

SOCIALIST OUTLOOK

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A new face for Thatcherism

Inside

● Gulf Crisis

● Eastern Europe

● Ireland

SOCIALIST OUTLOOK

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John Harris NUJ

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Her defeat: but also our victory!

SCHOOLKIDS CHEERED; nurses whooped with joy; spontaneous parties took place. Margaret Thatcher had resigned after eleven years as Prime Minister: a great weight had been lifted from the shoulders of the downtrodden. As with the assassination of President Kennedy, a new generation will recall just where they were and what they were doing when they first heard the news.

Of course in some ways the celebrations were premature: John Major is a Thatcher disciple who will continue her policies. But nevertheless, there is no doubt that there will be a substantial change in British politics. Eleven years of her domineering, inflexible, seemingly unstoppable rule reflected her distinctive personality and style of leadership: none of the three would-be successors could promise to continue in the same way.

Indeed her defeat came because many Tory MPs no longer wanted to go on in the same way. She was toppled by a combination of circumstances and a coalition of forces created by her own past actions and decisions.

● She was not simply gored to death by Geoffrey "Dead Sheep" Howe, or trampled by a herd of Ecus – though the fatal rift with her former deputy arose from the profound Tory splits over Europe, which divide the party into at least three factions. Her strident opposition to European monetary and political union – followed up by her threat to go to the country over the heads of Parliament in a referendum on the issue if she remained as leader – played a central role in the final denouement.

● Nor was she ousted by the voters of Eastbourne in their dramatic by-election rebuff – though the Tories' miserable showing in the polls and by-elections had many backbenchers fearful for their seats.

● The state of the economy is bad and getting worse: but that alone was no reason for Tory MPs who had weathered previous ups, downs and recession to ditch their thrice-victorious leader: they knew that Thatcher's weakness on this was more than matched by the lack of any serious Labour alternative – and in any event they were offered no change from John Major's basic strategy.

● Nor was Thatcher simply the subject of an ambush by a conspiracy of cabinet ministers (though this clearly took shape after the first ballot). Had she won comfortably on the first round, we would never have seen the explosion of belated dissent. Hurd and Major, contenders for the succession, were her nominators in the first ballot!

No: the explanation for Thatcher's abrupt departure involves all of these factors, but is much simpler and more satisfying. People are right to celebrate her downfall as *our* victory: it was caused – at the crunch – by the Poll Tax, and the scale of popular

revolt, non-payment and political hostility it has aroused.

In a Party increasingly uneasy over the state of the economy and its poll ratings, Thatcher's obstructionist line on Europe fanned the smouldering crisis into flame – with the abrupt resignation and dramatic denunciation of the Prime Minister by Geoffrey Howe. This in turn provoked the long-postponed decision of Heseltine to stand against her.

Heseltine was always likely to pick up over 100 votes: even the barmy 'stalking horse' Sir Anthony Meyer persuaded 60 Tories to back him or abstain last year. But Thatcher's outright victory in the first

round would still have been assured had Heseltine not played the trump card of his opposition to the Poll Tax and a woolly pledge to "review" it. For MPs floundering in marginal seats, angry at the dead weight electoral liability the Tax represents, this promise offered a possible life-raft; it was enough to swing some waverers behind Heseltine – sufficient to deny Thatcher a first-round victory.

Only at this point did her previously servile ministers sharpen their knives for the final coup de grace, driving her out in a bid to stop Heseltine and preserve what they see as the essentials of

Thatcherism. During the evening of Wednesday November 21 they persuaded her to stand down.

All of a sudden, the two new candidates for the second ballot declared themselves critics of the same Poll Tax which they in cabinet had pushed onto the statute book: but predictably none of the candidates would say how, if at all, they would alter the Tax, or when.

Now the little-known John Major, grudgingly supported by the rabid right wing 'No Turning Back' group, is to take the helm, and – with or without Thatcher (in her words) 'driving from the back seat' – is unlikely to veer dramatically from the political course charted by Thatcher herself.

It is doubtful how long the electorate will grant Major as a 'honeymoon period', or how fundamental is the apparent shift in support from Labour to the Tories triggered by Thatcher's departure and the three weeks of exclusive press attention on the Tory Party and its leadership personalities.

What is clear is that millions of workers in the public sector and in private industry will feel they stand a better chance of fighting and winning against the government and employers now she has gone. Millions of Poll Tax protestors and non-payers will be reinforced in their opposition to the Tax, not least now that Michael Heseltine has been appointed Environment Secretary, charged with finding a decent escape for the government. They have a right to celebrate their role in her downfall.



No human face for Thatcherism

THERE MAY have been punch-ups in the Commons tea-rooms between the Thatcherites and the Heselteenies after her resignation was announced: but their political disagreements are not by any means fundamental, argues **JOHN LISTER**. A cabinet led by John Major will easily accommodate Michael Heseltine while leaving most of Thatcher's policies intact

THATCHER'S GOVERNMENT represented the most sustained and brutal attack on the working class in Britain since the 1920s. For over eleven years it took sides ruthlessly and consistently with the rich, the young, the fit, the employers and the racists against the poor, the elderly, the sick the unions and the black communities.

It handed billions in huge tax concessions to the wealthy – billions it had stolen through slashed benefits and services from pensioners, the unemployed, claimants, and the homeless.

It shackled the trade unions with every conceivable legal restriction and financial penalty and armed scabs with police and High Court protection, while employers were encouraged to smash the strength of the shop stewards' movement.

As it mercilessly robbed local government of its powers and autonomy, culminating in the imposition of the Poll Tax, the Thatcher government handed vast new powers to the police, and shamelessly protected corrupt cops and incompetent judges. None of this was seriously challenged in the leadership contest: and little of substance is likely to change.

There was little to separate the views expressed by the three contenders who challenged for Margaret Thatcher's vacated throne.

Only on the questions of European policy and (possibly) the Poll Tax was there any clear sign of serious disagreements, which could yet destabilise the new Major government.

The Gulf

Though many have now realised that a war with Iraq would be no easy re-run of Thatcher's short, nasty (and extremely lucky) victory over Argentina in the Malvinas, only Ted Heath in the Tory Party has openly broken ranks to question the drive towards military confrontation.

Heseltine's bellicose endorsement of the Thatcher line on the Gulf has been an echo of his period as Defence Secretary, when he attacked the Greenham Women and CND, and posed in combat fatigues and clapped-out army tanks (now breaking down in the Saudi desert).

The new government might marginally adjust its line, to draw a little closer to the more cagey approach of the European bourgeoisie, and pull a little further back from the US front line. But there is no prospect of it withdrawing the 30,000 British troops or failing to use them in the event of a shooting war.

The economy

Major's own economic policy will also remain unchanged under Norman Lamont as Chancellor – and indeed is now largely dictated by membership of the European Exchange Rate Mechanism, which requires high interest rates to keep the British currency within the fixed guidelines. Hopes of an interest rate cut appear to have been dashed by the German Bundesbank pushing in the other direction.

Nor is there much prospect of government intervention to alleviate the looming recession – which is already slashing jobs by



Thatcher attempts to put on human face but fails

the thousand, forcing employers once more onto the offensive after a period of seeking to buy off militancy through higher than expected pay offers, and drawing from the 'new realist' Engineering Union leaders a defeatist abandonment of their half-hearted campaign for a 35-hour week.

Social policy

On the welfare state and social issues, there is room for some slight adjustments, but little sign of any embarrassing about-face reversals of policy.

The recession, and a new lurch upwards in numbers of unemployed, will intensify pressure on the cash-limited Social Fund and the whole Social Security system, while reducing the government's income from taxation. It is by no means clear how Major plans to cope with this problem: benefits have already been brutally cut back and restrictions tightened to minimise the numbers eligible. The colossal increase in numbers of people living in poverty seems certain to increase under the post-Thatcher regime.

Significantly, before her resignation, Thatcher's newly-appointed Education Secretary Kenneth Clarke had dismayed the No Turning Back group, and shown a rare flash of defiance when he contemptuously brushed aside the right wing's cherished plan for education vouchers only a short while after the lady her-

self had supported the idea.

Heseltine – as an advocate of properly training the workforce for the needs of capitalism – made much of echoing Labour's "big idea" of education and training, and Major, too, in a sop to the powerful education lobby, pledged to review teachers' pay: but short of a substantial increase in public spending (which would require an unlikely economic U-turn by John Major himself) this will remain hot air (as indeed it is in Labour's programme!).

On the NHS, newly-appointed Health Secretary William Waldegrave has found himself saddled with a monumental crisis, with around 5,000 hospital beds closed for cash reasons across the country during 1990, and more to go next year, while waiting lists soar upwards.

He has little scope to resolve this problem, unless Major is prepared to sanction a big increase in spending this year and next – having only just fought against such concessions in this autumn's spending round.

Waldegrave also has to decide how many of the 66 applicant hospitals and units he allows to "opt out" as Self Governing Trusts – with the real danger that most of them will be in dire financial straits or even bankrupt within 12 months. With the pressure relaxed by Thatcher's departure, there is an outside chance that these hugely unpopular reforms may be slowed down, or at least the opt-out list pruned



Poll Tax non-payment - key to Thatcher's defeat

John Harris NUJ

back to a select handful of those least likely to go bust in the short term.

Housing is one of the issues on which Heseltine has been most consistent in demonstrating his Thatcherite appetite for privatisation. He masterminded the mass sales of council houses, and has since advocated various dramatic proposals to dispose of the remaining stock of public sector housing - such as simply giving council houses to their present tenants.

The appointment of Heseltine as Environment Secretary offers little change for the homeless government which will be working to tight limits on public spending, and which shares Thatcher's hostility to any welfare state provision and any independence of local government.

Racist laws

The Thatcher government set out in the late 1970s to steal the mantle of Britain's racist party from the rag-tag fascist groupings of the day.

Since then the door has been slammed shut on black immigration, callously dividing families, subjecting thousands of black visitors to humiliating checks and prolonged detention, deporting thousands of black "illegal immigrants", and turning back thousands more refugees.

These policies have been upheld by the 'liberal' Hurd as Home Secretary, and by cabinets including the 'man of the people' Major and by the 'European' Heseltine; they will be further tightened under new Home

Secretary Kenneth Baker in line with European restrictions on immigration in the run-up to 1992.

The unions

Though Heseltine was widely derided by the Thatcherites as a 'corporatist' advocate of government intervention, and a blast from the had old Heathite past of concessions to the unions, he, as much as Major and Hurd, was an active party to the onslaught on the miners and printworkers and the imposition of Thatcher's battery of anti-union laws.

The crawlers of the TUC bureaucracy might conceivably believe they stand a better chance of establishing a collaboration with a Major government (they recently offered Thatcher talks on a new 'social contract', only to be rudely rebuffed); but the best chance of forcing any concessions from the new government will be from a position of strength, based on industrial action.

Only under such pressure can workers draw out what differences of approach do exist in the new Tory leadership.

Poll Tax

Michael Heseltine is up against limited options in his new booby-prize job as Environment Secretary. If he succeeds in finding a new formula for Poll Tax, John Major will take the credit: if he fails, he will be on his own.

With public spending nailed firmly down as Major has tried to squeeze out inflation, there is little hope of using large subsidies to cut the level of Poll Tax bills: indeed the inherently regressive

character of the Tax means that even if he did try this, many sensitive areas would still wind up paying much more than others.

Heseltine's vague proposals for 'banding' the Tax in relation to income and 'ability to pay' have all the administrative headaches of a local income tax with none of the advantages (imaging trying to get Poll Tax non-payers to declare details of their income!).

The option of



Graeme Cookson

scrapping the Poll Tax altogether, and returning to some form of rates system, could prove humiliating in the extreme, or even trigger a new Thatcherite backlash inside the Tory Party.

Another problem is that none of the options, other than pumping in new money from central government, could be implemented quickly enough to affect Poll Tax bills for 1991, leaving the issue a serious embarrassment up to the next election.

The best scenario for Major seems to be to exploit his few months 'honeymoon' period, using Heseltine as a decoy to trick voters into believing a wholesale Poll Tax review is happening, and to go for an early election, possibly exploiting the first jingoistic echoes of a war in the Gulf, before public revulsion grows as the body-count rises.

Europe

An early election would also

maximise Major's freedom of action in relation to European monetary union. He knows that the rifts in the Party on Europe could yet create new crises; he also knows that the 'pro-Europe' wing are skating on thin ice - because had Thatcher been able to carry out her threat to take her policy of rejecting a single European currency to a referendum, she could have counted on a substantial majority, linking old-fashioned Sun-reading chauvinists with those who reject the waste and bureaucracy of the EEC.

An early election victory would give Major greater authority to impose his policy of cautious progress towards monetary union.

Labour flat-footed

It's no surprise Neil Kinnock and his cronies were delighted that the Thatcherite Major won rather than Michael Heseltine, whose policies on education and the economy are so close to the latest 'new realist' nonsense served up from Walworth Road.

Yet Labour has little to celebrate. The Tories have ditched Thatcher as an electoral liability and created the (temporary) impression of a new government. Major will be a much harder target for a labour leadership that has almost no attractive policies of its own to offer, and has relied instead on becoming the biggest 'moderate' opposition to Thatcher's extremism.

In this situation, even sections of Labour's right wing are now waking up to the fact that Kinnock as leader is a liability. Activists who had gone along with the Policy Review will become more aware that in ditching controversial policies, the Kinnockites have thrown out the baby with the bathwater, leaving little to attract the extra votes they need.

The hard left will find new opportunities to follow through the struggle against new realism, and the fight for a socialist alternative to Thatcherism and its latest variant - the Majorettes.

Postal workers win on sexual harassment

A recent issue of the Union of Communication workers (UCW) Official Bulletin to branches gave brief details of eight instances of unofficial industrial action taken by branches up and down the country.

This confirms that the union's membership is still willing and able to resist attacks from Post Office management, even if their national leadership will readily capitulate at every turn.

By far the most important of these disputes was the week-long strike in Oxford, because it was concerned with an issue normally shamefully ignored by the vast majority of the British labour movement — violence against women.

The very fact that the action took place at all can be seen as something of a victory.

On the evening of Monday October 26 a woman cleaner working alone with a male supervisor was assaulted by him.

A formal complaint was made, and the local branch of the union became involved, demanding that the supervisor be suspended pending an investigation of the events. Management refused to do this but instead moved the woman on to a duty away from the supervisor in question. The

supervisor was then interviewed and admitted that the assault had taken place; however, no action was taken against him.

By Thursday evening management had still refused to take precautionary action; by this time, the supervisor had been put back on to a duty which placed him in charge of the woman he had assaulted only 3 days earlier.

The evening shift at the sorting office has a large number of women workers who became increasingly angry that management could allow such a situation to occur. At 8pm a meeting was held in the sorting office yard and a unanimous decision was taken to take strike action.

The following morning workers at three satellite delivery offices were asked to go into the sorting office to work; this would have meant crossing picket lines, which they refused to do. As a consequence they were suspended, bringing the number involved in the action to over 700.

Postal Officers and Postal Assistants (PO/PAs) at the administrative offices four miles — at least half of them women — voted by 3 to 1 to support their postal colleagues and come out on strike.

This act of solidarity probably had the greatest impact on the

strikers who previously regarded PO/PAs as aloof quasi-management grades.

The progressive nature of the dispute was not lost on the public, who freely indicated their support to the picket line. One postman returning home on the bus from picket duty said he felt like Santa Claus — so visible and obvious was the support from other, mainly women, passengers.

By the Wednesday of the following week that strike had spread to other offices in the Oxford district and beyond, most notably to Swindon sorting office in the neighbouring district. By the time the dispute had been resolved workers at many more offices were poised to take supportive action.

Throughout the strike, management, surprised by the level of support, sought to belittle the woman's claims. There was the disgusting instance of them producing an imaginary barometric scale of the seriousness of assault. As far as they were concerned what the cleaner had experienced only merited between one and two on their scale of one to ten!!

As far as the strikers were concerned the actual nature of the assault itself had little influence on how they felt about the dispute. What was important was

that the woman had been sufficiently frightened by what had happened and sufficiently scared that it might happen again that the situation demanded a serious response from management. Instead management hit back, seeking injunctions under the anti-union laws and attempting to witch-hunt the strike as a regression to 1960s-style 'wildcat strikes'! They did not succeed in denting strikers' solidarity.

By Wednesday October 31, management were able to complete their investigation into the incident. The supervisor was found guilty and demoted to the rank of postman, given a 5 year serious offence against his record and compulsorily transferred away from all offices that had taken action. In addition an agreement had been reached to set up a procedure for dealing with future instances of sexual harassment.

There was no doubt in the minds of the strikers that a victory had been achieved.

Sexual harassment is a daily occurrence and this dispute will certainly not put an end to it in the Oxford offices. But hopefully, the dispute will encourage women workers to feel more confident about taking action about any instances that take place in the future.

Andy Mar

TUC bureaucrats in bid to gag Trades Councils

The TUC General Council's cost-cutting package, to deal with its financial crisis, included far-reaching measures in relation to Trades Council organisation.

The annual conference, the County Associations and the TCJCC (the liaison committee with the General Council) will all be wound up — to save the vast sum of £37,000 a year.

The real motivation is not, of course, financial, but political, as clearly shown by the circular issued by TUC General Secretary,

Norman Willis. The main aim is to silence Trades Councils as a source of possible opposition to the General Council, and no doubt to a future Labour government.

Willis and co have seen the drift to the left of many Trades Councils over the last few years, as shown to a certain degree in their annual conference. The last one, for instance, passed resolutions calling on the TUC to campaign against the Poll Tax, and calling for the repeal of the Tory anti-union laws. Even this entirely powerless annual conference is

too much for the General Council, who want to silence every potential critic.

The good news is that there will be an annual conference of Trades Councils in each region which will elect delegates to the Regional Council. The bad news? They will be stitched up in advance. There will be no resolutions allowed! 'Discussion papers' will be presented to them by the Regional Council secretariat. Such is the TUC's idea of democracy.

Each Trades Council will now be able to submit just one resolu-

tion to each meeting of the TUC Regional Council 'in time for the Executive Committee to decide whether the motions are appropriate for the Regional Council meeting to debate (using the criteria that resolutions would not be contrary to Congress policy ... and should concern themselves only with the issue of direct concern to the locality or the Region'.

In other words they are banned from submitting motions concerned with national or international issues, and — of course — anything remotely critical of

New socialist paper launched!

socialist is the new paper launched by the Socialist Movement.

A 24-page pilot issue was launched at the successful recent Socialist Movement conference in Manchester, and is now being widely distributed throughout the broad labour movement.

Preparations for the paper have been going on for more than a year. The Socialist Movement rightly believes that it needs its own voice to develop its campaigns and sink roots locally and in the labour movement.

There is also undoubtedly a major political space on the Left for a non-sectarian radical paper, especially as other Left journals either disappear (*New Socialist*, *7 Days*), plunge into deeper financial difficulties (*New Statesman*, *Marxism Today* and *Tribune*), or prove incapable of appealing beyond a very narrow audience (*Campaign News*, *Briefing*, *Catalyst*).

socialist aims to break new ground on the Left — to provide a solid diet of news and information on politics, the labour movement and social life which left activists will find invaluable. While promoting the Socialist Movement's radical politics, it aims to avoid the predictable sloganising of many far left papers.

So, what is it like? Does it

live up to the hype?

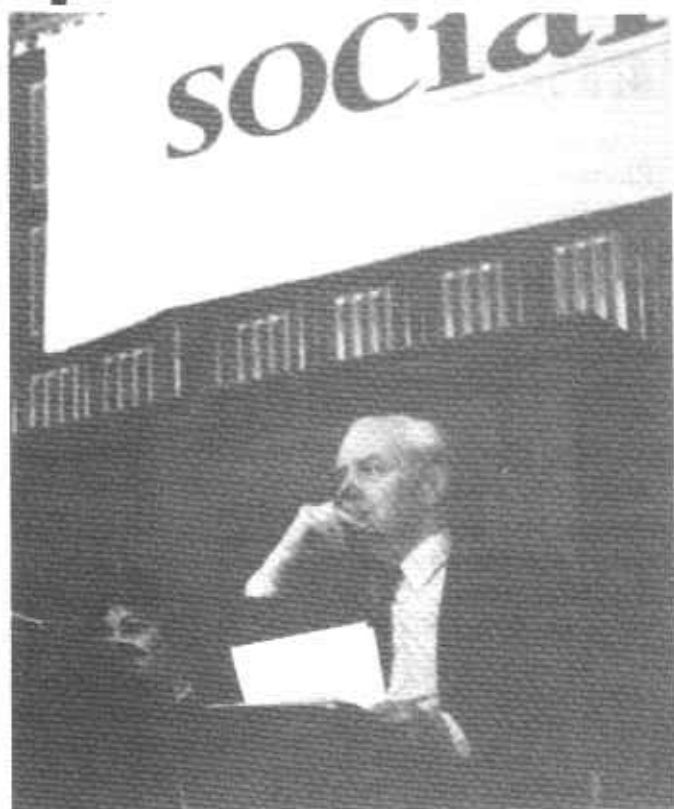
The first impression, almost everybody reports, is good. It looks and feels completely different to other left papers. It looks like a 'real newspaper', like the *Daily Mail* or the *Sunday Correspondent* (with different politics, of course!). It is well designed and relatively easy to read — though there are too many words and not enough pictures and graphics on a number of pages.

The paper has a strong internationalist feel to it with the special 4-page supplement *The world turns ...* being particularly interesting (though again too many words detract from the overall impact).

There is a clear commitment to informing and helping activists organise with a number of fact boxes and information on how to get involved in campaigning throughout the paper. Yet the paper still feels 'open', not preaching to the wholly converted.

Endorsements for the paper are impressive, ranging from the expected Tony Benn and Eric Heffer, to John Pilger, Penny Kemp from the Greens, Gita Sahgal of Women Against Fundamentalism and Janet Davies from Plaid Cymru's national Left.

At the Manchester conference reactions were very positive. More than 2,500 copies were



Geoff Ryan

Benn speaks at SM Conference where socialist was launched

taken away for sale in cities around the country, and 50 people there took out bankers orders and became supporting subscribers to the paper.

Now the serious fundraising and promotional work begins for the project. Some £25,000 needs to be raised, and 500 supporting subscribers signed up. The pilot issue and promotional leaflets are being widely distributed and sponsors sought. The goal is for

a fortnightly production from mid-March. The project deserves widespread support!

If you want a copy of the paper, or information on how to become a supporting subscriber, or to make a donation to the project, write to:

socialist, FREEPOST, PO Box 118, Chesterfield, Derbyshire, S44 5BR.

Davy Jones

the TUC.

The content of these measures is to deny Trades Councils any effective national voice which might serve as a focus for opposition to TUC or Labour Party policy. They constitute a kind of pre-emptive strike to prevent the strengthening of the Trades Council movement on a national level.

What then can be done to fight these measures? In the first place, an unofficial conference has been organised in Manchester on December 8th by forces

around the Communist Party of Britain and the *Morning Star*.

This is the first initiative organised, and likely to be attended by most of the Trades Councils opposed to the General Council decisions. Clearly this must lead towards a campaign in all unions to win them to a position of reversing TUC decisions, and to ensure that appropriate resolutions are on next year's Congress agenda.

In addition, what is required is a political campaign at every level, denouncing these measures



Solidarity from Trades Councils, crucial to miners

for what they are — an attempt to shackle the Trades Councils even further, reducing them to post-boxes for TUC circulars.

In this new battle in the war against New Realism, what is at stake is the future of the Trades

Council movement, which can only flourish if they are combative organisations which serve as vehicles for the working class struggles in each locality

Sam Stacey

Will Labour's left meet the challenge?

As an early General Election seems increasingly likely, the need for an organised socialist voice in the Labour Party providing a fighting alternative to Kinnock has never been greater. **TERRY CONWAY** assesses the *Labour Party Socialists' Annual General Meeting* and the tasks facing the new National Committee.

150 people braved it to Sheffield for a daunting-looking agenda, running from 9.30am to 5.30pm – a clear sign that despite the horrors of Labour Party conference and the hold of new realism in the labour movement, there is a small but important layer of activists in the party determined to construct an alternative.

The day was contradictory. On some crucial issues there was agreement – the need to prioritise campaigning against War in the Gulf, the poll tax, the anti-trade unions laws and the witch-hunt of socialists within the party. On all

of these fighting speeches were made, and most importantly, practical proposals for action endorsed.

Whatever the effect of Thatcher's replacement by Major, it is only after a general election itself that there will be a massive shakeup inside the party. If Labour wins, then expectations will be raised, not on the basis of Kinnock's collaborationist policies but because working class people expect more from Labour.

If the Tories win a fourth term, then there will be a fight inside the Labour Party – which will probably result in the replacement of Kinnock as leader and again the space for the left will be opened up. On these questions there was consensus at the AGM.

Nor did anyone think that it was possible to launch the sort of campaign around the General Election run by 'Socialist Campaign for a Labour Victory' in 1979 – the relationship of forces just doesn't exist today.

But there were differences about exactly what we could and should attempt – with the resolution drafted by *Socialist Organiser* supporters arguing that

LPS should merely act as a clearing house for left policies coming from CLPs, whereas the resolution drafted by *Socialist Outlook* supporters argued that *LPS* needed to link up with campaigns inside and outside the party on issues such as Lesbian and Gay Rights and the Poll Tax.

Both resolutions were passed – so now it will be up to the steering committee to ensure that *LPS* makes the maximum capital out of the current Tory crisis and the forthcoming General Election and uses this to build *LPS* on the ground.

The discussion on the General Election also saw a debate about the relationship between *LPS* and the Socialist Movement and its paper. Again two resolutions were clearly passed, but the discussion was sharp. While *Socialist Outlook* supporters and many independents were positive about the prospects for socialist, *Briefing* and *Socialist Organiser* supporters were pessimistic and in some instances hostile.

These latter groups seemed to have no perspective of fighting within the *Socialist Movement* as a whole for the ideas of *LPS*, and also soured the debate by spreading mis-information about what

the *Socialist Movement* had actually decided.

The difficulties of the day were further compounded by the elections to the National Committee which saw the defeat of three independents who have played a vital role in building *LPS*. This happened because supporters of *Socialist Organiser*, the largest political block present, put their own interests before those of *LPS* as a whole. They then tried to retrieve the situation by one of their supporters resigning in favour of another individual even though she was not next in line. Amid much confusion and dismay, the AGM agreed to this.

Since the AGM itself there has been much discussion as to what went wrong. It seems that the first meeting of the Steering Committee will agree to co-opt those who were defeated for the National places – an unusual but in our view necessary step.

But in order for *LPS* to play the role that is needed in the months to come, it is necessary that all political forces involved behave in a responsible, not a sectarian manner and that *LPS* strengthens, not weakens, its relationship with the *Socialist Movement*.

NHS faces new winter crisis

By Terry Smith

In the past year, almost 2,300 hospital beds have been closed or failed to reopen for cash reasons in London alone, according to the latest available figures. This suggests that recent surveys by the *Independent* (which showed around 4,000 beds closed nationally) have understated the scale of the crisis affecting the NHS.

The closures are mainly hitting acute services, but have also taken a heavy toll of beds for the elderly and mentally ill.

These cutbacks have been

worsened by the instruction to most districts to eradicate long-standing deficits and create a "level playing field" in the run-up to the introduction of the new NHS Act and its 'internal market' next April.

Ministers have responded to this picture of devastation by arguing that – even after some 10,000, mostly acute, beds have closed in London since 1984 – the capital has "too many beds". Yet the latest closures are hitting hospitals in the home counties as well as threatening the training of student doctors at leading London teaching hospitals, while waiting lists fill up with patients

too ill for day surgery but with little hope of a hospital bed.

NHS managers are keeping fingers crossed, praying there is no repeat of last year's flu epidemic: they know that they and the government have only escaped major embarrassment so far by sheer luck – and two mild winters. Several leading London hospitals, and Watford's main hospital, are already admitting emergencies only.

Things will get even worse after next April when the new NHS Act takes effect, with unknown consequences. The Act will certainly leave most London districts worse off: Department

of Health officials have secretly warned that the implications for London and the South East could be another 2,400 beds to close and a teaching hospital to go bankrupt!

No wonder there has been such a stony silence from new Health Secretary William Waldegrave since he took over from Kenneth Clarke. He has already twice postponed an announcement of which hospitals will get the go-ahead to 'opt-out' as Self Governing Trusts next April, amid speculation that perhaps only a few of the 66 applicants will obtain approval.

Gulf: a bloody ante-chamber to a new world order?

The announcement by President Bush that the US was sending a further 200,000 troops to the Gulf must signal to us all that war is now almost inevitable. Yet this has been matched by 250,000 more Iraqi troops to be sent into Kuwait: there will be no quick or easy war for either side, reports GILL LEE.

The Middle East is of huge strategic importance to the US, not least because it produces the majority of the world's oil. But war in the Gulf will not simply be about oil. It will be a decisive statement by the US on the new world order it wants to see emerging after the Cold War.

That new world order is still taking shape. Its form depends on the resolution and interrelation of two crises — the crisis of Stalinism and the crisis of the imperialist order.

The crisis of the Stalinist countries means that only one superpower remains with both the military might and the political will to impose its policies internationally. And the US has not been slow to take advantage of this situation and assert that will and that might.

The stakes for imperialism and for the international working class are at least as high in the Gulf as they were in the Vietnam War.

Global Policeman

The Gulf crisis is about the USA reasserting its role as global policeman for the imperialist countries, ensuring that no ex-colonial country feels free to flex its muscles in the way Saddam has done over Kuwait.

For a whole period after its defeat in Vietnam the US was unable to intervene when it wanted as it wanted — against Cuban troops in Angola in 1976 — against the overthrow of the Shah of Iran in 1978 or against the Nicaraguan revolution in 1979.

Since 1982 the US has been working hard to reassert its authority, and has managed to get away with the invasion of Grenada in 1982 and of Panama in 1989.

But war in the Gulf is not just about overcoming the Vietnam syndrome at home and reasserting at a political level the right of the US to intervene as it sees fit in the colonial and semi-colonial world.

The ability of the US to intervene into the semi-colonial world is essential for its continued economic development. When people talk of the poverty of the states emerging from



Baker and Shevardnadze vote as one

Stalinism they are correct. The economies of these states have been held back and deformed by the bureaucratic mismanagement of the Stalinist system. But people are wrong simply to compare them with the economies of the US, Western Europe and Japan. The wealth of these imperialist countries rests on the poverty and hunger of a great part of the world's population — in Africa, the Indian sub-continent, East Asia and Latin America — as well as on the oppression of the working class in the imperialist countries themselves.

Between 1980 and 1988 for example, the West sucked \$200 billion out of the Third World. The war currently being engineered by the US and its allies in the Gulf is about ensuring its right to go on with this degree of exploitation.

The intervention by the US in the Gulf, and its successes so far in pulling in behind its project all the other imperialist countries, is also about the role of the US vis a vis other imperialist countries.

US imperialism is once again using its military might to compensate for its declining economic position vis a vis Japan and a German led Europe. In exchange for protecting the imperialist order militarily, the US expects financial kickbacks in the form of trade advantages.

The new Europe is not in a position to do this and nor is Japan. Prime Minister Toshiki Kaifu of Japan has been forced by public opinion to abandon his fight to pass legislation allowing the dispatch of Japanese



military personnel to the Gulf to serve even in non-combat roles. Instead Japan will pledge \$4 billion dollars to pay for the US force. Germany and the EC will each provide \$2 billion. And as Margaret Thatcher recently said of Europe and the Gulf crisis 'When it comes to taking practical steps you rely on the few countries that have been used to acting' — ie Britain and the US with Britain very much taking the subordinate role.

Imperialist arsenals

The crisis in the Gulf provides the imperialist countries with the perfect excuse for retaining their arsenals after the Cold War. The need to defend the 'free world' from naked aggression has been promoted widely as a reason for the War. Of course this completely ignores key facts:

- Kuwait was governed by an unelected monarchy
- Its population was in a majority composed of immigrant workers who had no rights of citizenship
- The main Arab ally of the imperialist powers in this war, Saudi Arabia, is ruled by another unelected monarchy, whose barbarous regime rests on repression through Koranic rule

And these statements about defence against aggressors come from the same country, the USA, which has not only invaded the sovereignty of two countries — Grenada and Panama — in the last 8 years, but has continued to arm Israel to the hilt, despite the Zionists' refusal to recognise the right of the

Palestinian masses to their own country, and ignoring UN resolutions on this question. How much force have the western powers used to ensure that Israel carries out UN decisions on Palestine? None! On the contrary they have encouraged Israel's arrogance and criminal disregard for the self-determination of the Palestinian people.

We know that these imperialist powers care nothing for the rights of anyone but themselves. But they will use the excuse of 'Hitler'-like Saddam to fight the widespread demand for cuts in arms spending and a 'peace dividend' following the end of the Cold War. Saddam will be used by them as a popular rationale for the retention of a huge arms budget.

\$1 billion a month

Three trillion dollars of arms are currently stationed in the Gulf ready for use. The crisis is already costing the US \$1 billion a month and in the event of a shooting war this will rise to \$1 billion a day. Expenditure on the war will both deepen the recession the US and other Western powers are heading into, and provide a perfect excuse for it and for the accompanying cuts in social expenditure — in housing, education, and health care — which will go with it as the ruling class attempts to make the workers pay for the crisis.

But what of the other human cost of such a war; the dead and the injured? Conservative estimates talk of 30,000 allied casualties in the first ten days. Richard Perle, former Assistant Secretary of Defence talks of a quick war, mainly fought from the air. 'This would involve the bombing of Iraq's missiles, air force chemical and nuclear weapons industrial facilities, and much of Saddam's control and command structure' he wrote in the *Guardian* recently.

The casualties of such a bombardment would be immense and would of course include thousands of Iraqi civilians. Bombing of chemical weapons plants could release into the atmosphere tons of lethal nerve gasses, possibly resulting in several tragedies on the scale of Bhopal. And of course there is the risk that should Saddam himself launch a chemical attack, the West will respond with nuclear weapons. War in the Gulf could unleash an environmental catastrophe affecting countless generations to come.

So can war in the Middle East be averted? Only two things can now prevent the US unleashing on Iraq the biggest force assembled since the D-Day landing.

The first is retreat by Saddam. While the American war aims in the Gulf go much further than Iraq's retreat from Kuwait, and include the overthrow of Saddam and substantial reduction of Iraq's military apparatus, it is possible that the USA's Arab allies may tell Bush they do not feel able to contain the anger of their own masses should war still be



US troops — how long before the body bags come home?

pursued after an Iraqi withdrawal from Kuwait. However it still looks unlikely that Saddam will withdraw. His occupation of Kuwait was based on his desperate need to shore up his barbarous regime in the face of its own massive economic crisis. Withdrawal and defeat would mean his overthrow.

The only other way that war in the Middle East can be averted is through a massive reaction across the imperialist world and in the allied Arab countries against the actions of the imperialist powers. Anti-war mobilisations have intensified internationally. In many of the Arab countries the populations are extremely unhappy about the complicity of their rulers with the US war drive. In Japan 23,000 people protested. In France 12,000 marched to demand the withdrawal of French troops. In Italy a huge demonstration of more than 100,000 marched on October 7 to protest 'the logic of war'. In the USA, 20,000 people marched in New York while demonstrations were held in 17 other cities.

In Britain the anti-war mobilisation has begun, but slowly. In October nearly 10,000 marched. In November between 15,000 and 20,000 demonstrated.

Gorbachev's collusion

But there are two main obstacles to building a bigger anti-war movement. On an international level, the lack of opposition to, indeed collusion of the Soviet bureaucracy with the West's plans has meant there has been no alternative voice on the question.

And in Britain in particular we have seen the craven capitulation of the Labour Party to the Tories' bellicose posturing. There is more

of a debate in the USA between the two bourgeois parties of the Democrats and the Republicans than there is in Britain between the Tories and the Labour Party!

The current crisis of the Tory party would be deepened if there were strong opposition by the Labour Party to the strategy pursued by the Tories on the Gulf. Instead we hear more opposition to the war plans from Ted Heath than from Neil Kinnock!

In this context, it is even more important that there is a small group of Labour MP's in the Campaign Group opposed to the war. Benn's visit to Iraq is significant.

United Nations

Socialist Outlook thinks that Tony Benn is wrong to have faith in the United Nations and believe it can be used as a block to war. Given the new 'historic compromise' of the Soviet bureaucracy with the imperialists, the UN is now more than ever simply an instrument of imperialist foreign policy. It looks increasingly likely that a war in the Gulf, like the Korean War, will be fought by US imperialist troops in the blue helmets of the UN.

But we do believe that having someone of Benn's stature opposing the war is incredibly important in building a mass anti-war movement.

Only through building such a movement can socialists begin to play a role in ensuring that the new world order which arises out of the current crises of Stalinism and imperialism is one which is to the benefit of the working class, not the bourgeoisie.

Gulf: the hypocrites join forces

Very few incidents could have better epitomised the hypocrisy of Western imperialism than the events of the last few months reports MARYAM, an Iranian socialist and member of Campaign Against Repression in Iran.

Countries guilty of recent invasions competed to condemn Iraq's 'illegal occupation' and to support the corrupt Kuwaiti rulers while in the name of 'democracy' the West has rallied to save Saudi Arabia, one of the most reactionary, brutal regimes of the world.

The military might of the US and Western Europe has sided with 'local' forces to punish their one time ally, Saddam Hussein. The UN which for decades has failed to use any means for the implementation of its many resolutions on occupation of Palestinian land by Israel, has suddenly become an effective organisation. All this is to defeat the man who obtained most of his armaments, including chemical weapons from the very same European and American governments when

he was fighting Iran and his own people.

At the same time Iran's fundamentalists, identified for many years as the terrorist regime of the region, are suddenly wooed as the ally of the West, worthy of full diplomatic relations.

However the rapidly changing events of the region also show the opportunist nature of the anti-Western stance of governments such as the Ba'ath regime in Iraq or the Islamic government in Iran and should make us wary of any illusions on the nature of such regimes. Very often, in their pursuit of reactionary policies such governments face internal contradictions and use the creation of an external enemy to justify past mistakes and shortcomings.

The sudden reconciliation of Iranian rulers with the West is proof that once more the only consistent anti imperialist forces in the region are the workers, the peasants and the national minorities. Governments such as Saddam or the Iranian clergy might have temporary conflicts with the West but in the long run they remain the allies of world capital and Western imperialism in the region.

Iran fought a costly ten year war with Iraq, claiming it was fighting the agent of im-

perialism in the region. Yet even during the war it sought to buy American arms, through the Irangate deal. Now two years after the end of hostilities it is openly allying itself with imperialism to punish Saddam Hussein.

No wonder the rank and file of the Islamic movement, confused and disillusioned with the shifting positions of the ruling faction are questioning the anti-imperialist credentials of Iranian leaders while revolutionary guards are volunteering to go and defend Iraq.

Only the Iranian president, Rafsanjani is stupid enough to believe the American claim that they will depart from the region, 'once Kuwait is liberated'. The United States was looking for an excuse to justify military presence in the region, and it will not relinquish this position at least until the establishment of an effective, local security pact involving friendly local governments such as Saudi Arabia, Turkey and Iran.

Therefore our main task is to oppose the continued presence of American led forces in the region and to call for the withdrawal of all external forces from the Gulf as a real threat to the revolutionary struggles of the peoples of the region.

Anti-war mood grows in imperialist heartlands

By Sam Inman

AS WE go to press George Bush and his bagman Baker have just successfully won support for their 'might is right' resolution to the UN Security Council. This renewed political offensive, backed by all five permanent members of the Council - with votes from the US, Britain, France, USSR and a tactful 'abstention' from China - has become necessary because the bold statements about "international unity in the face of Iraqi aggression" have been shown by events to be lacking in substance if not in image.

Socialist Outlook has always maintained that the decision of the US and British governments to send the troops into the Gulf, particularly on such a massive scale, was a major political gamble. Now that their bluff has been called, they find themselves having to raise the stakes. These latest moves on the part of US and British imperialism include:

- The call up of combat reserves and the deployment of further US troops to the region
- The decision to send a further 14,000



November demonstration against war in the Gulf

British military personnel (no surprise that this announcement came on the same day as Thatcher's resignation!)

- The renewed political offensive towards the UN - an attempt to pull together the imperialist alliance that had begun to fray at the edges in recent weeks, exposing the USA as

the real warmongers in the present crisis.

As the days go by it looks increasingly likely that the shooting war will begin early in the new year. It is the ABC of revolutionary marxism that war can only be stopped by the mass mobilisation of the working class in the imperialist heartlands. Building a mass anti-war movement in every imperialist country has got to be the immediate duty of every socialist. We have no time to lose.

What is the extent of anti-war mobilisations internationally? The momentum is certainly building up as more and more people realise the full horror of an imperialist war in the Middle East, and also as they wake up to the hypocrisy of the imperialist leaders. This is undoubtedly helped by the end of the Cold War, which has fostered a very real aspiration for peace amongst broad layers of the world's population. This may in part explain the eagerness of many to place an idealistic faith in the United Nations in the current crisis.

In the United States, mobilisations against the war have got off to a good start. On October 20, demonstrations occurred in 18 cities across the country against US military inter-

vention. The "Against a new Vietnam" coalition - involving trade unions, veterans' associations, and religious organisations - mobilised 20,000 in New York, 8,000 in San Francisco and 1,000 in Boston. The coalition demands the withdrawal of all US troops from the region. Quite clearly Bush's attempt to pull the US out of the so-called 'Vietnam Syndrome' has not worked.

Calling up the combat reserves, particularly so near to Christmas, will only exacerbate Bush's problems in getting the popular support necessary for launching a war. Also active in building the US anti-war movement has been the Central America Solidarity movement.

In Japan on October 21, over 23,000 people formed a human chain around a Tokyo US base to protest at the attempt to change the Japanese Constitution in order to allow Japanese troops to be sent to the Gulf. Subsequently the Japanese government decided not to go ahead.

In France October 20 saw over 12,000 people marching on the streets of Paris to demand withdrawal of French troops from the Gulf. This was called by, amongst others, the French Communist Party, the CGT trade union federation, the Greens, and far-left organisations (including the LCR, the French section of the Fourth International). In France public opinion is rapidly becoming more hostile to the involvement of French troops in the conflict.

In Italy on October 7 more than 100,000 people joined the traditional international peace march between Perugia and Assisi. There have also been mobilisations and anti-war groups set up in Germany, Belgium, Holland, Sweden and other European countries. The same is true in Australia.

Back in Britain, the largest event to date has been the demonstration in London on November 24. Called by the Committee to Stop War in the Gulf and supported by CND, the Campaign Against War in the Gulf and other anti-war forces, the demonstration attracted between 15,000 and 20,000 people.

The overwhelming majority were from local CND and peace groups, and socialists should be organising with them (regardless at this stage of their views on the UN) to build the largest possible movement to stop the war.

The fight also has to be taken into the Labour Party and into the trade unions. Even before war breaks out we should be calling for a coalition of all anti-war forces - for a united and democratic anti-war coalition.

Comrades active in Labour Party Socialists, the Solidarity Network, the Red-Green Network and other parts of the Socialist Movement can and must play a leading role in creating such a mass anti-imperialist and internationalist movement. The stakes are such that cannot afford not to.



Palestinian women grieve at Temple Mount after Israeli massacre

An open letter to the women of the USA from Palestinian women

As Palestinian women burdened by the suffering of our people because of the continued state of aggression and occupation of our land by Israel, we appeal to you as women who have still not forgotten the aftermath effects of the Vietnam war, to raise your voices now against sending your young men to the Gulf.

It was your voices that brought your boys back from Vietnam. But it was already too late, and the harm was already done, and the suffering continues. Let your voices be heard now, before it is too late.

The forceful reaction of your President to the Iraqi-Kuwaiti conflict is absolutely alarming, and out of proportion. Was it not only recently that the USA devastated Panama for the sake of one 'corrupt' leader? And invaded Grenada to topple a regime not to its liking?

It is such actions, and the double standards with which the USA grants itself the right to deal with issues, that is making it lose its credibility in the whole region, and amongst its friends. And it is precisely because of that, our people are enraged, and are in support of any action which would challenge the double standards of the USA.

For the last 42 years we have been waiting the implementation of the United Nations resolution regarding the inalienable rights of the Palestinians, and later the withdrawal of the Israeli forces from the Occupied Territories, but to no avail.

Not only there was no mechanism to enforce the implementation of these resolutions, but Israel was being rewarded for its aggression by the continuous moral and financial support of the USA, which enabled it to maintain the Occupied Territories, and to establish settlements in these areas against all UN resolutions and against the declared

position of the USA.

Even a simple resolution to condemn flagrant violations of human rights would be vetoed by the USA, the latest was after the massacre of Palestinian labourers in Rishon, thus encouraging further suppression and violations of Palestinian human rights. And whenever the possibility of sanctions against Israel would come up it would be flatly refused.

It is argued that sanctions are impractical and not possible to implement, while anyone who dared to suggest them would be made to feel guilty of being anti-semitic. Its amazing how in less than twenty four hours, the USA was able to rally all these forces 'to maintain the security of the Gulf'. Where was it when Israel invaded Lebanon in 1982?

Mothers, wives, sisters and daughters of these young men already in the Gulf, spare your people and our people the tragedy of another war. Your men can always work and make money to buy the oil they may need. But no oil or money will be able to compensate for the loss of your men in such a futile war.

We sincerely share your anxiety about the safety of Americans and other foreign civilians trapped in the area of conflict: but we would like to remind your President that, we Palestinians, are and have been hostages in our own land, terrorised and without any protection, for more than two decades!

Is the value of human life subject to varying exchange rates? If you divorce politics and national interests from moral and human values, we are all going to pay a high price.

It is your voices that need to challenge the President of the USA, who seems to be relaxed enough to play golf while your boys and burning in the Gulf. It is more honourable to lose face than to lose lives.

Sent from the occupied territories
August 24th 1990

Europe and the break-up of Thatcherism

Socialist Outlook has often pointed to the political differences dividing the capitalist class on Europe, and their consequences, not only for the parties of the bourgeoisie, the Conservative Party and the Liberal Democrats, but also for the Labour Party. In the aftermath of Thatcher's resignation, DAVE PACKER looks at some of these issues again and evaluates the stakes involved.

The resignation of Margaret Thatcher after the substantial vote gained by Michael Heseltine had a number of causes: the unpopularity of the government, the failing economy, but not least the row over Europe.

Heseltine's long awaited challenge for the leadership has brought once again into public view the profound conflicts that tear at the heart of the Tory Party, conflicts which have led to the demise of Thatcher herself and is leading to the break-up of the whole Thatcherite political bloc. These contradictions reflect the difficult fundamental and unavoidable choices that face British imperialism itself.

Thatcher - defender of Atlanticism

Since the second world war, Britain has been a secondary, declining, but nonetheless, global imperialism, rather than simply a European power. Its weakness at the end of the last world war forced it to accept a post-war settlement imposed by US imperialism.

More and more, Britain came to rely on the American military umbrella and the 'pax Americana'. Only this could secure its proportionately huge overseas assets, together with the City of London's financial and banking operations. Even the 1982 Malvinas War could not have been effectively prosecuted without US logistical and political support.

At the same time British Imperialism could not afford to be excluded from the EEC and the big market that it guaranteed in Europe.

As the decades passed, the relative success of the EEC and the relative decline of US imperialism in relation to its main competitors in Europe and Japan, have left the British ruling class and the Tory Party increasingly divided

as placating the contradictory attitude of the US State Department towards European union (the US favours a strong anti-communist Europe, but fears a genuinely united power bloc that might challenge US supremacy), would allow British imperialism to get the best of both worlds.

Unfortunately, this policy is seen by other European countries as Britain having its cake and eating it. West Germany and especially France are intent on developing a European economic and political bloc which can compete with its main rivals - the USA-Canada on the one hand and Japan and the Pacific rim economies on the other. Thatcher's 'Atlanticist' policy has acted as a drag on this development.

The French bourgeoisie has worked doggedly for more than two decades for a joint Franco-German hegemony of the EC. But unfortunately for their plans and for bourgeois politicians who currently front them up, like Socialist Party member and President of the European Commission, Jacques Delors, the FRG has consistently outperformed the French economy. Since German unification, the likelihood of an equal partnership or shared hegemony becomes even more remote.

But while the majority of the French ruling class has long rejected 'Atlanticism' in favour of 'Europeanism', despite its problems, the situation has been much less clear in Britain. The choices are far more difficult to make, as British imperialism attempts to square the circle. Margaret Thatcher vigorously defended and clearly nurtured the 'special relationship' with US imperialism. Even with the impending war in the Gulf, Thatcher boldly asserted Britain's world role as first lieutenant and adviser to president Bush.

Within the general policy framework outlined above, Thatcher's aim was to promote the financial and banking operations of the City within Europe. In this respect her medium term objective, along with John Major, was to establish London as the financial centre of Europe, over Frankfurt or Paris.

Forced to choose.

But, increasingly, British imperialism is being forced to make a choice about its long term future. That choice has been causing fis-



and looking awkwardly in two directions at once.

The Thatcher government evolved a policy towards Europe which attempted to make the best of this historical reality. This involved a vigorous pursuit of a free market Europe within the existing Treaty of Rome, at the same time opposing protectionist measures directed against the USA or Japan, or the development of federal state institutions. The later was an attempt to maintain Britain's capacity for global manoeuvre ('British sovereignty') and to block West German domination of the EC.

Thatcher's bogeyman became the very idea of a federal Europe. Her policy, as well

sure and ruptures within its ranks for several years. The decisive sectors – the City and the big multinational corporations – appear in their majority to have shifted towards greater European financial and economic union. The multinational corporations, despite their global interests, need large secure home markets and bases of operation.

Even the big corporate raiders who gobble up companies 'over there' and hold huge assets outside of Europe still have their national bases 'over here'. The City, of course looks towards the possibilities of becoming the finance capital of Europe. The stability of the London stock market after Thatcher's resignation suggests that it prefers greater flexibility and finesse in its dealings with the Europeans!

These shifts find their reflections inside the Tory Party, but also in the Labour Party. However, it would be an error to see the present divisions as between federalists and anti-Europeans. Michael Heseltine also claims to be against a federal European superstate. His differences are in being more positive and flexible about economic and financial integration which would give British imperialism greater influence in Brussels in developing future policy.

Battleground

The next battle ground over European integration will be the two Inter-Governmental Conferences (IGCs) to be held in Rome in a few weeks' time. These Conferences are intended to take crucial and binding decisions that may lead to economic and monetary – and beyond that political – union.

The two IGCs have a year in which to produce proposed changes to the Treaty of Rome. But, these changes have to be unanimously agreed – a prospect which seems unlikely at present, particularly in the light of Major's victory in the leadership challenge. The proposed changes then have to be ratified by all twelve parliaments!

Unfortunately for the Tories, Thatcher was not the key player despite her posturing. The British economy is too weak. It is Chancellor Kohl and the Bundesbank who will be decisive in determining the course towards union. The crucial moment in the run-in to the recent Rome summit was when Kohl decided a firm date for 'stage two' and for the Ecu as a single European currency. Immediately a number of other countries fell into line, either because their economies were already dominated by the West German economic powerhouse, or because they reasoned that only good could come of linking their economies more closely to the Deutschmark.

Despite all the rhetoric, it is this emergence of Germany as the driving force and leader within Europe which has set off the alarms in No. 10. Nicholas Ridley was a victim of his own big mouth in this respect. He embarrassingly blew the gaff on the real discourse behind the doors of No.10: How to stop the Hun!

Cracks and splits

The crisis of Thatcherism and the political demise of Thatcher herself are therefore not caused simply by the failure of the monetarist project to solve British imperialism's historic economic under-performance, nor the crass and unpopular free market dogmas which her government has applied viciously in the social sphere: it is also because of the still unresolved problem of Europe.

This issue, more than any other, is resulting in the fragmentation of Thatcher's alliances within the ruling class and the Tory party.

While Nicholas Ridley or Norman Tebbit in different ways may represent the national-chauvinist, Anti-European Tory right, (read the *Sun* for a popular rendering of their 'manifesto') Edward Heath, and to a lesser extent Heseltine, have championed the Europeanist wing of the party: a wing which tends also to include the more 'interventionist', 'one nation', Tories of the old school.

Until recently the nationalist right have been in alliance with the mainstream 'Atlanticist' right, represented by Thatcher (and this continued throughout the Tory leadership battle). But this unity has been fragmenting as the pressure from Europe intensifies. This same process has begun to peel off the more pro-European, possibly even federalist wing of the Thatcher bloc, most significantly, Michael Heseltine.

But the new Tarzan of Europeanism has, unlike Heath before him, only by degrees differentiated himself from the Thatcher project. Major as Thatcher's successor, along with Hurd, represent, in relation to Europe a large degree of continuity with Thatcher's policy, but this may change as he falls into line with dominant sectors of the bourgeoisie.

Unseemly Labour Party

Neither wing of the bourgeoisie and their political representatives have anything to offer the working class except capitalist rationalisation and unemployment. The Single European Act and 1992, especially the drive towards monetary union (EMU), are excoets aimed at the power of organised labour across



Read the *Sun* for a popular rendering of the nationalist right's 'manifesto'

Europe.

In this respect it is important to evaluate Labour's stance. *Socialist Outlook* has always maintained that as a bureaucratic workers' party with a bourgeois leadership (a bourgeois workers' party to use Lenin's famous formula), Labour's main policy stances invariably correspond to the interests of one or another wing of the capitalist class.

In the fifties, sixties and part of the seventies the Labour leadership was ardently 'Atlanticist', (it just loved President Kennedy), and anti-FEC. The combination of a decline of US hegemony after the US defeat in Vietnam and the first oil crisis of 1973-74, combined later with the victory of Thatcherism, has resulted in an opportunist and unseemly about turn on Europe.

Kinnock's Labour Party now aligns itself with the most Europeanist sections of the ruling class in the city and industry, and lays claim to represent this sector against the strident obstructionism of Thatcherism.

Could it be a glimmer of comprehension of what misery it could mean for the working class which makes Neil Kinnock such a useless advocate of European union? Alas it seems unlikely.

Heseltine's large share of the vote in the Tory leadership election only demonstrates even more clearly the fallacy that the Labour leadership represents any interests other than that of the ruling class and leaves it even more miserably exposed as a sub-Tory opposition.



"And when they got there, the shelves were all bare"; the Soviet crisis is one of under-production

Perestroika or capitalist restoration?

THE AGREEMENT reached during the summer between Soviet President Mikhail Gorbachev and Russian federation President Boris Yeltsin on the transition to a market economy is of historic significance. The ground appears to have shifted decisively away from the perestroika – or restructuring – of the economy to a dismantling of the nationalised property relations and their increasing replacement by capitalist ownership.

Perestroika, brought in to resolve an

ever-deepening crisis, has been strong on rhetoric but weak on results, and half-measures have simply exacerbated the situation. Now Gorbachev has announced his intention to push through the formation of "a normal full-blooded market" and a "controlled transition to market relations", will the USSR follow the more advanced examples of Poland and Hungary, or are the processes at work rather more complex and unpredictable?

RICK SIMON reports.

The problems of bureaucratic planning

REVOLUTIONARY Marxists have traditionally emphasised certain features of Soviet society.

- First, the capitalists were eliminated as a class through the process begun by the October 1917 revolution.

- Second, the nationalisation of the means of production created the potential, but only the potential, for the development of a planned economy.

- Third, because of the devastation caused by the Civil War and the isolation suffered by the revolution in a comparatively backward

country, the small working class was increasingly pushed out of power by a bureaucratic stratum around Stalin, which arose on the foundations of the new workers' state.

Stalin harnessed the potential of the nationalised property relations in the rapid transformation of the Soviet economy in the 1930s, but did so in a very contradictory and self-destructive way. Forced collectivisation of agriculture did not provide the means for industrialisation; on the contrary, it drastically damaged the Soviet Union's agricultural base and demanded vast resources, which could otherwise have been utilised for industrial development. The planning mechanism created by Stalin

was, moreover, highly centralised and bureaucratic. Plan targets had the force of law and the continual exhortation to overfulfill the plan created shortages and bottlenecks.

Nevertheless, in overall terms the Soviet economy grew at an astonishing pace and continued to do so in the period of reconstruction after the Second World War. But this was extensive growth based on the mobilisation of ever greater inputs – more factories, more workers. Once the potential for extensive growth began to diminish in the 1950s, the more far-sighted Soviet economists realised that future economic growth would only be secured on the basis of increasing the productivity of

"Forced collectivisation of agriculture drastically damaged the Soviet Union's agricultural base and demanded vast resources, which could otherwise have been utilised for industrial development"

"It has been a crisis characterised by chronic underproduction, particularly of basic consumer goods, rather than the overproduction typical of capitalist economic crises"

labour.

A reform was introduced in 1965 which sought to give enterprises more autonomy and introduce market elements into the economy, but bureaucratic opposition reduced the reform to nought. Tinkering with the economy became such a constant feature of Brezhnev's regime that the process was described by one American Sovietologist, as a 'treadmill of reforms'. Debates over how best to change the Soviet planning mechanism have therefore been going on for the past thirty years and more.

The major shortcomings of bureaucratic planning can be summarised as follows:

- First, the *quality* of goods suffers as the prime target is the *quantity* of output;

- Second, there is no incentive on the part of enterprises to provide accurate information about their productive capacity, because gaining the lowest possible plan target is the main priority;

- Third, all inputs and outputs are bureaucratically allocated, which leads to poor supply, inefficiency as enterprises have to develop their own 'in-house' production for vital components, and corruption, as enterprise managers do virtually anything to obtain vitally-needed inputs.

Of prime importance, however, is the bureaucracy's position in the production process. The bureaucracy is not a class, but a social stratum held together by its monopoly of political power. It derives its privileges, which amount to pilfering on a grand scale, from its control of the nationalised means of production. It does not occupy a common position in the production process or an organic interest in its continual rationalisation.

The Soviet economic crisis

Nor has the bureaucracy ever been simply a defender, albeit tyrannical, of the nationalised property relations. It arose on the basis of both the burgeoning Party/state apparatus and on the entrepreneurial elements and wealthy peasantry created by the New Economic Policy, and is therefore torn between a desire to maintain the source of its privileges – the nationalised economy – and to systematise those privileges through ownership of the means of production, i.e. by returning to capitalism.

The Soviet economic crisis has assumed a completely different character from that of capitalist economic crises. It has, firstly, been a cumulative crisis resulting for steadily declining productivity – the result of the inability of the bureaucracy to accomplish the transition from extensive to intensive economic growth and, in the 1970s, the enormous volume of resources poured into building up the Soviet military capability.

Secondly, it has been a crisis characterised by chronic *underproduction*, particularly of basic consumer goods, rather than the overproduction typical of capitalist economic crises. According to CIA estimates, only 50 out of 1200 basic consumer goods are readily available in the shops and this despite an increase of 6.4% in consumer goods production in the first quarter of 1990. Overall production in the same period registered a *fall* of 1.2%. Soviet indebtedness is also on the increase – up by 10 billion roubles in 1989 to 51 billion – and the budget deficit has increased from 18 billion roubles in 1986 to 92 billion in 1989. There has also been some defaulting on debt repayments for the first time ever.

The crisis has now been exacerbated by the collapse of the Council for Mutual Economic Awareness (CMEA) or Comecon. Although this may be of long-term economic benefit to the Soviet Union – Eastern Europe absorbed more Soviet resources than it provided – it robs the Soviet leadership of a variety of experiments in loosening centralised control of the economy from which it had gathered useful information and, more crucially, threatens to force the Soviet economy more abruptly onto the world market as it is deprived of the buffer of relations with Comecon countries.

While that is not going to happen overnight – because 50% of Soviet trade is still with CMEA countries, and there are many problems associated with the transition from a nationalised economy to one dominated by private capital in Eastern Europe – the key problems of pricing, convertibility of the rouble and genuine enterprise autonomy are brought to the fore.

Gorbachev's reforms

The fundamental aim of *perestroika* has been to reverse long-term Soviet economic decline by a

transition from extensive to intensive growth while leaving the bureaucracy's privileges and power intact. However, instead of drastic surgery there have been only half-measures. All of the major economic reform measures enacted in the past five years have been characterised by their internal contradictions, which are the result of compromises between different sections of the ruling bureaucracy pursuing radically different interests.

Gorbachev's initial reforms in the shape of traditional centralised campaigns for greater discipline and against corruption and the abuse of alcohol did little to relieve the economic situation.

The extent of corruption and the depth of the economic malaise necessitated the introduction of *glasnost* as a means of building a coalition in favour of reform against the more entrenched elements of the bureaucracy. This has led to a deepening of the crisis. Major concessions have been made on the fundamental questions of who holds political power, and the crimes, and by extension the methods, of former Party leaderships have been subjected to ruthless examination.

During 1987-88, the Soviet leadership introduced three major economic reforms. The most important of these, the Law on the State Enterprises, strove to increase enterprise autonomy, introduce a profit motive and create an interest among the workforce in enterprise efficiency by extending their rights to elect management at all levels and participate in workplace decision-making. These measures were, however, immediately nullified by other provisions of the Law which reinforced centralised planning and the power of the ministries.

Other measures, the Law on Individual Economic Activity and the Law on Co-operatives, helped to legalise already existing black market relations in the service sector of the economy. In 1989, the number of co-operatives expanded from 78,000 to 133,000 with a turnover of 30 billion roubles but with only 0.5% of industrial output. Their operations have also been affected by lack of supplies and the consequent need to resort to illegal means, the costs of which have been passed on to the consumer, resulting in prices much higher than in the state sector. This has made them un-

popular. In some republics, co-operatives run by non-indigenous nationalities have often become the target of inflamed nationalist feelings.

The turn towards capitalist restoration

Leonid Abalkin, deputy Prime Minister for economic reform, acknowledged that *perestroika* had not made any tangible improvements in the Soviet economy and, in November 1989, advanced a 'radical' economic programme in an attempt to break from the compromises of the past. He declared that "there is no worthy alternative to the market as the method of co-ordinating the activities and interests of economic agents".

However, this programme's approach was too much for the majority of the Supreme Soviet, composed predominantly of Party and state apparatchiks, who adopted instead a plan put forward by Soviet Prime Minister, Nikolai Ryzhkov, which put the emphasis on a switch from heavy industry to production of consumer goods and backed away from the introduction of market elements into the economy.

Abalkin still believes that economic reform and political democratisation are interlinked. But other keen supporters of the market clearly sense that *glasnost* and political democratisation have outpaced economic reform and have led only to chaos. They argue that marketisation can only be implemented through the iron hand, an approach dubbed 'market Stalinism' by leading Soviet socialist Boris Kagarlitsky.

The failure of Ryzhkov's programme has led to a palpable shift in the terms of the debate over economic reform. The days of *perestroika* are numbered.

Even just a year ago the key to economic reform was seen to be the pricing system. Once prices were freed from the shackles of central control, a market could be established in means of production and enterprises would be free to enter into contractual relations with each other, with Western firms and with the state to produce goods on a supply-and-demand basis.

It is no longer price reform but the development of competition in the Soviet economy and the transformation of property rights which are seen to be the key to economic

reform by more radical economists. Concretely, this means denationalisation of state enterprises. Price reform is only a corollary of this process.

The star of formerly prominent reform economists, such as Abel Aganbegyan, the architect of the first phase of *perestroika*, is on the wane. Much more forthright liberal economists, such as Nikolai Petrakov, now have the ear of President Gorbachev.

Interviewed in *Moscow News*, Petrakov argued that "without opening out the economy, no effective reform can be carried out. When people can buy shares, the endless problems which plague joint ventures will be solved instantly. We have to overcome our dogmas: why can't there be enterprises which are wholly owned by foreign companies?"

The appearance of McDonalds in Red Square is just a sideshow compared to the prospect of wholesale privatisation. But, as the Polish experience has demonstrated, it is one thing to proclaim a market reform, and quite another to carry it out. Nevertheless, the terms of the debate now centre on how such a reform can be implemented rather than over the principle of introducing it.

Plans are now being drawn up to turn selected state enterprises into joint-stock companies and to create a stock market. According to Petrakov, "by the end of 1990, it will be possible to transfer 2,200 large enterprises - 70% of the fixed assets in industry - to a joint stock basis". There will also be a pressing ahead with co-operatives and small businesses.

Such ambitious plans for a market economy assume both the support of the people of the Soviet Union and aid from the West. There is little to suggest that either will be forthcoming. There was a marked liberalisation of Soviet foreign trade in 1989, but this has only led to a hard currency squeeze and widespread defaulting on debt repayments.

Western governments and firms want evidence of the real operation of a market economy. In a hard-nosed editorial, the *Economist* argued:

"The fastest way to tutor East Europeans in the ways of the free market is to make them compete against Mexicans and Malaysians for



Gorby: make workers pay for the crisis

the hard-earned dollars, yen, and D-Marks of western savers" (June 16).

The Gorbachev-Yeltsin agreement

This agreement is designed to carry out just such a radical shift in the operation of the Soviet economy. Based on Yeltsin's 500-day plan for the Russian Federation, this agreement seeks also to regulate economic relations between the USSR's 15 republics through the market.

The first half of the plan envisages the creation of a legislative framework and the privatisation and sale of housing and agricultural land. This process is designed to absorb much of the enormous savings accumulated in the past fifteen years as a result of having little to spend one's money on. Once 200 billion roubles of state assets have been sold, the next stage of full scale marketisation will be implemented.

As yet the details have not been released, but the ability to reach even stage one must be doubted unless foreign capital is allowed some access to Soviet industry. The abolition of central ministries is also envisaged, which will bring Yeltsin and Gorbachev into direct conflict with a major part of the state bureaucracy.

It's a case of desperate measures for desperate times, but made possible though Yeltsin's popularity and his attainment of the Russian Presidency and Gorbachev's increased room for manoeuvre through his increasing autonomy from the Party apparatus and the success he achieved at the Party Congress.

Yeltsin's popularity derives from his consistent opposition to the apparatus, culminating in his resigna-

"Keen supporters of the market argue that marketisation can only be implemented through the iron hand - an approach dubbed 'market Stalinism' by leading Soviet socialist Boris Kagarlitsky"



Soviet workers struggle with aged equipment

"The most drastic proposals emanate from liberal intellectual circles and involve an assault on working class living standards through privatisation, savage price rises, and the threat of unemployment to whip the working class into line"

tion from the Party, and his defence of workers' social guarantees. Now he is trying to look two ways at the same time - forging ahead to a market economy while verbally defending working class interests.

The working class and the crisis

Accompanying plans for a market economy have been calls to "reject our previous interpretation of the guarantee of the right to work in the constitution" (Article 40) and for the institution of a labour market with no certainty of employment. Certainly the second phase of the Yeltsin/Gorbachev plan would entail social upheaval and mass unemployment.

Such talk among liberal reformers and ever greater economic hardships have forced the Soviet working class into increasing action. In 1989, 7 million days were lost as the result of industrial action and inter-ethnic conflict.

Soviet official trade unions have always been bypassed by such events. These bodies are not trade unions in the Western sense of the word but extensions of the state into the workplace. Their function has been to assist management in the fulfilment of the plan and to provide certain welfare benefits, such as holidays, for their members.

Nevertheless, the pace of events is having an impact on the Soviet unions. In response to the threat of unemployment, the trade union leadership has declared that "we cannot allow the greatest and most important social achievement of the Socialist state 'the right to work' to disappear ... any haste to implement a market without a reliable mechanism of social protection of the workers ... would lead our unprepared country into the abyss of social disintegration" (quoted in the *Financial Times* 25/4/90).

But, so far, the response of the official unions to workers' action has been largely negative or even irrelevant.

Such opposition to rank-and-file activities was clearly demonstrated at the recent conference of the miners' union, where full-time union officials and pit managers (who are also members of the union) outnumbered working miners and successfully stifled their demands. The upshot has been moves towards an independent miner's union in three of the most important Soviet coalfields.

The formation of the Confederation of Labour in Novokuznetsk on May 1 represents a major advance for the Soviet workers' movement. The Confederation is an umbrella for labour organisations for the defence of workers' interests and for the pursuit of a 'truly democratic society'. Small though the Confederation is at the moment, its backbone undoubtedly consists of industrial workers and, in particular, the miners. The Confederation argues for the resignation of the present government (a demand echoed by Yeltsin) and for a government enjoying the confidence of the workers; but its economic programme is as yet vague and contradictory.

The emergence of the *SOTSPROF* independent socialist trade union association is also an indication of the growing consciousness of the Soviet working class but, as yet, independent workers' organisations are in their infancy with the mass of the 140 million Soviet workers remaining members of the official unions. Any independent unions must, therefore, ensure that they do not become isolated from other workers and thus open to provocation and repression or adventurist actions.

Conclusion

The pressure is growing for drastic measures to extricate the Soviet economy from the hole it is now in. The most drastic proposals emanate from liberal intellectual circles and involve an assault on working class living standards through privatisation, savage price rises, the removal of all subsidies on basic consumer goods, and the threat of unemployment to whip the working class into line.

However, much confusion exists inside the Soviet workers' movement

as to the realities of the market. Not surprisingly, most people want a good and steady supply of basic commodities and services, and the market is seen as the best method for achieving this after years of bureaucratic inefficiency and corruption.

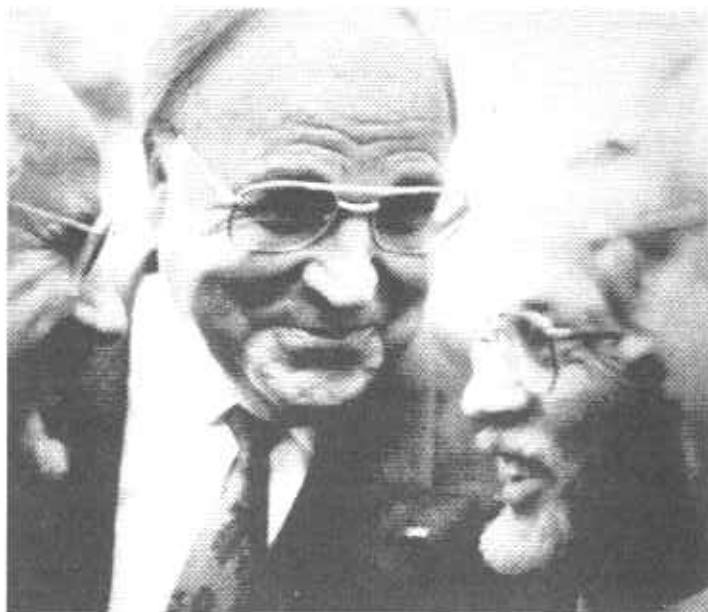
The question of privatisation is another matter, however. Most workers also want a say in what is produced and how. But where will the resources for privatisation come from? From foreign capital, and from the very bureaucracy the workers are fighting at the moment. Even the limited steps towards workplace democracy associated with the first phase of *Perestroika* - labour collective councils and election of managers are under threat.

It would be a misconception to believe that Trotskyists have never been in favour of a market in the Soviet Union. During the period of the first Five-Year Plan, Trotsky argued that bureaucratic centralisation would lead to the ruin of the planned economy. In its stead he proposed a combination of plan, market and soviet democracy. The revitalisation of organs of grass-roots democracy in the enterprises and the localities is still a vital necessity. It is only through such genuinely democratic bodies that the relationship between market and plan can be worked out.

Gorbachev has argued that economic reform will only work "if it's supported by millions of Soviet people and meets their interests". But the more that mere half measures are implemented, the worse the crisis becomes. The key question now is that of *ownership*, which places a question mark against the continuing existence of the nationalised economy, and the workers' response to it.

The outcome is not a foregone conclusion, but is directly related to events both in and beyond the Soviet Union. The extent of working class resistance to privatisation in Eastern Europe, of working class resistance in Western Europe to the rationalisation of 1992, and the extent to which a new socialist leadership is forged within the Soviet working class itself are of crucial importance to the outcome of *perestroika* and to the renewal of the movement for socialism throughout the world.

● Rick Simon writes for *Labour Focus* on Eastern Europe



The East German bureaucrats, like Humpty Dumpty, sat on the Wall: but will the workers let Kohl rebuild capitalism?

German unity and the new European order

THE CURRENT UPHEAVALS in Eastern Europe have posed socialists with difficult questions. It is often said that there has never been a better time to be a Trotskyist - indeed even the 'Guardian' recently admitted that much of what is happening confirms Trotsky's theory of the political revolution!

However a nagging question on the minds of many socialists is whether this will all end up in pro-capitalist counter-revolution. Here PETER THOMPSON argues strongly against defeatist interpretations of the unification of Germany, and explores the progressive potential of the destruction of the Stalinist dictatorships.

THE DEMISE of the deformed and degenerated worker's states requires Marxists to re-examine some of our basic conceptions.

We have to ask whether there is anything worth defending in Eastern Europe, and this means we must unravel the dialectical relationship between progressive and regressive aspects of the Eastern European societies.

As an example of this it is useful to look at the fate of the GDR and the unification of Germany. While each country is different, the GDR embodies many 'classical' aspects of the deformed workers states.

Trotskyists have always maintained that there were two historical

possibilities facing the Soviet Union and the other post-capitalist states - either the restoration of capitalism, or the revolutionary overthrow of the bureaucracy by the working class, followed by the establishment of democratic socialism.

From bureaucrats to capitalists?

In the first scenario, significant sections of the bureaucracy would grasp the opportunities to enrich themselves and become part of the new capitalist class. As a matter of necessity they would struggle for the destruction of the bureaucracy as the ruling stratum.

The outcome of these alternatives would be determined partly by the

nature of the political forces present inside the bureaucracy. But much more importantly it would be determined by the level of working class consciousness, and the ability of the working class to construct an educated and organised political force to provide a democratic socialist alternative.

A major problem with the schema has always been that while it easily fitted a *degenerated workers' state* like the USSR, there were major problems in simply transferring it to the *deformed workers' states* like the GDR, where a *socialised economy* had been created simply by the occupation of the Red Army. At every stage the moves towards statisation of the economy were decreed by Stalin. Even if Stalin's decisions were forced by imperialism, nonetheless the GDR remained half a country, effectively under occupation.

On the other hand it was also a state where historically the hopes for the Left had always been highest. The dream of revolutionaries for the whole of this century has been the establishment of socialism in an advanced industrialised, capitalist country. It centred on the creation of

"The schema fitted a *degenerated workers' state* like the USSR, but there were major problems in simply transferring it to the *deformed workers' states* like the GDR, where a *socialised economy* had been created simply by the occupation of the Red Army

a revolutionary German regime which would come to the rescue of the beleaguered Soviet Union and form the basis of a world socialist order. Lenin and Trotsky argued from day one of the Russian October revolution that if Germany did not join them then socialism in the Soviet Union would be doomed.

In inter-war Germany the working class grew to become the largest and politically most advanced in the world. It was this danger to the international bourgeoisie which prompted their support for Hitler and which culminated in the Second World War.

Throughout the 20th century the objective conditions for socialism have existed in Germany. The development of the productive forces and the socialisation of labour has been greater than in almost any other country. However, the subjective element, the unity and revolutionary consciousness of the working class, has been fatally hampered by those traditional twin enemies, reformist social democracy and Stalinism.

Socialism discredited

This meant that when the generalised slump of the capitalist world in the 1930s brought about social and political upheaval in Germany it was the Nazis who were best able to profit from it. Socialism was discredited by the performance of the Social Democrats (who in 1918-19 put down the revolution led by the Spartacists and the USPD); and by the horrors of Stalinism in the Soviet Union. Despite that, the Social Democrats (SPD) and Communists (KPD) emerged as the strongest political forces in post-war Germany. In 1945 a great desire existed within the rank and file of the SPD and the KPD to merge and create a socialist Germany as soon as possible.

The anti-fascist committees which sprung up spontaneously at the end of the war were broken up by Stalin's KPD stooges under the leadership of Ulbricht. The unification of the two parties was prevented. Stalin's policy of peaceful coexistence and agreements with imperialism to carve the world up meant that Soviet policy in their oc-



Housing will be an immediate problem for Germany

cupied zone was 'the completion of the bourgeois revolution of 1848' rather than any moves towards socialism.

Forced unification of the two workers' parties and moves towards establishment of Soviet power in the GDR only came a) when the Stalinists could be sure that they would be in complete command; and b) when it was clear that the West was not going to play ball over reparations. At every stage it was the West which determined the state of play and it was the German working class who paid the price for geopolitical manipulation.

1953 uprising

This culminated in 1953 with the 17 June workers' uprising. The workers quickly raised the demand for German reunification and all-German elections. This could not be allowed by the new Soviet leadership. After the arrest of Beria in the USSR the leadership of the SED (East German CP) was purged in favour of hard-line Stalinists who would end talk of reunification and consolidate the GDR. Self-determination of the workers was subordinated to the self-preservation of the bureaucracy.

We are now living through a new revolutionary period in which all of the certainties of the post-war world have been cast aside by the combina-

tion of the reforms from above and the consequent revolutions from below. The question for Marxists is how this process will develop and, more important, how can we make it develop in the direction we want?

At a superficial level it appears that the capitalist restoration scenario is the only one which can win. I argue strongly that the developments in eastern Europe could turn out to be entirely positive, despite appearances.

The debate about whether the developments in Eastern Europe are progressive or regressive often follows the same sterile course as the debates on Gorbachev. The fact is that Gorbachev, although trying to force through objectively anti-working-class policies, has had to introduce measures which have immeasurably increased the capacity and readiness of the workers to fight for their interests.

New possibilities

The throwing off of Stalinist repression in Eastern Europe has also opened up new possibilities for revolutionary activity in both Eastern and Western Europe. There is one fact which should always be borne in mind when examining the collapse of one party rule in the Soviet Union and Eastern Europe: that the **single major obstacle to world socialist revolution was not the Western media or the success of US imperialism, but the existence of Stalinism and its objectively and subjectively anti-revolutionary policies.**

Imperialism could only be so successful because it was measured against the tyranny of an apparently 'socialist' system. Because of that, it could integrate sectors of the working class and its reformist leaders in the advanced countries into 'welfare capitalism', while mercilessly exploiting the underdeveloped countries. This was compounded by the Soviet bureaucracy having absolutely no interest in promoting socialist revolution, and doing everything it could to stifle it worldwide.

Stalinist betrayals

Most socialists should not need reminding that the list of defeats inflicted on the working class by Stalinist machinations is long and in-

"The single major obstacle to world socialist revolution was not the Western media or the success of US imperialism, but the existence of Stalinism and its objectively and subjectively anti-revolutionary policies"

famous. The collapse of Stalinism not only removes a counter-revolutionary obstacle and robs the West of its 'favourite enemy'. It also breaks up the bloc system which has been central to the stabilisation of imperialist hegemony in the post-war world.

The collapse of the old world order is not arbitrary, but organically linked to the long world economic crisis and the reappearance of serious inter-imperialist rivalry. This new round of inter-imperialist rivalry issuing from generalised economic crisis will make the upheavals of the first half of this century look like a garden party. It will bring with it an enormous economic, social and political upheaval – the breeding ground of revolution.

The post-war settlement was built upon the cosy relationship between the Soviet bureaucracy and US imperialism – and the attempted subordination of various areas of the world to this dual hegemony.

The uprisings in Eastern Europe have broken this world order. Thus the revolutions of 1989-90 are far more fundamental and wide reaching than the 1968 events; they are likely to have far more damaging consequences for the world system of exploitation. This is because the East European upheavals come at a time of serious economic crisis for world capitalism, and indeed are related to the effect of that crisis on the deformed workers' states. The collapse of Stalinist hegemony in the East also means that its restraining influence over the world working-class will be diminished accordingly.

Peaceful coexistence

Thus a very profound and significant contradiction has emerged. Perestroika represents a deepening of peaceful co-existence and betrayal of revolution. But on the other hand it also removes much the bureaucracy's material ability to impose that betrayal. Revolutionary movements will now be thrown back on their own resources and be able to act more independently of Moscow control.

All of the successful revolutionary transformations since 1945 have taken place against the express desires and orders emanating from Moscow. From Yugoslavia to China, to Vietnam, Cuba and Nicaragua – those revolutions have succeeded against the instructions coming from Moscow.

The US has recognised the importance of perestroika on a world scale. It seeks to switch its attention away from the 'Soviet threat' to upheaval in the third world, and the instability caused by recession in the West.

In order to switch attention elsewhere it is necessary to give the green light for increased European cooperation and integration. It has reduced the importance of the Atlantic Alliance in relation to other US global strategic roles. This project is meeting with some resistance, not only within hardline circles in the US but also from those forces in Western Europe which see the Atlantic connection as the fundamental political and economic cornerstone of capitalist hegemony.

It is for this reason that Thatcher opposed so vehemently any reductions in defence spending or US commitment to the maintenance of troops in Western Europe. It was why she gave such a grudging welcome to German unification (one can hardly imagine that her objection to unification is on the basis that it might produce a right wing government!). Her realism enabled her to see through the short-term euphoria to the dangers for capital which lie ahead if Western Europe drifts out of US control.

Obstacle

It is clear that the major obstacle to German unification since 1945 has not been the Soviet Union's desire to hold onto the GDR, but the West's desire to shut out the possibility of Soviet-West European cooperation. This could have led to the switching of European economic dependence from the dollar area to the Soviet Union. It is this fear which has underpinned the Cocom agreements (which prevent the export of technology to the USSR) and has been the political motivation for all switches in strategic military relations within Nato.

When the British government says that in order for Nato to remain relevant in the 'post-wall era' it must emphasise its *political* role, they are really saying that it must openly exercise the political role which it has always operated covertly of maintaining US hegemony over Europe.

The unification of Germany and Europe represent potentially entirely positive developments. But this depends on the nature of the Europe which emerges from this present



It's the free market, not paradise!

period of turmoil. And this in turn depends to some extent on the way which socialists act, and on the analysis which they have

Crisis key to change.

Marxists have always maintained that the division of the world and the dual hegemony of the US and the USSR was not immutable – and that economic collapse and crisis would at some stage overtake it. We have always said that this collapse was a precondition for real social change. Where we perhaps made a mistake was often tacitly assuming that the crisis in the West would come first. The assumption was often made that we could then export 'real socialism' to the East by encouraging political revolution.

It was correct to say that the nature of revolution in East and West will be different, in other words, social revolution in the West, political in the East. But political revolution in the East always had to come before there was any hope of social revolution in the West.

The Marxist analysis of the *dual crisis* of the imperialist centres and the post-capitalist bureaucracies has now been proved completely correct. Far from being the 'end of history' and 'the final victory of capitalism', as the American sociologist Fukuyama has recently contended, the present collapse in the respective hegemonies of East and West represents an unfreezing of the 'locked' system which came out of the post-war order.

Class struggle

The post-war period has been characterised by a division not only

"The uprisings in Eastern Europe have broken this world order. Thus the revolutions of 1989-90 are far more fundamental and wide reaching than the 1968 events; they are likely to have far more damaging consequences for the world system of exploitation"



How long will it work? Kohl pursues the voters

"To imagine that the unification will simply be a simple and smooth matter of incorporation, privatisation and marketisation resulting in one big happy capitalist German family is to fail to understand nature of the economic crisis facing the Western economies"

between states and societies but also within the working class. In the East the political struggle for the development of worker's democracy and communism has been held back by the weight of the bureaucracy and its clinging onto its privileged position.

That the bureaucracy resisted for so long and with such repression, relative to the imperialist centres of the West, is to be explained by the fact that to lose control of the levers of power in a post-capitalist state is to lose all access to material privileges.

Precisely because the bureaucracy is *not* a property owning class, but a parasitic layer, it must hold onto administrative control of society. Because the bureaucracy has its roots in the *nationalised* property relations of the post-capitalist societies, it has been forced to do this in the name of Marxism, Leninism, socialism and communism. It is precisely this empty rhetorical justification, basing itself in socialist phraseology, that has, however, in turn discredited socialism and helped hold back the class struggle in Western Europe.

Warning light

At every attempt to introduce socialism in Western Europe (and there were precious few of those) or even criticise Western policy, the response has often been 'bugger off to the Soviet Union'.

Nowhere has this been more so than in West Germany, where the most powerful and best organised working class in Europe was reduced to relative passivity and acceptance of the capitalist status quo by the presence of the GDR, not as a

beacon but as a warning light of 'socialism'.

The collapse of Stalinism therefore offers great opportunities to revolutionaries; not because we have some abstract and idealistic attachment to national unification but because it provides the basis for the *unity of the working class, East and West*.

For us the social question and the prospects for furthering socialist revolution must always come before questions of national self-determination. But equally we must recognise that the denial of national self-determination can be the greatest hindrance to revolutionary action and bring about general disillusionment.

It is in this situation where workers tend to turn to other, non-socialist, 'liberation' movements and the danger of national chauvinism increases greatly. In the case of Germany, therefore, national unification was the tactic but working-class unity must be the strategy.

To imagine, as most bourgeois analysts and commentators now do, that the unification will simply be a simple and smooth matter of incorporation, privatisation and marketisation resulting in one big happy capitalist German family is to fail to understand nature of the economic crisis facing the Western economies. Such a view also fails to grasp the limits the crisis places on the whole project of 'recapitalisation'; and the resistance which will inevitably come from the majority of the working class in the GDR.

The first GDR government collapsed precisely because the process of unification is not as simple and unilinear as bourgeois commentators would have had us believe. They knew all along that it would cost an extraordinary amount but are only now beginning to admit it. The workers of the GDR have now received their first taste of the reality of promises made in the 'free West'. Those who predict only demoralisation and defeat are giving up the struggle in advance.

The end of the bipolar world and the relative stability of the 'years of stagnation' under Brezhnevite and Keynesian social contracts means a return to inter-imperialist rivalry and the struggle for scarce resources and

cheap labour.

A new pre-war period?

In this sense 1990 marks a return not to 1945 and a new 'Marshall Plan' for Eastern Europe provided by a hegemonic US, but a return to 1925, when the struggle between centres of imperialism for 'Lebensraum' (living space) in Eastern Europe ended in the barbarism of the Second World War. The real danger is that the end of the post-war period actually marks the beginning of a pre-war period.

The events in Germany since October last year and the inevitable reunification of Germany bring all of the issues I have mentioned above back on to the agenda. In contradistinction to Fukuyama's recent contention that history has now ended, the revolutions in Central and Eastern Europe show that it is just getting going again after the long interregnum of the 'years of stagnation'.

The course that history will take will be determined by the course of those revolutions and, as we have seen, the course of those revolutions will be determined by the quality of the leadership of those popular movements.

The main danger for humanity is that the lessons of the last period of concerted inter-imperialist rivalry have not been learnt and that the international bourgeoisie will once again reach for some form of militaristic, authoritarian or even semi-fascist means to reimpose control and hold down a reinvigorated workers' movement. If the left were to enter this new period as divided and unprepared as it was in 1925 then that danger will again be realised.

The alternatives are still 'socialism or barbarism', the latter having just as great if not greater potentiality than the former. The only way to avoid that fate is to deepen the fight for socialism - at a time when the death of Stalinism and the crisis of imperialist capitalism opens up new revolutionary opportunities.

This is not the time for socialists to back down from the struggle in the name of 'new realism'. The only new realism we should recognise is the realism of materialist analysis and revolutionary action.

● Peter Thompson writes for *Labour Focus on Eastern Europe*

Chinese economy in a shambles

In the past few months, party and state leaders in Beijing have disagreed on whether "the most difficult period in China's economic situation" is over or not. On June 25, Wang Bingqian, Minister of Finance, announced that "China's national economy has basically passed the most difficult stage."

But on September 3, Zhou Jiahua, Director of the State Planning Commission, that: "We are overcoming the most difficult period in the economy".

None of the Chinese leaders has explained when this "difficult period" started. In fact, it has only been since June this year that such difficulty has been admitted, reports ZHANG KAI of the Hong Kong *October Review* group.

THE FIFTH Plenary session of the Party Central Committee in November 1989, appealed to the people to undergo "several more years of hardship".

The situation deteriorated further in the following months, and in January this year, the bureaucracy was compelled to release 30 billion yuan of credits. By the end of May, the credit balance of all banks was 1,279 billion yuan, which was 28.3 billion yuan more than the amount in the same period last year. By the end of July, the credit balance of the banks was 1,315 billion yuan, which was 74.2 billion yuan more than the same period last year. Apparently, the policy of tightening credit had gone bankrupt.

Unprecedented overstocks

The market purchasing power had not started in response to an influx of capital. "The overstocking has been affecting major sectors including light industry, electrical engineering, textiles, construction materials, and even extended to raw materials and fuels which in the past had been in high demand." (China News Service, August 31)

The situation has aggravated to the stage of "the more the production, the more the overstocking". *Economic Reference*, July 23, pointed out that it was startling that the rise in production of raw materials such steel, lumber, coal and cement coexisted with their overstocking. From January to May this year, 90% of increased steel produced was stockpiled as was over one-third of the increased coal produced.

The rural market was weak partly due to a decline in the real income of the peasants: there was a drop in the sale of agricultural sideline products; the per capita cash income of the 800 million peasants in 1989 dropped 3.3% over the previous year, and it was estimated that for the first half of 1990, it dropped 2% over the same period in 1989.

Even chemical fertiliser, so much in demand and shortage in the past, suffered from overstocking. Up to the end of June, overstocked chemical fertiliser products rose 3.7 times over a year ago. Quite a number of small chemical fertiliser enterprises have been forced to stop or reduce in production. The major reason for their retarded sale was a glut of grain in some regions, bringing a fall in the price, and peasants reduced the use of chemical fertilisers. (*People's Daily*, August 24)

Prevalence of 'triangle debts'

The refusal of enterprises to clear their payments of goods with other enterprises has caused a grave situation, and it is estimated that the sum amounts to as much as 200 billion yuan. This is equivalent to over 70% of the total revenue for the whole country in 1989. This default in payment obstructs capital turnover, and many enterprises now lack the circulating funds for purchase of raw materials. The director of the People's Bank, Li Guixian, said that "some enterprises justify their default in payment by saying that this will bring them the optimum efficiency." (*People's Daily*, July 12)

A new high in unemployment

Yuan Chongwu, Minister of Labour, said that since last year, "the contradiction in the supply and demand of labour power has been very acute, and this year, those waiting for arrangement of work totals 11 million." (New China News Agency, August 25)

The excess supply of labour power in the cities is now the highest in the last ten years.

Huge deficits of state-owned enterprises

The extent and amount of deficits of state-owned enterprises are growing every year. According to official figures given on the situation in previous years, about 15% of state owned enterprises ran on a deficit; in 1987,

the amount of deficit increased 4.6% over 1986; in 1988, the increase was 26.6%. The 1989 statistical communique quite extraordinarily bypassed the situation.

The China News Agency reported from Beijing on August 30 that for the first half of 1990, 33% of all enterprises were running at a deficit. *Wen Hui Bao*, on August 28, reported that "at present, 40% of big and medium enterprises throughout the country are operating at a deficit". Zhou Jiahua's report to the Standing Committee of the National People's Congress on September 3 pointed out that the total deficit of state-owned enterprises for January to July this year was 15.09 billion yuan, an increase of 99.2% over a year earlier.

Increased subsidies

State subsidies on enterprises with deficits were increasing every year, from 37.5 billion yuan in 1987, to 44.5 billion in 1988, to 59.9 billion in 1989. It is even more serious this year, judging from the increased deficits of the enterprises.

At the same time, unpaid taxes from enterprises already amount to 10.8 billion yuan for the first seven months this year. Jin Jin, Director of the State Taxation Bureau, said on September 5 that there had been a sharp increase in non payment of taxes (including customs tax and industrial and commercial taxes), and this was already over 20 billion yuan.

The above problems and difficulties were almost unprecedented in the past 40 years. They are quite different in nature from the three years of famine in the early 1960s.

How the bureaucracy "stimulates the market"

According to the report by the China News Service from Beijing on August 14, the authorities would adopt three measures in the second half of 1990 to "stimulate the market":

- To 'appropriately' relax control over the purchasing power of institutions, and allow the purchase of modernised office facilities with public funds; some units or guest-houses related to foreigners are eligible for the purchase of quality consumption goods such as colour TVs;

- To direct enterprises and units to abandon old cars and to buy new ones - in order to reduce the overstocking in car factories;

- To 'appropriately' increase fixed capital investments. Two years ago, such investments were severely suppressed, and the construction of villas or guest houses was either halted or slowed down in order to alleviate the shortage of construction materials; now that the latter are overstocked, the restraints are lifted.

The implementation of these three measures would mean encouraging the bureaucrats to more material privileges rather than curbing them. Bureaucrats could continue all their 'legal' privileges. For the ordinary folk, life continues to be one of hardship.

Socialist Outlook and Labour Briefing - a statement

For several years now, *Socialist Outlook* supporters have been a major part of the support for *Labour Briefing*. At the *Briefing* AGM on November 11, the two parted.

Since the change from a monthly to a fortnightly at the beginning of 1987, *Briefing* has attempted to address wider struggles in the unions, Poll Tax campaigns, etc. as well as the internal struggles in the Labour Party. This was a recognition both of the decline of the Labour left and of the need for socialists to provide answers to militants beyond this milieu.

During this period we have also seen the development of the Socialist Movement and, associated with it, Women for Socialism, the Socialist Movement Trade Union Committee, Labour Party Socialists and the Red-Green Network. Both *Briefing* and *Socialist Outlook* supporters have welcomed and been involved in building these important initiatives.

For the past year, the Socialist Movement has been discussing whether it should produce a newspaper to further these developments. *Socialist Outlook* supporters have argued that such a paper is necessary if the potential already shown by LPS and the SMTUC is to be built on, and have argued for such a paper to be campaigning, democratically run, with a clear orientation to the labour movement, including a call to 'vote Labour' in the coming General Election.

Others involved in *Briefing* initially agreed with us that such a development would be positive in furthering the building of an opposition to new realism across the labour movement. Indeed, at a *Briefing* Readers, Writers and Sellers meeting in July, it was common ground that this should be fought for.

However, while *Socialist Outlook* supporters argued that a successful outcome to such a development would pose the question of whether continuing to produce *Briefing* would be a viable option, it became clear that other *Briefing* supporters wanted to maintain *Briefing* regardless. They refused to recognise that a Socialist Movement paper which aimed, amongst other things, to build Labour Party



Corbyn speaks at Briefing fringe meeting - LP Conference 1988

Wayne Edgington

Socialists, would be competing with *Briefing* at a time when its sales were already falling.

This developing divergence produced a crisis over the summer when some of those involved in *Briefing* declared that they were going to produce a 'new' monthly *Briefing* from the new year come what may, and that they had already decided in advance that the Socialist Movement Paper would not fulfil their criteria and had given up the fight for them.

This attitude was shown in a resolution tabled by some *Briefing* supporters at the recent Labour Party Socialists AGM. Rather than taking the positive approach of arguing for a Socialist Movement paper of a particular kind, including a clear call to 'vote Labour', in an only oblique reference to the paper, they argued that "this objective [of securing the highest possible vote for labour in every parliamentary constituency] will be reflected in all public initiatives undertaken, sponsored or supported by Labour Party Socialists". This negative approach did not even pretend to stem from a view of what LPS should be pushing for.

In the course of these debates, some *Briefing* supporters have not been averse to misrepresenting the position in the Socialist Movement. So far, the Socialist Movement Organising Committee has had only a preliminary discussion of what 'line' it should take in the General Election, with no decision reached

other than to continue the discussion, though the Socialist Movement Officers have come out for the 'vote Labour' position. This has not stopped some *Briefing* supporters claiming that the Socialist Movement has decided not to call for a Labour vote. This is not only untrue, but also sees a debate as concluded which *Socialist Outlook* is committed to seeing through, not least through Labour Party Socialists input into the debate. Yet to listen to some *Briefing* supporters, you would not realise that LPS is an integral part of the Socialist Movement, or that they are connected in any way.

Different proposals at the *Briefing* AGM showed the difference in approach. *Socialist Outlook* supporters who had been on the *Briefing* Editorial Board put forward a resolution to confirm the decision taken in July to argue for a campaigning Socialist Movement paper and assess the viability of continuing *Briefing* when it appeared. Other *Briefing* supporters voted against this and supported a resolution to launch a 'new monthly' *Briefing* from the new year.

The discussion at the AGM showed not just a difference over the possible continued production (and frequency) of *Briefing*, but also of political perspective. Several speakers, including the mover of a successful resolution, made it clear that they had never been convinced of the correctness of the change to a fortnightly *Briefing* which attempted to relate

to wider struggles, and welcomed the opportunity to revert to a monthly, appropriate to the rhythm of Labour Party meetings. They also made it clear that, for them, the 'twin-track' strategy consists primarily of telling those in struggle that they need to come into the Labour Party.

It has been claimed by some *Briefing* supporters that *Socialist Outlook* is encouraging people to desert the fight in the Labour Party. This is untrue. We continue to see the struggle in the Labour Party as an essential element of a socialist strategy, and are as committed as *Briefing* supporters to building LPS as the fighting opposition to new realism in the LP and to bringing in new militants to join that fight. However, unlike those who intend to launch the 'new' *Briefing*, *Socialist Outlook* believes socialists have a duty to provide an overall perspective and strategy for militants, of which the struggle in the Labour Party is only a part – if an essential one.

This is not a matter of whether individuals are active in their unions, anti-Poll Tax groups, women's groups or whatever, but whether they (and the newspaper they support) argue a political and organisational way forward for these struggles.

This cannot be simply reduced to an orientation to the Labour Party as the *Briefing* supporters argue. It also involves providing tactical answers in struggles, and strategic answers, such as the type of opposition which needs to be built in the unions – and beginning the task of building it. The strategy of the *Briefing* supporters is at best only half a strategy, and a one-sided one at that, not to be excused by claims to be 'bending the stick'.

To bolster this one-sided emphasis on the

struggle in the Labour Party, some *Briefing* supporters have taken to denying reality. To recognise that the Left in the Labour Party is at present very weak, as *Socialist Outlook* does, is not to provide an excuse for 'opting out', but to reach a realistic assessment of the tasks we face and to undertake them without overblown claims to a strength we do not have.

In addition to building Labour Party Socialists as the nucleus of a new left opposition in the Party which can stand up to the political and organisational tasks ahead, it also involves a recognition that such a left will not be rebuilt by a simple emphasis on the struggle in the Party, but by showing activists that it is part of a wider strategy.

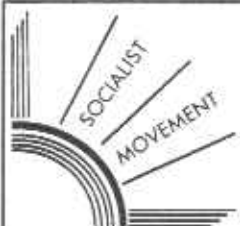
Previous examples of the growth of the Labour left, such as from 1974, show how its resurgence is likely to lag behind, rather than precede militant struggles. To concentrate overwhelmingly on the internal struggle in the Party, using as a premise a denial of the weakness of the Left, is to refuse to face the fact that this can only lead to a further ghettoisation of the left, merely leading to the demoralisation of those who are exhorted to engage in continuing trench warfare with the right. A serious approach to rebuilding the Labour left has to recognise the importance of other struggles in this.

Their attitude to the Socialist Movement paper is also, at root, a conservative one. Socialists worthy of the name are always looking to widen the field of those they can engage in dialogue and attempt to convince of their ideas. Yet the attitude of many *Briefing* supporters is to deride the political 'breadth' of the Socialist Movement, rather than see this as an opportunity.

Rather than a 'new' *Briefing*, the comrades wish to retreat to what they see as the heyday of *Briefing* in the early 1980s – a very different period for the Labour left to the one we are in now. It will revert to being the 'in-house journal' of the Labour left, even if it has some reportage of trade union and anti-Poll Tax struggles. They have made it clear that to be involved you have to make a long term commitment to this format. *Socialist Outlook* supporters could not participate on the basis of building *Briefing* until we make an assessment of the Socialist Movement paper. Furthermore it has been made explicit that those associated with other journals are not wanted. For all these reasons, *Socialist Outlook* will not be supporting the 'relaunched' *Briefing*.

Socialist Outlook supporters had argued that the *Briefing* current should have a major input into the Socialist Movement paper. In this context, the *Socialist Outlook* Editorial Board had begun to examine the possibilities of changing the format and frequency of our magazine. Some *Briefing* supporters have argued that we wanted to close *Briefing* to make room for developing our own publication, rather than developing it to fit in to the Socialist Movement rhythm. This is not true – we could have developed *Socialist Outlook* to fit into the *Briefing* rhythm at any time.

Socialist Outlook takes no pleasure from the break with *Briefing* and with comrades with whom we have worked closely for several years. We hope to continue to work with them in Labour Party Socialists and the Labour Party, both nationally and locally, as well as in other areas of work where we are both active.



Convention for Democracy

12-13 January 1991

Lambeth Town Hall

The words 'freedom', 'democracy', 'rights' have been hijacked. We are told that we have personal and political liberties. They flourish in the 'market economy' which is the best and only system in which human rights are guaranteed.

We are told that liberty and democracy are simply individual rights: consumer choice, property rights, equality before the law, the right to vote every years.

The experience of millions of people is that:
 under the power of the market vital personal, collective and political rights are inevitably denied
 without property we have no rights
 racial and sexual discrimination persist
 trans-national companies and collusion by governments suffocate out struggles for self determination, a clean, safe environment and freedom of movement.

The Convention for Democracy will enable socialists to meet together to analyse these abuses and to explore the strategies and tactics needed to develop the struggle for socialist democratic rights.

Plenary/workshop sessions will focus on:
 the ways state structures work politically, economically and ideologically to deny us our rights. Implications for the local state and EEC will be included.
 forms of oppression of individuals and collectives, operating outside state structures.
 what socialists mean by democratic rights.

Campaign workshops on different struggles for socialist democratic rights will explore ways we can build links and work together after the Convention.

For further information contact: Convention for Democracy, 3 King Henry's Yard, Barratts Grove, London N16 8AP

Ireland & 1992: another fine mess for the Tories

David Coen

Many elements in Ireland, not just nationalists but also unionists, are coming round to the view that the solution is one of economic, but not necessarily political, union as a region of the EEC. For that to work however requires a loosening of not just economic but also political ties with Britain. There is a more than even chance that such a solution will be opposed by a significant section of the Conservative Party.

Charles Haughey's Fianna Fail Party in the 26 counties has traditionally got its support from three different, often opposing forces. Firstly, from the small farmers, attracted by the early (and very limited) commitment to land redistribution; secondly, from the small business people who gained from Fianna Fail's import restrictions and "go it alone" economic policies between coming to power in 1932 and 1958 and third, and most importantly, from the working class won over by a combination of job creation and public spending.

Even when Fianna Fail under Sean Lemass abandoned the old Sinn Fein self-sufficiency policy in 1958 and opened the economy to foreign capital, it managed to retain its base, its appeal deriving from its ability to deliver jobs and to increase state spending, as against Fine Gael's "balance the books" approach. At the same time, it managed to placate its traditional rural and small business support by combining a conservative Catholic populism with careful distribution of state jobs and benefits to its own supporters.

Its claim to republicanism rested mainly on the notion that the best route towards unity was to make the 26 counties attractive so as to wean the unionists away from the British welfare state. This modernisation of republicanism around bread and butter issues seemed initially to be having some success when in 1965, the Northern Irish Prime Minister O'Neill met with Lemass in Dublin. The Northern economy, which depended heavily



Fianna Fail has always trumpeted its nationalism

Eamonn O'Dwyer/Report

on military spending was feeling the chill winds of recession as Britain pulled back "east of Suez".

Foreign investment, the changing patterns of trade, and entry to the EEC in 1972 meant a gradual lessening of dependence on Britain. Republicanism for Fianna Fail mostly been a matter of shifting the economy out from under the shadow of Britain, a policy which appealed especially to the farmers who felt aggrieved by the cheap food policy of the British. It also provided a helpful flow of funds (especially through the Common Agricultural Policy) to the Fianna Fail Government from 1977, when spending ran way ahead of the ability of wage earners to pay for it through taxation.

Strangely for a party that has always trumpeted its nationalism, it was not the erosion of

sovereignty as a result of joining the EEC which eventually split it. Because it wouldn't tax farmers who were doing well from the post-EEC boom up to the late 1970's, and it couldn't tax the multinationals - after all, low tax rates were one of the attractions of investment in the South; the Fianna Fail government found itself with a growing debt problem. Part of the reason for the debt was the subsidy to multi-national capital in the attempt to win and keep investment. By the early 1980s, the Free State's debt per capita was among the highest in the world.

Des O'Malley and the others who left Fianna Fail to form the Progressive Democrats (now back in an uneasy coalition with Fianna Fail) did so because of the financial irresponsibility of Haughey's government. There were also differences with Haughey over divorce, contraception and particularly Haughey's tendency, especially when out of power, to play the nationalist card.

There is very little disagreement among the ruling class in the 26 Counties on the question of European unity. The old ruling class,

based on the large landowners and the banks, are heavily in favour of free trade. They were anyway never very committed to the idea that capitalism in Ireland could survive without being clients in one way or another of the British, and are now quite happy as clients of the EEC. The large landowners in particular have gained disproportionately from the Common Agricultural Policy. It is a bit ironical that they are among the fiercest proponents of free trade and the need to end subsidies.

Despite the unity over the EEC, and the fact that the split in Fianna Fail was over debt and issues such as divorce and contraception, there is nevertheless a serious split in the Southern ruling class on the national question. The bitter divisions which gave rise to the Lenihan affair arise mainly from Fianna Fail's

attitude to the North.

Despite Haughey's betrayal of the Hunger Strikers, his implementation of the Anglo-Irish Agreement and his support for extradition, a substantial section of the ruling class considers him to have a "flawed pedigree", that is he cannot be trusted not to try to whip up nationalist sentiment for his own ends (The original charge against him was that he attempted while a Government Minister in 1969 to import arms for the IRA " he was acquitted).

The "flawed pedigree" argument surfaced again in the Presidential election. Haughey was forced by his Coalition partners, the Progressive Democrats (PD), to sack his Deputy, Minister for Defence and long time associate, Brian Lenihan, for being economical with the truth. (Rarely does selfless loyalty to the party require voting for your own dismissal as Lenihan, in effect, did!) But the dispute goes far beyond the PD's claims about low standards in high places. It has much more to do with the political direction of politics in the South, and the threat posed by any residual nationalism in Fianna Fail to the project of the ruling class.

Despite the official rewriting of history and the down-playing of anything anti-British (there is to be no official celebration of the 75th anniversary of the 1916 Rising), the ruling class fears that economic crisis could stir up nationalist sentiment and strengthen the Republicans, who are identified as the main threat to the ruling class, north and south.

This is why Fine Gael, while denouncing new president Mary Robinson for having the support of a "revolutionary socialist party" (believe it or not, the Workers Party!) was happy to negotiate cross voting with her to try to keep Lenihan and Fianna Fail out. And this is the dilemma for the left in Ireland. Robinson deserves support because of her defence of women's rights including contraception, divorce and abortion. However, she resigned from the Labour Party over her right-wing objections to the Anglo Irish Agreement and she supports the removal of Articles 2 and 3 from the 26 Counties' Constitution because they threaten the Unionists.

Though Robinson denies she will be part of it, a referendum to remove Articles 2 and 3 of the Constitution (which assert that the national territory comprises all 32 counties) could be the next step for the ruling class. Of course the timing of this referendum would have to take into account a wider range of issues than simply the difficulties it could cause Fianna Fail and it is hard to see it taking place outside of a new attempt at a British settlement in the North. Defeat in this referendum would none-

theless be a massive blow to the republicans.

In May of this year, Haughey, as President of the EEC Council was well received by an Institute of Directors Conference in Belfast, this despite Unionist complaints about extradition decisions in the Dublin Courts and a demonstration outside led by Ian Paisley. Haughey's speech was on the benefits of a unified approach to economic problems, North and South.

Professional optimists like the SDLP's John Hume seek to carry this further, arguing that European economic and political integration should allow greater regional autonomy.



New Irish president, Mary Robinson - a moderniser

After 1992, the border will anyway disappear as an economic frontier; all that will remain is the 300 mile line of British Army watch-towers.

The whole question of whether a "settlement" of the Irish problem can be achieved within the EEC is however closely tied to British politics and particularly to the debate within the Tory party.

Ireland, was the source of one of the major divisions in the Party in the 19th century. The other was on trade, centred on the repeal of the Corn Laws. It looks like we are now seeing a third split, potentially as damaging, over European union.

Few but the most naive (and least of all those who have first hand experience of the British, or any other, empire) believe that the reasons for the British remaining in Ireland has anything to do with "peacekeeping". On the contrary, the British are expert in fostering internal divisions in order to divide and rule. However, some sections of the left make the

mistake of trying to explain the British presence simply in economic terms, when the real reasons are a bit more complex. For the British to withdraw from Ireland in any conditions short of a massive and thoroughgoing defeat of the nationalists would have devastating effects on British politics - not just the kind of

effects on the Portuguese of withdrawal from Mozambique and Angola, which were mostly the result of military defeat, but a tearing of the whole political fabric of the British State which goes back to the incorporation of Ireland and Scotland in the late 18th century.

Thatcher's anti-EEC rhetoric and pro-Unionist attitudes were all of a piece. To contemplate breaking the Union (and here you can include also Scotland and Wales) by European political union, or the break up of the United Kingdom is simply unthinkable. She has described herself as a Unionist. Apparently against her instincts, she was prevailed upon to sign the Anglo-Irish Agreement in 1985. And this was only an attempt to stem the influence of Sinn Fein.

Brooke's "talks about talks" which have dragged on over the past months are likely to stall once again on the question of whether a "foreign government" - the 26 Counties, can have a say in the political structures of part of the UK.

With the stagnation of Sinn Fein's support, there is less pressure on the British to meet even the minimal conditions on participation put forward by Dublin.

Moves toward even economic unity in Ireland, like the general progress towards economic and political union within the EEC, threaten the dismemberment of the British State. What makes the problem in Ireland particularly acute from the Tories's standpoint is that many elements in Ireland, not just nationalists but also unionists, are coming round to the view that the solution is one of economic, but not necessarily political, union as a region of the EEC. For that to work however requires a loosening of not just economic but also political ties with Britain. There is a more than evens chance that such a solution will be opposed by a significant section of the Conservative Party.

Making concessions on Ireland or political union in the EEC would risk a meltdown at the core of the British ruling class, though the economic case for both is strong from the standpoint of big capital, if not national capitalism.

How bosses link up with drug barons

Until the Gulf war pushed it to the sidelines, the 'war against drugs' was a high profile US policy in Latin America. Both the Colombian government and the imperialist war-monger Bush have been trying to sell the idea that the fundamental political situation in the country is a struggle between drug-traffickers and government institutions. But as Colombian socialist DANIEL LIBREROS told *Socialist Outlook*, the real story is very different.

Far from being engaged in an all-out war against the evils of drug-trafficking, the traditional bourgeoisie are deeply implicated in the drugs trade. In reality the process of capital accumulation could not occur in Colombia without the revenue from trafficking.

This happens at two levels. At the state level, the bourgeoisie established a law within the official bank sector which the journalists in Colombia call the *Sinister Window*. This allows the drug-traffickers to go and officially change the money that they get from their trade. This explains why Colombia has less foreign debt than other Latin American countries.

In 1988 when there was an international pact that led to a drop in the price of coffee - Colombia's main export - the country was affected dramatically. The export of coffee went down to \$3,000 million in 1988 - but the money from drugs went up to \$4,000 million -



Police publicly burn confiscated cocaine while co-operating with the traffickers.

\$1,000 million more than the main cash crop export.

At the level of the private sector, there is a relationship between the traditional capitalists and the drug exporting capitalists at the level of transport, banking, commerce and industry. To give one example, after the assassination of Galan, the leading presidential candidate of the Liberal Party, the government began a period of repression against the traffickers. Tourism on the West coast virtually disappeared, confirming the role of the traffickers in the tourist trade: in fact they owned most of the hotels.

At the level of the state too there is clear co-operation between the army and the drug-

traffickers in terms of suppressing the mass movement. Certain areas of the country are controlled by the army and the para-militaries and you will find cemeteries where they dump the bodies of leaders and activists from the mass movement. You might find 20 or 30 bodies a month in these cemeteries. To enter these zones - for example one is on the Panamanian border - you need military permits. The people who live in these zones have to report to the military every day.

Another such zone is on the border with Venezuela. This is a very important agricultural area. It is very rich because the main river in Colombia, the Magdalena, runs through it. Two years ago ten judges went to investigate human rights violations in the zone; nine were assassinated, and only one survived. This judge was able to identify the killers: they were military officials. As a result of this a general was brought to justice. His response was to say: "I don't know why you're putting me on trial - I'm just obeying orders."

It's not just the army and the state who are connected to drug-trafficking, but also the political parties. One example will give a good illustration. Slevi, who was one of the traditional Liberal politicians on the Atlantic coast, had his visa to enter the USA suspended. When journalists asked him why, he said: "I don't know why they're going for me - I'm just the same as every one else."

Another example is Barco, the Colombian president, who would use aeroplanes belonging to drug-traffickers when he was electioneering, and would stay in their hotels. It is widely known that the traditional bourgeois parties are linked to drug-trafficking.

The drug industry

The best cocaine is grown in Peru, Bolivia and Colombia, in that order of quality. The failure of the bourgeois-controlled agrarian reform in all of these countries forces over a million peasants to grow a crop that pays up to ten times better than legal farming.

Although 90 per cent of the crop is grown in Peru and Bolivia, 75 per cent is processed in Colombia by criminal cartels which control the whole process of production and sale of the drug.

The proceeds from the drug trade are staggering. \$1 million of cocaine produced in Colombia will fetch \$5 million in the USA.

500,000 live from the trade in Colombia - 8 per cent of the economically active population. In Bolivia it is 450,000 (15 per cent), and Peru 400,000. Peasants grow it, lumpen elements transport and protect the trade and its owners, and professionals process it.

The wealth of these mafiosi is beyond accurate calculation. Between them the cartels have purchased one million hectares of land as investments - more than the Colombian state agrarian reform project INCORA has managed to buy in 25 years.

When the cartels offered to pay off Colombia's entire foreign debt, then standing at \$18 billion, this was entirely consistent with their known assets, making them the most powerful financial sector of the bourgeoisie.

This is also true for the Catholic hierarchy, who play a very important role in setting ideological standards for the people. We must talk about the hierarchy of the Church because in Colombia, as is the case throughout Latin America, there is a radical christian tradition within the mass movement.

People may ask why the drug-traffickers killed Galan. Why are there these conflicts and contradictions between the drug-traffickers and the traditional bourgeoisie? The explanation has two levels. One level is economic, stemming from the pressure from the USA because of the effects of drug addiction there. This has been talked about publicly in the American press. But the political reason is more important. Bush has changed the traditional pretext for American intervention in Latin America. The reason they use now is to combat drug-trafficking.

This follows on from the changes in Eastern Europe and the fall of the Berlin Wall. Bush made a speech a month before he took office in which he said the big problem in Latin America now is the fight against drug-trafficking and no longer the fight against communism. You will note that Noriega is on trial for drug-trafficking not as a communist.

Drug-trafficking has been the excuse for Bush and Thatcher to put frigates on the Atlantic coast of Latin America. Even here the position is hypocritical. A document called Santa Fe II, a counter-insurgency document approved by the British government, has stated that the USA's aim is to reduce the level of trafficking in relation to the state because it is too obvious and public!

When the drug-traffickers realised that the government was going to carry out this operation, Galan was assassinated as a warning to go no further. In effect it was the traffickers who launched the war on the government

rather than the other way round.

The drug-traffickers had their own huge institutional military structure and they made indiscriminate attacks in order to create public terror and recoup what they had lost. The weakness in the government was shown by the fact that just one month after the assassination of Galan – the most important bourgeois figure of the time – Lopez, the Liberal Party boss, made a public speech to all the heads of the private sector in which he said it was 'madness' to continue the war against drug-trafficking: "Why are we carrying out this war for the USA when they are cutting the price of our coffee exports?"

When the government renewed their talks with the traffickers the military chief of one of the drug cartels in Medellin was killed. Jour-

capitalist system – it is one of the most profitable areas they have. I feel that people should be denouncing this aspect of capitalism with more vigour.

In the mass social movement the biggest problem that we face is that the left wing struggle is far more powerful in the countryside than it is in the towns. This is because in the countryside the struggle is very much a defensive struggle against the paramilitaries. This allows for the politicisation of the peasants. In the cities there has been no recent history of mass struggle. The state structures are stronger and the mass movement more divided. There is a tradition of depoliticisation consciously encouraged by the bourgeoisie.

There is legislation that says that trade unions can't put forward political viewpoints. This is coupled with role of the trade union bureaucracy preventing the unions from moving beyond economic demands to make political links. The trade unions in the cities have a very low level of political development.

When the tradeunion confederation CUT called a general strike a couple of years ago, the government's response was to militarise the whole dispute and attack and assassinate leaders, occupy the trade union headquarters and control the key areas of the cities. This meant the strike failed.

This means that the discussions on the Left are taking place in a cold climate – there is no radical movement, no mass mobilisations. We also have an international context which is very unfavourable to us. The fall of the bureaucratic regimes in Eastern Europe has not been accompanied by the working class in those countries developing their own independent mass organisations. Not only do they not have a strategy for power they cannot even organise themselves as a workers' movement. There is incredible ideological confusion as a result of the regimes that they have been living under. Because of the control of social democracy there is no great mass radical movement coming forward in Western Europe.

During the talks between Gorbachev and Bush in Malta, Gorbachev stated that he had no interest in Latin America. The American press did not miss the fact that the invasion of Panama happened just 8 days after this agreement with Gorbachev. The USSR is reducing its level of material aid to Cuba. In this international context we have the defeat of the Sandinistas in Nicaragua and a difficult time for the FMLN in El Salvador. The present conjuncture is very difficult for revolutionaries in Latin America.

This is not to say that we have been defeated; we are carrying out real struggles. What is a problem though is that the vision of communism, a view of the way forward is being drowned under the pressure of the

The slaughter

Murder is now the commonest form of death for males aged between 15 and 40. Colombia has the highest homicide rate in the world for a nation not at war – over 10,000 political murders occur each year.

nalists found, from evidence in the American press, that US agents were directly involved with this assassination. US imperialism does not want to see any agreements between the state and the traffickers.

Drug-trafficking is not a national problem but an international problem. Drug-trafficking is the second most important area of finance in the world – second only to the manufacture of arms. If you take all the addictive drugs it adds up to \$500,000 million a year – almost the equivalent to the entire third world debt. Surveys in Europe have shown that almost a third of the Swiss banking system is based on drug-trafficking money. The destruction of whole layers of youth is linked in this way to the

The political background

World War Two gave a boost to the Colombian economy, and saw the emergence of an urban working class which began to demand better living conditions. When the populist liberal leader Gaitan put himself at the head of these forces, it divided the ruling oligarchy.

In 1948, at the height of his popularity, and in line for the Presidency, Gaitan was assassinated. The insurrectionary upsurge that followed showed the outrage felt by the masses. Bogota the capital was taken over by the masses; town councils elsewhere were overthrown and popular juntas organised to run the municipalities.

The bourgeois parties closed ranks to regain control of events; a bloody military operation re-established state control in Bogota, and one by one the juntas were suppressed.

La Violencia in the 1950s flowed from the power struggle between the factions after Gaitan was murdered. Over 250,000 were killed out of a population of just 11 million in 1951.

Eventually the rise of a bonapartist clique in the army, led by General Rojas Pinilla brought a concordat between the factions of the oligarchy and a system of power-sharing which gave the two parties the opportunity to have four-year terms of office, alternating at each election! This system, with some alterations, still exists in Colombia.

market and liberal economics. In Colombia we have a Left that has a lot of discussions but no mass movement to carry them forward.

They say that our current, *A Luchar* is part of the illegal guerrilla Left in order to repress us. We are not. What we do say is that the guerrilla struggle is legitimate. Their armed struggle is combined with the struggle for land and for social justice.

At the moment though the guerrilla movement is divided into two parts. One sector, following the actions of M19, put forward the idea of laying down arms in order to participate in the civil structures. This resulted in good results in the recent election – approximately 13 per cent of the vote. This is important for the Colombian Left which has never previously exceeded 3 per cent in national elections. But the point of view put forward by M19 in their discussions with us amounts to acceptance of capitalism – a reformed capitalism and reformed parliamentary structures. The view of M19 has been endorsed by international social democracy following direct meetings with Peres, Gonzalez and Mitterrand. M19 are proposing a short term social democratic plan.

In this period another discussion has come forward. M19 are now saying that the guerrilla struggle and the para-military violence amount to the same thing. They say it necessary to take a neutral view in order to end violence.

A Luchar have put forward proposals for joint action, for unity.

We want unity in the social struggle, on political demands. But we want this unity without preconditions being placed on us. They say there will be unity if *A Luchar* publicly distances itself from the guerrilla struggle and dissolves its independent structures into a broader organisation. We have said that unity is quite impossible under those conditions.

We continue to insist on unity because we see it as a necessity in the present situation. We are not sectarian on the question of unity. We want a political dialogue with the base of the M19 movement which has a long radical tradition. A social democratic project is not feasible in the present situation.

The other sector of the guerrilla movement says that we will have dialogue with the government – but in the way the El Salvadoran FMLN has it. We must insist upon fundamental social changes as part of that dialogue.

The preoccupation of *A Luchar* is for Left unity, a unity that allows the mass movement



Military police display their might in Bogotá

to confront the new situation. We see positive elements in the evolution of the situation

ment that includes workers, that includes peasants and other sectors. From the point of

The guerrilla movement

After the 1959 Cuban Revolution, the exclusion of the Colombian Communist Party from the corridors of power led to a serious crisis in the party, and it began to build up a following among groups of the dispossessed.

This tactic crystallised into the largest guerrilla grouping – the FARC. Its maoist rivals also built a smaller armed wing in the banana-producing areas of Antioquia and the Atlantic coast, known as the ERP.

By the mid 1970s guerrillism was enjoying considerable popularity. A castrite ELN guerrilla was formed, and the famous M19 emerged from the discontented middle classes and militants forced into hiding by state and privatised repression.

While most of the guerrilla groups were content to control regional areas, the M19 generated a popular nationalist following through spectacular actions, propaganda and displays of strength. As a result it became the target both of the mafia drug barons and of the army, both of which feared its influence and tactics.

amongst those sectors outside the orbit of social democracy. Within the CP there are problems because of the international situation and Gorbachev. At the moment they do not have the option of dissolving themselves into a social democratic party, even though in the past they have had electoral agreements with the traditional bourgeois parties.

A Luchar is itself a result of the re-composition of the Latin American Left – putting forward an independent revolutionary line. We believe building in a broad social move-

view of leadership the movement must be broad and pluralistic. This implies that you accept diverse ideological currents within the movement. In *A Luchar* we have radical christians, people from a Guevarist tradition, radical nationalists and Trotskyists of the Fourth International.

We have come to an agreement on the rules of the game in order to put forward one line to the outside. We have been victims ourselves of the repression. We have had 400 of our cadre assassinated. This obviously doesn't compare to the 1,200 deaths of the Union Patriótica, but it does reflect the overall aim of the government. However we are optimistic about a quick radicalisation and more stable development of the Left in Colombia.

Daniel Libreros is a member of the National Executive of A Luchar and a member of the International Executive Committee of the Trotskyist Fourth International.

The war against the left

When M19 kidnapped the daughter of the 'godfather' Fabia Ochoa, the cartels met secretly and decided to launch a death squad (the MAS) to deal with the left wing urban guerrillas.

Since then 140 paramilitary groups with an estimated 14,000 killers under their control have been identified as being responsible for a horrific wave of assassinations which have terrorised the nation.

This formidable private army has also been used by employers to deal with their enemies in the labour movement.

The success and failure of Louis Althusser

Obituaries for Louis Althusser, who died in October, have widely credited him with being the most important Marxist philosopher in the post-war period. This claim, says PHIL HEARSE, has much to recommend it.

Widely reviled on the Trotskyist left as a Stalinist, Althusser left a lasting mark on Marxist theory. While he did not succeed in his project of refounding Marxist philosophy, and although his system contains flaws which in the end sank his whole project, nonetheless his attempt to re-work the concepts of historical materialism and the marxist theory of knowledge elaborated new concepts which have passed into the 'received wisdom' of Marxism. Why then should Trotskyists think Althusser important?

There are three points of reference in his work (1) which are of lasting value. First his elaboration of the concept of 'social formation'. Prior to Althusser's intervention Marxists had tended to analyse each concrete society as simply an example, however impure, of one or other 'classic' mode of production established by Marx and Engels - slave society, feudalism, capitalism, and so on. Althusser insisted on the complexity of real societies, the fact that each 'social formation' contained elements of and survivals of different modes of production, elements which were 'structured in dominance' and 'overdetermined' by the dominant social relations.

This notion of each social formation as a 'complex whole structured in dominance' may seem banal and obvious today. Don't all Marxists, even the passionate anti-Althusserian, use the notion of 'social formation'? Exactly - but only because Althusser invented it. There is just one reference to the term in the whole of Marx (2). The distinction between concrete social formation and the idea of 'mode of production' which exists at a different, higher, level of abstraction, owes its origin to Althusser. (3)

Althusser's second decisive contribution was the notion of 'overdetermined contradiction'. Previously, said Althusser,

Marxists had too simple a concept of contradiction based on the Hegelian 'thesis-antithesis-synthesis' notion of dialectics. Basing himself on a reading of Lenin's conception of revolutionary crises, Althusser argued that in studying concrete conjunctures Marxists had to analyse the way in which contradictions at different levels of reality (and the social formation) interacted, and at a certain point produced a critical rupture (overdetermined contradiction). Aficionados of contemporary 'chaos theory' will be able to see the parallels between this idea and the way in which ordered systems suddenly break up and become 'chaotic'. But despite the suggestive insights in the notion of 'overdetermined contradiction', it contains ambiguities which are dangerous for Marxist theory, which we refer to below.

Althusser began his work as a political intervention in the early 1960s, where theoretical Marxism was dominated by the fad of Marx's early writings and a heavily 'Hegelian' reading of them. This meant, in the works of Roger Garaudy - the leading philosopher of the French Communist Party - a unilateral rendering of Marxism as a critique of humanity's 'alienation' from its essential 'species being'. On this basis a fashionable dialogue developed with Christian theologians. Althusser intervened sharply against these readings, insisting that Marxism was not a 'humanism', an interpretation of humanity's 'species being', but a science of society, of history and of social formations. Thus he attacked any tendency to make Marxism just a moral and ethical critique, and to downgrade Marx's later writings on economics, history and politics as some sort of unfortunate deviation.

Indeed, Althusser turned the fashion of Marx's early writings especially the *1844 Manuscripts* - on its head by insisting that they were not 'real Marxism'. He claimed that in Marx there was an 'epistemological break' in the mid-1840s, as Marx broke from his previous philosophical speculations about alienation, and worked out the scientific categories of *Capital* and mature Marxism - surplus value, exploitation, mode of production, and so on - scientific theories which could be used to analyse society and guide the struggle of the proletariat.

What can we say of this intervention? At the very least Althusser overdid it. He was right to stress to scientific character of Marxism. He was right to stress the dangers of rightism in the writings of the 'Marxist humanists' - people who had broken with

Stalinism after the Hungarian revolution of 1956, but who tended to cast doubt on basic Marxist categories.

But his notion of the 'epistemological break' in Marx's writings underestimated the real continuity of Marx's thought - and indeed how concepts like 'alienation' and 'commodity fetishism' continued to play a role in his scientific writings like *Capital*. (4) The real value of Althusser's intervention was marred by this one-sidedness and by his polemical excesses ('when I hear the word humanity I reach for my gun').

The failings of Althusser's system, some of which have had a very negative effect on the development of Marxist theory, include the following.

First, his theory of knowledge. In a highly stylised and formal set of propositions about the 'production' of theoretical knowledge, Althusser - closely following Spinoza - insisted that

a) the 'concrete-in-thought' as opposed to the 'real-concrete' was the object of knowledge, and

b) the validation of otherwise of scientific knowledge takes place 'entirely in thought'. The weakness of this system has been commented on by virtually every Marxist critic.

This theory of scientific knowledge breaks the links between the real world and reflection, and between theory and practice as the decisive criterion of truth. If the validation of theory takes place entirely in thought, as opposed to social practice, then 'theoretical practice' as Althusser called it is not really about understanding the real world but about understanding concepts. The 'real concrete' in Althusser's schema is inherently unknowable.

In establishing this schema Althusser broke with Marx's own most precise explanation of his method - the section of the *Grundrisse* entitled 'The Method of Political Economy'. Here Marx insists (and here lies the superficial similarity with Althusser) that the concrete in theory is a synthesis of abstractions; but he also insists that these abstractions are worked up from data on the real world - facts - not simply from other abstractions.

The second failure of Althusser's system is more important because it is much more influential - his critique of 'economism'. Reacting against the notion that the different levels of the social formation (for example ideology and politics) are reducible to the 'economic' level, he repeated that the different levels of the social formation had their own specificity and acted upon one another through their

various 'effects'. This would have been uncontroversial among Marxists, had Althusser stuck more rigidly to his own 'structure in dominance' idea. Althusser argued, that while the economic level is the determinant one in the last analysis, 'the lonely hour of the last analysis never comes'. This laconic phrase strikes at the heart of Marxism. If the lonely hour of the last analysis never comes, then the idea of the economic as the determinant level is worthless.

Now, a central problem in this discussion, which has raged as long as Marxism has existed, is establishing what Marx meant by the 'economic basis' of society, which he argued is its 'real foundation'. Hundreds of critics of Marx have failed to notice that he insisted, even in the most famous exposition of historical materialism (5), that the economic basis of society is the 'social relations of production'. 'Social relations of production' is the most important concept in the whole of historical materialism.

Marx and Engels always conceded that politics and ideology had a 'relative autonomy' (6). But the fundamental character of any social formation, its 'general dynamic', its 'laws of motion', can only be established at the level of the social relations of production. To take the most banal example, you cannot analyse the politics and ideology of 'Thatcherism' without knowing that the contemporary production relations in Britain are those of capitalism, and that this capitalist social formation is in crisis and decline.

In Althusser's work, and more blatantly in that of his most prominent successors like Nicos Poulantzas (7), the concept of the social relations of production becomes deconstructed. Thus we find 'political social relations' and 'ideological social relations' existing in parallel with the social relations of production and with no real hierarchy of causality between them. This has led many influenced by the Althusserian tradition to repudiate Marxism as a socio-economic determinism, and in particular to break the link between ideology and politics and the fundamental level of classes and class struggle. Invariably this leads to a political shift to the right (8).

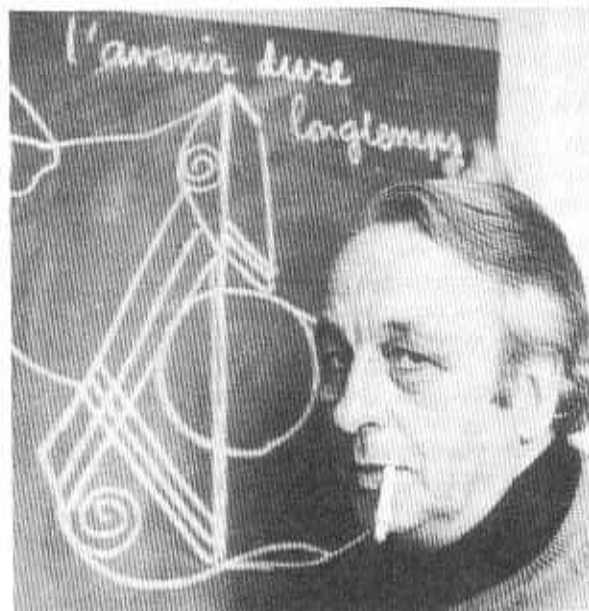
Further failings of the Althusserian project which can only be mentioned here:

- his later idea that institutions like schools, the media and churches are 'ideological apparatuses of the state'
- his underestimation of social classes as active social subjects,
- his polemic, in the name of concrete conjuncture, against the idea that human history has an unfolding meaning and logic

(which he described as 'historicism').

What then of Althusser's politics? The accusation that he was simply a Stalinist is often a substitute for critical engagement. The British SWP regularly trot out this accusation against their own resident heretic, Alex Callinicos, who rightly sees some value in Althusser's work. They conveniently forget that their own party-approved philosopher, Georg Lukacs, was not exactly pristine pure when it comes to Stalinism either. The historian E.P. Thompson denounced Althusser's work as the most

Althusser's mental illness, from which he suffered for several decades, led to the final tragedy of the murder of his wife Helene in 1980, and his committal to a psychiatric institution where he died. His work emerged from the growing crisis of Stalinism, and its reflection among intellectuals who were distant from the class struggle. It was and is a crisis which cannot be adequately dealt with at the level of philosophy, as Althusser tried. In the end it could only be dealt with at the level of directly political struggle and the theoretical work – especially on economics and politics – needed to back that up.



complete expression of Stalinism in theory, and 'declared war' on 'all such Marxisms' – including Trotskyism (9). All these accusations forget the situation in which Althusser wrote, and what he was trying to do.

Althusser was never in any party but the French CP. His work started as a left critique of the party orthodoxy, implicitly siding with China in the Sino-Soviet dispute. Althusser became the guru and adviser to a group in the CP's youth organisation, who were later expelled to become the leadership of the Union Jeunes Communistes – Marxiste-Leniniste (UJCM), which played a certain role, as a Mao-centrist organisation, in the student revolt in May 1968. In the 1970s he reworked his criticisms of the CP leadership and of the Soviet Union to become, more or less, a partisan of left Eurocommunism. Althusser was never a Stalinist hack or an apologist for the party apparatus.

But of course he never made any critical engagement with Trotskyism, and thus with a central strand of classical Marxism. He never had access to the volume of Trotsky's philosophical writings published in 1986, or showed the slightest interest in trying to understand the theoretical contribution of the Trotskyist current.

As all the obituaries have related,

Notes:

- 1) The most important of Althusser's writings are: *For Marx* (1965); *Reading Capital* (1968), with Etienne Bailbar; *Lenin and Philosophy* (1970). All published by Verso. The best exposition/critique is Ted Benton: *The Rise and Fall of Structural Marxism*, Macmillan (1988). See also Anderson (note 9 below).
2. In the Preface to the *Contribution to a Critique of Political Economy* (1859). The preface is included in the Marx-Engels selected works in one volume, Lawrence and Wishart.
3. A recent exposition of 'mode of production' and 'social formation' by Ernest Mandel has a distinctly Althusserian ring about it. See 'Marx', in the Marxist Economics, *The New Palgrave* vol. 1, Macmillan (1990) p.6.
4. Among the best accounts of the development of Marx's thought is the highly underrated book by Ernest Mandel, *The Formation of the Economic Thought of Karl Marx*, NLB (1970).
5. 'In the social production of their life, men (sic) enter into definite relations that are indispensable and independent of their will, relations of production which correspond to a definite stage in the development of their material productive forces. The sum total of these relations of production constitutes the economic structure of society, the real foundation, on which rises a legal and political superstructure and to which correspond definite forms of social consciousness. The mode of production of material life conditions the social, political and intellectual life process in general. It is not the consciousness of men which determines their being, but on the contrary their social being which determines their social consciousness'. Marx, *op cit*.
6. See, most famously, Engels' letter to Bloch in the Marx-Engels *Selected Correspondence* in one volume (Lawrence and Wishart).
7. See *Political Power and Social Classes*, Nicos Poulantzas, Verso (1968).
8. Notoriously, in Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy*, Verso (1986). For a critique see: Ellen Meiksins Wood, *The Retreat from Class*, Verso 1987.
9. E.P. Thompson, *The Poverty of Theory*, Merlin, 1978. See Perry Anderson's brilliant destruction of Thompson in *Arguments Within English Marxism*, Verso (1980).

Lifting the lid on Thatcher's hidden agenda

Choice and Responsibility The enabling state

by The 'No Turning Back' Group of Conservative MPs
Published by the Conservative Political Centre

Available at the Conservative Central Office, 32 Smith Square, London SW1P 3HH. Price £3

Reviewed by Nicole Black

Be prepared for a shock. This is (in the words of the bloke who sold it to me at the Conservatives' bookshop) the programme Thatcher would have adopted if she could have got away with it! It is simply frightening – the sort of stuff we should all know by heart, and go out and campaign against as vigorously as they are arguing for it.

Such a pamphlet acts as a powerful reminder of the inability of the left to retake the offensive against such violent attacks.

The pamphlet deals with a number of elements concerning the nation, the 'free society' and the family. In all areas of society, the role of the state is envisaged as a reduced one (true to the desire to "roll back the frontiers" as she said): "The state should not provide, but enable; not stifle but facilitate; not control to the maximum, but regulate to the minimum extent possible" (p.8).

In other words, privatise every public service possible and give maximum freedom to capitalists whether small or big. They even go so far as suggesting a "withering of the state" – but certainly not in the Leninist sense: the state they talk about is the Welfare State, and certainly not the apparatus that defends the position of the ruling class.

They describe this Welfare

State as 'socialist', and use – quite powerfully, I think, for the majority of the public – the collapse of Eastern Europe as the evidence against state power:

"The last ten years, and events in Eastern Europe, have indeed graphically demonstrated that affluence can only be delivered through private enterprise. Squalor is the prerogative of the public sector." (p.18)

They argue for an acceleration of the reforms undertaken: "We must intensify the assault on the very concept of individual dependence on state provision of health care, education and social security" (p.8) because "until the final bastions of socialism are stormed, a socialist revival can never be discounted" (p.19).

How is this translated into practice? "Our purpose should be to wean people off welfare. We advocate the systematic reform of the welfare system into one based on insurance – run on a private agency system" (p.20).

It is all very logical – from their point of view. You may wonder how people are going to be looked after when they need it. There is a simple answer: the family. "We do not believe that the state can be morally neutral in its dealing with the very building block of society – the family" (p.8) or if you prefer: "We proclaim unequivocally our belief in the family as the building block of society" (p.12).

What does it really mean? For the family to be able to provide the services that the Welfare State will no longer guarantee, it needs to be a stable unit, and people should not expect help from outside. Hence the attempt to stop voluntary single parenthood by not granting single parents "automatic entitlement to state support"; to "impress upon parents that fatherhood is for life"; to limit the number of divorces by making the procedures mor difficult with a "statutory 'cooling off' period"; and to reconsider the position on Child benefit.

The free market should reign supreme in the eyes of these radical conservatives. A lot more should be privatised, if necessary finding "new ways of involving the management, work-force and the general public in the sales of public assets" (p.13). The list includes British Coal, London Underground, London Transport, British Rail, the Post Office, motorways and so on.

The same wonderful logic applies of course to the environment and we can read astounding statements such as: "Market forces do not destroy the environment. By fostering high technology and expanding available resources, they protect it" (p.15). To justify this disarming assertion, they take the example of pollution in Eastern Europe, and simply ignore pollution all over the capitalist world and the way the third world is used as the dustbin of the West.

Another type of argument is that of ownership given that if you own something, you want to protect it. Therefore, "The Brazilian rain forest is being burnt, and not replaced, because it is not owned by anyone"

But are the authors really in favour of doing away with the state? Naturally, not. They want the state which will defend capitalist interests nationally and internationally to be reinforced.

First of all, the pamphlet reiterates the key ideas defended by Thatcher in her famous Bruges speech, namely upholding the supreme sovereignty of the UK, against the so-called bureaucratic or socialist control by another parliament, with another currency. Such as Europe for example. From people who defend multinationals and international finance, this can seem quite ironic. But more is to come. What they really have in mind is to transform Britain



into one of the most exploited and ruthless countries: "We can draw inspiration from the examples of Hong Kong and Singapore and other flourishing Asian states. We should set ourselves the objective of being to continental Europe what Japan is to continental Asia". Fancy being a worker in Singapore, Taiwan or even Japan? This is the 'freedom' they advocate all along for Britain when they repeat their "goals of freedom and prosperity".

Needless to say, the British state would have to be unitary: "We utterly reject the creation of devolved parliaments in Northern Ireland, Scotland and Wales. We are totally opposed to regional assemblies in England" (p.10). This state will also be made secure. The changes in Eastern Europe require a review of the defence policy but not haste in dismantling the army, and we should build "an effective rapid deployment force capable of carrying out the traditional role of the army in defence of British trade" (pp.16-17).

Of course, the poor citizen within the state – which will not wither – has to be 'protected' by privatised prisons, and a stronger police.

Why have they been allowed to get away with it? Because so many of their policies now find their echo in Labour's programme, and they encounter no opposition. Kinnock, you are pathetic.

Murder in the Amazon forests

Fate of the Forest

Susannah Hecht and
Alexander Cockburn
Penguin

Reviewed by Sam Stacey

Much has been written on the deforestation of the Amazon, and its relationship to the 'greenhouse' effect. Any number of solutions have been touted, including its 'internalisation'. But in reality both the causes and the solutions are to be found in the dynamics of Brazilian society, as is explained by Hecht and Cockburn in their excellent book, *Fate of the Forest*.

For decades now there has been a bloody struggle taking place in the Amazon between the rich, and the poor who live in the forest: the indigenous Indians (who have faced a genocidal war), the rubber tappers, and those who live off fishing and gathering Brazil nuts and other forest products. Deforestation does not only destroy trees. It in-

volves a murderous campaign against all those who live in and from the forest, and whose presence is an obstacle to the destructive exploitation of it by big ranchers, land speculators, and big business interests.

These people, the real defenders of the forest, whose livelihood depends on its preservation, have forced concessions out of the government, winning some extractive reserves. Legislation has been passed to defend the forest. Yet the government has not shown the least will even to impose this limited legislation. These laws are ignored with impunity by the hired guns who assassinate union leaders and seek to drive the forest peoples off the land.

The future of the forest will largely be determined by these social struggles, connected as they are with those of the Brazilian workers in urban areas. The rubber tappers union is affiliated to the CUT, the independent union federation. Chico Mendes was a member of its national committee.

As Hecht and Cockburn point

out, the proposals of the rubber tappers and the Forest People's Alliance (with the Indians), are very radical.

"In other words, they called for popular control over the means of production and distribution of forest commodities, along with the provision of commercial credits to producers rather than middle men. They also called for justice and legal protection of their rights to land and life. These are the concrete elements of a socialist ecology – the only strategy that can save the Amazon and its inhabitants."

The struggle to save the forest is intimately connected with that for social justice in Brazilian society, the eighth largest economy in the world, in which fantastic riches co-exist with utmost poverty and destitution. Rarely is it mentioned that Mendes was a member of the Workers Party, committed to the struggle for the destruction of Brazilian capitalism.

Hecht and Cockburn debunk the naive and patronising idea that benevolent ecologists and enlightened international opinion

will save the forest. Their future will be determined by the success or failure of the real defenders of the Amazon whose interests coincide with those of the urban workers whose enemies are the very ones who support the rural rich, and turn a blind eye to their bloody warfare against the forest dwellers.

It is unfortunately an indictment of the trade unions in Britain and elsewhere that the rubber tappers' union had to depend for money on Christian Aid and Oxfam, to be able to launch their health and education projects which have been so crucial to strengthening their organisation.

This book provides a salutary reminder of the need to develop solidarity with the workers and oppressed peoples of Brazil; a country which has a key place in the class struggle in Latin America. Socialists and members of the 'green' movements should demand the unions raise a fund to support the struggles which will have a major role in determining the *Fate of the Forest*.

Ripping away the mask of British injustice

Proved Innocent

by Gerry Conlon
Stolen Years
by Paul Hill

Reviewed by Liam Mac Uaid

The horror of the tale of the Guildford Four told by its two best-known protagonists prevents you from discarding these books in mid chapter. Written in a competent journalistic style with the aid of collaborators these two books should be read without a pause in immediate succession.

Names and photographs are provided. You can see what Inspector Tim Blake, who tortured Gerry Conlon during his interrogation, looks like. Nothing is

left vague or abstract; about the backgrounds of Hill or Conlon, the treatment at the hands of the cops, the ordeal of prison or how the judiciary performed.

The great strength of both books is that they make flesh the torturers, the judges and the brutalised and brutalising screws – and they make you hate every damned one of them: the screws and prison governors in particular.

The next time you see some oozing weasel from the Prison Officers' Association on TV telling the world what a caring bunch of lads the screws are in Long Lartin or Wormwood Scrubs, you ask yourself "did he piss in Paul Hill's tea?"

On virtually every page of both books, the naked hatred of the prison system, the police, the judiciary and the British govern-

ment for prisoners associated, however wrongly, with the Republican movement, is in evidence. The Irish are given special treatment. They are habitually moved to prison hundreds of miles away the day before a much-anticipated visit from relatives who have travelled from Ireland. Contemplate for a few moments the type of minds that would get their kicks from that sort of thing.

In my opinion the most tragic aspect of the case of the Guildford Four was the fate of Gerry's father Guiseppie. He went to England to help Gerry, and was himself arrested and framed. Not content with framing a transparently innocent man, the British state, wearing its prison officer's uniform, deprived him of proper food and medication to make sure he died a slow and

painful death.

I defy anyone to read Gerry's account of his last meeting with his father in Hammersmith Hospital, and the dying man's challenge to the screws, cops and Home Office vermin around his bed, without being moved to tears.

Buy these books. They will well show something of working class Belfast, the lives of the narrators, their experiences in prison.

They will also rip away the mask from the urbane lawyers and Home Office spokespersons, the public face of the British state, to reveal their and its depravity. Contrast that to the angry dignity of Paul Hill and Gerry Conlon and they will keep your hatred sharp.

SOCIALIST OUTLOOK



Nasty and Vindictive

Charlie Van Gelderen is, of course, quite right to state that it is 'Adios, Tariq Ali' (*Socialist Outlook* No. 28). If his book *Redemption* was actually funny maybe, in due course, he could have been forgiven. But the book is no more than a nasty and vindictive way of announcing that he has broken not only from the politics of Ernest Mandel, but also from revolutionary socialism in general. A short pamphlet would have served Ali's purpose better, assuming that he now has a serious purpose.

Even so I don't think Van Gelderen's explanation for Tariq Ali's renegacy will do. So he is now middle aged. (47 I believe), and no longer broke. Quite so. But that cannot explain such a move in such a short period. At least not entirely.

There must also be a political explanation and that would seem to rest on Tariq Ali's complete misunderstanding of recent events in Eastern Europe. The real question is whether this is just a personal misunderstanding or a deeper problem with certain analysis of what I would see as the [now ex] state capitalist countries.

**Keith Flett
Tottenham**

PR - no answer

Sorry to write to you two months on the trot, but the article by Davy Jones on PR needs a response (*Outlook* No 28).

Davy's whole argument - that PR would help the mobilisation of a real popular majority to win elections and introduce socialism - is based on an act of faith. He produced no evidence to show that PR has ever had the mass energising role that he claims. And he admits that in Britain the only times that Labour might have had a majority government under PR would have been 1945 and 1951, which was after the total smash of a world war; a situation that is unlikely to be repeated.

The ruling class have a better grasp of what PR would lead to.

If PR would be such a help to the working class perhaps Davy could explain the following:

- the fact that big business has always supported and funded pro-PR organisations on the ground that such electoral reform would remove any threat of socialism;
- the fact that much of the hostile press and media support PR;
- the fact that in practice PR leads to sor-

did backroom deals, the end results of which are invariably pro-bourgeois coalitions.

Acts of faith belong to the world of priests, not to the sphere of socialist analysis.

And by the way, the article by Theresa Conway contained yet more distortions about CLPD. To say that CLPD "completely ignored the fight on the anti-union laws" is false. Not only did our daily *Campaign Briefing* and CLPD's pre-conference material fully cover the issue, but leading members of CLPD played a role in drawing up the charter of the Campaign for Free Trade Unions, on which LPS based their model resolution.

**Pete Willsman
CLPD**

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