

Socialist Action

For a Red Green alliance



- *The end of Thatcherism?*
- *Interview with West German Greens*
- *Crisis in China*

Editorial

Five crucial years

The international crisis which started in 1968 has progressively eaten into the structure of world politics. Prior to 1968 crisis was confined to the colonial world and Eastern Europe outside the USSR. In 1968 Western Europe, with the exception of its most important state, West Germany, was destabilised. In the late 1970s West Germany joined the list. Now crisis has penetrated to the USSR and China — countries with the largest working class and the greatest population in the world. Only the US, the most powerful state, has not seen a qualitative acceleration of its class struggle. How long that latter situation exists will, of course, decisively effect world politics.

The overall trend of this class struggle is clear. In 1968 a wave of working class struggle swept capitalism. The relation of forces deteriorated sharply for imperialism almost throughout the world until 1975 — 1968-75 witnessing the NLF's final victory in Vietnam, overthrow of Portuguese rule in Africa and major struggles in Western Europe.

From 1975 onwards imperialism counterattacked in the imperialist countries and, under the impact of the recession and defeat of the working class in Portugal, gained the offensive in Europe. A second, smaller, wave of working class struggle against Cruise and Pershing missiles was defeated in 1983. After 1979 no further victories were gained in the colonial revolution.

From this point on capitalism went onto the offensive not only in the imperialist countries but into the workers states. Imperialism had already formed strong links with the Chinese bureaucracy from the mid-1970s. It now began to push strongly into Eastern Europe — in particular Poland and Hungary.

In Eastern Europe the Soviet bureaucracy plays a cynical role. The Soviet bureaucracy would, by ultra-Stalinist methods, seek to prevent the restoration of capitalism in the USSR — for that means eliminating it as the governing stratum of society. But it might well be prepared to see the restoration of capitalism in various East European states if that ended a drain on the Soviet economy. But something else lay behind capitalist strength in this period — the long Reagan boom in the US. By centralising the resources of imperialism in its hands the United States secured seven years of uninterrupted economic growth — the most successful period of economic expansion in its post-war history. It made the United States a firmer pivot for the capitalist world and strengthened the stability of international imperialism.

The October 1987 crash signalled that this situation could no longer continue. Far from the crash having no effect, as current capitalist mythology states, it shook up the structure of world imperialism — as can be seen by what followed. The debt crisis reached the point of creating major political instability in Latin America — as riots in Venezuela, and the outcome of the elections in Brazil and Argentina, testifies. Political instability is increasing in the semi-colonial world.

Second the fact that the US used its economic pre-eminence and political domination to win essential demands against its imperialist rivals has increased political contradictions in Western Europe, notably West Germany, and in Japan.

The task in world politics is simple. It is to develop the class struggle in the capitalist world, using the more favourable conditions which now exist, and to develop left socialist currents in the workers states, *before* capitalism is able to regroup its forces for a new offensive.

The new economic problems confronting world capitalism give the opportunity for this. If this is not achieved imperialism will regroup for a new, still greater, offensive against the world working class. But in the last six months, outside Eastern Europe, the relation of forces has begun to shift against capitalism. That time must be well used by the international working class.

The next five years will be extremely crucial in world politics.

Inside

No 4
July/August 1989

In View

2-8

What attitude to the
Greens ● Unions — the
legal noose
tightens ● Gerry Adams
and Time To Go
● The Polish
Elections ● NUS
● Labour Women's
conference
● NALGO
conference ● Argentina
● Panama

Euro-Elections

9-13

The end of Thatcherism?
Sylvia Ashby

14-15

West Germany's Red-Green
alliance

16-17

Interview with Ken
Livingstone

18-21

What lies behind the Euro-
election results?
Geoffrey Owen

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Reviews

22-23

Torch Song Trilogy
The Commissar
Little Vera
Right Turn

In Depth

24-27

The impasse of Chinese
Stalinism
Alan Williams and Javier
Mendez

What attitude to the Greens?

It is a striking feature of any period of capitalist crisis that it brings out into the open, and reaffirms, features of classical Marxist positions which might have been thought to be bypassed by events.

Marx and Lenin's own writings contain masses of material relating to the attitude to petty-bourgeois political organisations which are not at all merely negative. While political representatives of big capital had to be confronted and destroyed this was unacceptable and incorrect towards petty-bourgeois organisations. Far from being smashed the petty-bourgeoisie had to be won over — allied with and led, not confronted.

Revolutionaries in the semi-colonial world, of course, have this as one of the main features of their work — the petty-bourgeoisie in these countries appearing primarily in the form of the peasantry and formations such as revolutionary nationalism.

But with the reduction in the size of the petty-bourgeoisie in Europe since World War II, particularly in the countryside, it might have seemed that such phenomena would no longer appear. That things would simply polarise between workers organisations and those of capital. And indeed during the 1950s and 1960s that appeared to be true.

But as usual on such questions it was Marx, not the surface development of events, which turned out to be correct. Classical petty-bourgeois currents, that is standing for radical democracy, have already reappeared in radical feminism and black nationalism.

The Greens are even more clearly of the same type. Their programme corresponds to the interests of absolutely no section of big capital — indeed it calls for the radical dismantling of big capital. It consists of a series of highly progressive demands — its central demands on the environment, unilateral nuclear



disarmament, withdrawal from NATO, elimination of nuclear power, guaranteed income, huge extension of democratic rights, radical demands for lesbian and gay liberation — together with an economic programme which is completely utopian — community issuing of money and reduction of foreign trade.

As a petty-bourgeois political force it means the Greens contain every current from the highly progressive to the reactionary.

The British Greens situate themselves on the right of the Green spectrum in Europe. This was clear from the response to the Euro-election result. On election night, Sara Parkin for the Greens was most concerned to stress they were neither right nor left. But this, rightly, did not stop any of the commentators referring to it as being on the left.

The vote the Greens received in the Euro-elections was of a composite character. While Labour lost votes to its left, and the Greens have their own left constituency, this does not explain the majority of the Green vote in these particular elections. Their particularly high vote in Southern England undoubtedly came from the collapsing vote of the SLD and SDP, and a to a lesser extent directly from the Tories. Such votes were not consciously cast to the left of Labour. Support for the Greens allowed a move away

from Thatcherism, and the sub-Thatcherism of the SLD, while avoiding the choice of voting Labour.

However, unlike the SLD and SDP, this 'centre' vote for the Greens is not at all to capital's liking. A Labour/Green coalition would be totally unstable for capital, whereas a Labour/Democrat coalition is a way of maintaining Thatcherism without Thatcher. The SLD is not a party of the petty-bourgeoisie, it is a party of big capital resting on the petty-bourgeoisie while the Greens are a petty-bourgeois formation. The SLD's programme retains Thatcherism. The Green's would dismantle it.

This creates a contradiction for the leadership of the Greens which they will be no more able to avoid than have their counterparts in Europe. A 'centre' vote could only conceivably be maintained by the Greens if it really was a 'centre' party of capital. But capital will never accept the Greens unless they completely abandon their anti-nuclear, anti-NATO policies — and that would destroy them.

That means that if Sarah Parkin and other right wing Green leaders want them to be a 'centre' force they will have to abandon the present Green programme — which of course is what the press is now demanding they do. The *Sun* is quite happy to have the Greens taking up individual environmental issues but it is

not prepared to have them tampering with such issues as nuclear weapons or nuclear power.

The small Association of Socialist Greens, a current within the British Greens, has very little influence at leadership level, and is apparently virtually excluded from the party's main committees. But their representative, Penny Kemp, a co-chair of the Greens, speaking to *Tribune*, expressed a very different approach from their right wing. 'There are those who believe that the Greens can be above right, left and centre. Speaking personally I think that's nonsense. We need to come out and say we don't approve of state socialism, but if the means of production is in the hands of the community and ecology is not left to market forces, then it must be a socialist party? And: 'If you take the basic income scheme, social justice, withdrawal from NATO, unilateral nuclear disarmament, they are all seen as policies of the left. Capitalism is not compatible with ecology.' This is, of course, unacceptable to right wing Green leaders.

The attitude to the Greens is clear. The bulk of their programme is progressive. An alliance of Labour with the SLD is reactionary — a policy for maintaining Thatcherism. An alliance with the Greens is not only progressive but necessary. Working out the basis of it is a key task of the left in the 1990s.

Unions — the legal noose tightens

The sharp upturn in use of the anti-union laws — now used against the tube workers, rail workers, and dockers — is an inevitable product of the situation in which the Thatcher government finds itself. It faces rapid growth of manufacturing output, rising inflation, and falling unemployment — classic conditions for an upturn in trade union struggle. In this situation capital has to find an alternative to the whip of unemployment to hold down wages.

In the 1960s and 1970s, the last time capital faced a similar problem, the solution turned to was incomes policy. Incomes policies are becoming fashionable once more in continental Europe — France and Holland are both operating one. But for the Thatcher government a general incomes policy, as opposed to a de facto one in the public sector, is politically impossible for two reasons.

Firstly incomes policies, to be effective, rely on reasonable relations with the trade union bureaucracy — who are required to police the working class. However Thatcher has based her entire political policy on attacking the trade unions, not dealing with their bureaucracy.

Secondly Thatcher's key political constituency, where she has genuinely won electoral support, is skilled manual workers. Yet, to be effective, skilled manual workers are exactly the group who would have to bear the brunt of wage controls.

But the only other substitute for the fear induced by mass unemployment is the trade union laws.

A new problem is posed for the government by the emergence of widespread unofficial industrial action both in the public sector and involving unions representing traditional skilled workers. The list includes London underground, the railways, London buses, the dock workers, passport staff, BBC

employees, and AEU members.

The most dramatic impact of this combination of rising struggles was the combined rail, underground and bus stoppage in London on 21 June. This was the most effective transport stoppage since 1926. For the NUR, the main union involved, it was only the second national official stoppage since 1955. Widespread industrial action has also taken place on the oil rigs.

The political problem for the government is that it has already tightened the law to point where it is no longer considered 'balanced' even by opinion polls. The array of powers to prevent or limit industrial action is already massive: the 1980 Employment Act outlawed secondary picketing; the 1982 Employment Act redefined the notion of 'trade dispute' to limit legal union action only to matters wholly to do with terms of employment and between employees and their own employer (accompanied by the notorious practice by employers of falsely sub-dividing companies into different legal units); the 1984 Trade Union Act made ballots before industrial action obligatory; the 1988 Employment Act gave union members the right to challenge industrial action in the courts if it had not been supported by a ballot and the right to compensation if penalised for ignoring their union's strike action. All this was backed up by an ideological offensive promoting such notions as 'giving the unions back to their membership'. British trade union laws are now the most restrictive in Europe.

The increasing display of the law is hamstringing the unions but adding to the government's political problems because the legal challenges to the unions are becoming more and more extreme and on flimsier and flimsier prettexts.

The right of employees even in one industry to take legal industrial action to safeguard

their jobs or conditions was threatened by the legal actions against the dockers, British Rail workers and on London underground.

The legal case against the dockers was tortuous in the extreme. The dock employers firstly challenged the wording of the ballot for containing insufficient information, then claimed a strike would be unlawful because it was against government policy not employers, and finally the employers won Appeal Court support for the contention that the National Dock Labour Scheme negated the right to strike of dock employees.

In the end the House of Lords was able to find in the TGWU's favour because it knew the date the Act abolishing the Dock Labour scheme would become law, and therefore the dockers could be threatened with loss of their redundancy payments if they struck. But the government will not always be so lucky.

The contorted tactics for taking unions to court were also graphically revealed when London underground management challenged the ballot of their employees on the grounds that it contained so much information it confused the members. The *Independent* of 12 May accurately expressed the situa-

tion: 'the ballot for industrial action on the London Underground was declared unlawful last week because the ballot paper contained so much information as to confuse voters; while the ballot for a docks strike has been criticised for containing insufficient information'.

The new threat from the government in response to the wave of unofficial action, in London underground in particular, is to introduce legislation making unions responsible for the actions of their members. This, however, would powerfully undermine the whole ideology of worker's 'independence' and 'giving the unions back to their members' which the Thatcher government has sought to use to cover over their anti-union laws.

The Thatcher government is not going to shift from its chosen course. It is going to respond to the upturn in trade union militancy by stronger and stronger action against the unions — laws which will hamper still further industrial action but will make these laws more and more a central political issue.

After a period in which the government was, unfortunately, able to gain widespread support for its legislation the anti-union laws are going to return right to the centre of the political stage.



Rail, underground and bus strike brought London to a standstill

NALGO backs Time To Go

This year's NALGO conference took place against a background of rising militancy in the public sector unions, and a ballot among NALGO members for industrial action on pay and conditions.

Additionally, representatives of members in the water industry voted to reject a 9 per cent pay offer, despite the leadership's recommendation to accept and are now to ballot on action.

Conference saw a number of key debates. However the most striking decision was that taken on Ireland. In an historic breakthrough, conference voted that Irish unity can only be achieved through 'the withdrawal of Britain and the British troops' and supported the Time To Go campaign. The motion also called on NALGO to prioritise this at the TUC.

This was adopted on the last day of conference, despite constant manoeuvring to keep the point off the agenda all through the week.

The key to NALGO's future lies in the merger with NUPE, which was taken further forward by conference. But the NEC fudges in its proposals on the political fund.

Conference voted to increase the weight of the NALGO women's conference, and the support for self-organisation of black members increased — although unfortunately still a minority position.

Finally, an ironic twist to Thatcher's trade union law making the election of general secretary's compulsory, has led to John Daly announcing his retirement rather than face election.

If the left seize the opportunity for a non-sectarian campaign for a genuinely representative candidate then it can register significant advance in the union.

TERRY LUKE
Islington NALGO

Women's conference supports unilateralism

The National Conference of Labour Women, meeting in Bridlington on the weekend of 24/25 June, voted to reject the Policy Review on unilateral nuclear disarmament.

One resolution, moved by MSF, reaffirmed unilateralism, called for a reduction in defence spending to at least the level of other European states, and for a programme of arms conversion. This was carried 49.68 per cent for and 29.16 per cent against.

A second resolution, moved by Bath Women's Council, called for a campaign for unilateralism, and for money to be diverted into growth and services. This was also carried by 46 per cent to 33 per cent, despite a National Labour Women's Committee recommendation to oppose. Clare Short, replying to the debate for the committee, said the resolution challenged the speed with which the international arms reductions talks were taking place.

Conference also favoured the merger of the National Labour Women's Commit-

tee with the NEC Women's Committee into a new single committee. However the proposals on its precise composition were remitted for further discussion.

A paper from the NEC Women's Committee proposed that it should have three divisions — the NEC women elected by the NEC, 11 regional representatives elected in the regions and 6 representatives elected by the unions at the National Conference of Labour Women.

The Labour Women's Action Committee was proposing that a further 6 places should be directly elected by the constituency organisations at the National Conference of Labour Women, on the basis of parity in voting representation between both wings of Labour women in the National Labour Women's Organisation.

Ann Pettifor, moving this position for Tooting Evening Women's Section, agreed that this should be remitted for further discussion if the NEC Women's Committee position was also remitted.

Clare Short, on behalf of the NEC Women's Committee, said that she did not have the power to agree to remittance, but was prepared to see a proposal to remit placed before conference. Conference then voted to remit the NEC position by 40.78 per cent for to 39.64 per cent against, and the Tooting position was therefore also remitted by the mover.

In the elections to the Conference Arrangements Committee, in the trade union section right-winger Jean Travis of Apex was defeated, and a new member, Joy De Freitas of the NCU, was elected, joining members of MSF and the AEU on the committee. In the Women's Section division, Anni Marjoram and Caroline Hall, supported by LWAC were elected, alongside Jean Webb of Militant.

Conference debated the Time To Go campaign, which held a very successful fringe meeting on Saturday lunchtime. After a brief debate conference endorsed the campaign.

ANNE KANE

Assault on NUS

The combined effect of top up loans and voluntary membership of NUS is the biggest threat to the students union that it has ever faced.

The government has now reached agreement with the banks on loans to students together with a reduced grant to be progressively reduced to the eventual goal of nothing.

The second proposal, for voluntary membership of NUS is designed to off set mass national action next year against the loans system. This will involve students having to opt in to NUS individually, threatening the relationship between local students unions and the national union. The plans for voluntary membership are to be outlined in the Queen's Speech this Autumn. The result hoped for is a drastic reduction in NUS's membership and its funding,

threatening its headquarters and democratic functioning, and the lessening of NUS's authority.

The anti-Labour right-wing in NUS are on the offensive in line with these proposals, attacking NUS for 'loony left' politics — the defence of the rights of women, black, and lesbian and gay students — and simultaneously running disaffiliation campaigns in local unions on this basis.

What does erode the support for NUS is the failure of its NOLS-democratic left leadership to run an effective national campaign against loans and its capitulation to the threat of voluntary membership contained in the depoliticising proposals they put forward in the name of 'democratic' reform of NUS.

Of a piece with this is their tactic of sending right-winger Cosmo Hawkes to defend



NUS against disaffiliation attempts. He had been to five of these in one week, his contribution to which has been to make witch-hunting attacks on the left.

If NOLS is not to become entirely irrelevant to the struggle to defend NUS from attack it must reverse this course. Mass action is now needed on a national basis to prevent the successful implementation of voluntary membership and loans — particularly now with the Tories showing so low in the polls.

POLLY VITTORINI

Peronism Mark III

Carlos Saul Menem, the Peronist candidate, won the presidential elections in beleaguered Argentina. His victory was down to the Alfonsin's Radical government's miserable failure to get to grips with the economic haemorrhage represented by the crippling burden of the US\$56 billion external debt. Nevertheless, in Argentina such a victory represents a shift in the relation of forces in favour of the working class.

The Alfonsin government has not only been beset by a worsening economic situation, but also with growing trade union militancy, bolder military restlessness in the form of several rebellions in key army units, and lately widespread rioting in several of Argentina's main cities to protest against the tightening of austerity measures following IMF's dictates.

Constitutionally Menem is supposed to step into the presidency in December this year, however, the Radicals, totally paralysed by the

economic crisis, are anxious to hand over power earlier than that.

Throughout the electoral campaign Menem, in exuberant rhetoric, has been promising everything to everybody.

Once victorious on 14 May, the rhetoric has completely gone and the picture we get is much closer to the truth. Menem has already agreed to quietly drop his pre-election promise to investigate alleged corruption in the outgoing Radical government; he has no real intention to pursue the investigation against members of the military involved in mass murder during the 'dirty war' when tens of thousands of left wing activists lost their lives despite recent rhetoric on the issue and the economic policy the Peronist government team has come up with is the need for a balanced budget the centrepiece of which is cuts in public spending. And he has considerably softened his stance on the Falklands.

The Peronists control the Congress, have mass support in the trade union movement

(unrivalled in Latin America for its military, strength, and degree of organisation), enjoy the support of the decisive sections of the bourgeoisie and have the endorsement of the military though not their trust.

On the surface this scenario looks like guaranteeing Menem an easy period in government, however, the crucial test will come when the Peronist team, once in office, implement their economic policies. For, the trade union movement has recovered its self-confidence and with an inflation rate running monthly at 100 per cent, it is very unlikely that the Peronist trade union bureaucracy will be able to successfully police workers' militancy which has been on the rise lately.

Having no serious policies to deal with the crippling external debt his popularity will fade as quickly as his rhetoric, raising the specter of a sharp class polarisation, intensification of mass struggles and growing political differentiation within the Peronist movement.

JAVIER MENDEZ

De Klerk's deal

In mid-June, FW de Klerk, PW Botha's successor as leader of apartheid South Africa, visited Western Europe.

Everywhere he went in London, he was harassed by anti-apartheid demonstrators, forcing cancellation of a visit to *Phantom of the Opera* — a small blow to the regime's efforts at 'normalisation'.

But, de Klerk was not in London to see the sights. After Thatcher's key role in letting South African troops off the leash in Namibia on 1 April, and her strenuous efforts on South Africa's behalf, he was here to carry on a political offensive to isolate the anti-apartheid opposition inside South Africa.

According to the *Guardian* (16 June), Britain is the fulcrum of this offensive. In exchange for the opposition accepting the legitimacy of the regime, in one guise or other, the regime is prepared

to offer various carrots — release of prisoners, including Mandela, ending the State of Emergency and the ban on the ANC.

It is certain they will not offer one person one vote for a single national parliament. They will retain the real power, economic and political, in their own hands.

Any negotiations premised on the legitimacy of the regime will fracture the opposition internally and cut away the pressure for sanctions and isolating the regime internationally.

The ANC's response has been clear. Aziz Pahad, speaking at the London rally against de Klerk's visit put it at its most basic: 'Apartheid cannot be reformed, only overthrown.' Oliver Tambo, addressing the Socialist International meeting in Stockholm, called for an intensification of the political struggle and the campaign for

sanctions.

The danger in the situation is that the British efforts to rehabilitate the regime are not only in cahoots with the USA (with George Bush in the role of 'soft cop' trying to walk on the UDF by inviting Albertina Sisulu to the White House) but also have the support of the USSR.

The South Africans are alive to the possibilities here. Niel Van Heerden, South Africa's director general of foreign affairs, commented: 'South Africa cannot afford to ignore the opportunities and challenges which a relationship with the Soviet Union, however minimal, may hold.'

This will aid imperialist efforts to isolate the opposition. It is vital that the labour movement is not confused and disoriented by the political offensive that is to come.

PAUL ATKIN
Islington AAM

Panama:

US imperialism had another go at trying to remove Noriega from power in Panama. The opportunity came during the presidential elections in that country held on 7 May which the Bush administration hoped would give a clear win to the opposition candidate Guillermo Endara, against Noriega's candidate, Carlos Duque. US imperialism launched a massive propaganda campaign against Noriega whilst simultaneously pouring US\$10 million in the electoral campaign of the opposition.

Three days after the election, the opposition candidate supported by the Democratic Alliance of the Civic Opposition (ADOC), a combination of bourgeois parties, claimed victory, which was disclaimed by the Panamanian regime.

In response ADOC called for a general strike ostensibly aimed at paralysing the country, but whose actual purpose was to foster political chaos in order to justify US military intervention. The 'strike', however, failed miserably.

The US, once it learned of the strike failure, blamed Noriega for the violence and let it be known that it was sending additional troops to the Canal Zone 'to protect US citizens'. In response, Yolanda Pulido, chair of the Panamanian Electoral Tribunal declared the election null and void because of 'many irregularities by the opposition', outmanoeuvring the US.

Bush changed tack and decided to launch a 'democratic' offensive involving the Organization of American States.

But, after difficult negotiations the US was forced to soften its position and accept a highly moderate OAS resolution — adopted by 20 votes against 2 (Panama and Nicaragua) and 7 abstentions — which called for a national accord in Panama which 'can bring about,

the US fails again to oust Noriega

through democratic mechanisms, a transfer of power in the shortest possible time, and with full respect for the sovereign will of the Panamanian people'.

However, the OAS fell far short of the US objectives for it did not demand Noriega's resignation, nor did it recognise Endara's victory. Furthermore, the resolution contained a strongly-worded section against military intervention by the US in Panama.

Faced with the failure of the OAS card, Bush, in a desperate move, called on the Panamanian Defence Forces to oust General Noriega, a call which was not heeded, in fact it had the opposite effect: Noriega's position in the PDF has been strengthened.

What ought not to be lost sight of is the central issue which motivates the US onslaught on Panama. The US is bent on abrogating the 1977 Treaty signed by Carter and the then leader of Panama, General Omar Torrijos, which will give full control over the Canal to Panama in 1999.

The Canal and the US military forces (12,000 strong) stationed there represent a key strategic and logistic position in the event of the US launching a military invasion of any of the Central American countries, especially Nicaragua.

In compliance with the Treaty the US has already handed over to Panama eight military installations with more to follow soon. Thus far US efforts to reverse the 1977 Treaty and gain total control over Panama have failed, but there is every reason to think that it will keep trying everything in its power to try to regain full control over the strategic waterway which it guarantees a formidable military position from which to crush the revolution in Central America.

JAVIER MENDEZ

After the Polish elections

SOLIDARITY won all but one of the seats available to it in the partial elections to the Polish senate and Lower House whose second round was completed on 18 June. Solidarity has 99 out of 100 Senate seats and 161 out of the 460 seats in the lower house — the remainder being reserved for the Communist Party and its allies.

The defeat for the regime was shattering — a total rejection of the Stalinist bureaucracy that has led Poland into its present crisis. They also showed massive support for Solidarity.

But the election campaign also brought into the open the different class currents in Polish society and within Solidarity itself — from those openly arguing for the restoration of capitalism, through pro-capitalist social democrats like Lech Walesa, the Stalinist bureaucracy now pushing the market reform, to currents defending the living standards and jobs of the working class.

Solidarity's election campaign organiser was, Andrzej Machalski, a leader of the 'Economic Action' group which calls for the removal of price controls on consumer goods, for the market to determine which companies go bankrupt and for state-owned housing to be privatised.

The one non-Solidarity candidate elected to the senate was Henry Soklosa — a millionaire entrepreneur!

The elections also showed the deep suspicion of the Polish working class for the social pact which underpins the elections, as well as its political limits. This was reflected in the remarkably low turn-out of only 62 per cent in the first round — far lower than anyone anticipated.

The Polish Socialist Party (Democratic Revolution) and other groups called for a boycott of the election.

Although Solidarity's leadership has refused to join a coalition they support the market reform. Lech Walesa has been warning workers

that strikes will deter Western banks from extending credits to Poland.

The government would like to close 150 money-losing factories and coal mines this year and also wants to cut subsidies which amount to \$170 million for milk alone — roughly equal to Poland's total defence spending. 'If that became a trend, economists estimate 10 per cent of Poland's enterprises would fail immediately' (*Business Week* 5.6.89).

Jaruzelski and Walesa followed up the elections with visits to Western banks and governments seeking financial backing to soften the impact of these measures. Bronislaw Geremek, Solidarity's most prominent leader after Walesa, visited London to meet Margaret Thatcher on 21 June, and warned that if elections were followed by price rises, inflation and falling living standards 'the result could be a social explosion: not just unrest and a series of strikes; but an explosion. In this situation Solidarity could be considered a part of the establishment.'

One plan 'approved in principle by experts from the Warsaw government and Solidarity' proposes that the government would 'hand over all Poland's state owned enterprises to a liquidating agency. This would reorganise them into joint stock companies and find owners for their capital — 25-35 per cent being put into trusts to service the debt. Other shares would be sold directly to investors "at home or abroad" and the balance would eventually be disposed of through the creation of a free capital market... A monetary stabilisation scheme would involve a cold turkey treatment of inflation in which price controls and subsidies are removed all at once... It would mean a drastic shedding of manpower in the state enterprises to make them profitable and therefore attractive to private investors.' (*Financial Times* 22.6.89).

However for these plans to work Western finance is need-



ed. Poliburo member Jozef Czyrek explained: 'Privatisation can only work through cooperation from abroad. We have no private capital in Poland.'

Here imperialism's policy towards Eastern Europe is now clear — the eventual aim is the restoration of capitalism in at least some of the East European states and the first step is to soften them up internally through the market reform and support to pro-capitalist political forces: 'Now the focus is on economic and political restructuring within Eastern Europe, looking to the private sector both within the region and outside to lead in a free market direction... On the political side, for example, Mr Mark Palmer the US ambassador to Hungary has organised direct help to non-communist political parties by the US National Endowment for Democracy and to independent trade unions by the AFL/CIO.' (*Financial Times* 5.5.89).

With this aim imperialism is restricting credits to the minimum and tying them to step by step introduction of market reforms trying to make the bureaucracy pay the political price for unpopular measures.

Solidarity itself will be deeply divided by Walesa's attempts to use it to police the market reform because it was created to defend Polish workers against these types of attacks on their living standards. The PPS(DR) and other groups are demanding that the workers have the right of veto over the privatisation of their enterprises. In February this year, for example, 12,000 coal miners in Belchatow went on strike against a wage agreement because it gave higher paid workers larger percentage increases than the lower paid. That is just a foretaste of what the economic plans now being mooted could unleash in Poland.



'The objective has to be to break the British connection'

Speaking at the Time To Go Show in London on 17 June, GERRY ADAMS stressed the importance of a broad and unitary movement to get Britain out of Ireland. We publish extracts of his speech.

The crunch question of the entire conference is on what basis do people here campaign?

What is difficult for people in Ireland to understand is the factionalism which sometimes divides the British left. My position is that the whole question is one of Irish self-determination and on that basis progressives, socialists, democrats and internationalists in Britain should be supporting the Irish struggle.

But if somebody says to me, look I don't think you should have the right to self-determination, but I hate you and I'm going to leave on that basis I'm not going to say, but that's the wrong reason for leaving, stay, I want to convert you. Or if someone says well I'm just sick of the whole thing, I want to get rid of your country, I'm not going to say that's the wrong reason.

The best reason is a progressive and democratic reason but you have to be able to develop here in Britain a movement which soaks up the various pieces of sentiment. The progressive elements must be in the ascendancy, but if it is possible to soak up democratic sentiments, people who are just sick of what is happening there, civil libertarians, people who don't know so much about partition but know it is wrong to kill people with plastic bullets, wrong to be under censorship.

There are people who support the struggle in South Africa and who don't support the ANC, there are different extremes of attitude in the movement. ... we cannot be exclusive. It is twenty years on. In reality it

is longer than twenty years on. I don't want to bore people and go back over centuries of penal laws, of the halving of the population of Ireland through starvation in the 'Famine'. The history of Ireland is a history of repression and of resistance to oppression...

What is required to end the suffering is to organise around a programme which encompasses the rights of nations to self-determination, which encompasses a feeling of the futility of twenty years of British occupation, the civil rights violations, the daily issues of repression. Around all of those we agree, and we must develop as best we can and set aside our factional difference because it is a matter of life and death...

This weekend is one of the times we can make a new start by resolving not just the whole question of Ireland and Britain's involvement but where a solidarity movement, the time to go and withdrawal movement goes... and start to develop a movement whose objective is to end the partition of Ireland and to break the British connection with Ireland. Call it what you want, present it in whatever form you want, describe it in whatever terms you want, but the objective is to end the British connection, to end British rule in Ireland.

The question has to be kept broad. The Irish people have the right to national self-determination. Or broader still: does the British administration in Ireland play a useful role in Irish interests. And it doesn't. The answer must come that it is time for the British government to go...



Time To Go

Show — big success

THE success of the Time To Go Show on 17/18 June marked a major step forward for the campaign's aim of taking support for British withdrawal from Ireland into the mainstream of British politics and society.

Eight hundred people attended the conference over the two days, participating in over fifty workshops. They heard speakers from a broad spectrum of political opinion in Ireland and Britain.

Those who attended reflected the breadth of support Time To Go has been able to muster. Starting from the position of uniting all those who favour British withdrawal — whatever their differences on other issues, on tactics or perspectives — Time To Go has drawn together wider support in the Labour Party and other parties, the trade unions, women's movement, student movement and Irish community than any previous Irish campaign.

Those on the left who have spent the last year warning of the danger of the campaign's 'revisionism', that it was not 'pure' enough or was prepared to accept support from any quarter had their answer not just in the attendance but by several speakers, including Gerry Adams, who addressed the dire need to overcome such factional traditions on the British left. It was a pity that many of those who have spent their time engaged in such destructive antics, including Labour Briefing and Worker's Power, were not at the conference to hear or participate in this discussion.

Of particular note at the conference was the very high

proportion of women attending, representing a breakthrough for the withdrawal movement in this country.

For many years Ireland and what was happening to Irish women were considered not feminist concerns, something, as one contributor said, to be left at the door of the women's movement in Britain. This chauvinism spurred the development of Irish feminist organisations and of women's campaigns for withdrawal from Ireland, which in turn contributed to developments such as the support for British withdrawal from Ireland by Labour Women's Conference in 1986 and, together with the impact of related debates in Ireland itself, relentlessly hammered Ireland onto the agenda of the women's movement in Britain. On the other side, the withdrawal movement had long been an excessively male dominated movement, deprioritising the concerns of women in Ireland, alienating and losing the valuable support of many women.

The next step in taking Time To Go into the mainstream is to ensure the largest and broadest attendance at the demonstration and carnival in London on 12 August. Time To Go activists went away from the weekend with detailed plans for maximising attendance.

Now that the success of Time To Go is established discussions are underway for developing the movement following August.

The challenge now is to use this hitherto unknown unity on Ireland to take Time To Go into the mainstream of British politics and public opinion in the coming year.

ANNE KANE

The end of Thatcherism?

THE results of the Euro-elections mark a significant shift to the left in British politics. The Tories' were 6 per cent behind Labour — indeed they received their lowest support in a national election since 1859! While this very bad result is partly due to the low poll — Labour voters in the North turned out better than Tory voters in the South — there is no reason to suppose it will substantially improve in the short term, because underlying this result is the failure of Thatcher's economic strategy, and the strain being placed on the British economy by the situation following the 1987 stock market crash, argues SYLVIA ASHBY.

Thatcher's disarray was confirmed by the devastation of those forces which had most closely tied themselves to the coattails of Thatcher. This is particularly the case with Owen's SDP, which was crushed, but also applied to Ashdown's SLD — which had been shifted sharply to the right since the General Election over issues such as Trident and the stated objective of 'replacing the Labour Party'. The turmoil of the name they should be known by, and the decision to revert to the use of 'liberal', reflects this impasse.

The elections saw a shift to the left, with a swing to Labour of 8.5 per cent, and the vote for the Greens, at nearly 15 per cent, the highest in any European country, with a significant vote to the left of Labour. This shift to the left in the election paralleled the developments industrially, with a very sharp upturn in struggle. The outcome of the Euro-election marks a significant shift to the left in the political situation in Britain and will set the framework for developments leading into the next General Election.

Two features stood out on the left: the advance for Labour and the Green vote. The advance for Labour was significant, despite being lower than predicted by the exit poll on the Thursday of the election. The result is being hailed by Kinnock as due to the policy review, and there is no doubt that one effect of the election will be strong tendencies to reinforce Kinnock in the labour movement.

But in reality the most dramatic development was the massive Green vote, at nearly 15 per cent it is the highest Green vote registered in a major election in any European country. This vote cannot stabilise at anything like the level registered in this Euro election, but a significant minority Green vote can now be expected as a permanent feature of British politics.

While the Greens in Britain are aligned with the more right-wing Green forces in Europe, the French rather than the German Greens are their model, their present programme of unilateral nuclear disarmament, withdrawal from NATO and the EEC and opposition to nuclear power places it to the left of Kinnock and the Labour Party on a number of absolutely central questions.

Its vote in this election undoubtedly was a composite vote. The majority of its support this time came from

the SLD, the SDP and a straightforward protest vote, however a significant section of its hard core vote is a vote to the left of Labour. This is the first time that a serious force with a mass vote to the left of Labour has emerged as a factor in British politics.

The willingness to vote to the left of Labour is seen most clearly in Scotland where 34 per cent voted for either the SNP or the Greens. While the SNP is not a party to the left of Labour, it is presenting itself as such at present through its campaign of refusing to pay the poll tax.

The Greens' policies are not acceptable to the bourgeoisie, and would have to be abandoned to make them acceptable to any section of British capital. The Greens are a petit bourgeois political formation, and therefore the orientation of the labour movement should be to win it to an alliance with the working class.

This is not the orientation of the present leadership of the Labour Party nor of the Greens, which, in both cases, is firmly in the hands of the right. The tendency of the leadership of the Greens is to shift the party further to the right with the aim of picking up Tory and Centre party votes in the South of England, however there are forces in the Greens which will oppose this direction.

The shift to Labour, the high vote for the Greens, the crushing defeat of Owen, and the setback for Ashdown indicate on the electoral field the growing disarray of the Thatcher government.

The weakening of Thatcher is similarly underlined by the deep ructions in the Tory party that marked the election period, most spectacularly between Thatcher and Heath, but most importantly between Thatcher and Lawson. Heath's public row might have been a bit predictable given his history, but the result of the election was accompanied by specific attacks on Thatcher from a much broader spectrum of the Tory party.

The debacle of the SDP and the slump of the SLD are signs of the same processes at work. The SDP is the political force which had most aped Thatcherism, with Owen taking the SDP on a sharply right-wing and pro-Thatcher course. The slump of the Thatcher government therefore obliterated the SDP.

The replacement of Steel with Ashdown in the SLD also indicated a shift to the right in that party, with it

hardening up its positions on Trident and other questions. While not yet destroyed this sharpened orientation to the right has also reaped a massive slump in votes.

Despite Kinnock's claims for the Policy Review, the shift to the left in the elections was entirely due to the disarray of the Thatcher government and the situation of the economy. In particular it showed Labour did not win a single vote by abandoning unilateralism. For every vote that Labour gained through abandoning unilateralism, it lost at least one, if not more, to the Greens and SNP. The increase in Labour's vote came not with the Policy Review but as Thatcher's economic problems set in.

'The increase in Labour's vote wasn't due to the Policy Review, but Thatcher's disarray'

The underlying causes of the results of the Euro elections were most starkly revealed by a NOP poll carried out among voters who had shifted their votes to Labour at the elections on Thursday 15 June.

The reasons for shifting to Labour were given as due to government policy 29 per cent, dislike of Thatcher 18 per cent, that Labour is more European 11 per cent, Labour is more credible 9 per cent, as a protest vote 6 per cent, but only 5 per cent gave their reason as Kinnock is moving the Labour Party in the right direction. Contrary to the claims of the Labour Party leadership, only 5 per cent of those switching to Labour at this election did because of the process culminating in the abandonment of unilateralism, while 47 per cent did so because they objected to the current impact of government policy.

The decisive influence of the economic situation, especially inflation and increases in interest rates, was revealed by which issues those polled stated as determining their votes. The poll, which allowed more than one answer, revealed 40 per cent saying the economy and inflation, 36 per cent the NHS, 27 per cent the poll tax, 17 per cent mortgage and interest rates, and 16 per cent a European issue. Unilateralism and defence policy simply didn't figure!

Moreover the Euro-elections were not the unmitigated success for Kinnock they at first appear. The vote in the South of the country was several percentage points lower than in the North and Scotland, indicating that Labour voters turned out better in the Euro-elections than Tory voters. This would not be the case in a General Election, meaning that the gap between Labour and the Tories would be narrowed even on present support for the two parties.

In both the Vauxhall and Glasgow Central parliamentary by-elections Labour's vote improved considerably less than in the Euro-elections overall. Labour's improvement in Vauxhall was only 3 per cent, compared to the national swing of 8.5 per cent. And in Glasgow Central Labour fell 10 per cent, while the SNP gained 20 per cent.

Moreover, the swing to the opposition party in mid-term of a government, is generally higher than by the time of a General Election. Labour's vote at 40 per cent was not substantially higher than its vote in previous mid-term elections, although the deteriorating economic situation suggests it will hold up far better

than previously.

Things could go badly wrong for Thatcher if the economic situation became decisively worse, but the government will be planning for the effects of tightening the screws on domestic consumption to hit hardest mid-term, with an easing of the situation in the run-in to a General Election. What is clear is that the next General Election is likely to be nearly three years, rather than two years away.

This situation means that, despite the post-election euphoria, Kinnock and the Labour Party are not at present on course to win the next General Election. This will become clear over time, meanwhile the left must pose the issue of the necessary tactics to win a majority for Labour. This means winning the votes that went to the Greens in this election — abandoning unilateralism, supporting nuclear power, and stepping up support for NATO are evidently not the means to achieve this.

Moreover the Greens are clearly sensitive on questions of feminism — and will probably be so on racism if the issue is posed. These questions remain the key to further Labour advance and should be at the centre of the tactics of the left.

The electoral slump of the Thatcher government flows directly from the economic situation and the failure of Thatcher's economic strategy — a balance of payments deficit running at the highest proportion of GDP since the second world war. This is the root cause of Thatcher's problems. It is not a blip and it will not go away.

The Thatcher 'economic miracle' was simple, for eight years the proceeds from North Sea oil were used to plug the gap in the balance of payments created by the destruction of manufacturing industry. The resulting mass unemployment was used to police the working class, while the better off sections of the working class benefitted through real increases in their income.

Thatcherism never lay in the 'novel, innovative, hegemonic political force' which *Marxism Today* claims it to be even today. Thatcher's secret was not her ideology it was North Sea Oil revenue. Its aggressive policies of privatisation of Telecom, electricity and gas have restructured the British economy, but have not modernised it. The £110 billion in oil revenue meant Thatcher could temporarily disguise the historic problems of the British

Labour stalls in Scotland

Labour claimed that it had stopped the SNP bandwagon at Glasgow Central. But the truth is that both the by-election and the Euro-elections were deeply disturbing for Scottish Labour. Labour's vote in Glasgow Central fell by 10 per cent. The SNP's vote increased by 20 per cent.

In the Euro-elections Scotland was the only part of the British state in which Labour's vote actually fell by 0.5 per cent. The combined vote of two explicitly unilateralist, and strongly anti-poll tax parties, the Greens and the SNP, is now only 9 per cent behind Lab-

our. The demagogic nature of the SNP, however, was clarified in the weeks before the poll in its vote in favour of privatisation on Tayside council.

The most astute analysis of election night, however, came from Jim Sillars. Sillars stated that the Euroelections were particularly favourable for Labour because it appeared it could win a general election. But when the actual election came in 1992, and Labour looked like it would not win a majority, as Sillars anticipated, there would be a dramatic switch to the SNP in the last weeks

of the campaign to assert opposition to Thatcher.

Given the feebleness of Labour's opposition to Thatcherism in Scotland that perspective unfortunately has some credibility.

The hopeful sign in the election was the collapse of the SLD vote, down 15 per cent to only 4 per cent, and the reduction of the Tory vote to 20 per cent and no Euroseats.

With Labour's vote stalled in Scotland if the left does not reassert itself before 1992 this may well translate itself into a loss of Labour seats at the next election.

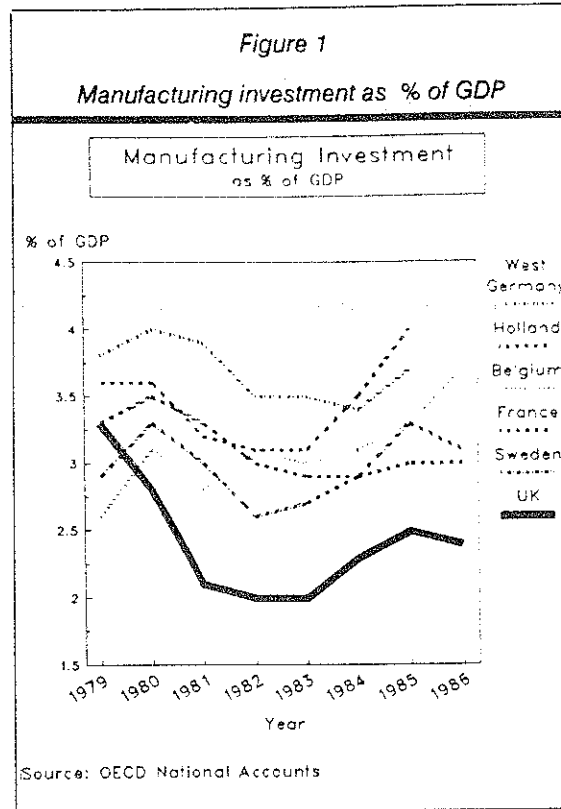
economy and avoid pushing through a deep-going reorientation. That the economy was dominant can be seen in the way Thatcher's support has declined immediately that economic base was undermined.

The economic course of the Thatcher government is clear. Domestic manufacturing industry was crashed. Manufacturing output fell by 15 per cent in the first two years of the Thatcher government, while the imperialist character of the British economy was reinforced still further. More than £139 billion of foreign investment flowed out of Britain from 1979-87. After decades of decline British capital's share of world foreign investments increased.

But, under the impact of the fall in the real price of oil, the oil surplus in the British balance of payments has fallen from £6 billion at its peak to a little more than £1 billion in 1988. This can no longer plug the widening trade gap particularly as the framework of the world economic system post-1987 crash becomes clear. The United States has exploited its unique position in the world economy and irreplaceable world political and military role to create inflows of Japanese and West German capital to finance expansion of the US economy, and using threats of protectionism and future dollar devaluations to begin to limit the penetration of its imperialist competitors into the US market. In response, Japan and the NICs have shifted a larger share of their exports into Western Europe, while within Europe, West Germany has driven through its dominance against the economically weaker European powers, including Britain in particular.

With the British economy being squeezed by its more powerful competitors, and the oil revenues remaining substantially below the levels necessary to plug the gap, Thatcher's economic strategy has begun to hit the rocks.

With a £15 to £20 billion balance of payments deficit, capital has no choice but to rebuild manufacturing, to boost exports and reduce imports, whilst reducing domestic consumption. The problem is made more acute by the fact that British imperialism is not prepared to scale down its other activities in order to rebuild manufacturing industry. Instead it is trying to achieve this 'on the cheap'.



Expanding manufacturing to bridge the gap with British capitalism's competitors requires a vast increase in investment. Britain devotes the lowest proportion of its GDP to investment and to manufacturing investment in particular of any of its main imperialist rivals. (See figure 1)

Its skills level is appalling — only 37 per cent of people in Britain are educated to the age of 18 compared to 98 per cent in Japan. Britain has a lower proportion of students in university than Singapore. The crucial layers for expanding education and training, teachers and university teachers, are under systematic attack from the government. Instead of trying to rebuild the economy on a high tech basis the policies of Thatcherism have instead pushed it downwards into a 'screwdriver' assembly plant for, increasingly, overseas manufacturing capital.

Despite all this however there is no option but to make an increase in manufacturing investment. Therefore the first question is where will the resources to increase such investment come from? As Thatcher rejects any possibility of cutting defence spending or overseas investment, and is determined to keep the British economy open for the City of London, there is only one possible source — from the working class.

This is also the line taken by

Labour in its policy review. Thatcher's proposal is to attack living standards by holding down wages and attacks on the social wage, and maintaining the level of unemployment. The Labour right proposes to do the same thing through incomes policy, taxation and devaluation.

The recent upturn in industrial struggle must therefore be understood as simply the opening round in a fight over the social product between capital and the working class which will go on not just for the summer months but will set the framework for the next years in British politics.

Inflation, as long as wage rises stay below it, is itself a key method of attacking working class incomes. However to try keep the rate of real wage increases limited by inflation means maintaining the low level of industrial struggle that has marked the last few years. But it is not at all clear that this can be done. The shift in the economic situation favours the working class's capacity to struggle, and underpins the current upturn in industrial struggle.

British manufacturing industry has already been growing rapidly over the last few years. Manufacturing growth since 1979 has overtaken that of France, and is catching up with Italy and West Germany — although all the countries of Europe lack far behind the United States and Japan. In the early 1990s growth in manufacturing is projected to outstrip growth in the service sector.

This has been a perceptible tightening in the labour market, despite the continuance of mass unemployment. Unemployment is now at its lowest level since November 1980. Although it is the services sector of the economy which is absorbing the growth in the labour market, the number of workers employed in manufacturing has not fallen significantly for two years, and average overtime worked in manufacturing is now the highest since 1979.

It is the combination of rising manufacturing output, a tightening of the labour market, and inflation running at 8 per cent, which is giving firm foundations to the present upturn in industrial struggle, by objectively strengthening the relationship of forces in favour of the working class on the industrial field. Attempts to impose a de facto incomes policy in the public sector spreads the struggle there.

'Thatcher is trying to rebuild the economy "on the cheap"'



'Thatcher's disarray has already hit the Hammond wing in the unions'

At the same time Thatcher is attacking the living standards of those sections of the working class and 'middle class' whose real incomes have risen during the Thatcher years, those with mortgages, extensive credit, and so on, in the higher paid sections of the working class. Rising interest rates and inflation apply the squeeze to the living standards of

precisely those sections which have tended to gain from the Thatcher government.

This, combined with the restructuring of the economy to try to get health, education and other services on the cheap — leading to proposals for 'assembly line doctoring' for example — has led to clashes not simply with traditional sections of the

working class, but to the sharp clashes with doctors, lawyers, university lecturers as well as the long running and rancorous dispute with teachers and other white collar sections.

The turnabout on the industrial field is now sharp, with strike ballots or action on the docks, the railways, the London underground and buses, engineering, power workers, the oil rigs, the car industry as well as among university lecturers and passport office workers. Local government officers look set to vote for strike action.

In the ballot against BR's imposition of a 7 per cent pay settlement and ending of national collective bargaining, NUR members voted 3-1 in favour of an overtime ban, with 60 per cent supporting one day strikes, on a 70 per cent turn out of the union's 75,000 members in British Rail.

In the same series of ballots London Underground workers voted by 4-1 in favour of strike action against proposals to change station working arrangements, on a 60 per cent turnout, after the courts had ruled the NUR's original ballot illegal.

Drivers and guards on London Underground voted by an overwhelming 10-1 for strike action over the conditions for the introduction of one-person operated tube trains.

Despite the vote by ASLEF conference not to link their pay claim to the proposed abolition of national collective bargaining on the railways, which undermined the prospects of a united fight with the NUR, the union is currently balloting on its own pay claim of £64 per week.

The turnout in the first dockers' ballot was 90.8 per cent, with a 3-1 majority supporting a strike.

The wave of unofficial strikes which have hit the North Sea oil field have a particular significance. Oil production is a bedrock of the British economy, but oil production workers have scarcely flexed their industrial muscle since the North Sea oil field opened. The current wave of strikes poses the effective unionisation of the oil fields for the first time.

The disarray of Thatcherism, and the linked rise in industrial militancy, was already having a clear political impact in the unions before the Euro-elections, with a weakening of the pro-SDP Hammond wing of the labour movement. The AEU presents the clearest indication of this.

A recent survey of East Midlands AEU members revealed that over 75 per cent own their own homes, considerably above the average levels of home ownership for the region. The *Financial Times* pointed out: 'In view of recent increases in mortgage repayment levels, it (the survey results) helps to explain why employers such as Jaguar and Peugeot-Falbot have had difficulty in gaining acceptance of their pay offers from their Midlands workforces.'

The economic situation and the government's attack on working class spending power has hit the AEU politically very sharply, undermining Jordan's whole project for the union, resulting for the first time in significant opposition to his position as union president. The first casualty of the changing situation was the proposed AEU/EETPU merger. The vote by the AEU NC, by 61 to 58, to reject the proposed merger between the AEU and the EETPU was a massive set back for the Hammond wing of the trade union movement.

Hammond's project was to take a much strengthened EETPU back into the TUC through the AEU merger, to continue the fight for his particular brand of aggressive business unionism, based on no-strike deals in the labour movement as a whole, with the aim of an eventual majority within the TUC — or more probably a new split. Now the EETPU seems stuck outside the TUC, with the forces opposed to its readmittance gaining ground. Instead of back in the TUC as part of one of the largest unions in the country, the EETPU is facing competition for members from other engineering unions in a workforce that is becoming sharply more combative. Its membership of the CSEU is now challenged, and it is forced back into discussing merger with the UDM — hardly the same kettle of fish as the AEU.

In the context of an improved economic relations of forces for the working class Thatcher has made a turn to a rapid escalation in use of trade union laws. The appeals of the employers for new and tougher legislation, particularly on unofficial strikes, are becoming more and more strident. The employers are seeking to create through the use of the law what they can no longer gain through mass unemployment.

In the case of the dockers repeated court rulings against the unions' right to call a strike have been used to

attempt to erode the overwhelming sentiment for action to defend the dock labour scheme.

In a new type of ruling the courts decided that the wording on an NUR ballot paper for London Underground workers was illegal. And the employers attempted a last ditch legal challenge when the re-run ballot produced a further clear result in favour of strike.

The response of rail-workers in London was to clandestinely organise a series of unofficial one-day strikes. The runaway success of these strikes, coupled with the effective unofficial strikes in the North Sea oil fields, and a series of unofficial strikes in the engineering industry, has prompted employers to demand more effective legislation — essentially to hold unions responsible for any action of their members. This of course sharply undermines the Thatcherite myth that its aim was 'to return the unions to their members'. On the contrary the bureaucracy is now to be used to police their members.

The *Financial Times* has devoted more column inches to the discussion of further trade union legislation than it has to the Euro-elections. In the discussion of different options that might be introduced, two receive particular favour. The West German model where only an officially recognised trade union has the right to call a strike — however legal constraints on calling strike action are not so stringent as they are in Britain. This would mean prosecuting individual workers who breach the law on strike action. As the main strategic target in Britain remains to weaken the trade unions as such, the proposal to make individual trade unions legally responsible for the actions of their members, has met with even greater favour.

The truth is that both the employers and the government are now increasingly reliant on legal restraints to hold back trade union struggle, and are forced to move on from limiting the right to picket, and secondary action, to straightforward restraints on the right to strike at all.

Defence of the unions, and the repeal of Thatcher's anti-union laws is set to become a decisive element in the political struggle within the labour movement. Kinnock is clearly pledged to maintaining the bulk of the trade union legislation, but as these laws become more and more

crucial to the relations between the unions and the employers, union opposition is likely to harden up.

This is the constant contradiction for the bourgeoisie of the existing structure of the Labour Party, giving the unions decisive political sway. The influence of the unions was used to push through the Policy Review, on the basis that this would make a Labour government more feasible. The union bureaucracy is prepared to sacrifice every political question — unilateralism, foreign policy, nuclear power and so on — in order to elect a Labour government. Only one thing is more important — the existence of the unions themselves. They are not demanding the complete overturn of the trade union laws, but they do and will resist attempts to drive down their membership, and threaten their existence. And on this they will confront the Labour leadership, even a Labour government as the winter of discontent revealed. It is this contradiction that means the right is already moving to weaken the union block vote.

The net result of the situation is a contradictory one for Kinnock. While the immediate outcome of the Euro-election is to strengthen tendencies reinforcing Kinnock in the Labour Party, an improvement in the relation of forces, and that is what is taking place, will inevitably finally favour the left.

This is already clear. The sharp turn in the industrial situation is already shaking things up in the unions and this will eventually find a reflection inside the Labour Party.

Secondly, the Euro-election result saw for the first time an electoral challenge to Labour's left. The economic deterioration of Thatcherism is now sharply working through into the political field.

After ten years on the offensive Thatcherism's potential for destruction is not yet completed. Further privatisations and further anti-union laws will follow. Ashdown's SLD, with its aim of preventing the formation of a majority Labour government, exists to ensure Thatcherism continues even without Thatcher. Kinnock is so inept Thatcher can still win the 1992 general election.

But one thing is clear. From a strategic point of view the 1989 Euro-election, with the economic and trade union shifts which accompanied it, represented the beginning of the end of the Thatcher government.

'The shift in the relation of forces must finally favour the left'

West Germany's Red/Green alliance

The emergence of the Greens everywhere across Europe has been accompanied by a struggle between the left and the right within them. The West German Greens are the most successful and most politically advanced of the European Greens. They have entered coalition governments with the Social Democrats in Berlin and Frankfurt following successes in the January elections earlier this year. In Berlin the Greens are represented by the Alternative List (AL). We spoke with HARALD WOLF, who is political coordinator for the AL in Berlin.

Could you tell us what the AL is and how the coalition came about?

The Alternative List emerged after 1971 from the old radical left and the new social movements: civil rights, ecology, women, and particularly the housing struggles in Berlin which in 1981 led to the fall of the old Social Democratic government of Berlin. It represented a decline in the old sectarianism on the left — an electoral alliance between many diverse groups.

It had a slightly different history

to the Green Party. The left is stronger in it, and the ecology issue is less central to it, but it votes in Green Party congresses and effectively represents the Green vote in Berlin.

Its support has risen steadily. In 1979 it won 3.6 per cent of the vote, in 1981 7.3, in 1985 10.6 and in the last elections which brought it into the government, 11.8 per cent. This compares with a 36 per cent vote for the Social Democrats.

Why do you think the conservative government of Berlin fell and why do you think you won?

The Conservative (Christian Democrat) vote has fragmented. The small Liberal party has almost vanished. A new neo-fascist party, the republicans, captured 7 per cent of the vote, and the SPD and AL both increased their vote.

The conservatives have lost their hegemony. Since 1968 there has been a continuous change in consciousness, which is strongest in Berlin because of the weight of the new social movements there. The old values of the alliance with the USA, crude anti-communism, support for the family (which simply means support for male oppression), hierarchy and keeping everything in order no longer appeal to the rising generation.

The conservatives have made attempts to integrate this changing consciousness but their actions speak for themselves. They have attacked social security and the health service.

They have no reply to Gorbachev. It is not convincing to respond simply by pursuing the arms race and the old anti-communist values. The small moves they have made are destroying their power of integration to their right. The old values have simply resurfaced in an independent party.

It is vital to understand that the Berlin result would have been impossible without the politics of Gorbachev. This showed that changes in East-West relations were possible and gave the initiative to those who were prepared to take them.

What do you think you have achieved?

We were not really satisfied with the results of our negotiations with the Social Democrats. It was, however,

worth throwing out the conservatives and we have achieved important reforms. We have made advances in immigrant rights. We have been able to ameliorate the effects of some of the repressive laws, at least as far as we are allowed to do so in Berlin, given our relation to the Federal government.

We have a commitment to increased public transport and a reduction in car traffic. We are also embarking on a reform of administrative structures with more rights for the local districts.

We have introduced a 50 per cent quota for the recruitment of women in the public sector. State contractors now have to satisfy requirements concerning the employment of women and a number of social measures have been enacted which affect women. For example the senate decided that the cleaning contractors, who employ mainly immigrant women workers without proper insurance, must now have proper social security provisions.

Perhaps the most important, however, is that there is a new coalition in favour of new relations with the German Democratic Republic and an end to the revanchist attitudes which have dominated the last eight years of conservative rule in Berlin.

It is impossible to deal with the cultural, economic and political problems of Berlin without this. Just for example, how can you deal with the environment in West Berlin on its own?

The drawbacks are that the coalition has not been able to catch up with the social crisis. The SPD refuses to attack the capitalists. It will not raise taxes on property. It will not change its pattern of subsidies towards socially-useful production or in support of planned development. It refused our proposals on these lines because it does not want to have a fight with capital.

Business interests in Berlin have already expressed opposition to the Senate for proposing to increase the city's debts; but they will keep quiet as long as their interests are respected.

What has the effect been on the German Social Democratic Party?

The Berlin elections have changed the situation in nearly every party. They have brought about a real

restructuring of the party system.

The old debate in the SPD about alliance with the Greens closed in 1987 when the Hessen coalition broke down, and when the fundamentalists in Hamburg wrecked the prospect of a coalition there. The result was that the Greens lost a third of the vote in Hamburg, and the SPD tried to use this to get rid of the possibility for coalition.

It oriented to a new coalition with the Liberals, who were formerly their national coalition partners but removed them from office by joining up with the Christian Democrats. The SPD hoped to split the Liberals, who were more open to Gorbachev, away from the conservatives.

This perspective has been destroyed by the Berlin vote and by the result in Hessen where there is also a new coalition government. The Liberals are threatened with annihilation, and there is a real prospect of a majority for the Greens and the Social Democrats at the next national elections in 1990.

There are now three positions within the SPD. First, there is the position of LaFontaine, from the Saarland, who wants to be chancellor in 1990. He played a major role in the peace movement in the 1980s and was the first to oppose Schmidt's policies, making him very popular and giving him a leftwing image.

He now has a new project which is an alliance of hi-tech European capital with parts of the new social movement. This has several connections with the wing of modernisers in the CDU. He wants to modernise social relations so as to integrate the new layers. But to do this he wants to split the wage-dependent people into one part which wins out, and one part which is marginalised.

He wants, for example, the flexibilisation of labour and Sunday working and a shorter workweek but without compensation for loss of earnings; all measures which benefit the new social layers when they are in relatively well-paid positions, but worsen the position of the low paid.

He wants to demonstrate that he is fit to govern by taming the unions. He intervened during the recent strike of public servants to propose a cut in wages to create new jobs, but he did this very cleverly by proposing demagogic cuts in the wages of very highly paid public servants.

In fact this cannot provide enough money to create many jobs, but it

disarmed the traditional union leadership who have been pursuing a policy of increased differentials and the traditional contract negotiation policy.

The second wing in the Social Democrats is an alliance of the old left wing with parts of the unions against the increasing anti-trade union implications of proposals being advanced in the party. Its problem is that it has no project which can really mobilise people. It defends planning against the market economy but simply by defending what already exists.

The centre of the party, centred on Hans-Jurgen Vogel, the party president, is trying to integrate these two wings and keep them together.

The Social Democrats are perceived in public as pro-disarmament, in favour of improving the ecological situation, integrating women, and against cuts. But they are not seen as favouring any radical measures to achieve these goals.

To what do you attribute the AL's vote?

The difference is that the Greens are more radical, more effective, and go much further. We are not frightened to quarrel with the USA. Voters know that the SPD will not have a real argument with the US. Also the SPD is bureaucratic and tends to compromise. They know that the SPD in government doesn't deliver.

What is the situation in the run up to the December 1990 national elections?

The Green Party has to begin to campaign to throw out the conservative-liberal government and form a government based on a Red-Green majority. The demands we want to discuss are:

- Germany must reply to Gorbachev with unilateral measures. There must be real steps in disarmament and cuts in defence spending. Our last party programme proposed a 10 per cent reduction in defence spending each year.
- Real advances in women's rights, abolishing the restrictive laws on abortion and introducing quotas for the employment of women
- Defend the rights of immigrants, which is now the main theme being taken up by the fascists. They should have the right to stay in Germany without being forced to be a citizen,

and the right to vote.

- On economic and social policies, a programme to create jobs by changing production to socially and ecologically useful jobs. At present this theme is underdeveloped, both for us and for the SPD.

- Minimum social aid in all sectors — pensions, unemployment, and so on — and an attack on the new poverty.

- Abolishing the repressive and anti-union laws introduced by the conservative government, with enlarged democratic rights and direct involvement in decision-making.

The main problems for this Red Green majority will be that the Social Democrats will be fearful to fulfill the Green demands. They will practice some steps but make no real changes. They will avoid at all costs a conflict with NATO or with capital. They are not ready to convince people of the need for radical measures, preferring to compromise with conservative moods and the pressure of the USA.

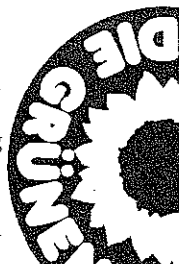
This will make negotiations for a coalition very complicated. The SPD majority will want to try and integrate the Greens in order to implicate them in the Social Democrats' policies and discredit them.

This will put pressure on the Greens to compromise. The electorate increasingly wants to get rid of the CDU-Liberals, and this will impose very strong pressure for a coalition.

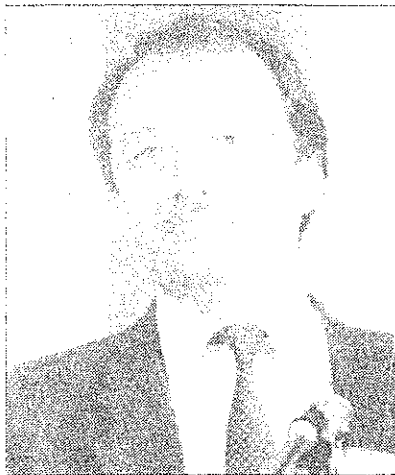
My own view is that the Greens should support minority government of the Social Democrats, which allows us to keep our independence, permit the Social Democrats to implement their programme, but continue to pressurise them.

However the Green Party probably won't support this. It was proposed by a minority in Berlin but we have no tradition of strategic debate and the empirical pressure is too great. There is no tradition of minority governments as in Italy or Scandinavia, and there are great illusions about what it means to be in government; people think it means being in power, and as we are rapidly finding out — it doesn't.

Public opinion and votes will not be enough; it will take real mobilisations and struggles to secure advances from whatever kind of government succeeds the conservative-liberal coalition.



Labour and the Greens



THE European elections are a sharp shift in British politics. The trends which have been progressively undermining the Thatcher government were all brought together on 15 June. The trends shown in the rising industrial struggle have now got a clear political counterpart. But how should the left respond to a situation where Labour has moved sharply to the right and, for the first time, opened up a significant political space to its left into which the Greens have moved? And what are the political conclusions for similar trends in Europe? Socialist Action asked *KEN LIVINGSTONE* — whose policies at the GLC won many forces that this time voted Green to support Labour — for his assessment of the significance of the European elections.

I think the Euroelections are far more than simply of mid-term significance in British politics. They pose what is now a fundamental truth of European politics: that except in a country without proportional representation no Socialist Party can come to office on a radical programme without the support of the Greens.

That is simply an arithmetical fact in most of Europe but it reflects a more important political reality.

The rise of the Green vote reflects a profound process. The bureaucratic model of socialism, 'Morrisonian' to use this country's expression, could not meet people's aspirations. The attacks on living standards by socialist parties in government in the 1960s, 1970s, and today did so even more. The right wing Socialist Parties also failed to respond adequately to any progressive movements of the 1960s to the 1980s — the women's movement, peace movement, movements of immigrant workers, the demands of the ecology movement. In that situation it was inevitable that those the right wing alienated would create new parties to the left of the Socialist Parties — which is what the Greens are.

In Britain that process was temporarily delayed because of the strength of the left wing in the Labour Party. This provided an alternative place to carry out progressive politics — particularly as it took up

not only economic but much wider social and political issues.

The shift of Labour to the right ends that situation. I personally know of literally tens even of Labour party members in my area, let alone supporters, who voted for the Greens in protest against the shift in the party.

I have no doubt that Labour is where politics should be conducted, that is where power is, but that will not stop hundreds of thousands of people who want to fight on the questions which confront their lives. The rise of the Greens is an inevitable product of the shift of Labour to the right and the fact that its leadership has now betrayed the causes the Greens fight for.

What is striking and important is that it takes place in a situation where politics has just shifted to the left. I got one of my few moments of pure joy in politics when I heard Paddy Ashdown say that the Green vote was wasted and that they were a fourth force which 'had emerged from the woodwork'. He understood the reasons for the Green success as little as Labour understood why the Liberal's combination of support for civil liberties and community politics had been so attractive in the past.

Ashdown has spent his year as SLD leader carefully moving the party to the right — pledging it to retain Trident, aiming to 'replace Labour'

and now declaring that he would press the button. Ashdown obviously followed the media pundits campaign that the popular thing to do in British politics was to move closer to Thatcherism. Actually all he did was bring out into the open what the nature of the SLD is but it was very important that this clarification took place.

And the elections were a wonderful rebuttal of this. They smashed everything the pundits had to say about the impregnability of Thatcherism. The truth is that the closer you were to Thatcherism the worse you did.

Thatcher received the lowest vote for the Tory Party since 1859. Owen, who we were told was the most important and popular leader in Britain after Thatcher, received 0.5 per cent of the vote. Ashdown's rush to the right resulted in the SLD getting its worst vote since the Liberal's in 1970.

Labour's advance of 8 per cent was far from being the best in the election. The SNP's vote went up by 12 per cent. The Greens by 14 per cent.

Whichever way you examine it the Green vote was a shift to the left. Tories moving to the Greens are obviously shifting left. So is moving to the Green's from the SLD/SDP. And those who shifted to the Green's from Labour did so for left wing reasons.

Furthermore this shift interacted

'The Green vote was a shift to the left'

with a more long term one — the 'Europeanisation' of British politics. This was always going to happen but with the Green vote it has now already arrived.

The way it has arrived is encouraging and important. The danger was that a move to Proportional Representation, which whatever you think of it is now virtually inevitable, for all parties except the Tories after the next election, would simply result in a strengthening of the 'centre' parties. But instead the Green vote marks a sharp shift in politics to the left.

This should not be misunderstood. I don't think that at the next general election the Greens will maintain 15 per cent — the press attack on them is going to be too ferocious for that. But given the way that Labour has moved to the right, and the fact that the economy is not going to get better, the Green vote at the next election is not going to be marginal — a minimum 5 per cent I would guess. In short the Greens will become a permanent part of British politics.

What that means for the left is clear. The 'Red-Green alliance' is no longer simply a matter for West Germany or other European countries. It applies to Britain too.

Naturally it applies in a different way to other countries in Europe because of our electoral system — although that will eventually change. The Labour Party also has a much stronger left wing than other European Socialist Parties. But what it means is that Socialists and Greens have to work together on issues and develop a political dialogue. In the 1990s neither of us is going to be able

to be victorious without the other.

The fight in the Labour Party around that perspective is going to be obvious. The right wing bureaucratic party and trade union leadership — those who drove people away in the first place, those who support nuclear weapons, nuclear power, who oppose the rights of women or black people, and who trample on any environmental question — are all in favour of an alliance with the SLD and totally opposed to an alliance with the Greens — that thought horrifies them.

Such an alliance will also involve a battle in the Greens themselves — where the right wing has used sharp methods against the left wing such as the Association of Socialist Greens.

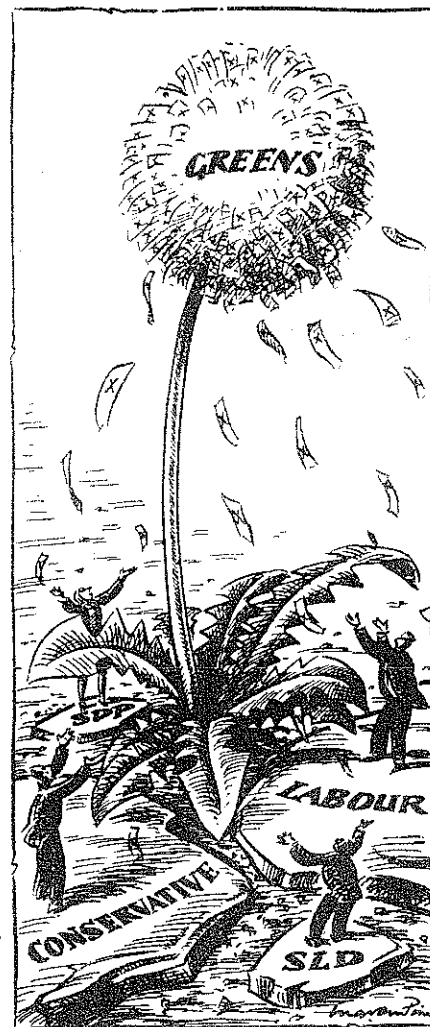
A Red-Green alliance isn't something that is going to be won overnight — it is going to take a number of years of struggle. But it is what has to be worked for. Because for the first time it gives a real perspective to the left of Labour — because it means Labour can no longer simply count on votes to its left having nowhere else to go.

It is clear that the left in Labour, not the right, is in a uniquely strong position to lead on this. The right, which precisely stands for bureaucracy, is inimicable to the Greens.

It confirms my view that the GLC was a uniquely clear display of the way the left has to go in the 1990s — I believe it would be the most popular thing Labour has ever done among the Greens because it exactly corresponds to the alliance of forces that had to be created.

I am totally against any alliance

'A breath of fresh air is blowing in politics'



with the SLD. They stand for preserving the essentials of Thatcherism — to create 'Thatcherism without Thatcher'. But I am totally for an alliance with the Greens who stand not merely for uprooting Thatcherism but for going far beyond that.

The response of the Labour leadership however is of course atrocious. Neil Kinnock referred to the Greens as a 'single issue party' — which is absurd for anyone who has read the Green manifesto.

David Blunkett's sole reference to the Greens was in *Tribune* where he launched a sectarian attack on the grounds the Greens would lose Labour seats: 'The people who suggest "that they will leave to join the Greens" over the defence issue, illustrate the kind of one-issue politics which smacks of self-indulgence rather than care for others... the Greens could well give the Conservative candidate victory'. Now of course he has rushed to sign a letter to the *Guardian* stressing the importance of environmental issues!

Together with the rise of industrial struggle, which will also work its way through the movement, a breath of fresh air is blowing in British politics.



What lies behind the Euro-election results

The Economist summarised the results of the Euro-elections as follows: 'Across democratic Europe, voters have put the boot in. The heftiest thwack in last week's elections came from the Greens, whose support surged almost everywhere; the extreme right kicked disconcertingly hard in France and West Germany. This first Europe-wide test at the polls since the EEC relaunched itself with its 1992 project has left governments and mainstream parties badly bruised... This suggests that the remarkable recent stability of EEC politics may be coming to an end... All mainstream parties, not just the ones in government had better beware.'

GEOFFREY OWEN looks at the social and political processes revealed in the Euro-election results.

The traditional big capitalist parties lost support right across Europe. In West Germany, Helmut Kohl's Christian Democratic Union/Christian Social Union (CDU/CSU) vote fell to 37.8 per cent from 46 per cent in the 1984 Euro-election. In Britain, the Tory Party received its lowest vote this century. In France, the combined traditional right's vote fell from 43 per cent in 1984 to 37.3 per cent. In Italy, the Christian Democrats had their worst post war result at 32.9 per cent and the votes of the traditional right also fell in Spain, Portugal and Denmark.

Second, there was a limited advance by European social democracy — chiefly in Britain.

Third, this understated the shift to the left because it was accompanied by a spectacular and generalised rise in the votes of the Greens — above all the 15 per cent in Britain and the 10.5 per cent vote in France — but also rising Green votes in Belgium, Italy, Holland, Spain, Ireland and Luxembourg (see table).

In addition, Spain saw a spectacular increase in the vote for nationalist and local parties from 16 per cent in the last general election to 26 per cent.

Finally, the extreme right was strengthened — cutting deep into the vote of the traditional right in West Germany and France. The Republican Party, led by former SS officer, Franz Schoenhuber, who lost his job at Bavarian television after writing a book that glorified Hitler's storm troopers, advanced from nowhere to win 7.1 per cent vote in West Germany, the far right Flemish Block tripled its vote to 4.1 per cent in Belgium whilst Le Pen's National Front came third in France with 11.7 per cent and the neo-fascist MSI won 5.5 per cent in Italy.

What connects these results is the working through of the

economic, social and, finally political, consequences for Western Europe of the 1987 stock market crash and the preparation of 1992.

West European politics is being destabilised by the results of the United States' victory over its Japanese and European rivals since the 1987 stock market crash and European capital's response to this. The US is literally exporting political instability to Western Europe and Japan.

The US economy is once again sucking in Japanese and West European capital to finance its expansion at the relative expense of Japan and Europe — which explains the recent rise of the dollar on foreign exchanges. And this takes place in the context of Western Europe falling further and further behind the US and Japan since the 1975 recession.

The Euro-elections results are the working through of this process into European politics.

1992 and the drive towards monetary and economic union is the response of European capital to its failure vis a vis the United States and Japan since 1975.

Guy de Jonquieres, international business editor of the *Financial Times*, spelt out some of the consequences: 'The 1980s have brought a rude awakening for Europe. After the prolonged paralysis of economic activity and political indecision induced by the 1973 OPEC oil shock, Europe is being jolted by the discovery that many of the comfortable certainties of the post-war era have been swept away, to be replaced by discontinuity, turbulence and accelerating change.

'In almost every domain — political, economic, social and industrial — structures, policies and rules which have long underpinned Europe's own internal relationships and those with the rest of the world are starting to come under mounting strain.

'The pressures are becoming so intense that they seem unlikely to be accommodated merely by selective tinkering with the status quo. Increasingly, Europe is being obliged to grope its way forward in search of a new model on which to base its future development...

'When the 1992 programme was launched three years ago, the primary motivation was economic. The plan was conceived then as the best hope — perhaps even the last chance — of revitalising European

Percentage vote and (seats) for Green parties

| | Euro election | General election |
|-------------|---------------|------------------|
| UK | 14.9 (0) | 0.6 (0) |
| Germany | 8.4 (8) | 8.3 (42) |
| Belgium | 13.9 (3) | 7.1 (9) |
| Luxembourg | 6.1 (0) | 5.1 (2) |
| France | 10.6 (9) | 0.4 (0) |
| Italy | 6.2 (5) | 2.6 (13) |
| Netherlands | 7.0 (2) | 3.1 (3) |
| Ireland | 3.7 (0) | — |
| Spain | 2.0 (0) | — |

economies afflicted with sluggish growth rates, high unemployment and declining international competitiveness which were stubbornly refusing to respond to national policy prescriptions.... It amounted to a belated acknowledgement that Europe must adapt to mounting pressures generated by structural changes occurring in the world economy and international markets — or risk being engulfed by them? (*Financial Times*, Towards a Single Europe, 17.11.88)

The US's success since the stock market crash means that European capital has to accelerate all of these processes if it is not to be 'engulfed'.

The goal of 1992 is to put Europe more firmly than ever under the control of big capital. But that means, not only attacking the working class — which the bourgeoisie is quite happy to do — but also crushing small capital and the tradition rural and urban petty bourgeoisie. This process of rationalisation of capital is clear at all levels. For example: 'There are at present some 50 tractor manufacturers in the EC fighting over a market similar in size to that served in the US by just four. Similarly in the US there are four producers of domestic appliances; in the EC there are 300... Painful adjustment is the other side of the coin from the potential gains. Firms will fail, factories will close and workers will lose their jobs!' (Martin Wolf, *Financial Times*, 17.11.89)

But when it reaches small capital the affects are still more dramatic. Take for example agriculture. There are 11 million farmers in the EC. American productivity in agriculture is roughly eight times that of Japan, four times that of West Germany, twice that of France and one and a half times that of Britain. The purpose of the Common Agricultural Policy is to make EC agriculture competitive with that of the US.

France shows the classic consequences: 'France arguably faces the most difficult problem of adjustment over the next few years, for one overriding reason: the country still has seven per cent of its active working population engaged in farming, but if it is to maintain its role as the Community's premier agricultural producer and exporter, officials believe that as many as half may have to leave full-time farming over the next decade.

'One recent study estimates that

the numbers of full time farmers could fall to around 260,000 compared to today's 700,000... As one senior official put it, "that could mean the sort of restructuring of the countryside and rural life which goes far beyond anything which we have seen in Europe this century?" (*Financial Times Survey*, France, 29.9.88)

West Germany combines one of the most advanced manufacturing sectors in the world with backward agriculture — the average farm size being nearly half that even of France. This backward farming sector is subsidised for strictly political reasons: the rural vote is a key constituency of the CDU and even more so the Bavarian CSU.

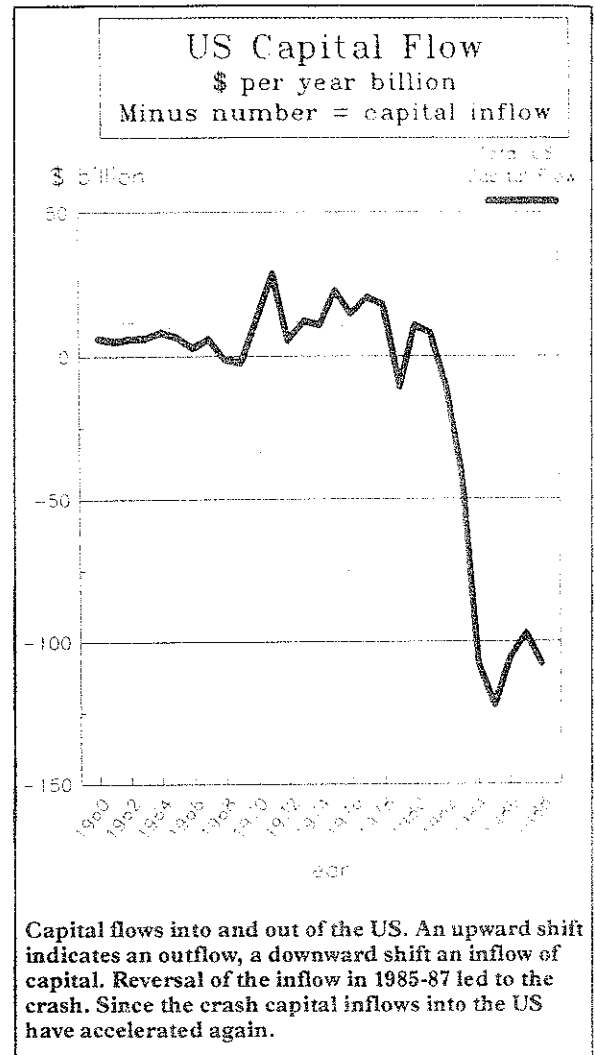
The rural and urban petty bourgeoisie are traditional bases of support of the big capitalist political parties in Western Europe and Japan. 1992 and US demands for liberalisation of trade in agriculture and services are literally disintegrating part of this social base of these parties of big capital.

In Japan, the same basic processes have already had more dramatic results. The financial and sexual scandals which have rocked Japan's main capitalist party — the Liberal Democratic Party (LDP) — are not coincidental they are manifestations of the worst crisis in its history: 'Opinion polls and local elections since the beginning of the year have shown a big swing away from the LDP, with its popular support recently falling from its normal 50 per cent-plus to 14 per cent!' (Stefan Wagstyl, *Financial Times* 28.4.89)

The driving forces of this are clear. Japan combines, in an even more extreme way than West Germany, some of the most productive industrial sectors in the world with an agriculture eight times less productive than the US and a vast, archaic, retail trade — with 1.6 million small shops. 'Japan has more shopkeepers than the US where there are twice as many people. Small stores, employing less than five people, account for 57 per cent of retail sales, against 3 per cent in the US and 5 per cent in the UK, according to Daiei, a leading supermarket company.

'These shopkeepers are served by so many wholesalers that, on average, goods have to pass through twice as many hands before they reach the customer as they do in the US.'

This is sustained because: 'After the farmers, shopkeepers are Japan's



most entrenched conservative lobby with supporters in the highest ranks of the ruling Liberal Democratic Party. Together with their families they account for some 20 million votes, most of them cast for the LDP. Especially in urban areas, where it is weakest, the LDP relies on retailers to canvas support at election time. Mr Hiroshi Mitamura, chairman of the National Shopkeepers Promotion Association, says: 'The big stores stuff the politicians with money but we have the power of 20m votes.'

'Because of this, small shopkeepers are protected by laws, which allow them to hold up the opening of big stores for 10 years or more. Mr Isao Nakauchi, chairman of Daiei, says that to open a new supermarket the company has to submit 73 applications for 26 permits under 12 different laws...' (Stefan Wagstyl *Financial Times* 27.2.89)

A key demand of the US is that Japan opens up its retail sector. The results are clear: 'The old order is slowly crumbling. Some 140,000

small stores closed between 1982 and 1985 — the first decline recorded by the Ministry for International Trade and Industry since the second world war. Around 200,000 more have shut down since. (*Financial Times* 27.2.89)

The same squeeze was starting to be applied to Japanese farmers: 'Japan's ruling Liberal Democratic Party, bowing to intense pressure from the country's farm lobby in an election year, has decided to block the regular annual cut in the government's support for rice prices..'

'Until two years ago the support price had risen steadily for 30 years and had made Japanese rice prices up to 10 times higher than the world price..'

'The decision indicates the difficulty the LDP is having reconciling the demands from the international community that it liberalise its agricultural product markets with those of one of its main electoral support groups.'

'The Japanese farm community is still angry at the LDP for agreeing last year to liberalise markets for some food products, including beef, citrus fruits and various processed foods. In most cases these were taken following judgments against Japanese trade barriers taken under the General Agreement on Tariffs and Trade or under threats of GATT censure.'

'Japanese farmers are not interested in Gatt or any other foreign body. They have already shown their anger in a number of by-elections in recent months in which the LDP fared badly. Now farm leaders are mobilising their communities to boycott the LDP in important elections to the upper house of the Diet (parliament) scheduled for 23 July.'

'According to a survey taken by *Mainichi*, a national newspaper, 31 farmers' organisations from 17 prefectures have withdrawn from affiliation with the LDP and 18 of them have decided not to vote for the LDP at national level.'

'To the LDP, these developments are alarming. Battered by the Recruit bribery scandal and by recent revelations of a relationship between Mr Sousuke Uno, the new Prime Minister, and a prostitute, the party is worried that it will suffer serious reverses in the House of Councilors elections next month! (Ian Rodger, *Financial Times* 16.6.89)

The series of scandals rocking the LDP are not a coincidence — they

simply register its crisis.

The same social processes which are eroding this social base of the big capitalist parties in Japan and West Europe are also fuelling the strengthening of the extreme right whose core support is precisely the petty bourgeoisie crushed by big capital and sections of the working class ground down by unemployment and poverty. In France Le Pen is the largest party amongst the small shopkeepers as well as winning significant support amongst the unemployed. In Germany the Republicans won 15 per cent of the vote in Bavaria the stronghold of the German small farmers.

Precisely because it is driven by basic economic and social processes the strengthening of the extreme right is not a phenomenon restricted to the Euro-elections. Le Pen has consistently maintained 10 per cent of the vote in France. The German Republicans' breakthrough in the Euro-elections follows their 7.5 per cent vote in West Berlin in January this year and the neo-Nazi National Democratic Party's 6.6 per cent and seven seats in the city parliament in Frankfurt in March this year.

The growth of the far right in turn accentuates the crisis and divisions in the main capitalist parties. In France in Marseilles the traditional right concluded an electoral pact with Le Pen in the last general election. In Germany the CDU added to the NDP's credibility in Frankfurt by copying its racism.

In France the crisis of the traditional right is acute: 'The conservative half of the political spectrum was in a systemic crisis which would be difficult to resolve.'

'And until the crisis was resolved the right might well have to spend a considerable time in the desert, leaving the Socialist Party as the natural party of government... the Gaullist crisis is pivotal... In the past five years, however, the party has abruptly shifted its public discourse away from nationalism and interventionism towards economic liberalism and support for European integration... some of the old-timers want to turn back the clock and rebuild the party the way it was before... In the presidential election campaign the protest vote captured by Jean-Marie Le Pen obviously included a significant slice of those who felt the European community has served them badly. The further opening up of the European Community could well in-

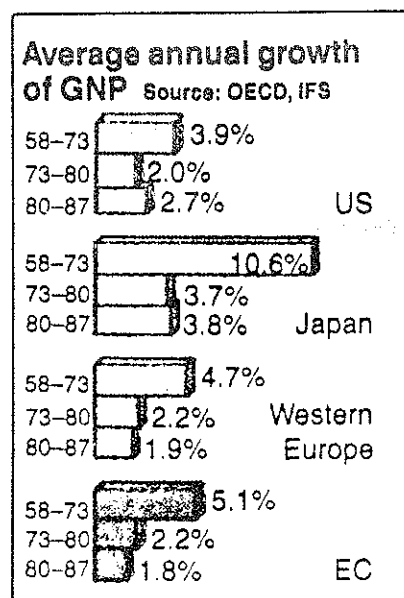
tensify such pressures.. (*Financial Times* France Survey 29.9.88)

It is in this context that European social democracy has come forward as the most coherent political force today promoting the interests of big European capital. With the main capitalist parties weakened the European bourgeoisie is leaning on social democracy to uphold its interests.

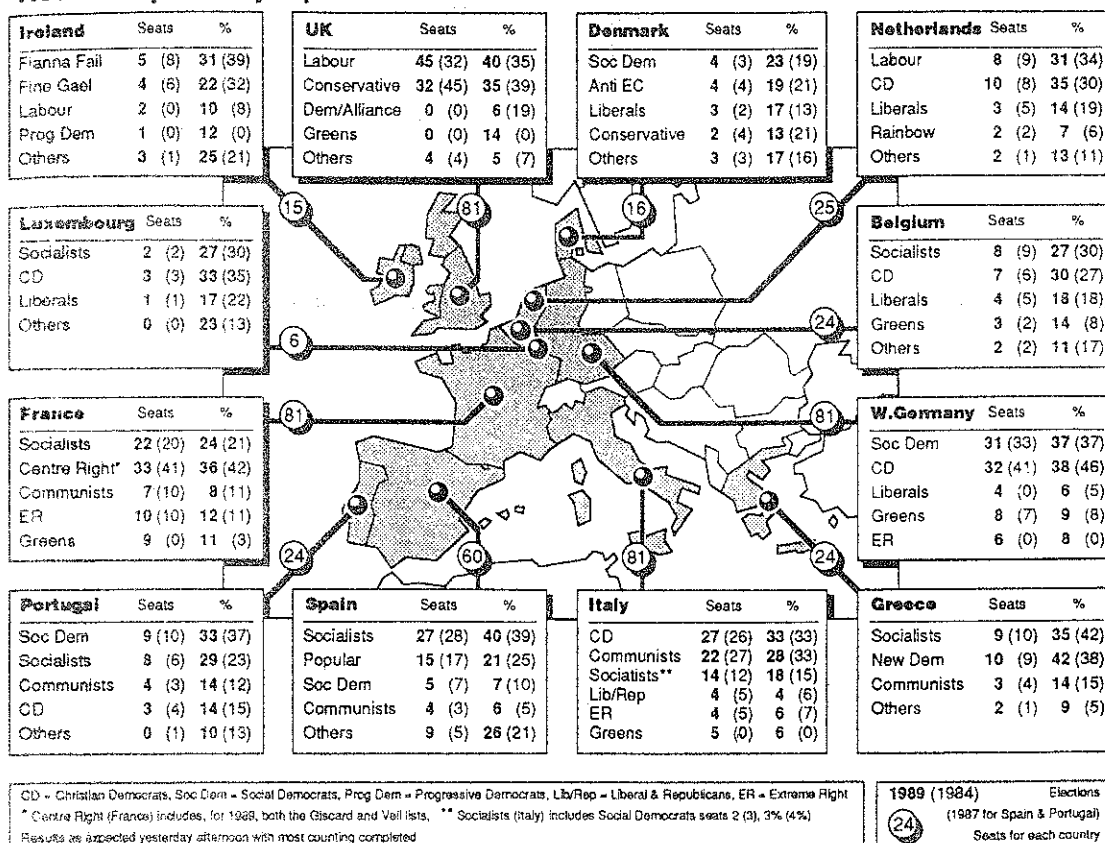
Euro-socialism as represented by Mitterand, Gonzales, the German SPD, Craxi and most recently Kinnock, is a political bloc between big European capital, the social democratic bureaucracy and the best off sections of the working class against the poorest sections of the working class and the petty bourgeoisie. In one of the most profound transformations of the European labour movement's politics since the second world war Euro-socialism has defeated the CPs in France, Spain, Portugal and Greece — while the CP in Italy has adopted the Euro-socialist line itself.

But the squeeze that 1992 is imposing on both the working class and the petty bourgeoisie means that political forces are emerging to the right and left of this bloc of Euro-socialism with big European capital. As *The Economist* correctly pointed out: 'The broad agreement on economic policy among most mainstream parties of the left and right meant that protest votes had to seek out extreme, anti-establishment parties' (24.6.89)

This is precisely the significance of the Green vote — political forces are emerging to the right and left of the 1992 consensus.



How Europe's major parties fared



'The Green vote represents opposition to Western Europe's military and economic subordination to the US'

The Green vote represents the growing opposition to the military and economic subordination of Western Europe to the United States — but unlike in the 40s, 50s and 60s such currents have not, by and large, been diverted into the Communist Parties.

It is no accident that the most left wing representatives of the Greens have emerged in West Germany where any war with the Soviet Union would actually be fought out. There are 900,000 troops stationed in West Germany. As Helmut Kohl put it: 'You (in England) do not have the problem of low (military) flying vis a vis the population which we have. We have people who say we don't need any low flying at all. A lot of people would like that!'

As General Wolfgang Altenburg, chairman of the NATO Military Committee and the top ranking German military officer explained, opposition to NATO's military build up does not come from German capital: 'Developments in the East make the public less willing to accept the need for the burden of defence. Many people say there is no need for a military because there is no longer an enemy'. A large body of public opinion in Germany supports the denuclearisation of Europe. The same sentiments were reflected in the evidently ge-

'Kinnock's victory in the Labour Party creates space for the Greens'

nuine popularity of Gorbachev — because of his disarmament initiatives — amongst the West German working class.

In France, the Greens are well to the right of their German namesakes, but nonetheless their 10.5 per cent was the largest ever vote for a French party committed to abandoning nuclear weapons.

In Britain mass support for the Greens was blocked for a time by the Labour left's strong support. Kinnock's victory of Euro-socialism in the Labour Party creates the space for the Greens on the left.

The development of the Greens then intersects with the social transformations in the European working class since the second world war — in particular the huge influx of women into the workforce and the unionisation of white collar workers. These same processes, together with the creation of significant black communities, are further reducing support for the parties of big capital.

Thus it is no accident that elements of the programme of the Red-Green coalition in West Berlin read like that of the GLC in Britain in the early eighties.

Overall the results of the Euro-elections signify that the strains being exported to Western European

by the United States are beginning to show through.

They show that the ability of the working class to advance depends not only on its own strength but on that of the enemy. In Lenin's words: 'For a revolution to take place it is not enough for the exploited and oppressed masses to realise the impossibility of living in the old way and demand changes... it is essential that the exploiters should not be able to live and rule in the old way.'

And what applies to revolution applies also to any working class struggle. The greatest advances of the working class this century took place around violent inter-imperialist conflicts — above all, of course, the two world wars. Inter-imperialist conflicts both break up the coherence of the ruling classes and weaken them — as individual capitalist classes are forced to attack one another. The ability of imperialism to maintain a relative coherence and equilibrium is now visibly under greater strain — and is beginning to introduce elements of political instability into Western Europe.

Correctly grasped, together with the crises in the semi-colonial states, they give the working class the possibility of strengthening its position.

Life's too short for bullshit

Torch Song Trilogy
Directed by Paul Bogart,
starring Harvey Fierstein,
Matthew Broderick

Harvey Fierstein's tour de force performance as the drag queen Virginia Hamm is the pivotal point in the film adaptation of the Broadway smash hit. The story centres on the Fierstein characters life and loves up until 1980. It succeeds, argues JIM WHANNEL, in providing enjoyable entertainment and raising political questions which are increasingly crucial.

The history of lesbians and gay men in the cinema is largely a scene of carnage. Countless gay or lesbian characters have paid the price for rejecting society's norms with their lives. The list of suicides or murders is endless, epitomised by the line from the 1970 production, *The Boys in the Band*: 'you show me a happy homosexual and I'll show you a gay corpse'.

Fierstein's film rejects this oppressive view lock, stock and barrel. We are not depicted as local colour in heterosexual society, rare flora and fauna to be gaped at and at best pitied.

Virginia Hamm (Fierstein) could be seen as a stereotype. Indeed the character notes his genre's eventual demise in the age of the ERA and lesbian and gay rights campaigns. Nevertheless the range of characters presumes that the breadth of the gay community is depicted (stereotypes do exist amongst gay men and lesbians but it is their monopolisation of the media which is destructive, not their existence). It is a possible weakness of the film that lesbians are not depicted as part of the wider homosexual backdrop to the film however. His lover's murder is the

consequence of a prejudiced and intolerant society. Indeed Fierstein directly links the mother's homophobia to attacks on gay men.

The film has been criticised as a conventional family-centred drama. This fails to understand the social significance of the homosexual demand for dignity and self-respect.

Certainly the film deals with family crisis, bereavement and loneliness, all of which are not problems confined to heterosexuals. However, in uncompromisingly setting these issues in a homosexual milieu homosexual lifestyles are legitimised.

Homosexuality is not introduced as a problem but as a viable, acceptable lifestyle in which other human emotional crises can be set. In this film the gay characters are assailed with problems but, crucially, they are not the problem. In fact, 'out' acceptable homosexuality is by implication the solution.

Humour is used to counteract what might otherwise have become leaden sentimentality and self-pity. The opening sequence sets the tone. The construction of the scene owes something to Brecht whilst the message is: relax, it's OK to be gay.

Outright opposition to the film's making from the big studios prevented it coming to the screen before now (it was a huge success as a play in 1982). Demands to exclude any sex were resisted. Fierstein held out until he was assured of complete artistic, casting, production control, and a veto over the final cut. This unheard of power of a gay person over gay subject material bodes well for the future (as does the success of Donna Deitch's adaptation of Jane Rule's *Desert of the Heart*).

This is an extremely bitter time for lesbians and gay men. Political setbacks and the continuing holocaust wreaked in the gay male population by AIDS have left



many despondent and unsure.

This film puts some essential concepts back in front of us. Amongst them are self-pride, honesty and the absolute right to pursue gay and lesbian relationships as a matter of choice.

Fierstein recently remarked that 'if AIDS has taught me anything it's taught me that life is too short for bullshit'. This is a film about gay people — don't go if you want apologies or suicides. Stay at home and watch the bullshit.

Little Vera

Little Vera
a film by Vasily Pichul
USSR 1988

The title of the film — Little Vera — is a pun, 'vera' means 'faith' — but it is not Vera who has failed to keep faith.

Society has failed to keep faith with her.

JUDE WOODWARD comments that while the film has been widely flagged as about adolescent rebellion in the Soviet Union, it is centrally about young women.

The future Vera most determinedly rejects is that of the good housewife and mother. Presented with a copy of *Good Housekeeping*, she couldn't contain her laughter.

The film's storyline is the unfolding conflict provoked by Vera's feelings for her lover and her father — whom she both loves and despises. But this is less realistically portrayed than the more fundamental choices — or lack of choices — that Vera really confronts in her life.

All the men in the film are very unpleasant, although they are allowed to appear trapped in their behaviour by social conditions rather than personal choice.

Vera's father is a drunkard, totally reliant on his wife and daughter even to undress and put him to



bed at night.

Vera's boyfriend, Sergei, is a student, the local stud and a snob. He mercilessly ridicules the simple ways of Vera's parents, and her father's drunkenness.

The shape of Vera's future with him is instantly clarified when he asks: 'Vera, where's my razor?' — the same question Vera's father asks of her mother the first time he appears on screen.

Guaranteed a job, an income, and a (small) flat there is no suggestion Vera may be destroyed by poverty. But in a society that is no longer moving forward, life is empty and meaningless.

It could all be rather despairing, but it isn't. It's very funny, touching, honest, and Vera remains sparky, intelligent and despite veering to the edge of complete breakdown is still demanding something better through to the last moment of the film.

Little Vera has a number of technical faults but despite an occasional amateurishness, there is more to this film than most you can see.

How the Tories changed education

How did the Tories overturn the progressive educational consensus that had been virtually unchallengeable for most of the post war period? Ken Jones, member of the Socialist Teachers' Alliance and the NUT executive, attempts to answer this question in his book *Right Turn*. RAY SIROTKIN looks at his arguments.

Until Thatcher, post war educational policy was based on consensus — progressive education for the state sector, while the elite establishments were left alone.

Thirty years ago this was tolerated, but the impact of black people and women in society have affected educational policies in that they were no longer acceptable to Tory ideologues. Up till the mid-seventies they were content with a few snipes at comprehensive education, while progressivism — based on the experiences of the student — appealed to forward looking educationalists.

But the 'empire loyalists' and advocates of rote learning were all that had to be dealt with, our task would have been simpler. However, there have been two other influential currents with a different platform within Tory thinking.

One current, centred around the Adam Smith institute being free marketeers were able to devise plans for local management of schools and break up the effect of local authorities.

The other has been paradoxically the modernisers who have attempted to break British education from its archaic past and relate it to a modern economy.

The national curriculum is not only the main achievement of this current, but also the measure which brought the modernisers into conflict with the traditionalists — morality and Christian religion do not lead to a boosted economy. It was ironic that in drawing up the national curriculum Kenneth Baker had to draw on the ideas of progressives.

This is precisely to do with the British economy. As Ken Jones notes it has been largely based on finance capital invested overseas. The

British education system has for this reason remained backward.

One of the chief modernisers Lord Young exposed this very problem by considering that education horizons are about accounting and investment — what other skills can be developed in an economy that fell behind in manufacturing a century ago?

At every stage from Callaghan's notorious Ruskin lecture through to Neil Fletcher's 'excellence' speech Labour had no answer. They could see no other debate apart from funding of state education.

Jack Straw as Labour spokesperson on education accepts the Tory framework — as if 'the Trojans can run the wooden horse better!' The corporatist nature of Labour Party policies will always lead to defeat.

Ken demonstrates this throughout and concludes by attempting to establish the basis of working class hegemony. By reproducing the educational charter drawn up by the Socialist Teachers Alliance he lays down a programme. He also attempts to learn from the pay dispute, and deals with the question of alliances — for example active parents.

In a book which otherwise attempts to lay a strategic basis, one weakness emerges. The book becomes absorbed with the enterprise experiences of the the local council initiatives which are corporatist in nature.

Despite this, Ken Jones has diagnosed the structure of Tory education and has established a new reference point of socialist thinking — an invaluable achievement.

Right Turn
by Ken Jones
Hutchinson Radius
£7.95

Motherhood or revolution?

The Commissar
a film by Aleksandr
Askoldov

The Commissar, made in 1967 to commemorate 50 years of the bolshevik revolution and banned during the Breshnev era (apparently due to its positive portrayal of Jews in Russia) was brought to light in 1988. It is considered as the best film yet to have emerged from glasnost. DANIELA URZUA reviews it.

The central character is a woman and a bolshevik, the commissar, fighting for the Red Army in the 1920s civil war. Ruthlessly committed to the defence of the revolution, she is shocked to find herself pregnant and unable to have an abortion.

Her commander sends her to live with a Jewish family to await the birth of the child. Life with this Jewish family and motherhood transform the commissar into a loving, tender and almost beautiful mother.

Though the artistic merits of the film are undeniable (scenes such as the arrival of the bolshevik batallions to the town where the Jewish family lives or the images used to symbolize the birth of the child are a truly visual feast) its ideological content is highly controversial.

It portrays the Jews as the sole guardians of the moral and cultural values of the country in times of political turmoil. Russia is imagined as a devoted, loving mother.

Because both the bolsheviks and the whites are intransigently class-biased they cannot realize

a mother's most important duty: the love and care of all her children independently of class, religion or race. This can only be achieved by learning from the Jews who are supposed to embody humanity, happiness and resilience.

The images used to illustrate this point (eg. the unattractive ruthless commissar transformed into a caring mother under the influence of the beautiful Jewish mother) are particularly reactionary since they imply that womanly characteristics — seen as beauty, tenderness, etc. — can only be achieved through motherhood.

Nevertheless, the woman commissar cannot escape reality in motherhood, civil war demands from all bolsheviks to keep fighting the counterrevolutionary armies. And she is a bolshevik. After terrible agonising she decides to rejoin the Red Army and leave her child with the Jewish family. The closing scene is hair-raising, with the commissar leading a detachment of bolsheviks marching soldierly in the snow against the powerful background sounds of *The Internationale*.

Askoldov's central message is however that despite the ruthlessness and horrors imposed upon individuals by civil war and class struggle they do not lose their humanity, nevertheless their choices are very limited by the circumstances. In the end the commissar finds the appeal of the revolution stronger than motherhood.

The impasse of Chinese Stalinism

The massacre ordered by Deng Xiao Ping and Li Peng in Beijing, and the cold-blooded executions which have followed it, horrified the world. But that massacre had its immediate roots in the economic policies pursued by the Chinese Communist Party during the last ten years. More strategically it represented the impasse into which its bureaucracy has led the Chinese workers state. The students movement articulated the dissatisfaction with, and now hatred felt for, the Chinese leadership in wide layers of Chinese society and at the same time expressed the most divergent political currents. In turn that movement, and the actions of the Chinese leadership, cannot be understood without grasping the situation of China in the forty years since the revolution of 1949 argue ALAN WILLIAMS and JAVIER MENDEZ.

It is impossible to exaggerate the importance in world politics of the Chinese revolution. After the Russian revolution it is the greatest blow struck against world capitalism. Even before its definitive victory in 1949 the Chinese revolution played a decisive role in world politics. The most determining factor of World War II was that the Soviet Union did not have to fight a war on two fronts — Japanese invasion from the east did not accompany Nazi invasion from the west.

Purely militarily the defeat of the German attack on Moscow in 1941 was achieved by divisions transferred from the East. More fundamentally the Soviet Union was able to concentrate its resources against Hitler because its eastern flank was quiet. In turn the reason Japan was not able to attack the USSR was that its army was tied down in China fighting a resistance whose leading edge was the Chinese Communist Party.

Again after its victory in 1949 the Chinese revolution played a determining role in world politics. When the United States invaded North Korea in 1950 it was stunned by the entry of the Chinese army into the war. The People's Liberation Army (PLA) fought the United States to a standstill and made Korea the first war in history in which the US was not victorious.

In Vietnam, equally, China played a crucial role in both the war against the French in 1946-54 and the 1966-75 war with the US. Chinese artillery was vital in inflicting decisive military defeat on the French at Dien Bien Phu in 1954. Recent figures show that in the war against the US 4,000 Chinese military 'advisers' were killed and total Chinese military aid totalled \$8 billion. Even at the height of the Sino-Soviet split China continued to be the conduit for Soviet aid to Vietnam.

These, together with the Cuban revolution, were the most important events in world politics between 1949 and 1975 — the world is still living in the shadow of the conflict in Vietnam, the political defeat it imposed on the United States and the destabilising of the world economy it occasioned.

This course of events graphically confirmed the analysis which Lenin drew following World War I regarding the overall development of world politics and the interrelation

of the situation in the advanced imperialist countries, the workers state of the USSR, and the semi-colonial countries. As his remains the most succinct and profound analysis of world politics ever made, and it is directly relevant to China, it is worth quoting at length:

'As a result of the last imperialist war, a number of countries of the East, India, China, etc. have been completely jolted out of the rut... Thus, at the present time we (the USSR) are confronted with the question — shall we be able to hold on... until the West-European capitalist countries consummate their development towards socialism? But they are consummating it not... through the gradual "maturing" of socialism, but through the exploitation of the first of the countries vanquished in the imperialist war (Germany) combined with the exploitation of the whole of the East. On the other hand, precisely as a result of the first imperialist war, the East has been definitely drawn into the general maelstrom of the world revolutionary movement. What tactics does this situation prescribe...

'We must display extreme caution so as to preserve our workers government and to retain our small and very small peasantry under its leadership and authority. We have the advantage that the whole world is now passing to a movement that must give rise to a world socialist revolution. But... the imperialists have succeeded in splitting the world into two camps; and this split is made more complicated by the fact that it is extremely difficult for Germany, which is really a land of advanced, cultured, capitalist development to rise to her feet.

'In the last analysis, the outcome of the struggle will be determined by the fact that Russia, India, China, etc., account for the overwhelming majority of the population of the globe. And during the past few years it is this majority that has been drawn into the struggle for emancipation with extraordinary rapidity, so that in this respect there cannot be the slightest doubt what the final outcome of the world struggle will be.

This analysis was fully confirmed by events. Germany was not able to rise and was finally partitioned by the victorious states in 1945. The West European proletariat was crushingly defeated in 1923-39 and then failed to take power in 1941-45. From 1923 onwards Asia played the

decisive role in the advance of international class struggle. From the point of view of the fundamental trends of world politics the period from 1949-75 was most basically a clash between the working class and peasants of Asia and the United States. It is into this framework that the Chinese revolution fitted as its most powerful force.

The China in which the revolution was victorious in 1949 was a far more backward country even than Russia in 1917. The production of foodgrains per head in China in 1952 was only 38 per cent of Tsarist Russia's on the eve of World War I. Soviet income per head in 1928, on the eve of Stalin's first five year plan, was three and a half times higher than China's in 1952.

Even more than Russia the Chinese revolution required the extension of the revolution to overcome its economic backwardness and internal contradictions. But the Chinese leadership from the beginning was not oriented in that direction but instead to the construction of 'socialism in one country'.

There should be no misunderstanding on this point. The Chinese revolution was a tremendous blow against imperialism. The revolutionary strategy of Mao Tse-Tung in China itself, not merely the primacy of the struggle in the countryside in the concrete conditions of the 1930s in China but the specific form of class alliances with the peasantry which characterised it, make Mao Tse-Tung one of the greatest revolutionary leaders of all time.

But from the beginning the Chinese leadership was committed to the construction of socialism in its own country not international extension of the revolution. It extracted decisive concessions from the Vietnamese at the 1954 Geneva peace conference which registered the defeat of the French but led to the partition of Vietnam. The Chinese leadership oriented the Indonesian Communist Party, the largest in the capitalist world, to a strategic alliance with Sukharno which culminated in the massacre of 500,000 Indonesian Communists in 1965 — a blow from which a quarter of a century later the Indonesian class struggle has still not recovered. The extreme right wing Chinese foreign policy of the late 1970s and 1980s had its political origins in socialism in one country.

Most importantly for the present discussion this perspective determin-

ed the internal policy pursued in China itself. If the fundamental orientation of a state is to the spread of the revolution, and to maintaining working class political power, economic policy is oriented above all to improving the economic, social, and cultural position of the working class. Industry is oriented to produce the most rapid improvement in living standards, education, and housing. Naturally other imperatives, for example defence, may distort this but it is the guiding principle of policy. It does not lead to the utopian project that, on the basis of its own internal resources, a country such as China can catch up with and overtake the West.

Socialism in one country determined an entirely different policy. It meant a utopian attempt on the basis of the internal resources of China, without extension of the international revolution, to catch up with and overtake the West. This, in turn, determined the internal economic policy pursued.

The model which the Chinese leadership had in mind immediately after 1949 was clearly the rapid forced industrialisation of the Soviet Union under Stalin — the economic concomitant of socialism in one country.

Significant industrialisation occurred in the early 1950s but the attempted Great Leap Forward of 1958, accompanied by collectivisation of agriculture, ended in a debacle.

Following the failure of the Great Leap Forward agricultural production in the mid-1960s was lower than in 1957. Industrial production fell sharply. The 'backyard steel furnaces' which accompanied the Great Leap, reflecting the much more backward economic development of China, were a pale imitation of the grandiose industrial projects of Stalin's first five year plan.

The failure of the Great Leap Forward in turn led to splintering of the bureaucracy. Mao Tse-Tung removed himself from the Politburo and Central Committee for six months while remaining in Shanghai to prepare the Cultural Revolution — which started in 1966. The Cultural Revolution temporarily recentralised the bureaucracy but only at the expense of increased brutality and political terror. By the mid-1970s agricultural and industrial production was again stagnant. By the mid-1970s China had been led into an economic cul de sac on the path of Stalinist industrialisation.

Within the framework of socialism in one country, that is rejecting the international extension of the revolution, only one other path remained open to the bureaucracy — that of making substantial concessions to imperialism. The bureaucracy's attempted way out of its impasse were the substantial market reforms adopted from the late 1970s. With the coming to power of Deng Xiaoping at the Third Plenum of the CCP in 1978, the party adopted the policy of the 'four modernisations'. This had a number of interrelated features — all of which linked China more closely to the world capitalist system.

The first was the 'open door' policy adopted to attract foreign capital to invest in special economic zones provided with low taxation, infrastructure, and a disciplined labour force (existing labour rights don't apply in these zones). At present there are 18 of these special economic zones, most of which are cities in the eastern coast of the country. They represent a degree of openness to foreign capital unprecedented in the workers' states.

The figures for the development of these zones are revealing. Between 1978 and 1984 188 joint ventures were established, usually involving 50 per cent or greater foreign equity stakes, which comprised a total investment in China of US \$8 bn. But by 1985 foreign investment was accelerating rapidly with an inflow of US \$3.1 bn in the first six months of that year. By 1988 the first nine months of the year saw a record total of over 3,100 foreign investments approved by the Chinese government.

The second step was the decollectivisation of agriculture — involving the dismantling of the previously existing commune system with a concomitant subdivision of landholdings, reconstitution of the family unit of production and private accumulation of land, private accumulation of wealth, and landlessness among the peasantry. This led to massive socio-economic differentiation in the countryside whose most visible expression was widening differentials in incomes among peasants. This has led to the emergence of a significant layer of rich peasants, reflecting in a rural house building boom, as well as a 10-15 per cent of impoverished peasants (about 100 million people).

The government reinforced this process by adopting a policy of credit, technical aid and higher prices for agricultural produce from the successful peasant households —

'the period 1945-79 was a clash between the working class and peasants of Asia and the USA'

allowing them to accumulate savings and capital. Bukharin's battle-cry in the 1920s 'enrich yourselves', addressed to the Russian kulaks, pales into insignificance when compared with Deng's agricultural policies.

The immediate effect on agriculture was to stimulate rapid growth. From 1979 to 1985 agricultural output grew at an average of 10 per cent a year, and peasant incomes more than trebled. But the negative effects on the impoverished peasants has also been horrific.

Although there is no figure for the number of dispossessed peasants, the rural urban migration gives a good indication of the size of the problem. The urban population has increased from around 15-20 per cent in 1978 to around 35 per cent (approx. 150 to 200 million extra urban inhabitants) in 1988, an increase of 100 per cent in ten years. This 'floating' population has become itinerant workers who go from village to village and town to town in search of work, many living illegally in some of China's main cities.

As the market reform strengthened, moreover, farmers increasingly concentrated on producing cash crops for the new better off market instead of staple food whilst simultaneously raising their prices. This has resulted in 80 million Chinese facing severe food shortages and 20 million starvation. Grain production has begun to fall.

Thirdly private enterprises have been encouraged in both countryside and cities. In the countryside the number of private industrial units increased from 4.2 million, employing 5.5 million workers, to 10.7 million units giving employment to 28.3 million workers. There are no separate figures available as regards the urban areas but estimates of the proportion of industrial output now accounted for by private firms ranges from 40-44 per cent.

The fourth development has been the undermining of the position and gains made by state workers. Workers in state enterprises have previously maintained their jobs for life. The state sector workers have become the target of economic reformers who want a) to eliminate the 'iron rice bowl' of guaranteed employment and income b) eliminate the existing egalitarianism of incomes by tying wages to productivity bonuses; c) reduce the size of the workforce in state enterprises.

So far the 'reformers' have been

unable to make serious headway in undermining the position of state workers. However they have succeeded in introducing their proposed measures into the special economic zones and areas of new investment. This success however is modest — there are three million workers under temporary contracts compared to 86 million permanent state workers.

The reason for such a small result in introducing the market reform into industry is the ferocious opposition of state workers at plant level which has dissuaded the government from pursuing this policy. However, gains in productivity have been made at the expense of industrial safety: in 1987 there were 80,000 (sic) deaths caused by industrial accidents, the highest since 1949. It is clear it is women who have born the brunt of the economic reform. Decollectivisation of agriculture has strengthened patriarchal relations in the peasant family.

When families withdraw their children from education it is invariably women who are removed whilst families try to secure the continuation of education for their male offsprings.

Young women in newly set up urban private businesses suffer abuse by their bosses as well as male workmates; rape of young women workers by their bosses seems to have become widespread (young rural women who cannot obtain a permit to live in the cities, frequently stay illegally in their employers' flats thus becoming targets of sexual exploitation). Newly arrived female rural migrants work extremely long hours: between 12-20 hours a day for around £15 a month (three quarters of the national average); legislation that protects women's rights applies only to state enterprises, it doesn't apply to private business.

Apart from these social effects, furthermore, substantial economic contradictions have emerged in the reform. 17,000 bankrupt companies and 20,000 wasteful investment projects were closed in the first six months of 1989. Inflation is running at well over 20 per cent.

Finally this internal economic policy was accompanied and prepared by an extreme right wing turn in foreign policy which began in the early 1970s. The Pakistani government was aided against the uprising in what became Bangladesh; the Sri Lankan government was aided in suppressing the youth rebellion of 1971; Pinochet was initially welcomed; in direct collaboration with the

United States, Deng, in 1978, launched a military attack on Vietnam.

The immediate political effect of the economic reform, and the most immediate target of the student movement, was corruption. In addition to the well known examples of enrichment by the children of top party leaders this situation was revealed even by the figures of the CCP itself. According to the *Financial Times* of 14 December 150,000 party members have been expelled since 1983 charged with corruption and *The Economist* noted a claim by a delegate to the National People's Congress that 10,000 companies had privileged links with party bureaucrats.

The result, even before the explosion of the students movement, was the rise of social discontent and struggles. By 1987 there were reports of riots in the countryside and discontent in the cities with an increase in strikes and oppositional wallposters.

It was this economic background which was the backdrop to the explosion of the student movement following the death of Hu Yaobang. The student movement articulated, in an extremely confused manner, the dissatisfaction with, if not outright hatred of the bureaucracy by wide layers of society and contained every political current from extreme left wing socialists to those standing for capitalist democracy. With the significant exception of the peasantry almost every strata of society rallied behind the students.

The working class did not take a leading role itself but gave massive political and material support to the student movement. No characteristic economic demands were expressed by the movement which confined itself to slogans for democracy and against corruption. At the same time no clear political current to the left of the bureaucracy was able to organise itself — nor should this be expected in such a short time.

In this circumstance, therefore, the movement eventually tended to support the right wing of the bureaucracy headed by party general secretary Zhao Zyang. Neither this wing of the bureaucracy — which was most closely linked to the market orientation and the corruption it created — nor imperialism clearly could offer a perspective for the mass movement.

As the movement developed

'Reforms seek to get rid of the "iron rice bowl"'

however clear working class organisation began to emerge within it — the first wave of arrests was directed specifically against the Beijing autonomous workers organisation and the first executions were of workers.

The logic of the repression is simple. It was designed at all costs to restore control by the bureaucracy. But it is also equally clear that the Stalinist fraction of the bureaucracy has no economic way forward. On the contrary it has made clear that it intends to attempt to push ahead with the 'open door' policy to the West — although what concessions Deng will be forced to make to the ultra-Stalinists with whom he is now allied remains to be seen.

The initial reaction of the US, particularly its ambassador in China James Lilley, was to attempt to limit the effect of events on US-Chinese relations. Lilley stated on 13 June that: 'We Americans stand for certain things and I don't think we are going to change. And I think the Chinese stand for certain things and they are not going to change!'

In itself the US would certainly not feel its relations strained with China because of a massacre. But the real joker in the pack as far as the US was concerned, the development in China which was unacceptable, was the growing rapprochement of the Chinese bureaucracy with the USSR.

It is completely impossible to overstate the damage done to the international class struggle by the Sino-Soviet split which existed from 1960 onwards. By the mid-1970s China was engaged in direct collaboration with the United States against the Soviet Union to the direct benefit of international capitalism.

More profoundly the Chinese bureaucracy, in its course of collaboration with the United States, served to break up the revolutionary movement throughout Asia. It directly split the Thai Communist Party — which was leading a major guerilla movement. It derailed the struggle in South Korea, Singapore, and other East Asian states. This even had a direct material benefit to capitalism as the spectacular growth of the East Asian Newly Industrialising Countries (NICs) of Hong Kong, Singapore, Taiwan and South Korea was directly bolstered by the extreme right wing line of the Chinese bureaucracy. If from 1949-75 the greatest weight applied against world imperialism had been the struggle of

the Asian people, then from 1975 onwards the greatest relief given to imperialism was that the Chinese bureaucracy served to block that struggle.

There is also no doubt as to who was responsible for the Sino-Soviet split. There have been few greater crimes against the working class than the attitude of the Soviet bureaucracy towards the Chinese workers state in the 1950s and 1960s. The Soviet leadership under Khrushchev and Brezhnev demanded China toe its line. It refused to share nuclear secrets with China when that country was in the direct firing line of the United States throughout the 1950s and 1960s.

In 1960 the Soviet Union unilaterally pulled its economic aid and advisers out of China. China's lurch towards the United States during the 1970s, after the failure of the ultra-left adventurism of the Cultural Revolution, was directly occasioned by this Soviet stab in the back.

In turn the USSR played a catastrophic price for its earlier bureaucratic chauvinism. A line of US listening posts was established in China. A huge and expensive military build up was carried out by the Soviet Union along its eastern border.

Few turns in world politics are therefore more favourable than the shift of China and the Soviet Union back towards better relations. Whatever the policies of their leaderships this is an immense objective shift in the world relation of forces in favour of the working class.

The Soviet leadership has made completely clear that it is not going to be distracted from its course on this by the Beijing massacre. From the beginning of martial law Soviet journalists in China were ordered to observe its provisions and stay away from Tiananmen Square.

The Chinese leadership responded in kind. On the Sunday after the massacre Li Peng sent congratulations to Nikola Ryzhkov, the Soviet Prime Minister, on his reappointment.

It is this rapprochement between China and the USSR which is unacceptable to the US. It is not that the Chinese leadership was aiming to shift back to its old 1950s alliance with the USSR against the US. Not merely had the Chinese leadership made it quite clear that it had no such intention but it, symbolically,

made sure that US warships were visiting Shanghai on the very day that Gorbachev made his visit to the city.

But even a shift back by China to equidistance between the United States and Soviet Union is a defeat for the US leadership from the position of the 1970s when China was a key part of its encirclement of the USSR. There is no doubt that the US, after initial hesitation, intervened with strong verbal support for the democracy movement because of this shift in Chinese foreign policy and because it believes Zhao to be more closely tied to imperialism than Li.

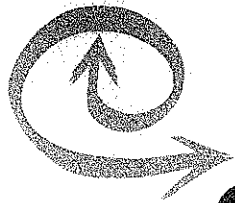
Now, however, the US faces sharp choices. Zhao has clearly been defeated. The US, leading its allies, has clearly decided to attempt to intervene in China to still prop up the forces it regards as most closely tied to it. Bush's cancelling of all top level meetings with the Chinese leadership, and most significantly Japan's cancelling of a \$5.5 billion loan, indicate a new policy of imperialist pressure. This however risks misfiring if it drives the Chinese leadership into closer alliance with the USSR.

Imperialism's trump card in this situation is precisely the impasse into which the bureaucracy has driven Chinese society. For all its brutal repression the extreme Stalinist fraction of the Chinese bureaucracy has no more economic way forward for China than it did in the mid-1970s. Imperialism's calculation is that after a few years China will be once more driven back towards accommodation with imperialism.

Contrary to appearances, therefore, the events of May-June have not strategically strengthened but, on the contrary, greatly weakened the Stalinist fraction of the bureaucracy. It is now loathed by wide layers of the most advanced forces in Chinese society. It is under pressure from imperialism under conditions where it has no way out.

The bloodbath of Tiananmen Square did not end the crisis in China. It elevated it to a new and higher level. The most powerful actors in China are not Li Peng and Deng Xia-ping's tanks but the Chinese workers and peasants who form one quarter of humanity and the pressure of imperialism which weighs down on the Chinese workers state. The massacre of Tiananmen Square now means these forces are going to be joined in a new and higher struggle.

'The blood bath in Tiananmen square did not end the crisis in China'



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SATURDAY 12 AUGUST 1989

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