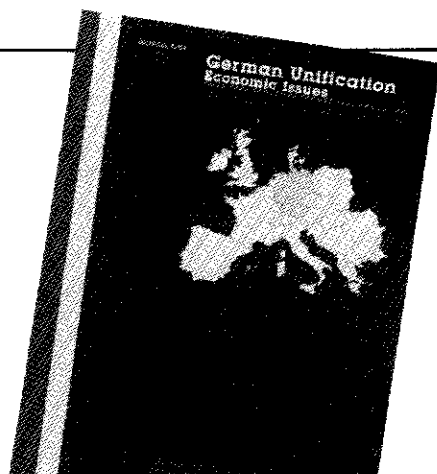
balance will come from state borrowing. For the last 40 years the West German state has allowed a state debt to develop of 1000 billion marks, and now this will be increased at a rate of 100 billion marks a year. In other words, if you include interest and servicing, in the next five to seven years the German state will accrue debts as large as the total it accumulated in the 40 preceding years.

Until now there has been no big discussion of all this in the unions. Some unions have made agreements on wage increases in the East, but none of their discussions are linked to the fact that we will have unemployment of around 5 million. And as these agreements only concern some sectors you are talking about pay increases that affect only 15 or 20 per cent of the workforce in the East. So while the wages of some people will go up, the income of the working class as a whole will fall back by 30 or 40 per cent. This means a total shift in the relationship of forces in favour of the bourgeoisie and the right.

The bad result for the CDU in the recent Rhineland Palatinate regional elections indicates some disillusionment in this whole process and fears for the future. But Rhineland Palatinate is too small to change things by itself. Of course if there were national elections now the Christian Democrats would probably suffer a big defeat, but there are no important elections coming up in Germany. The elections for the East German lander [regions] are not due until 1994, and none of the important lander in West Germany hold elections for two to two and a half years.

The fact that the CDU lost the majority in the Bundesrat [upper house of the parliament] following its defeat in Rhineland Palatinate could be a problem if the social democracy campaigned against the CDUs policy — if they used their position to take the legal opportunities to stop or delay some laws. This would at least change the discussion, giving more possibilities to stimulate opposition in the masses. But the Social Democrats as a whole are prepared to make a bloc with the CDU, and even discuss a 'Grand Coalition'. The leaders of the SPD were quite happy, for example, to be invited to tea with Chancellor Kohl to discuss Germany's future.

The CDU also allowed the Social Democrats to have two round table discussions with the government — it means nothing, it is really just a kind of 'therapy' to make the SPD feel better. The SPD succeeded in getting leading spokespersons of Forum 90



(the East German list made up of the East German Citizens Movement and some East German Greens — who are to the right of the West German Greens) to participate in their delegation to these discussions. So the only parliamentary group that is not integrated with either the bourgeois parties or the SPD — since the West German Greens were kicked out at the last election — is the PDS.

In this context there is a very high probability that in the Autumn we shall see some kind of formal or de facto grand coalition. The SPD say that this will require replacing Kohl with someone else as he personally is unacceptable — but this is not really important.

We could see a de facto Grand Coalition in changing a number of points of the constitution, or even a formal one, with a common government. The West German bourgeoisie wants to change the constitution in a number of ways, for example, to allow the privatisation of the West German railways. But the most important change they are seeking is to end all the restrictions on the new German state in sending its army around the world, and sovereign in its capacity to make wars, as with the previous German reichs and ending the situation that has existed since World War II.

The SPD leadership has signalled that it is prepared to come to agreement with the government on these points — which is crucial as a two-thirds majority is needed to amend the constitution. There is rank and file opposition to this, but up there have been no differences expressed at a national level.

The Greens have just held a convention where all the proposals of the right-wing were adopted. As a result the only remaining 'left' wing in the Greens, the radical ecological wing, around Jutta Ditforth, have declared that they will split. This is about 100 people, but they are relatively important. Ditforth was a member of parliament and a speaker of the party for years, and is one of the most well-

known women in the party. They are not a socialist current, but they are to the left, and if they split this will push the Greens further to the right.

There is no left in the SPD, there may be left-hearted people, but no current. In the early '80s you had a current around Lafontaine that was broadly anti-NATO and against the stationing of Cruise missiles. But now Lafontaine is for NATO, and supports all the mainstream policies of the SPD.

I am involved in a group called the Radical Left, which coordinates a number of left groups and currents, and which produces a paper. The main issues that have brought this group together have been the reunification of Germany and the Gulf war — where all these groups agreed on their opposition to it. The groups involved are the Communist League, which had a paper Workers Struggle, and which dissolved as a group a few weeks ago. Second the eco-socialists from the Greens, around Thomas Ebermann and Reinhard Trempert, who left the Greens 10 months ago. Now the Radikale Oecologen are doing the same, they have a meeting at the end of May to decide their future, but they have no structures, no full-timers, no paper, so unless they work with other groups they will disappear. So perhaps now there is some possibility of bringing currents from the Greens together with the United Left in Eastern Germany and groups like my own, which they view as too dogmatically socialist to come together with on their own.

The situation of the left is now very difficult. First the long capitalist boom of the 80s, and, secondly and most decisively, the takeover of Eastern Germany has changed the relationship of forces in favour of the right, has undermined every force that is for democracy, emancipation and socialism in both parts of Germany. Second the Gulf war, and its result, has been a blow to the left. And now there is the proposed change in the constitution, to which there has been virtually no response. Finally the evolution of the Greens to the right has been a further blow.

Five years ago we would not have believed that of all the groups on the West German left only ourselves and maybe one and a half other groups would survive. We consider our survival an achievement in itself, given this framework of catastrophe for the left. Now we face a prolonged struggle to build up some response to the consequences of German unification.

WINFRIED WOLF

'The Social Democrats are prepared to make a bloc with the CDU'

The political situation in East Germany

Women in the East have been the main losers from reunification. They are not only losing their jobs, but a whole social status.

Due to labour shortages women were massively integrated into production in East Germany and legal and social concessions made to them. For example, the change in the abortion law in 1972 — up to then abortion had not been permitted in the GDR — making abortion freely available in the first three months, was not due to some specially progressive character of the regime, but was mainly a step to facilitate more women entering the workforce. It was combined with a number of other measures at the time which had a similar goal.

These included a very good system of state childcare, providing 80 per cent of children with childcare places of different types for different ages, from 6 months old onwards. These were extremely cheap. The result was that nearly as high a proportion of women were in waged work as men, 83 per cent of women of working age were salaried in the GDR.

The divorce rate in East Germany had grown to one third — the same as in Western Germany — but single mothers had less problems with this status, because the childcare centres, with very long opening hours, meant they could continue working.

Of course, this did not eliminate the double workload of women in the GDR, but at least they had gained some financial independence.

This is now changing completely, because not only are women losing their jobs in the East, and more rapidly than men, but they are losing their entire status in society. A whole series of steps produce this.

First, women have more difficulty than men in getting new work, because of discrimination in re-training possibilities and so on. Second, because the whole system of childcare is being dismantled. The dimensions of this become clear if you make a comparison with Western Germany, where only two per cent of children from three to six years old can have places in nurseries or creches. This age is the most crucial for working mothers because in the west you can get two or three years of maternal leave. These nurseries are concentrated in five or six big cities, Berlin, Frankfurt, Hamburg, Munich and Stuttgart. There are

many cities where there is not even one childcare centre.

Moreover the cost of childcare is rising to levels similar to those in the west. Previously women in the East were paying from about 15 to 30 DMs a month, that is really nothing, but here in the West it cost 600 or 800 DMs a month, so it is not affordable. Therefore women who become unemployed evidently keep their children at home, but then it becomes even more difficult to find alternative work. They are forced to seek low-paid, part-time work, and find themselves in a situation they have not been in for the last 40 years.

Finally, they face an attack on abortion rights. At the time of reunification there were major protests from women in the East and the West against bringing the abortion law in the east into line with the existing law in the west. The agreement was for a new law from the end of 1992.

Each party has a different proposal on what this law should be. The Christian Democrats propose that women who have abortions should no longer be prosecuted, but that doctors, and anyone who helps them procure an abortion, even their husbands, should be liable for prosecution. They want compulsory counselling of pregnant women, who would have to show that they had attended such a counselling centre. They propose to change the constitution on the protection of life to explicitly include 'unborn life'.

This discussion on the protection of 'unborn life' relates not just to abortion, but the question of embryo research, artificial insemination and so on. So the CDU have engaged in a broad offensive on this question.

The Liberals are for freedom of abortion in the first three months, but with compulsory counselling, and by this they mean 'counselling for life'.

The SPD are more or less for free abortion in the first three months without the counselling. The Greens in their majority are in favour of abolishing the paragraph on abortion law entirely, to allow the woman to decide, but there are currents in the Greens which contest this position.

On abortion there is the beginning of a common framework of organisation for women in the East and the West, because both are equally concerned. There was a common demon-



Metal workers march through Berlin protesting unemployment in the East

stration in September last year of about 15,000, on a broad basis. And there is an East-West women's coordination which is preparing a conference on the 9 June to discuss how to react to the proposals put forward.

The unions have taken a position in favour of adopting the law of the ex-GDR, and some have taken a position for women's choice on abortion.

So this combination of unemployment due to the collapse of industry in the East, the destruction of the childcare system, the threat to abortion rights, and the discrimination against women in re-training opportunities, unleashes a whole process where women in the East have no possibility of re-entering the labour market on the same terms as before.

In the West women are 38 per cent of the workforce, which is low by European standards, and there is pressure to create the same situation for women in the East — but with even worse effects because of low state benefits and lower wages — so they become dependent upon men.

Even divorce will be more difficult. While the divorce rate in East and West is rather similar, divorce in the West is much more complicated legally and hence more expensive to obtain. And in the West single mothers are among the poorest in society, with the greatest problems, despite the fact that their number is growing.

'Women have lost their entire social status in East Germany'

Alongside the impact on women, the consequences for immigrant workers is one of the most negative features of reunification. In the ex-GDR there were around 100,000 immigrant workers, ie not very many. In the West you have around 5 million. These immigrants in the East were mainly students, or some workers on long-term contracts, from the so-called 'fraternal' countries, generally those emerging from struggles against colonialism, to which the GDR extended economic and technological aid — Mozambique, Angola, Vietnam, Cuba, Algeria, Ethiopia and so on.

With reunification, and the growth of unemployment, there has been an upsurge of hatred against immigrants — on the familiar basis that immigrants are taking 'German jobs'. As a result the bulk of the immigrants in the East are leaving and returning home, about 70 or 80 per cent will have left by the end of the year. But this is not stopping a wave of racist attacks, beatings, murders and knife attacks on the street.

But it doesn't end here, the racist, chauvinist sentiment is fuelled by a number of factors. The ex-GDR was never a 'multi-cultural' society even to the degree in the West, it has remained a very 'German' society since the second world war, with very few immigrants, no jews anymore, and a tiny national minority the Sorbs — who incidentally had national autonomy and their own parliament, which they lost with reunification.

The whole debate that developed in Western Germany, and elsewhere in Europe, on multi-cultural societies, on open states with immigrants as part of the society, never took place in the GDR.

Second, the social despair, the absence of a clear progressive outcome, and a total lack of self-confidence in the working class following this massive defeat, of course fuels right-wing, fascist currents. The Nazi organisations are mainly working and recruiting in the ex-GDR, with some success. They are led by West German Nazi groups which provide the cadre, but the followers are East Germans.

Thirdly this racism is fuelled by the opening of the borders to Poland and the East European countries in general. Last year, before currency unification, there was a period where Poles could rather easily come to the West. Due to the poverty in Poland many came to sell what they could at low prices, and buy what they could here. There were then the first attacks on Poles.

There is also a movement of Soviet

Jews who do not want to go to Israel, and want asylum in Germany. The president of the Jewish Congress in Germany has said they are not wanted here, so this is an extension of the racist problem.

And finally when the USSR opens its borders there is likely to be a huge movement to the West. So in the East we are facing a chauvinist and racist wave, not directed against Turks and Kurds as we have seen in the West, but against East European immigrants.

Immigrants in West Germany are mainly from Turkey, and many Turkish and Kurdish people here are second or third generation, and well integrated into the working class. Today there is not a very significant difference in the unemployment rate. But they have no political rights, no rights to vote, and no German citizenship.

The notion of German citizenship is entirely to do with 'blood', you have to prove German descent. There has never been any sense of nation which is to do with territory. The children of immigrants born in Germany have the same status as their parents — although they have been allowed to remain in Germany even without a job if their parents are here legally — but they are in no legal sense *German*. Germans who live on the Volga are recognised as 'German', but Turkish people who have lived here for 30 or 40 years, are not.

This view is explained by a number of historical factors, the lateness of the creation of a unified German state and so on, but it provides a strong ideological basis for the growth of racism and German chauvinism.

Understandably it is Turkish and Kurdish immigrants in the West who were most fearful of the consequences of German reunification because any sharp rise in unemployment, or the labour force being flooded with unemployed workers from the East, could lead to severe attacks on their position within German society, expulsions from the country and so on. Legally their position is insecure and they have no political rights.

Alongside this, the Gulf war made matters worse. Initially the opposition to the war bouyed them up, but this turned around very quickly.

Initially most Turkish and Kurdish workers thought they were in Germany for only a limited time, and therefore the politics of the exile community was of most significance to them. But now it is becoming clear that the majority will not go back, not just because of the political situation in Turkey, but be-

cause they no longer wish to go back. They have built a new life in Germany, their children have grown up here, women in particular feel freer here than they did in Turkey, and young women do not want that life. Germany is their country.

So now there is slowly beginning to be a debate about reorienting politically towards German politics and the German workers' movement — to work and organise there.

The peace movement has also suffered a setback. There was a first reaction to the process of unification by liberal, in the good sense, public opinion rejecting any return to the tradition of the German reich, to a German empire.

But this situation was changed by the Gulf war, which was used to revive the idea that you can have just wars.

At the beginning of this year the SPD leadership was saying that German troops could only operate outside the NATO area as part of a UN peace-keeping force, but they have retreated from this position.

In East Germany it is slightly different. There is still a sense that one occupying army has been got rid off and they do not want another. The proportion of the population against the Gulf war remained higher than in the West. This has to do with a strong pacifist element in the education system, the fact they were happy to have got rid of their army, it was not popular, and they did not want the West German army to march into the East — which is what happened at the level of the commanders, of course.

There was a strong feeling in the East, that the population itself had made the first step in changing the society, and that the West itself needed change too. But there was no such mass movement in the West, so there was no possibility of a 'third way' even at the level of an overall reform of the society, let alone anything more profound.

When the East German working class went on the streets against Honecker, the West German working class remained completely passive. If they had understood that this was an opportunity to change things in the West as well, history would have been completely different, but there was no such understanding. So this call from the East for a common reform of both systems — which was the main idea of the Civic Movement — evoked no response.

ANGELA KLEIN

'The consequences for immigrant workers is one of the most negative features of reunification'



Overlooking Lisa

What Lisa Knew: The Truths and Lies of the Steinberg Case
Joyce Johnson. pub.
Bloomsbury. £9.99

Waverly Place
Susan Brownmiller. pub.
Mandarin. £3.99

Lisa Steinberg was six years old when she was murdered. LOUISE LANG reviews two books that tell her story.

It is not Lisa's death, but the circumstances of it, at the hands of surrogate parents who were middle-class, affluent professionals living in New York's Greenwich Village, which explains everything from why the case had major media interest, through its legal treatment, to the debates it provoked and which deeply divided feminists in the US.

These books, in radically different formats — one fictionalised, the other an investigative and polemical account — touch on important matters, and ones which have consistently proved difficult for the women's movement — the dynamics of power and oppression within families. Joyce Johnston in particular insists on the distinction we must make between, however brutal, the oppressive relations between men and women and between adults and the children in their care.

Johnson's basic approach is summed up thus: 'the furor over Hedda's victimisation only brought home to me the fact that as a society we care far less about the interests of children, for all the idealization of parenthood that has become so prevalent in the 1980s, than we care about the interests of adults, even blameworthy ones. Of course the adults we particularly care about tend to be white and middle class'.

Hedda Nussbaum acted as 'mother' to Lisa, and the

other illegally acquired child — who was 18 months at the time of Lisa's death — in her and Joel Steinberg's possession.

Hedda Nussbaum was in a relationship for over 12 years with Joel Steinberg, and there is no doubt that she suffered appalling violence at his hand. The fact of the brutality suffered by Hedda Nussbaum was taken as evidence of Steinberg's sole responsibility for Lisa's death, although the trial never satisfactorily established this. It was also used by a wing of feminism to promote a view of woman as victims which, both Johnson and Brownmiller argued, was not in women's long-term interests and certainly not conducive to uniting the struggle of women with that of the rights of children or with a critique of the family.

Thus Johnson writes: 'A woman who had waited twelve hours to summon medical aid for a comatose six-year-old ... had become the most famous Victim in America. A woman who risked her life to save her

child from a brutal father would have gotten a fraction of the attention'.

Much of Johnson's book is taken up with detailing the discrepancies in Hedda Nussbaum's testimony, substantiating her view that the complex internal dynamics of Nussbaum and Steinberg's relationship have been ignored, and constructing a history of Lisa's life, including the many signs of neglect and abuse which everyone from neighbours to teachers ignored or wrote off as not their place to interfere, as society does with abused children every day.

While neither book is perfect — Johnson's throws in the unsubstantiated view that sexual abuse, not its reporting, is on the increase and that this is related to an increase in drug abuse, lifestyle changes and so on — in the end behind the approach of both, is a more adequate view of women's oppression and its relationship to men and the abuse of children than that displayed in the knee-jerk response of those who argue that Hedda Nussbaum was

unable, by definition, to bear any responsibility for Lisa's fate. As Johnson says, the dilemma was 'what to do if a victim had a victim? Every statement... implied that a battered woman could not be held responsible for what she did to her children or failed to do for them'.

Woman solely as victims was argues Johnson, quite acceptable to the courts, the media and dominant views of women and mothers, rather than as fighters, 'survivors', and able to affect the destiny handed out by society. Brownmiller's depiction, although more sympathetic and rounded about the fictionalised Hedda in particular, amounts to the same.

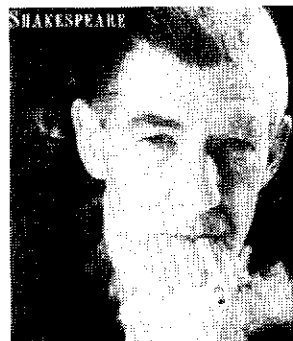
It remains to be said, of course, that Johnson's observation that the case became such a cause celebre in the USA solely because it involved white, middle-class professionals also describes the main selling point of both these books.

Richard III with Nazi armbands

This National Theatre production, at the Lyttelton, South Bank, proves that it is possible to overcome 40 years of people doing Olivier impersonations, hitching up their shoulders and croaking 'A horse...' says PAUL ATKIN.

If this play is done as a straight bit of 'Shakespeare History Theatre' it turns into an amoral comedy. Richard gets all the witty one liners, takes the audience in as accomplices with his jokes, while his victims seem to be crying out to have their heads chopped off because they are so boring. A celebration of cynicism.

This production isn't like that. It sets the play in



the twenties and thirties and projects Richard as a cross between Hitler and the Duke of Windsor, complete with excruciating royal vowels, Nazi armbands and an air of upper class menace. Ian McKellan's performance exudes the chill hollowness of a ruthlessly

controlled drive for power for its own sake.

This has tremendous magnetism as he crushes opponents or bends them to his will by operating beyond the limit of their morality. Nietzsche's 'Beyond good and evil' incarnate. However what comes over most strongly is the bankruptcy of political machinations without values or vision, out of tune with a class capable of exercising political hegemony. Richard is a gangster with nothing to offer anyone but his cronies. At the end they all march off together, 'hand in hand to hell'.

In his programme notes, Ian McKellan re-

Labour's broken promises

Breach of Promise: Labour in Power 1964-70
By Clive Ponting
Penguin £6.99

With a general election no more than 12 months away and the prospect of a majority Labour government — for the first time since 1979 — looming large, *Breach of Promise*, reviewed by MICK ARCHER, provides fascinating factual information and vital lessons.

Harold Wilson's first Labour government came to power in October 1964 with an overall majority of five. It was the second Labour government to be elected since 1945 and followed 13 years of Tory rule. Its wafer-thin majority rapidly became the excuse for its failure to deliver on its manifesto commitments.

When Labour went to the country again in March 1966, anxious to win a decisive victory, the balance

to the play's tour of Eastern Europe, where 'before their revolutions, theatres were well favoured...Drama students had jobs for life...unemployment was illegal' whereas now 'Long established theatre companies are being disbanded, actors are on the breadline'.

He ends with an appeal that 'democracy needs theatre and that public funding is a small price to pay'. But he doesn't reflect that only the richest capitalist countries can afford either theatre subsidies or democratic forms. Eastern Europe is unlikely to have either for long, as it slides from the second world to the third.

sheet of even its key ideologues did little to inspire confidence. As Crossman wrote: 'The main trouble is that we haven't delivered the goods; the builders are not building the houses; the cost of living is still rising; the incomes policy isn't working; we haven't held back inflation; we haven't got production moving. We are going to the country now because we are facing every kind of difficulty and we anticipate things are bound to get worse and we shall need a big majority with which to handle them.'

Labour was given its second chance and this time the mandate was clear. It had an overall majority of 98. Yet four years later, in June 1970, the Conservatives returned to power with a majority over Labour of 43. By every account it was Labour that lost the election and not the Conservatives that won. Turnout was the lowest for 35 years and as Ponting points out: 'Perhaps the most telling statistic was that from an NOP survey which showed that only 29 per cent of the electorate cared "very much" who won the election'.

How then was it that the 1966-70 Labour government squandered this chance? While Ponting perhaps places too great an emphasis on the personality conflict, he is in no doubt where the nub of the problem lay: in the government's economic policy. The problem that dominated the 1964-66 and the 1966-70 Labour governments was the state of the British economy and in particular the balance of payments.

From the moment that Labour took office the key decisions were whether it would devalue the pound and cut defence expenditure. It did neither. Within days of



Artists for a Just Peace in the Middle East and the Committee for a Just Peace jointly held an exhibition of anti-war artists at the Kufa Gallery in London during May. The illustration above is just one of many exhibits protesting the Gulf and other wars. Photo: Annie Morad

taking office the Labour government decided to keep Polaris and went on, in absolute secrecy, to start a new programme — Chevaline. At the same time it embarked on a disastrous course of deflation and attacks on the rights of trade unions culminating in *In Place of Strife*.

As Ponting explains: 'For three years the government fought desperately to avoid devaluation and this battle involved major costs. The economy was deflated in all three budgets from 1965-67, there were rises in Bank Rate, tougher hire purchase controls, increased taxation, cuts in government spending plans, increased purchase tax, and two special "packages" in July 1965 and July 1966. In addition the government incurred massive debts to maintain the value of the pound and accepted major constraints on its policy to obtain American backing in the summer of 1965.'

The account of American demands for supporting the pound is one of the most illuminating sections of the book, drawing on documents acquired under the Freedom of Information Act and revealing facts which were never even placed before the cabinet of the day. These included an insistence on deflationary measures, including a prices

and incomes policy, no defence cuts in Germany or East of Suez, and UK troops in Vietnam. Johnson apparently decided against pressing this final demand since he felt Wilson wouldn't be able to deliver.

Ponting's book shows how, having rejected devaluation in 1964 Wilson's government was forced to embark on a domestic and international policy which led it to attack the very people who had put it in power. The experience was a devastating blow to many Labour Party members. In 1970, as Ponting notes: '...this showed up in a 50 per cent drop in individual membership, and an unwillingness to canvas and work for candidates at local and national elections.'

It is a salient lesson on the eve of a general election where Labour could face similar choices to those in 1964. All the more so since Ponting's assessment is not shared by many leading Labour Party figures who were party to decisions at the time and who list other reasons for Labour's defeat in 1970. Dennis Healey cites one of particular interest: 'The trade unions were now emerging as an obstacle both to the election of a Labour government and to its success once it was in power.'

A triangular struggle

By Ernest Mandel

Geoffrey Owen must feel quite unsure of himself to answer our mild remarks with a string of systematic distortions of our positions. We have no choice but to unravel this string, a necessary but rather distasteful operation.

First distortion: Geoffrey Owen asserts that we end our article with 'a politically ridiculous slander'. Everybody who reads the last paragraph of 'The Events in Eastern Europe' will notice that we did nothing of the kind. We simply asked the comrade of *Socialist Action* to ponder the fate of Preobrazhensky and Co. Is an advice 'slandorous'?

Our contention is that to see the world as a bi-polar struggle between capital and labour, and not as a triangular struggle in which the Soviet bureaucracy at least since the early thirties if not since 1927-28, acts as an autonomous social force, intent upon increasing its own powers and privileges, is to expose oneself to the temptations of 'campism'.

Presumably, our advice was well taken. After a lot of 'pondering', the comrades of *Socialist Action* now recognize belatedly that you cannot reduce world politics since 60 years to a bipolar struggle between capital and labour and that it indeed involves triangular struggles. An excellent step away from 'campism', comrades. We congratulate you.

But please be consistent. Judge each major political and social struggle in the world from that point of view, i.e. by examining the precise nature of the social forces concretely fighting each other, and not simply by ideological criteria. If you waver in applying that criterium, you'll still have to 'ponder' a lot more.

Second distortion: We are supposed to have insinuated that the comrades of *Socialist Action* are wavering before Gorbachev and Gorbachevism. There is no suggestion of that kind in our article. It is a pure and simple invention.

People tempted by 'campism' to-day are not tempted by Gorbachev, especially if they believe that Gorbachev is preparing the restoration of capitalism. 'Campism' to-day means

aligning oneself with the neo-stalinist tendencies of the bureaucracy, the Deng Tsao Ping, the Kim Il-Sung, the Ceaucescus, the Honeckers, the anti-Gorbachev conservatives in the USSR and their allies in the remnants of the CPs in capitalist countries.

Third distortion: From our statement that the 'counter-revolutionary role of the Soviet bureaucracy weighs more heavily on world history than the objective positive effects (undeniable, as we have always accepted) of the survival of the workers state', comrade Geoffrey Owen draws the amazing conclusion that this leads to the 'inescapable logic' that the elimination of the bureaucratized workers state even by capitalism would be better than the maintenance of stalinism. We don't see anything 'inescapable' in that logic. It strikes us as a perversely twisted reasoning, alien to the marxist analysis of the Soviet-Union.

The counter-revolutionary role of the Soviet bureaucracy in world history expressed itself by undermining one after another every possibility of extending world revolution. It thereby, in the long run, also undermined the very existence of the USSR and prepares its collapse as a workers state. The positive effects of the survival of that workers state in the meantime cannot outweigh these long-term disastrous effects. But through what strange logic should that lead to the conclusion that the final defeat would be defeat a 'lesser evil'? Wouldn't the logical conclusion rather be that we consistently oppose *all* advances of counter-revolution, including the final one.

A classical analogy imposes itself. The negative results of the German social democrats counter-revolutionary role in 1918-1919 certainly outweighed any undeniably positive results of the continuous existence of mass trade unions in Germany. They led to the victory of Hitler and Stalin, the two major defeats of the world proletariat in the 20th century, costing humankind some 80 million dead if not more. But what 'inescapable logic' leads to the conclusion that therefore, the overthrow of the reformist German trade-union by the fascists would be a 'lesser evil'? Wasn't that overthrow rather the end result of social-democracy's counter-revolutionary role, an end result we should have tried to pre-

The dynamic in Eastern Europe

The enormous scale of the events in Eastern Europe since 1989 have necessarily posed more and more fundamental issues of Marxist theory. Here ERNEST MANDEL defends the view that the world must be seen as a 'triangular struggle' in which the Soviet bureaucracy 'acts as an autonomous social force'. SOCIALIST ACTION replies by restating the classical Marxist position that the fundamental distinction remains between two classes, from which no force is 'autonomous'

vent at all costs?

Fourth distortion: We are supposed to have written that in 1989 there were 'exceptionally favorable international conditions'. We wrote nothing of the kind. As is clearly visible from the very quote comrade Geoffrey Owen uses, with some significant suspension points, we were referring to 'exceptionally favorable international conditions' *facing the East-German and Czechoslovak workers at the time of their mass uprisings in October-November 1989, in a very specific and precise way:* for the first time since 1944, these workers were not and could not be threatened by immediate military intervention and repression, either by the Soviet army or by the NATO army. Wasn't that analysis correct? Did any such military intervention actually occur, as it did after all in 1945, in 1948, in 1949, in 1950, in 1953, in 1956, in 1968, just to mention the main precedents? We also added that these favorable conditions would only last for a short time. If the political revolution would not be quickly victorious, we said at least for East Germany, then capitalist restoration would be rapidly on the agenda. The difference hinged upon time. Some thought: immediately. We said after two years. It actually occurred after one year. What is the big deal? The differences with the comrades of *Socialist Action* do not relate to that worldwide offensive which is so obvious that hardly anybody denies it. They concern the depth, scope, and possible results of that offensive.

'The differences with Socialist Action do not relate to that worldwide offensive, which is so obvious that hardly anybody denies it'

We believe that nowhere, with the exception of the GDR, has the working class suffered a crushing defeat, comparable to what happened in the thirties (and even in the united Germany, the global potential of self-defense of the working class, including that of the ex-GDR, is incomparably larger than after 1933); that the internal contradictions and crises of imperialism make any long-term stabilization most unlikely if not impossible; that therefore there will be many defensive struggles some of which will be victorious; that there are simultaneously quite a few new offensive struggles too in some countries; and that the key contest in the worldwide shift of relationship of forces on a world-scale depends upon the outcome of the triangular struggle unfolding in the USSR.

Of course, if one assumes that capitalism will be restored in the USSR, then the negative consequences will be staggering. But we believe that conclusion to be premature, to say the least.

Fifth distortion: Geoffrey Owen rather brazenly asserts that 'comrade Mandel completely misread the dynamic of the most important class struggle in Europe since the second world war'. This statement only makes sense if either he himself thinks that the restoration of capitalism is both inevitable and imminent in Eastern Europe and the USSR (the USSR being ten times more important than any Eastern European country), or if he assumes that we think symmetrically that the victory of the political revolution is imminent and unavoidable. Again this is a complete distortion of our position. We have stated many times that we are being faced in Eastern Europe and in the USSR *with a protracted crisis which will last many years* (the GDR is an exception and not the rule). It can end in three ways: either with the conservation, in whatever form, of the rule of bureaucracy; or with the restoration of capitalism; or with the victory of the political revolution.

Only the struggle of living social and political forces, and its final outcome, will decide what that end will be. You can't conflate that outcome into the historically correct statement—that, in the very long run, stalinism prepares the restoration of capitalism. That doesn't tell us anything about what is going to happen in the next five years. Nor does the correct statement that capitalism will never reconcile itself with the existence of workers' states tell us anything about what world Capital will do concretely in that respect in the coming five years as it didn't tell us what it did in 1945, 1949 or 1956).

We believe that in all these countries, with the exception of the ex-GDR, we shall see in the next years an economy which doesn't yet function on the basis of the laws of motion of the capitalist mode of production, whatever be the intentions of some of their governments. Simultaneously, there will be growing mass protest against the consequences of the 'post-stalinist bureaucratic market economy', in which the standard of living, employment and social protection of the masses know a catastrophic decline.

These are not moot points. Only the working class can prevent the restoration of capitalism, through its mass struggles and its gradual reconquest of independent class organizations and elementary class consciousness. But for this it needs time and experience, i.e. a minimum of de facto democratic freedoms and freedom of action, i.e. *glasnost*.

That is why it would be criminal folly to align oneself to-day with the neo-conservatives in the USSR or with anybody who wants to curtail the space already conquered by the workers for autonomous mass action.

Sixth distortion: Comrade Owen doesn't only distort Mandel's views. He also distorts Trotsky's ones. He asserts: 'The fact that to the bureaucracy the Right Opposition [we are talking about 1936 EM] appeared as a left danger, does not in the slightest mean that Trotsky saw them as a left development'. But Trotsky states unambiguously that he considered that the right group of the old *Bolshevik Party*, objectively represented a left danger seen from the viewpoint of the bureaucracy's interests. This was not an opinion of Stalin. This was an assessment by Trotsky himself. You can't interpret Trotsky's words otherwise.

Does comrade Owen perhaps think that the third Moscow Trial against the 'right wing group of old Bolsheviks' was objectively 'neutral', or even objectively a blow against pro-capitalist forces? Comrade Owen's whole polemic against Bukharin, jumping back and forth between 1924, 1928, 1932, 1936 and 1938, leaves a bitter taste in the mouth.

Bukharin was an old Bolshevik who advocated wrong economic policies between 1924 and 1928. Therein did not even lay his main crime. His main crime was that of politically assisting Stalin against the Opposition, which paved the way for the final victory of the stalinist bureaucracy. He paid with his life for his tragic mistakes.

But Stalin in the thirties had nothing anymore to do with Bolshevism left, centre or right. He had become *the murderous leader of a anti-working class political counter-revolution*, a butcher who killed one million communists, who organized the gravest defeats of the Soviet and international working class, who murdered two thirds of the commanders of the Red Army, who brought the USSR within an inch of collapse in 1941-1942.

To put an identity sign between these monstrous crimes and excessive economic concessions to the *kulaks*, is to misread disastrously the history of the Soviet Union and of Europe. One could have some excuse for making that mistake in 1929-1930. To repeat it to-day is without excuse.

Owen follows all those historians who want to reduce Trotsky's fight and that of the Opposition to some general principles like their struggle against the theory of socialism in one country

and for world revolution. But this was only the general correct theoretical framework into which the Opposition, which counted in its ranks some of the main economic experts of the USSR and some of the key leaders of the Soviet working class, wove very concrete and specific alternative proposals for solving the terrible economic and social crisis Stalin and the bureaucracy had imposed upon the Soviet masses and Soviet society.

These are most clearly expressed in his article 'The Soviet economy in danger' (*Writings of Leon Trotsky 1932*, pp 274-75), in which he clearly and explicitly stated that only through a combination of state planning, the market and Soviet democracy, can the correct direction of the economy of the transitional epoch be attained. To our knowledge, Trotsky never changed that assessment till his death.

Our question to comrade Owen: what are the 'basic differences' between these proposals and those of Bukharin in 1932 or 1936 (we are not talking about 1927)? Was Bukharin perhaps hostile to central planning, as the stalinist slanderers accuse him of. Was he in favour of a restoration of capitalism? Please tell us why we are wrong to state that in 1932-33, the Opposition and Bukharin had moved very close to each other on the alternative economic policies?

And regardless of whether a written Trotsky document exists or does not exist supporting the *rapprochement* between all oppositions inside the party in 1932, wouldn't such a united front to eliminate Stalin and his gang have been a gigantic step forward at that moment? Wouldn't it have prevented the mass murder of the entire Bolshevik party starting with 1934 (hardly two years later)? Or does comrade Owen consider that slaughter only a minor incident in history?

What would have been the 'principled' difference between such a united front and the united front which Trotsky proposed with German social-democracy in order to stop Hitler coming to power? Was stopping Stalin less important than stopping Hitler? Was Bukharin worse than German social-democracy?

Seventh distortion: Geoffrey Owen tries to construct a contradiction between Trotsky's position in the thirties and mine by quoting the following passage from Trotsky: 'The inevitable collapse of the stalinist political regime will lead to the establishment of Soviet democracy only in the event the removal of Bonapartism comes as the conscious act of the proletariat van-

guard. In all other cases, in place of Stalinism there could only come the fascist capitalist counter-revolution.'

This passage only means that the victory of the political revolution depends upon the existence of a revolutionary leadership. There is of course no difference of opinion between what we think and what Trotsky wrote in that respect. This is ABC for a revolutionary marxist. A spontaneously victorious proletarian revolution has nowhere occurred and will occur nowhere. But comrade Owen tries to interpret this passage as meaning something entirely different: to wit that the long process of reawakening of the Soviet masses leading to the political revolution is impossible without the previous existence of a revolutionary vanguard party. But from where would that vanguard miraculously arise? So what he actually implies is that with a working class demoralized by stalinism, the slow rise of political revolution is impossible and the victory of social counter-revolution, i.e. capitalist restoration, is unavoidable. That is indeed the heart of our differences.

In that respect, comrade Owen distorts Trotsky's position, as well as ours which is strictly conform to that of Trotsky. Here is what Trotsky wrote in his political testament, the May 1940 *Manifesto of the Emergency Conference of the FI*:

'The Moscow trials had already revealed that the totalitarian oligarchy had become an absolute obstacle in the path of the country's development. The rising level of the increasingly complex needs of economic life can no longer tolerate bureaucratic strangulation. The gang of parasites is not however prepared to make any concessions. In struggling for its position it destroys everything that is best in the country. It should not be thought that the people who accomplished three revolutions in twelve years have suddenly become stupid. They are suppressed and disoriented but they are watching and thinking. The bureaucracy reminds them every day of its existence by its arbitrary rule, oppression, rapacity and bloody vengefulness. Semi-starved workers and collective farmers among themselves whisper with hatred about the spendthrift caprices of rabid commissars...

'...The preparation of the revolutionary overthrow of the Moscow ruling caste is one of the main tasks of the Fourth International. This task is not simple or easy. It demands heroism and sacrifice. However, the epoch [we stress: epoch EM] upon which mankind has entered will strike the Krem-



lin oligarchy with blow after blow, will break up the totalitarian apparatus, will raise the self-confidence of the working masses and thereby facilitate the formation of the Soviet section of the Fourth International.' (*Writings of Leon Trotsky 1939-1940*, pp. 200, 201-202)

This is a near perfect description of what has been going on in the USSR during the last 10 years, and what is developing with accelerated speed since a couple of years. *It is a process and not an event.*

The process is, for sure, contradictory. But it should not be judged in the first place by ideological criteria (what people are shouting and writing about) but by the nature, actions and relative strength of the social forces already practically involved in it. The thunder of trumpets should not be confused with the thunder of canons.

For the time being, neither military foreign intervention nor civil war for the restoration of capitalism is on the agenda in the USSR. There are definitely pro-restorationist forces. But there is also the awakening in action of the mightiest working class in the world.

Before you could restore capitalism in the Soviet Union, you would have to overcome the self-defence reactions of that working class. That will not be easy. That would take quite some time.

'The most important class struggle in Europe since 1945' did not take place in the GDR. It is taking place in the USSR right now and to-morrow. We don't think we have judged its dynamic wrongly, quite the opposite. We think the comrades of *Socialist Action* are approaching it in an impressionistic, one-sided and oversimplified manner.

Of course, only the final outcome of the process will show who has been right and who has been wrong in that respect. But in the meantime please continue to ponder, dear comrades, to ponder and ponder. And avoid the pitfalls of campism. They can only work havoc.

'In 1932-23 the Opposition and Bukharin had moved very close to each other on alternative economic policies'

Only two class camps

By Geoffrey Owen

Ernest Mandel ends his article with the correct statement that the test of any theory is reality. A theory which fails to explain reality is false. Comrade Mandel has failed to understand the reality of Eastern Europe, has a bad theory and should abandon it.

The issue Ernest Mandel constantly avoids is *what is the central dynamic in Eastern Europe*. We stated from the beginning that the dominant dynamic of Gorbachev's policy was a turn of the Soviet bureaucracy to more direct collaboration with imperialism, that this would lead to tremendous defeats, and that these would encourage imperialism to launch a more aggressive and violent course. *Socialist Action* spelt this out systematically, summarising it in the article 'Gorbachev reaps a carnival of reaction'.

The reason for such an analysis is that the one positive aspect of Gorbachev's course, the emergence of greater, if hopelessly inadequate, democracy in the USSR could not be taken out of context. If Gorbachev's measures of democracy had been accompanied by policies such as more aid to Cuba, or against apartheid, we would have been witnessing a left wing development improving the situation. In fact limited measures of democracy — partially a concession to the Soviet working class, partially a measure to shift the relation of forces within the bureaucracy and partially cosmetic measures for the international bourgeoisie — did not remotely compensate for the greater concessions to imperialism and consequent worsening of the international position of the working class.

During Gorbachev's leadership of the USSR imperialism has won its greatest victories in the post-war period. That is the balance sheet of the Gorbachev course which the world knows — some supporting these imperialist victories and others opposing them. This reality can be denied only by comrade Mandel avoiding concrete political realities amid timeless (and false) formulas.

As a result of his misunderstanding, far from foreseeing the offensive of imperialism, now declared 'obvious', comrade Mandel thought an advance of the working class was taking place. In contrast to *Socialist Action's*, let us

recall comrade Mandel's analysis of the events in Eastern Europe — not in offhand remarks but spelt out in article after article.

Comrade Mandel analysed in April 1989: 'Contrary to what a superficial glance might indicate, the European bourgeoisie does not look favourably on this destabilisation. It has no hope of recovering Eastern Europe for capitalism.' (*International Viewpoint* (IV) 3 April 1989)

In October of the same year: 'The main question in the political struggles underway is not the restoration of capitalism. The main question is whether these struggles head in the direction of an anti-bureaucratic political revolution or of a partial or total elimination of the democratic freedoms acquired by the masses under glasnost. The main fight is not between pro-capitalist and anti-capitalist forces. It is between the bureaucracy and the toiling masses.' (IV 30 October 1989)

In February 1990: 'What is happening in East Germany and in Czechoslovakia is the beginning of a revolutionary movement which combines May 1968 and the Prague Spring multiplied, I would say by two or three times.' 'We should be clear on one thing: a short-term restoration of capitalism is completely impossible — even the capitalists do not want it.' (*Socialist Outlook* Feb 1990)

These were not issues of timescale, emphasis or individual prognoses. The bourgeoisie looked favourably on the events in Eastern Europe, had considerable hopes of recovering Eastern Europe for capitalism, and have taken major steps down that path. Comrade Mandel had a totally mistaken assessment of the basic dynamic of events in Eastern Europe. Our views corresponded to reality and comrade Mandel's did not.

Comrade Mandel's wrong analysis of Gorbachev and events in Eastern Europe, led him at the time to a totally erroneous analysis of the relation of international class forces. The view that what was taking place in Eastern Europe was not steps towards capitalist restoration, but towards political revolution, led to the false view that the relation of forces was evolving in favour of the working class. As he believed in January 1990: 'the retreat of the workers' struggles has ceased.' 'Now, for the first time since 1968 —

on a larger scale — we are seeing a rebirth of the mass movement in the three sectors of world revolution.' (*Interprecor*, 12 January 1990) Comrade Mandel *did not* at all see 'the worldwide offensive of imperialism', which he now claims is 'obvious'. He believed 'the retreat of the working class had ceased' just when the European working class suffered its worst defeat since World War II. Instead of acknowledging his mistake, working out why it was made so as not to repeat it, comrade Mandel refuses to recognise the evident facts and deepens his theoretical errors.

What theory could possibly lead to not being able to distinguish steps in the direction of capitalist restoration from those in the direction of a political revolution? The answer is comrade Mandel's view of the world 'triangular struggle'.

Comrade Mandel starts his polemic with the claim that the world now has to be seen as a triangular struggle between capital, labour and the Soviet bureaucracy. He claims it is false 'to see the world as a bi-polar struggle between capital and labour, and not as a triangular struggle in which the Soviet bureaucracy at least since the early thirties if not since 1927-28 acts as an autonomous social force, intent upon increasing its own power and privileges.' We are, according to Mandel, 'campists' — that is seeing the world as divided into two class camps, a 'bi-polar' world in the fundamental, that is class, sense.

Comrade Mandel could not have formulated a more profound or more wrong position. *There are* only two, not more, basic, that is *class*, camps in the world — precisely capital and labour (the petty-bourgeoisie does not constitute a fundamental class camp). Trotsky had harsh things to say about those who believed there was a 'third camp' — because there could only be a third camp if there was a third fundamental class. Either comrade Mandel maintains that the Soviet bureaucracy is not a class, in which case it cannot constitute a force on an equal level to capital and labour, or, if it is an equal force on a level with capital and labour, that is we have a 'tripolar' not a bipolar world, then the bureaucracy is a class.

The confusion Mandel got into on

'There are only two, not more, basic, that is class, camps in the world — precisely capital and labour'

Eastern Europe is that the term 'triangular struggle' is ambiguous. He has now clarified it in completely the wrong direction.

Although it is better not to use ambiguous terms, the first sense of 'triangular struggle' could be a polemic against class reductionism ie no Marxist is indifferent, for example, to whether capital rules through bourgeois democracy, military dictatorship, or fascism. But that does not represent a 'triangular' situation — we are talking about subgroups of class interests. Anyone who said in Germany in 1929-33 a 'triangular struggle' was taking place between the working class, the bourgeoisie, and fascism had abandoned Marxism — fascism was an expression of the interests of the bourgeoisie. The world is bipolar and, within that framework, sub-groups of classes exist.

The second possibility, in using the term 'triangular' struggle, is that the Soviet bureaucracy *is* a class. In that case the struggle in the world *really* is not bipolar. While insisting theoretically that the bureaucracy is not a class comrade Mandel, by placing it on the same level as capital and labour, and insisting the world is not 'bipolar', *in practice* treats the bureaucracy like a class.

The difference between Trotsky's rejection of any idea of a third camp, and various Stalinist theories, does not concern the *existence* of only two fundamental class camps, *but the issue of who is in which camp* — Stalinism claiming the bureaucracy is in the working class camp and Trotsky denying it.

The Soviet bureaucracy serves the interests of *imperialism* in the final analysis (as do the capitalist classes of the semi-colonial countries). That is why Trotsky waged a struggle against it — if the Soviet bureaucracy were, in the final analysis, in the camp of the working class, Trotsky's struggle to form new parties was wrong and those who support him should rejoin the Stalinist Communist Parties on a loyal basis, expressing those tactical differences which can exist even within the working class.

In qualitative, class, terms the existence of the Soviet bureaucracy *does not* make the world situation a triangular struggle. We might state this distinction between a class and a caste, as Trotsky termed the bureaucracy, by saying that in world politics the bureaucracy, or fascism, can be *relatively* autonomous of a class but it cannot be autonomous as Mandel claims (in fact nothing in the world is autonomous of classes).

In this light, comrade Mandel's errors on the Soviet Union and Eastern Europe fall into place. If the struggle is not between two classes, with a social caste as a sub-group, but between three *autonomous* forces, and furthermore part of a *world struggle* between them, then the fundamental clash *can* indeed be against the bureaucracy. It might well be logical to propose a united front of all those opposed to the bureaucracy — as comrade Mandel does.

But, as Trotsky pointed out, because the bureaucracy is not a class, such a united front leads to quite different results, strengthening quite different class forces, to those comrade Mandel would wish.

Trotsky analysed the Stalinist bureaucracy as a bonapartist force, arising from the clash of two more fundamental class forces — the Soviet working class and imperialism. Stalinism arose from the impasse between the working class, unable to extend the Russian revolution to the advanced capitalist countries, and imperialism, unable to overturn the revolution. Socialism in one country expresses Stalinism's attempt to maintain a status quo, on which its position depends, against both the working class and imperialism. But its *net effect* is to undermine the working class and strengthen imperialism — which is why, in the final analysis, the bureaucracy is in the imperialist camp.

Stalinism survived longer than Trotsky anticipated, not as a class, but because it was able to maintain itself due to acute inter-imperialist conflicts culminating in World War II, and imperialism's clash with the rising colonial revolution and undefeated working class in the imperialist countries following World War II. The combination of the boom in the US and Japanese economies since 1981, and

'Stalinism could be outflanked from the left by the working class, but also from the right, by capital'

the derailing of the class struggle in Asia by the Soviet and Chinese bureaucracies since the Vietnamese revolution, allowed imperialism to concentrate its resources on breaking open Eastern Europe and the Soviet Union.

The dynamic has corresponded exactly to Trotsky's theory. Stalinism's bonapartist character meant that it could be outflanked/overthrown, both from the left by the working class, but also from the right, by capital — with radically different consequences for the international class struggle. Both developments have occurred in the post war period.

The Chinese and Vietnamese revolutions were carried through against the line of the Soviet bureaucracy. Whatever their subsequent developments, these outflanked Stalinism from the left, strengthening progressive struggles in the world. The Cuban revolution was led against the line of the Soviet bureaucracy and the Cuban CP. In a different context, the original Solidarnosc, with its programme for workers' management, was a *left* development — *Jaruzelski's* martial law broke the mobilisation of the Polish working class and assured political dominance of pro-capitalist forces in Solidarnosc.

On the other hand, Eurocommunism broke from Stalinism towards capital — shifting allegiance from the Soviet bureaucracy to European capital.

The issue in relation to events in Eastern Europe from 1989 was whether they outflanked Stalinism from the left or the right — in class terms in the direction of political working class power or of capital — with evidently radically different results for the relationship of forces in the international class struggle.

The reality is clear. The East German workers' state no longer exists. In



Poland, Czechoslovakia and Hungary, capitalist governments hold political power and are using it to try to demolish the planned economies and carry through the restoration of capitalism. Following the Gulf war, imperialist intervention has intensified in Bulgaria, Romania, Yugoslavia and Albania.

The radical reduction in living standards which this requires is starting to provoke opposition, particularly in Poland. But this has resulted in the emergence, not only of tiny left currents, but also mass populist currents and various chauvinist and racist parties. The fact that resources do not exist to subsidise living standards, outside East Germany, means there will be social unrest, but also that the process of restoration of capitalism is likely to be accompanied by attacks on the bourgeois democratic rights under the banner of which the events of 1989 were initiated.

In the Soviet Union Gorbachev is zigzagging between alliances with openly pro-capitalist forces and the conservative Stalinist forces domestically, and seeking deeper accommodation with imperialism internationally.

As *Socialist Action* noted the events in 1989 in Eastern Europe sharply changed the world relation of forces in favour of imperialism. These, with the overall policy of Gorbachev, made it easier for the US to launch military terror against the Third World, starting in the Gulf.

Ernest Mandel, as we have seen, not only completely misunderstood this dynamic, but argued that what was taking place was the advance of political revolution, democratising the workers' states in Eastern Europe from the left, rather than the restoration of capitalism.

In the Soviet Union, at issue, was never the obvious fact that the restoration of capitalism is not on the short term agenda. Comrade Mandel refused to see how the policy of Gorbachev weakened the working class and denied its disastrous consequences for the international class struggle. Instead Mandel wrote: 'The foreign policy of Gorbachev is no less contradictory than his internal and economic policies... It is an orientation which it is impossible to approve or reject on bloc.' (*Beyond Perestroika* page xiv)

Specifically regarding Eastern Europe he considered: 'The pressure of progressive public opinion in the Soviet Union, as well Gorbachev's orientation will make military intervention by the Soviet Union in Eastern Europe impossible for a whole period. This will open up the possibility for large-

scale independent socialist initiatives in that part of Europe. A whole new class dynamic could be opened up for the whole European continent. All conservative forces, above all the imperialists, are afraid of such a perspective. They would consider the presence of Soviet troops in Eastern Europe as a lesser evil in relation to the kind of destabilisation that could result from the uncontrollable actions by the working class.' (*Beyond Perestroika*, page 149)

Evidently imperialism would prefer Stalinist regimes to their replacement by democratic socialist regimes — just as they preferred Stalin to Trotsky. But Mandel's whole scenario bore no relation to reality.

Gorbachev's policies strengthened not the working class but imperialism and made the latter more aggressive. Rather than reducing the military threat to the Soviet union, as Gorbachev imagines, the result is to tighten the imperialist encirclement of the USSR.

Within the USSR Gorbachev's policy, and its international results, have progressively encouraged directly pro-capitalist forces, currently led by Yeltsin. Today, Gorbachev is once again seeking an alliance with these forces against the Soviet working class.

Seeing the fundamental enemy as the bureaucracy led comrade Mandel to give credence to Yeltsin and Sakharov. Mandel wrote: 'regardless of the fact that the positions of most of the oppositionists elected are still vague and not very political, three general progressive threads emerge from the programs of many of them, especially Yeltsin and Sakharov — against privileges for the bureaucracy, for more equality (Sakharov calls for free food coupons for the poorest 40 per cent of the population); for opening up a debate on the multiplication of political platforms and the possibility of a multi-party system.' (IV 17 April 1989) In short Yeltsin and Sakharov were given credibility by Mandel rather than exposing that what they were actually doing was concealing pro-capitalist positions with popular demands.

Logically, as he rejects Trotsky's theory, comrade Mandel wants to reinterpret Trotsky's struggle against Stalin — de facto criticising Trotsky for not forming a united front with Bukharin against Stalin. Mandel argues this would have been a gigantic step forward — and it is indeed what he advocates today in Eastern Europe and the Soviet Union. Which takes us to the class heart of comrade Mandel's errors.

In reality Trotsky never supported a

united front between the left and the right oppositions against Stalin because they expressed the pressure of different class forces. Notwithstanding Mandel's efforts to politically rehabilitate it, the right opposition led by Bukharin expressed the pressure of capital on the bureaucracy of the workers' state. Bukharin's line was not, as Mandel implies, some tactical concession or other to market relations, but socialism in one country, the popular front, the subordination of the Chinese revolution to the Kuomintang and within the Soviet Union the direct pressure of the rising bourgeois forces upon the party bureaucracy.

While Bukharin's line ceased to exist as a significant political current in the thirties, it has re-emerged with a vengeance in China, Eastern Europe and the Soviet Union. These, in fact, allow a higher test of Trotsky's views than quotation. Because Bukharin's line was *carried out*, for example, in 1989-90 in Hungary with the results Trotsky predicted. The Bukharinite policy of the Hungarian CP under the leadership of Imre Pozsgay, proved to be only a short interlude to the direct victory of capital — which then proceeded to discard both Pozsgay and the CP.

On his exile from the Soviet Union in 1929, far from seeking a united front with Bukharin, as comrade Mandel advocates, one of the first tasks Trotsky set himself was to explode the myth of a *single* opposition to Stalin and instead to draw the clearest possible demarcation between the different class lines of the Left and Right Oppositions in the Soviet Union and internationally: 'the rightist tendency... serves as a direct bridge to the social democracy.' (*Writings* 1929, page 87). Trotsky was *against* an alliance with either Bukharin or Stalin. *Nowhere*, in more than 10,000 pages of writings after 1933, did he advocate it. Yet according to comrade Mandel's new line this was a terrible mistake as such a bloc was necessary in order to stop Stalin. What a terrible error that Trotsky never proposed it. But Trotsky after all insisted on sticking to a class criterion.

Comrade Mandel failed to grasp the central dynamic in Eastern Europe, had a theory that didn't allow him to do so, revises the Marxist theory of the division of the world between classes, and ends up by concluding Trotsky was wrong in the greatest struggle he ever personally led. We take no pleasure in pointing out that it is the greatest political mistake comrade Mandel has ever made.

'Bukharin's line was carried out, for example, in 1989-90 in Hungary, with the results Trotsky predicted'

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