

WORKERS' ACTION

12 pages
15p

No. 163
Jan. 12, 1979

ACT NOW TO AID STEEL STRIKE



- Black all steel
- Don't cross steelworkers' picket lines
- Support the pickets. Help defend them against police attacks.
- Take collections.

THE STEEL strike is hitting the bosses hard. Soon, starved of steel, many engineering firms will be forced to lay off their workers. Car plants will grind to a halt and construction work will stop.

The Tory government thought it could pick on steelworkers, with their unmilitant record, and make them an example — force them to accept a token pay rise which, with 20% inflation, would mean a major cut in real wages, and 52,000 job cuts too.

But the steelworkers are out to show that the pompous, arrogant Tories can be beaten. With flying pickets, with efforts to seal off private steelworks and steel stockholders, with organisation of solidarity by dockers, railworkers, and engineers, they are using the best methods of struggle learnt by the most militant workers over recent years.

Their major hindrance is their right-wing, sluggish union leadership.

For instance, strikers in the Sheffield region have

been lambasted by their national officers for picketing private steel firms. An urgent telegram has been sent to the local division's Rotherham headquarters to try to halt the picketing.

The telegram instructs the local strike committee to liaise with ISTC members in the private sector and to comply with an executive committee ruling not to involve the private sector at this stage.

'Problem'

According to ISTC national officer, Ken Clarke, "The problem we have got now is the enthusiasm of the pickets and controlling them — they have embarrassed us in one or two areas".

The Sheffield and Rotherham strikers have rejected the telegram and continued to picket private steelworks.

The ISTC leaders have also:

- insisted that the strike is only about pay, not about jobs;

- offered to accept productivity deals (which just mean more jobs lost) if only BSC would guarantee 4% 'on account';

- made no effort to get out other steelworkers, like the craft unions.

Strikers in more militant areas like Sheffield have made it clear that they intend to run their local action through strike committees, whatever the ISTC Exec says. Those strike committees must be democratically elected and answerable to regular mass meetings.

No deal should be accepted unless it has been ratified by mass meetings. And the demand to stop the closures and sackings should be made one of the strike's demands: now, when the steelworkers are strong, is the time to fight for the jobs, and not later.

In all this, the picket lines will be the key to victory.

It is the duty of our class to stand by the steelworkers and help them. Engineers should black all incoming steel and all transport com-

panies carrying steel during the strike should be told they will be blacked afterwards.

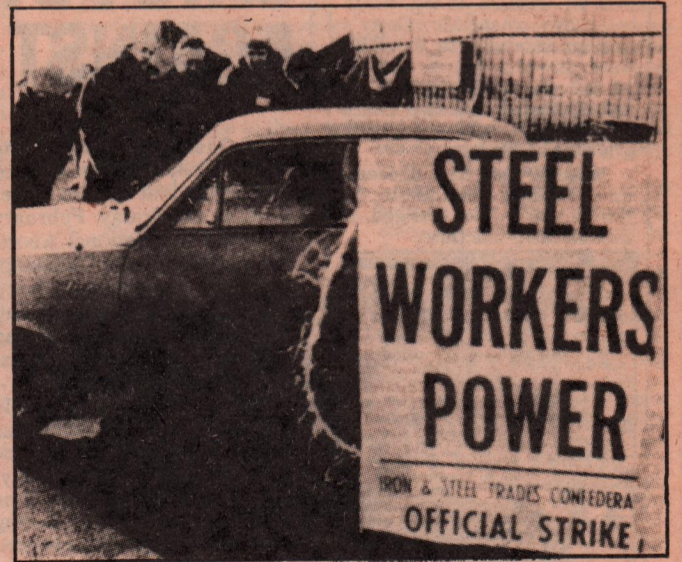
Collections should be taken in every workplace. (The steelworkers are getting no strike pay). When we take collections, we should explain the importance of the strike for all workers.

Steelworkers should be invited to speak at factory meetings.

Hard line

Trades Councils and other organisations should contact the nearest steel centres with information about steel being used locally and offers to organise picketing.

For the Tories, the hard line on BSC profits is a test case for the ruthless application of their class objective: profit before all else and damn the workers. For us the battle is a test case too: we have to teach Thatcher that the working class is not prepared to bear the burden of the bosses' unquenchable thirst for profits.



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Fund Drive

This week we have received:
Basingstoke £16.12
Bury £25
North London £25
Sheffield £41
Total this week £107.12

Bankers' orders £54.50
Month's total £181.62
Shortfall on
£200 target £18.38
Send contributions towards
January's £200 target to
Fund, PO Box 135, London
N1

Organise for a general strike

Wales call for Jan.21
S.Yorkshire for Feb.18

"If the government wants a confrontation, now is the time that it must be taken on, not in five years' time. George Wright's [Wales TUC general secretary] call for an indefinite general strike is a good start", Port Talbot steelworks electricians' leader Wyn Bevan told Workers' Action.

"Now that the majority of workers support a fight on these issues — cuts, closures, unemployment, anti-trade union laws — we must take this chance,

because if we miss it we may never get another. A change is needed if a more equitable distribution of the wealth is to be achieved."

The Wales TUC has called for a general strike from January 21st if the sweeping steel closures are not withdrawn. And they

have called on the British TUC to take up their initiative.

ISTC Divisional Organiser John Carberry told WA: "We sent a request to the ISTC Executive calling on them to approach the TUC about calling a national strike".

Support has come from South Wales miners. "Miners have a vested interest in the steel industry", said Penrhwiweibr NUM secretary Mike Griffin. "If these closures go ahead, it will mean loss of jobs for us. This fight is an extension of our fight against the closure of the Deep Duffryn pit. It won't just affect one section, it will hit the community.

"We need to unite and galvanise workers for a fight against the Tories.
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Police murder? Case shelved

THE Director of Public Prosecutions, Sir Thomas Hetherington, announced last Friday, 4th, that no police officer will have to face any criminal charges over the death of Jimmy Kelly, because of insufficient evidence.

Several eyewitness accounts say that Kelly, returning to his house in Merseyside after an evening out drinking, was beaten and kicked by police and thrown into a police van. Within 30 minutes, a handcuffed Kelly was dead.

His family and friends have formed an action committee, which is calling for a full public enquiry and demanding that the DPP makes available the report compiled by the West Midlands Assistant Chief Constable, David Gerty, who carried out an internal police investigation.

The action committee is sending all MPs copies of pathologist Dr John Torry's report, commissioned by the family. He was called in after a Home Office doctor 'failed' to detect a smashed vertebra, double fracture of the jaw, bruised testicles, over 30 cuts and bruises (some over two inches long) and extensive haemorrhaging.

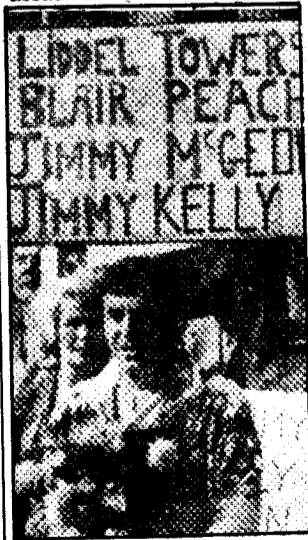
Torry's post mortem was stopped by the police and the body returned to the original Home Office doctor.

Since then, Professor Alan Usher has prepared a report for Merseyside's Chief Constable which backs up Dr Torry's.

Martin Flannery, MP for Sheffield Hillsborough, has called for an investigation into the office of the DPP as a whole, and Michael Meacher, MP for Oldham West, wants to know what Mr Gerty's recommendations to the DPP were.

It is rumoured that Gerty recommended that two police officers be charged with grievous bodily harm.

Meacher said that it seems now virtually impossible for the police to be charged in assault cases like this.



245 people have died in police custody over the last ten years, only 66 from natural causes. Meacher has asked the Home Secretary for the names, the police station involved and the cause of death as stated on the death certificate. But the Home Office refuses to supply the information, citing the "disproportionate cost" of collating it.

What is this cost disproportionate to though? The people that have died through the brutality of police officers? Or the disquiet that would be caused if people found out that the police are determined to cover up for their killers, and are backed by the DPP?

ALICE PFISTER

What the gold rush means for the world's poor

UP TO 1971 the price of gold was officially fixed at \$35 an ounce. Then the USA declared it would no longer guarantee to make the dollar exchangeable for gold at a fixed rate.

The dollar price of gold started rising. By the end of 1974 it was \$197. Then it subsided to \$100 (August 1976). In 1977 it started rising more rapidly than ever. In 1978 it went through the \$200 mark, in 1979 through the \$300 mark. Now the latest price is \$630.

The consequences can be serious. For capitalist world trade to operate, countries have to have stocks of internationally acceptable means of payment. Today that means mostly dollars or gold; and, world-wide, the gold holdings amount to twice as much as countries' total holdings of foreign currencies.

If the price of gold goes up and (sooner or later) down as wildly as it is doing now, that means that the international monetary system is seriously unstable. Doubly so, because the dollar - which is still the most-used international means of payment - is unstable too, as a result of the economic difficulties of the USA.

Countries can never know how big their reserves

"really" are, what goods "really" cost on the international market, or what is a secure store of value.

With the current oil

price rises, the oil-producing countries will be getting huge revenues. The Paris daily *Le Monde* commented: "It is unlikely that the oil



countries will be willing to hold increasing quantities of dollars ...If that is the case, they will try to convert them into gold, and that would rapidly set off a financial crisis of unprecedented scope".

Generally speaking, capitalists are interested in the exchange value of goods, not their use value, which is something quite different. They are interested in "making money" (the purest form of exchange value), and the fact that they must produce useful goods and invest in useful machinery to do so seems to them an unfortunate evil.

So whenever they can, and especially at times like the present when the prospects for productive investments are uncertain, capitalists try to make gains while having their money "tied up" in production as little as possible.

A rise in the price of gold probably started because some wealth-holders saw gold as a relatively secure store of value in a time of crisis. Once the rise starts, it becomes self-perpetuating. Because they expect the price to rise, speculators buy gold; because demand for gold goes up, the price does rise. (The possibilities for increasing supply of gold are

very limited, and indeed the total world stock of gold amounts to only a few cubic metres). The giddy spiral goes on ...until the bubble bursts.

For the gold market (and for the Stock Exchange) the process of supply and demand does not serve at all to bring prices consistently in line with the basic realities of production.

Meanwhile, any serious productive investment usually has to be done by the state; or if it is done by private capital, it is the responsibility of salaried managers. The capitalists themselves, the top 5% who own 50% of all private wealth in this country, are more concerned with gambling and swindling.

Such is the process by which capitalism provides for the future. And to show the real consequences of this blindness, there is another figure published recently to set alongside the price of gold at \$630 an ounce: in 1970 the income per head in the world's poorest countries was 3.2% of the level in the rich countries; in 1977 it was 2.5%. While speculators are making fortunes on the gold market, millions of people are living (or starving) on £2.50 a week or less.

COLIN FOSTER

STUDENTS' UNION SAYS: STRIKE AGAINST CORRIE

THE THIRD reading of the Corrie Bill, the last chance for debate and the final vote, is due on Friday February 8th, and the National Abortion Campaign and Campaign against Corrie have declared a week of action from the 2nd to the 8th. The NUS is urging students to strike against Corrie on February 5th.

The Bill, substantially amended but as pernicious as ever, is unlikely to be defeated but it may be delayed, either by limited time allowing debate and voting only on some of the clauses, or by "talking out" - presenting and discussing numerous fundamental amendments, reaching the time limit without a vote.

Anti-abortionists, hoping to avoid such delays, are already putting pressure on the Leader of the House, Norman StJohn Stevas, a Roman Catholic and dedicated anti-abortionist, to allow extra time.

Delays offer us the best

chance to defeat the Bill. Partly due to the bad drafting and partly to amendments with even further reaching effects than in the original draft, the Bill requires substantial explanation and discussion. It is unlikely that most MP's understand just how the Bill could leave women worse off than they were shortly before the '67 Act was passed. The Labour Abortion Rights Campaign is briefing Labour MPs this month.

Some NAC and CAC groups already report success in persuading local MPs who supported the Bill before to abstain in February realising that the Bill is not "tidying up the law" as it was presented, but destroying women's chance of a safe early abortion. It is essential that everyone concerned writes at least to his or her MP, and also to Gerard Vaughan, Minister of Health, whose department (DHSS) has substantial crit-



icisms of the Bill, as has the powerful BMA and other medical professional bodies.

On Tuesday 5th CAC, backed by the South East Region TUC, is organising a mass lobby of MPs. The NUS plans to join the lobby, and a number of white-collar unions are sending delegations. It is important that there is the maximum trade union support.

Before 2 o'clock, the petition for which NAC has been collecting signatures for several months will be presented to Parliament.

From 2 to 5 there will be a meeting in Central Hall, with labour movement and

women's movement speakers, by pro-choice doctors and others: stalls and exhibitions are also planned. Throughout the afternoon delegations will leave this meeting to lobby MPs, focusing particularly on MPs who abstained or were absent, and on those Labour MPs who plan to support the Bill against Party policy.

On Friday 8th there will be a women only assembly in Central Hall from 2 to 5, organised by NAC, probably followed by a torchlight procession.

MANDY WILLIAMS

Bakers set AUEW an example

THE Bakers' Union is showing that unions can respond to victimisation of their members in a different way from the cringing treachery of the AUEW Executive over Derek Robinson's sacking.

The Bakers' Union executive is calling on its members in all Rank Hovis McDougall bakeries in the north-west to strike against the sacking of Val Dunn by a RHM bakery in Wythenshawe, Manchester. (A ballot is necessary under the union's rules for the strike).

Extension of the action to other bakery firms and nationally is also being considered. The workers at the bakery where Val Dunn was sacked



Val Dunn

are already operating a work-to-rule.

Val Dunn is a member of the union's national executive and a well-known militant. She was sacked from Kiplings bakery in Manchester for refusing to work with scabs after the bakers' strike last year. After a year on the dole she got a job at RHM. A week later, she was sacked ... supposedly for bad references.

When asked about this story, Val Dunn's previous employers denied even having been asked for references.

'Fed up' Nazis split

THE NATIONAL Front branch in Leicester, which the fascists used to claim as one of their strongest bases, has split from the NF.

On December 7th the branch passed a motion of no confidence in the Webster/Tyndall leadership of the NF, and now they have formed the "British People's Party". Support for

the new fascist party is strongest in the Midlands, but it is too early to see how big it is.

Anthony Reed-Herbert and Stan Goodwin, who appear to be the leaders of the BPP, say in a letter, "We are no longer able to accept the NF as a viable, credible, nationalist movement... Quite frankly, we, all of us, are totally fed

up, disillusioned, and bitterly disappointed in the way things have gone in the NF over the last three years at least."

The BPP claims to have exactly the same policies as the NF, but says that misleadership by Webster and Tyndall is responsible for a rapid turnover of membership in the NF and a decline in its numbers to

2 or 3,000. The BPP, like the National Party (a failed 1975 split from the NF) before it, seeks a more respectable image than the NF.

The split is the result of massive disillusionment; if the left keeps up the pressure, it could start a total fragmentation of the British fascist movement.

Generals issue an ultimatum

Turkey: time is running out

LAST WEEK the Turkish military issued an ultimatum. They told the country's major political parties — the Justice Party and the Republican People's Party — to get together to put down "anarchy". Otherwise — the threat is clear, though unspoken — the army will step in as it did in 1971, when it took over and suspended all democratic rights for two years.

Turkey is in a crisis which makes 1971 look like a bygone era of stability and prosperity. Inflation was 24.5% in the first four months of 1979 and an estimated 100% over the whole year. Staple items like bread, butter, margarine, cooking oil, meat, coffee, petrol and medicines can hardly be got except on the black market at inflated prices.

Million

Industry is running at 50% of capacity and unemployment is over 20% even according to the official estimates, and even despite the fact that a million Turkish workers have gone to West Germany or other west European countries for jobs.

Workers' living standards have dropped sharply over recent years. The non-existence of social welfare provisions means that people in the huge, shanty towns ringing Turkish cities suffer malnutrition, disease and high death rates.

The currency — the Turkish lira — has been devalued

by over 500% since 1970. In early 1978 the social democratic RPP won an election and formed a government. The desperate economic situation last year forced the government to go cap in hand to the Internat-

and workers have armed themselves against the police and fascist attacks which follow. DISK, the Revolutionary Trade Union Confederation, linked to the banned Communist Party, has grown very rapidly. Last

were smashed by martial law, road blocks, Army barricades and the arrest of 1200 trade unionists.

This working class resistance is what the generals mean by "anarchy". They also denounce the left for

the state bureaucracy.

During its two years in office, until it lost the election of October 1979, the RPP-led government could do nothing to stop the Grey Wolves.

In December 1978 the NAP Parliamentary delegate for Kahramanmaras, Yusuf Ozbas, led 50 NAP armed militants in a sectarian pogrom against members of the Shi'ite Muslim sect (the religious minority in Turkey). As the police stood by and watched, over 100 people were massacred, and 1,000 injured. For four days all communications were cut off, and the city of Kahramanmaras was under the control of the fascists.

The RPP-led administration declared martial law in 13 provinces. In April last year Parliament extended martial law to another 6 provinces mainly inhabited by Kurds. Reluctantly the social democrats succumbed to the fascists' demand that the country be put under military rule to control 'anarchy'.

In their whole period of office they were unable to push through one progressive measure. They could not even repeal articles 141-2 of the Constitution, which outlaw any party based on class or class interest and particularly the Turkish Communist Party; they were stopped by the threat of resignation by six 'independent' ministers who had come over from the Justice Party.

In November 1979 the Justice Party formed a

government, and since then there has been a further crackdown against the left. The government has purged state officials sympathetic to the RPP, given the military a freer hand in the martial law areas, and is pushing through legislation for 'state security courts' to speed up political trials. It is also considering setting up an special police "anti-terrorist squad" — with assistance from Scotland Yard.

Fiercer

The Justice Party government depends on the parliamentary support of the NAP, and there is no question of the "anti-terrorist" action curbing the Grey Wolves. The Turkish bourgeoisie is gearing up for an even fiercer attack on the left, on trade unions, on women's organisations, and on the Kurdish minority.

The government's latest measures are the sacking of 1700 left wing teachers, the arrest of M. Kemal Turkler (ex-President of DISK and leader of the Metalworkers' Union) for singing the Internationale, and the round-up of 5000 high school students and teachers who boycotted classes in commemoration of the the Kharamanmaras massacre. It is being watched very closely by the generals. Their New Year message left no doubt that they would be very happy to step in if the Justice Party fails.

ANTONIO GERMARO



Demirel addressing a meeting of his Justice Party

ional Monetary Fund for loans. The country had officially been declared bankrupt.

As their price for cooperation over Turkey's \$25,000 million debts, the IMF insisted on an austerity programme, which was ratified last June. But these austerity plans — which would actually mean physical starvation for many — have met with strong resistance.

Factories threatened with closure have been occupied,

May Day it organised a 100,000 strong rally in Izmir, despite the presence of over 10,000 police, commando units, Aegean Army command and support units and gunboats in the harbour.

Curfew

Izmir is the only major city left not under martial law and curfew. In Istanbul attempts at a similar rally

"terrorism". But the vast majority of the 2,500 political assassinations over the last two years have been the work of the Grey Wolves, the armed youth section of the fascist National Action Party led by Alparslan Turkes. Although the NAP only polls about 6 or 7% of the vote, it has taken part in coalition governments with the Justice Party and is very active in the police force, the military academies, and

Soames sends racists' army against guerillas

THE BRITISH government, alongside its Rhodesian and South African allies, is putting into practice its real intention behind the Zimbabwe settlement, that of smashing the liberation movement. It must be admitted that it is succeeding, aided by weak and sometimes treacherous leadership from ZANU and ZAPU.

The voluntary submission of nineteen thousand armed guerillas in the British camps was achieved by threats and harassment from the Rhodesian regime under its British Governor, Lord Soames. He has used the heavily armed Rhodesian police against recalcitrant guerillas, and is now sending the full might of the Rhodesian armed forces against what is left of the armed liberation movement.

Rhodesian auxiliaries, according to ZANU, never stopped operations. And a spokesman for Soames has admitted that "a small force" of South African troops is still operating in Zimbabwe with his approval.

The Rhodesian troops' orders are to gain unconditional submission, or to kill. The most recent cover put out by British authorities for this operation is that it has been fake guerillas who have entered the assembly camps, and that the hard core has been kept in reserve as a trick.

In response, the leaders of the former Patriotic Front have impotently complained about the unequal enforcement of the ceasefire, with the Rhodes-

ian security forces again marauding at will. But the latest response of ZANU and ZAPU leadership is to request of the Governor that their own forces be allowed to hunt down, and, if necessary, to kill their own rebels. "We will shoot unruly elements", they say.

Meanwhile, Muzorewa's 24,000 auxiliaries remain untouched by the British regime, and a useful adjunct to his electoral campaign.

Even Joshua Nkomo's request to return to Salisbury last week, and Robert Mugabe's request to return



Soames with 100 bodyguards, were rejected by Soames. Instead, now that the leaders' forces are neutralised, they are being allowed to return at Soames' discretion next week, without their forces.

Behind the celebrations in Zimbabwe, it is a dark time for the people and their movement.

BOB FINE

Iran: more move against Khomeini

LATE LAST week 43 people were killed and hundreds injured in various Iranian cities. 41 people died in Bandar Lengeh on the Gulf Coast in fighting between Shi'ites and the minority Sunni Moslems.

In Tabriz, the provincial capital of Azerbaijan, over 100 people were injured in clashes between supporters of Ayatollah Khomeini and of Ayatollah Shariat Madari.

The followers of Shariat Madari were protesting against the present draft constitution which would put immense power into the hands of Khomeini.

To the disappointment of his followers, Shariat Madari has himself condemned the clashes as "the flames of schism which are helping the objectives of imperialism" and has wound up his own political party.

In the South West in Masjed Soleyman 200 people were injured after a sit-in by unemployed school leavers in the governor's office. A bomb attack on the local oil field was also carried out.

Meanwhile in Isfahan occupations have been taking place in the governor's office in protest against the activities of the revolutionary committee.

Everything in Iran seems to be pointing to a growing con-

frontation between the extreme Moslem followers of Khomeini and the various disaffected sectors of Iranian society, seeking greater democratic and national rights and job opportunities.

The brutal, reactionary nature of Khomeini's armed supporters was further seen last week when they smashed up a large Fedayeen-Khalq rally, aimed at demonstrating the links of the religious leaders with US imperialism.

After the massive clamp-down last summer, an anti-Khomeini but also anti-US movement is once again emerging. It will need more than bombast and accusations of being "imperialist agents" to cut down the growing dissatisfaction with the course of the revolution.

ANTONIO GERMARO

Italy's new dragnet laws

ITALY'S Christian Democrat government has introduced new anti-terrorist measures.

The measures increase police powers, allowing them to detain up to 48 hours for interrogation — without the presence of the suspect's defence lawyer. A magistrate can extend this period for an extra two days.

Secondly, police powers of search are extended to include nearby houses, and telephones can now be legally tapped without authorisation of a magistrate.

The head of Italy's special Anti-Terrorist squad, General Carlo Alberto Dalla Chiesa, has been sent to Milan — with responsibility for anti-terrorism in Northern Italy. He will have over 25,000 people under his command and will be responsible to no-one.

Although ostensibly aimed at military groups like the Red Brigade and Armed Proletarian Nuclei, these

measures threaten any working class resistance, and any organisation displeasing the ruling class.

The recent sacking of over 60 Fiat workers (with the approval of the Italian Communist Party) on unsubstantiated charges of 'terrorism' is indicative of what the bourgeoisie has in mind.

The CP's attitude to the new police powers has been, as the Guardian reports, "prudent and virtually mute".

THE Four Home Unions Committee last weekend announced that it would send the British Lions rugby team to South Africa this summer.

The apartheid authorities and the Tory Monday Club were jubilant at the flouting of the Commonwealth's Glenegles agreement limiting sporting contacts with South Africa.

The Tory government, concerned for its relations with Commonwealth states, had to disapprove of the tour. But the Tories have cooperated with South Africa over Namibia and Zimbabwe. British big business operates extensively in South Africa (it has just been revealed that Shell and BP are breaking EEC rules on minimum wages in South Africa). So is it any surprise that the rugby authorities conclude that the disapproval is not to be taken seriously?

LAST OCTOBER the US backed a move to overthrow the junta of General Carlos Humberto Romero in El Salvador. They acted to head off a growing popular movement against the military dictatorship, out of fear that El Salvador would follow nearby Nicaragua into a revolution that would go much further, threatening US interests.

The 'moderate' military

regime which replaced Romero is now itself collapsing. It is being squeezed by the escalating struggle between the traditional oligarchs, their army supporters, and their paramilitary gangs, on the one hand, and the militant discontent of the left-wing workers and peasants on the other. The junta can satisfy neither side and since January 2nd whole sections of the junta cabinet have resigned.

The only possible base of support for the remaining elements of the junta would be the creation of a new cabinet with the middle class Christian Democratic Party. The US Embassy has expressed approval for this course of action. But even this is proving very difficult.

In the meantime, the right wing is planning a huge armed demonstration in the streets of San Salvador this week, to demonstrate their 'patriotic' spirit against the left. Despite this, the movement against the regime is still growing.

Ford US lay off 35,000

ON MONDAY Ford Motor Company began laying off 35,000 workers. In effect, this will close down 11 of Ford's 13 car plants in the US.

This is on top of the 37,000 workers it has already laid off indefinitely.

Ford like Chrysler has been severely affected by the slump in car sales. In the month to mid-December sales declined by 10% and the losses on Ford's domestic operations are forecast at over \$1 billion.

Over 100,000 car workers are currently on indefinite lay-off in the USA.

So much for the idea that BL's difficulties are due to workers' idleness or bloody-mindedness. The crisis is international — and capitalism is the name of its cause.

Behind the Kabul coup

THE RUSSIAN military occupation of Afghanistan has already led to the USSR's sharpest clash with the leading imperialist powers since the Cuban missile crisis of 1962.

The Russian government's crime, in the eyes of American imperialism, is not its present or probable future treatment of the people of Afghanistan, but the fact that it has simply taken Afghanistan without prior agreement from imperialism that Afghanistan should be within its 'sphere of influence', an agreement like the one reached during world war 2 on Eastern Europe being in Russia's 'sphere'. Even during the Hungarian uprising in 1956 — despite the propaganda outcry — the USA was careful to proclaim its acceptance that Hungary was Russia's. A similar attitude was taken to the invasion of Czechoslovakia in 1968.

Socialists refuse to recognise spheres of influence. We do not accept that great power diplomacy between

16 million. National income per head is less than \$150 a year. Between one and two million people are nomads.

The biggest town, the capital, Kabul, has a population of less than half a million; the next biggest, Kandahar, a bit more than 100,000. More than 85% of the people live in the rural areas.

The land is massively underutilised. Only about 20% of the country is arable, but of that less than half is cropped. According to figures given out by the government after the 1978 coup, 82% of the peasants owned 35% of the land, while the biggest landowners, 5% of the rural population, owned 45%.

Industry and handicrafts employ about 6% of the working population, but (according to estimates published by the US Department of Commerce in 1970), output in handicrafts was reckoned to be three to four times as large as factory

the government, using foreign aid and acting through the ministries of mines and industry and of commerce, had to undertake the role of state capitalist, insofar as there is industrial capitalism. This was true long before 1978, and even before the previous anti-royalist coup in 1973.

There are no railways. One result of this underdevelopment is that nothing resembling a nation state has developed in Afghanistan. The borders of the state were defined by the rival pressures of the Tsarist Empire (which reached the present Russian-Afghan border, as it expanded in Central Asia, in 1875), and the British Empire and Persia. In the later 19th century Afghanistan emerged as a buffer between the Russian and British Empires.

The population consists of not too well integrated peoples — over 20 ethnic groups in all — of which the biggest accounts for only about half the population. Afghanistan not being knitt-

modern proletariat scarcely in evidence, and the entrepreneurial activities of the state producing little development, there was stagnation.

The Army & the USSR

Apart from the people running the small islands of modern technology (natural gas extraction and mining), the armed forces were not only the major national institution but also the section of society most in contact with and integrated into the modern world, because of the skills and expertise necessary for even a not too well equipped modern army and air force.

In fact, Afghanistan's army and air force were both well trained and well equipped, and comparatively large. In April 1978 there were 100,000 men in the army, and 10,000 in the air force. (In addition, there were 30,000 gendarmes).

From the middle '50s, the equipping of the army and air force, and the training of their officers and technicians, were entirely in the hands of the Soviet Union. Russia is credited with donating two-thirds of the \$1,480 million in foreign aid received by Afghanistan between 1958 and 1978. The relationship was a perhaps more 'benevolent' version of that between the USA and some of its South American satellites and client states.

The fact that the equipping, education and training of the entire officer corps of the armed forces on which the security of the rules of Afghanistan rested was for quarter of a century in the hands of the USSR without leading to impossible contradictions is surely a profound comment on the nature of the system in the USSR itself, and on the psychology, life-style and mores of the 'Soviet' ruling caste and its military sub-section.

The People's Democratic Party

In a brief 'liberal' experiment in 1951-2, a student and youth opposition emerged. Some of them, led by Nur Mohammed Taraki (who was later president between the April 1978 coup and September 1979) went on to found the People's Democratic Party (PDP), a sort of 'Communist Party' orientated to the Soviet Union. It appears to have been reorganised, or maybe even restarted, in 1965.

The PDP was as limited as the society. It does not even appear to have put down roots in the countryside, as some parties of its type have done. Most of its leaders were of petty bourgeois origin. Taraki came from a peasant/herdsman background; he started as a domestic servant before making his way to India, where he studied economics.

The PDP was an ambivalent party, not unlike Cheddi Jagan's PPP in Guyana. It

JOHN O'MAHONY examines the complex background to the recent Russian Invasion of Afghanistan.

took part in international Stalinist junketings while rigorously denying at home (even after the 1978 coup) that it was any kind of communist or Marxist party.

The PDP & the Army

In 1967 a split that was to last for 10 years broke the PDP into two organisations, called after their papers *Parcham* (Flag) and *Khalq* (Masses). Piecing together the fragmentary information available, it seems that *Parcham*, led by Akbar Khyber, was more a direct agent and tool of the Soviet Union than *Khalq* and its leaders were willing to be.

Both PDP organisations recruited in the army and air force, or at least in the officer corps.

In many underdeveloped countries, for example in Latin America, the armed forces have to substitute for the social feebleness of the ruling class, being the essential force for controlling, dominating and repressing the masses and also, often, the essential force binding the state together. Because of this social role and distinct identity, groups develop within the armed forces powerfully aware of their own societies' backwardness and desiring development and modernisation. Military takeovers led by such groups of officers are extremely common in the Third World.

In Afghanistan the officer corps would naturally be friendly towards the Soviet Union, and by all the conditions of its existence it would think of the USSR's society as a model to copy.

It is of course possible for such privileged and elite groups to think of the USSR model as suitable for their own societies without having to think of transforming their own social position.

Thus a sort of political symbiosis seems to have grown up between both factions of the PDP and sections of the officer corps; by its very nature, and despite its 'Russian-Communist' specific features, this alliance reproduced the essential characteristic of all such third world modernisation drives originating from within the existing state apparatus: the conception of revolution from above, and an essentially bureaucratic and elitist attitude to the masses.

The heavy focus of the PDPs on the army — which was fruitful because of the extremely elitist direct Russian influence — was in itself a 'programmatically' declaration of its conception of the role of the masses. Very

probably it suffered from an 'optical' confusion: for the ideology of elite groups in Afghanistan and in Russia is the ideology of similar formations at opposite ends of revolutionary processes: the Russian elite emerging on top of masses mobilised for the revolutionary transformation of society, those of societies like Afghanistan being counterposed to and on top of the masses before any revolutionary mobilisation and transformation, and standing in its path of development.

The character of the Afghanistan Army's relations with the masses, and its inability to lead or mobilise them, thus made it an essentially unsuitable instrument for revolutionising Afghan society as distinct from making coups. Its savage brutality after the 1978 coup was also — essentially — a function of its relationship to the masses of the people and of its unsuitability as a revolutionary instrument.

The PDPs' misconception of the social basis of the seemingly all-powerful Russian bureaucracy, and of the apparent possibility of simply mimicking it, must have had much to do with what happened after April 1978.

The 1973 Daud Coup

The so-called 'communist' army coup of April 1978 was in fact the second stage of a movement that began five years earlier.

In July 1973 a coup led by Lt. Col. Abdul Khadir, a Russian-trained MIG pilot and then deputy commander of the air force, abolished the monarchy and the constitution, and put Mohammed Daud in power as president.

Daud, a past prime minister, was in fact a member of the royal family, cousin and brother in law of the deposed king, Zahir Shah.

Daud's was considered to be a 'pro-Soviet' coup. Once in power Daud veered to balance between Moscow and the West. He systematically demoted those in the air force who had led the coup. Khadir was first made head of the air force and then demoted to being head of the military abattoir. Rehabilitated in 1977, he had returned as deputy commander of the air force by April 1978.

Daud did little to change the situation of the country. He was tied by family and interest and sentiment to the ruling class and to much of the existing system.

Parcham worked directly with Daud, reportedly on the instructions of the Soviet Union, while *Khalq* and its leaders refused to do Moscow's bidding, apparently insisting that the Daud regime could not transform Afghanistan because of its organic ties to the old ruling class and its system. *Parcham* and the government persecuted *Khalq* from 1973 to 1975 (when *Parcham* was pushed out of power); *Khalq* was to repay with interest after the summer of 1978.



the Russian (or Chinese) Stalinists and the imperialist ruling classes should determine the fate of even one small village, anywhere. In Afghanistan we can have little sympathy with those who opposed the reforms of the revolutionary regime set up by the so-called communist coup of April 1978. The Russians have taken over to prevent the defeat and collapse of that regime — though they have additional motives too, as we shall see.

What should our attitude be to the events in Afghanistan? To understand what position socialists should take, it is necessary to examine the political struggles and interactions that led up to the Russian occupation.

Society in Afghanistan

Afghanistan is one of the most backward countries on earth. Its population is about

scale industry, though such industry had grown in the 1960s. In 1970 factory-scale industry still accounted for only between 2 and 3% of Gross Domestic Product.

The working class that could emerge in such conditions was bound to be both weak and socially unformed, even if we add in the 2% of the labour force in mining and construction. (The labour force is reckoned to be 25% of the population).

There is nothing remotely like the conditions that allowed the Russian working class — small relative to Russia, but much bigger than Afghanistan's, and concentrated in large-scale industry — to lead a revolution in 1917 against pre-bourgeois conditions. In Afghanistan, any attempts to organise trade unions seem to have met with harsh repression.

Capitalism in Afghanistan is mainly merchant capital and usurers' capital, enmeshing the rural poor in its net. There is some private ownership of the factory-scale industry (for example in cotton), but everywhere

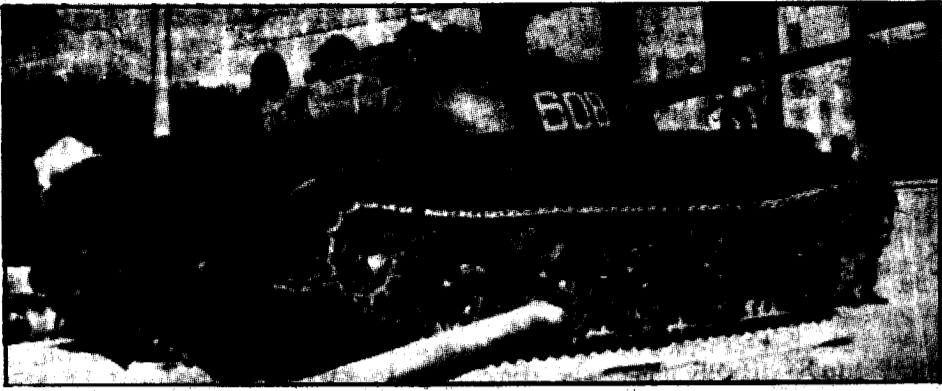
ed together by the development of a national economy, there are naturally myriad localisms and regionalisms, traditionally resistant to any central government. National institutions have been the institutions of the state machine.

This society, which escaped long-term imperialist occupation and disruption by capitalist penetration has proved remarkably durable and resistant to change or development. In the '20s King Amanullah attempted to emulate Turkey's reforming leader Kemal Attaturk, and to transform and modernise Afghanistan from above. But after a lot of opposition and tribal revolts, he had to flee to Europe in 1929, and this despite the fact that politically the king and the royal clan held a complete monopoly of power (until well into the '60s, when a form of constitution emerged).

The central problem for the society is clearly one of development — by whom, and how? — With both a modern bourgeoisie and a



Behind the Kabul coup



The April 1978 Coup

When Daud kicked Parcham away from him in 1975, moves that led to the reunification of the PDP in 1977 began.

Parcham had built support among students. The PDP was able to link up those in the army who had made the July 1973 coup and were bitterly disappointed by Daud or had been treated badly by him. Repression — assisted, according to some reports, by SAVAK, the Shah's secret police — was severe. Many of the PDP leaders were jailed. The leader of Parcham was assassinated in Kabul by extreme right wing Muslims, perhaps by the Muslim Brotherhood. Daud seemed to be launching a full-scale attempt to eliminate the PDP and its supporters.

Large scale demonstrations by students and others on the day of the Parcham leader's funeral presaged the April coup. Commanded by Col. Aslam Waragan, head of the tank regiment in Kabul, tanks attacked the presidential palace. After a bloody battle the insurgents took control, killing Daud and his family.

The coup against Daud was made essentially by those who made the coup that put him in power. Like the 1973 coup it was headed by Lt. Col. Abdul Khadir.

One of the first acts of the new military rulers was to release the leaders of the PDP — including Babrak Karmal, Hafizullah Amin, and Nur Mohammed Taraki — from jail, and to appoint Taraki, the PDP's secretary-general, as president.

This was an approach to a party, not just to individuals. The PDP leaders were later to point to the way the high command of the

airforce held together, and to claim that both the airforce and the tank regiment had been under PDP leadership and control. This is probably true. The high ranks of some of these PDP-inclined officers, stopping short only of marshals and generals, is notable.

A revolutionary council mainly consisting of civilians was set up to replace the military council which had organised the coup, and it appointed a largely civilian government. The government contained only two military men, one of them Khadir, who was defence minister. The top leaders were from the Khalq, though Babrak Karmal was one of the three deputy prime ministers, along with Hafizullah Amin. A purge of army officers and top civil servants began immediately.

The new government's account of itself denied that it was communist or Marxist. It solicited aid from sources other than Russia. Their Russian ties, the new leaders said, would be no greater than Daud's. Their country was "free and neutral".

They insisted they were Afghan nationalists, concerned to modernise and develop the country. They denounced Daud's backsliding after the 1973 coup — indicating a different approach but also no doubt the influence of Khalq, which had never been with Daud, and of the disillusioned army and airforce officers who had made both coups.

The government declared itself devoutly Muslim. One article of the credo of State — a continuation of an article in the Daud constitution — said: "Internal policy is based on the foundations of the sacred Islamic religion".

"We are free and move ahead according to the circumstances prevailing in our society", a press conference was told in Kabul in June 1978. Guarantees were offer-

ed to private property, bank deposits were declared inviolable by the government. But from the beginning the government committed itself to land reform. Taraki said the 'present stage' was one of national democratic revolution.

Deterioration after April 78

The problems and difficulties that were to produce chaos beset the government from the beginning.

• Because of the character of the Army, purging it was a feature of the regime from the beginning. PDP commissars were appointed. Yet the Army was the central, indeed the only strong, instrument of the government.

• The PDP leaders claimed sometimes after the coup that their organisation had 50,000 members, but this is doubtful. The problem of building support in the population was never overcome. Youth movement were initiated and so was a drive to build trade unions — both to be overseen by PDP units, which were to be built in each area.

• The regime lacked a material and technological base for transforming the backwardness from above, and it never had and never managed to call forth a sufficient basis of active or even passive support in the population. For example, when it decreed that the peasants' debts to usurers — a major yoke on their necks — abolished, the first reported result was an immediate drying up of credit for the peasants. The government was not in a position to organise an alternative.

• Despite its public proclamations and readings from the Koran, the government immediately fell foul of the Muslim religious leaders. Its first offence seems to have been insufficient consultation with them. But

in fact the central and unavoidable conflict was rooted in the fact that many of the religious leaders were landholders likely to be affected by land reform. Also, government attempts to decree equality for women struck at the most deep-rooted beliefs and prejudices of the Muslim population.

99% of Afghanistan's people are Muslims, 85% Sunni and the rest Shi'ite. Unlike in Iran, where the Shi'ite hierarchy formed a powerful 'cadre' of a virtual mass party, the clergy in Afghanistan are not organised hierarchically and therefore are less of a coherent national force.

Nevertheless, from very early on, the regime was opposed by a very strong social force, commanding huge influence in alliance with the landlord class and the royalists.

• The government decreed drastic land reforms without having mobilised rural support with the clergy as a serious opponent able to rally mass support, and with only the army as its instrument.

Landholdings were declared limited to a maximum of about seven acres — an extremely drastic levelling which alienated all the leaders of rural society. Those leaders seem to have been able to mobilise most of those due to gain from the land reform against the government, using Islamic slogans.

It is not clear how much land reform was actually carried out. The government eventually announced its cessation after 'completion six months ahead of schedule'.

• The purging, soon to be accompanied by large-scale bloodletting, was not confined to the army. Within three months of the April coup, all the Parcham leaders were pushed aside and exiled to diplomatic posts in Eastern Europe. Soon they were recalled on charges of high treason: they didn't come, nor did their hosts sent them back.

Lt. Col. Abdul Khadir, leader of the April coup and minister of defence immediately after it, was arrested and accused of plotting a coup against Taraki, who himself took over the ministry of defence.

On July 24th 1978 Taraki announced that now all army commanders were supporters of Khalq. That is, others had been purged. The purging of the army now became intertwined with the successive purgings of the PDP. To the army's other inadequacies as an instrument for changing society was added a collapse of morale.

Faction fighting began before the Muslim revolt acquired serious proportions or seemed to threaten the government.

As the Muslim revolt became serious, and right through to the Russian intervention, purge followed bloody purge, like an amalgam of Robespierre's reign of terror and Stalin's destruction of the officer corps of the Russian Army in 1937. In September 1979, when Taraki was ousted and killed by Amin, with the Muslim revolt having become a powerful threat, there was large-scale shooting of army officers.

To be continued.

IMPERIALISTS WRING THEIR HANDS AND STEP UP COLD WAR

WHILE THE Afghan people faces the bitter prospect of a long war between Russian forces and the reactionary insurgents, the imperialist powers are oozing hypocrisy.

The US, architect of the Vietnam war, the 'destabilisation' of Chile, and dozens of other interventions, struck a high moral note. It was seconded by the British government — though Britain fought two wars (1838-42 and 1878-80) to try to conquer Afghanistan, and attacked it again in 1919.

President Carter has announced a series of mea-

ures against the USSR. Military action is ruled out "at this point", but new US military bases will be established in Kenya, Somalia, and Oman.

The US Defence Secretary, Harold Brown, is visiting Peking, and, so the *Financial Times* reported, "will be discussing... possibly, any assistance China might offer the Afghan insurgents via Pakistan or its own small and mountainous border with Afghanistan". Military aid to Pakistan is to be increased.

High technology exports

to the USSR have been banned, and restrictions put on Russian fishing. Another measure will cause serious suffering for the Russian people; export of 17 million tonnes of grain, 10% of Russia's hoped-for supply this year and especially necessary after a bad harvest, will be blocked.

The Russian invasion promises no good to the people of Afghanistan. But they, like every other oppressed people, have still less to hope for from the imperialist bullies in the USA and their allies.

barricade

NO. 1 JAN 1980.

10 P

YOUTH FOR SOCIALIST REVOLUTION

BRITISH JUSTICE ?



ITS THEIR NOT OURS

FIGHT THE TORIES, BUILD BARRICADE

RICHARD joined the Young Socialists... "because I was tired of being stamped on by the school, the police and the state generally. I was sick to death of the head, the teachers and even the ancillary staff trying to make me bow and scrape to them — and sick of what happened if I didn't".

Richard, an activist in the National Union of School Students, explains the way he sees to fight back in the first issue of a new youth paper out this month - *Barricade*. *Barricade* is a paper written by and for young socialists like Richard.

It has articles about how to build a NUSS branch and how to organise apprentices; about police violence against punks; about what Southall is like after the police riot; about fascist violence at gigs... all written by young socialists active in the struggle.

Barricade's first issue concentrates on the build-up of police violence and why 'british justice' is for the bosses, not for us. *Barricade* will be organising a big turnout on the LPYS march against the Tories on February 2nd — and will be stressing how the Tories are

preparing the police and courts as weapons for the big battles they face with workers and youth in the future.

But *Barricade* isn't just about producing a paper where young socialists can write what they want once a month — it plans to be a real campaigning and organising paper both in the Labour Party's Young Socialists and among youth generally.

Barricade's first editorial says it: "We exist to fight back, not through shooting our mouths off but through organised struggle. If we organise together in our own defence, no amount of laws and no amount of judges in the bosses' pockets can stop it".

NEIL COBBETT
(LPYS London Regional Committee)

barricade

Barricade, the new magazine for young socialists. First issue out now, 20 pages for 10p.

Order your copy (18p incl. postage) from 'Barricade', PO Box 135, London N1 0DD. Bulk orders £1 for 10 copies.

EVENTS

Small ads are free for labour movement events. Paid ads (including ads for publications) 8p per word, £5 per column inch — payment in advance. Send copy to Events, PO Box 135, London N1 0DD.

FRIDAY 18TH JANUARY
Gerry Fitt & Martin Flannery on Ireland. 7.30pm, Shephard's Hall, Old Market, Bristol. Meeting sponsored by Bristol Tribune Group. All Labour Party members welcome.

SATURDAY 19TH JANUARY
Ted Knight (leader, Lambeth council) on the cuts. 10am, University Settlement, Barron Hill, Bristol. Meeting sponsored by Bristol West LP. All welcome.

SATURDAY 19TH JANUARY
Cardiff NAC Open Conference "Abortion and women's rights". Students' Union, Park Place, Cardiff. 10-4. Creche provided.

FRIDAY 25TH JANUARY
London Workers' Action public meeting: 'Support the steelworkers, stop the Tories!' Speaker: Pete Radcliff (BSC Stanton). 8pm, Metropolitan, Farringdon Rd/Clerkenwell Rd.

SATURDAY 28TH JANUARY
Islington campaign against the Cuts march. 11am Whittington Park (Holloway Rd) to Islington Town Hall.

SATURDAY 27TH JANUARY
Bloody Sunday commemoration demonstration. 2pm, Sparkhill Park, Stratford Rd, Birmingham. Organised by Provisional Sinn Fein

TUESDAY 5TH FEBRUARY
Campaign against Corrie mass lobby and rally. 2pm, Central Hall, Westminster.

FRIDAY 8TH FEBRUARY
Women's assembly (women only) against third reading of Corrie bill. 2pm, Central Hall, Westminster.

Published by Workers' Action, PO Box 135, London N1 0DD, and printed by Anvil Press [TU]. Registered as a newspaper at the GPO.

Organise for a general strike

continued from p.1

We support what is being put forward by George Wright and the Welsh TUC. On Friday [11th] miners are holding a special conference to discuss these issues."

Workers' Action supporters in South Wales are calling for a broad conference of rank and file delegates from trade union organisations and Labour Parties to discuss and organise for the January 21st general strike and the fight against the Tories.

Another general strike call has come from South Yorkshire. On January 5th the South Yorkshire Association of Trades Councils confirmed that it would be calling a one-day general strike in the region against the cuts on February 18th, with a march and demonstration.

Support is expected from the Sheffield AUEW district committee and from the Yorkshire Area NUM. South Yorkshire trade union activists also hope that the action can spread to become national, in the same way as the November 28th cuts demonstration last year, originally a South Yorkshire initiative, became a national event. The Morning Star predicts support from Manchester and Merseyside.

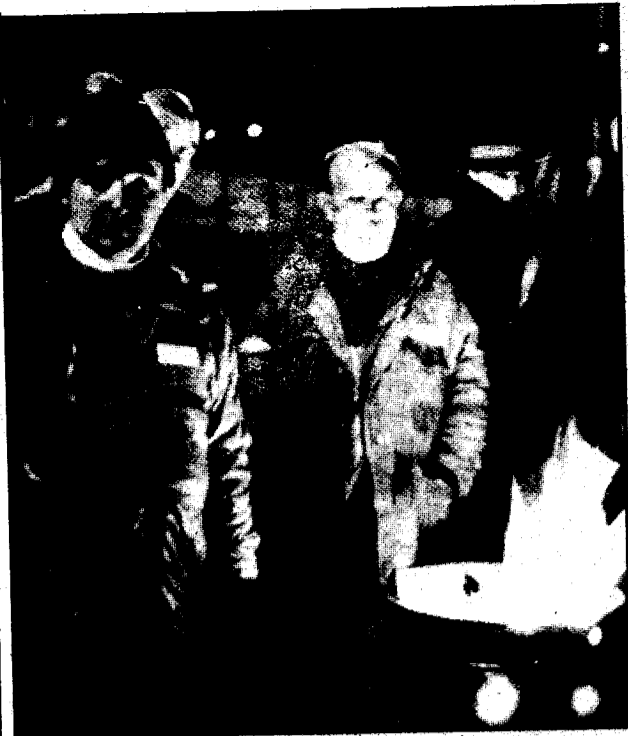
If the TUC takes up the call from Wales and from South Yorkshire, and organises for an all-out general strike, that could stop the Tories in their tracks. It could stop the steel closures. It could stop the public sector cuts.

Once underway, indeed, a general strike could go way beyond throwing back particular attacks or even forcing the Tories out of office. It would challenge the whole capitalist system. But here and now it is the way the labour movement can use its power to stop the Tories wrecking the lives of thousands of working people.

It is the way we can mobilise all the power we can muster against the immediate attacks facing us. And the labour movement has to mobilise its power... unless it is going to trust in miracles or suffer patiently and trust in the next election and the next Labour government.

Without active campaigning on the broadest scale to build support, a general strike call is hot air. Activists should press for the official leadership of the labour movement to start campaigning — and at the same time start campaigning at rank and file level.

Labour movement organisations should raise the call for the TUC to organise a general strike. And without waiting for the TUC they should start now organising support for January 21st and February 18th.



Pictures of steel pickets on this page, and bottom picture on p.1: PhotosNewsline

Where G&M and T&G say: don't strike

ON TUESDAY 8th the GMWU officially joined the steel strike. But generally the union leaderships have been snail-slow to make the strike a united struggle.

At BSC Stanton, in Derbyshire, production and dispatch workers in the GMWU and lorry drivers in the TGWU have continued to go to work, on union instructions. The overworked picket line of 180 members of the National Union of Blastfurnacemen at the works has stopped the flow of iron to the Spun plants, but they have difficulty getting TGWU drivers from outside the plant to refuse to take completed pipes from the works.

Although TGWU and GMWU workers at Stanton are not covered by the heavy steel agreement, local pay settlements have almost exactly corresponded to the ISTC's and NUB's over the years. Not only principles of solidarity, but direct self-interest, should bring Stanton out alongside other steelworkers; but GMWU and TGWU union leaders have refused to call out their Stanton members.

One local TGWU official is even refusing to back members at Stanton who have been threatened with the sack if they don't cross the picket line.

The problem is made worse by the refusal of Socialist Workers' Party members in the GMWU at the plant, among them Geordie Barclay, formerly associated with this paper, to call for strike action.

A leaflet calling for strike action by GMWU workers was written by WA supporters and initially supported by the SWP as a joint rank-and-file leaflet. Then it was suddenly vetoed by the SWP and comrade Barclay the day before its production.

The alleged point of dispute was the leaflet's assertion that success for the ISTC strike would affect local negotiations due to reopen in May. However, a SWP leaflet which appeared on Monday 7th shows that the real disagreement is whether militants at Stanton should work towards getting GMWU workers in BSC out on strike to link in with the national action.

The SWP leaflet makes only the vaguest points about the ISTC being justified in their causes and deserving support. The SWP must learn that only if its members are prepared to defy instructions from the union top brass when necessary — both in coming out on strike, and in making the strike effective — will this strike be won.

No cuts
No closures
No anti picket laws
Prepare a general strike

STOP THE

BACK IN MAY 1978, the Tories — in an internal document of theirs which was leaked to the press — had already picked out the steelworkers as easy meat.

It was a battle plan for dealing with the unions. A future Tory government, according to the document, should carve up the nationalised industries. It should (at first, anyway) avoid direct clashes with strong sections of workers, like the miners.

But it should organise "a large, mobile squad of police prepared to uphold the law against violent picketing". And it should take on and bash selected groups of workers: steelworkers, railworkers, civil servants, BL workers.

The Tories are carrying out that programme now. The civil service workers are having their jobs slashed, and militants who fight back are suspended. British Rail is demanding that the rail

unions give up a pay rise already negotiated. 40,000 jobs are set to go in BL, and BL bosses are offering only 5% pay rise — or something like 15% cut in real pay — this year.

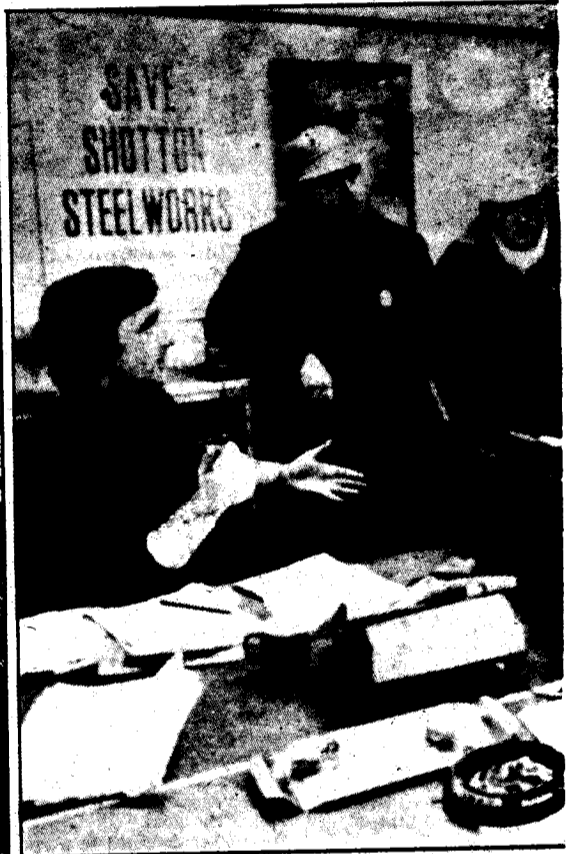
So the steelworkers are now in the front line of the fight against a planned general Tory offensive. That offensive will hit the weakest hardest. The Tory cuts affect every working class family, but the worst-off will suffer most.

Sections like the miners will also suffer. Coal Board Chairman Derek Ezra has said that if the steel closures go through the whole South Wales and Kent coalfields could shut down.

We must stop the Tories. We must stop them carrying out their programme. Their majority in the General Election, gained with a few cynical phrases and mass working class disillusionment with Labour's leader-

ship, cannot be ate for them the working interests of prof Right now, w ise maximum s steelworkers blacking, on through collecti organise in the ment for the call for general from January the steel clousur reality.

What further should labour militants have? First, th must be arouse ency of stoppi Between 197 industrial dire the Tory gover We can do the: we did in 1974 the same now. working class devastated, w carved up for short-term pro



Picket power is key to v

S. Wales: Mass pickets at Port Talbot

The steel strike in South Wales is solid. Members of the ISTC, NUB and T&GWU at the two biggest steelworks, Llanwern and Port Talbot, and the two tin-plate works, Velindre and Trostre, are all out.

Only craftsmen and office workers are still going in. But the main unions are not taking this lying down: last Monday a mass picket was organised and only a few scabs got in with police help after a lot of fighting.

John Carberry, ISTC Divisional

emphasised the importance of the 'secondary picketing'. "We are picketing all steel stockholders in the area — M.E.Rees, Matthews Steel and Gowerton Iron and Steel, and steel and tin-plate consumers — Signode and Metal Box, where 500 face redundancy.

"We want to stop the manufacture and movement of steel and tin-plate. We have the support of the NUR and the dockers. Two ore ships and one coal carrier are stuck in this port and we know they won't be touched. Now that the confrontation has come we are determined to win. If we don't it will not only hit us. It will hit the whole of this area."

On Monday 7th, hundreds of strikers took part in a mass picket at the Margam works in Port Talbot.

ISTC Divisional Organiser Keith Brookman confirmed that flying pickets had gone to the Hoover factory near Merthyr and the Metal Box works at Neath.

Sheffield: Private steel is pickets' target

23,000 workers are employed by BSC in Sheffield and Rotherham, the bulk of them in the ISTC. From the first day of the strike, ISTC support was completely solid.

Within a short time most of those workers — members of other unions that were still negotiating with the Steel Corporation — who had not been called out also stopped work.

Local T&GWU district secretary, Albert Bedford, instructed his members not to cross ISTC picket lines.

Craftsmen at BSC's Rotherham works voted not to cross picket lines too. Predictably, a much weaker response came from the GMWU, which advised members to turn up for work but to "adopt normal trade union principles" if plants were picketed.

At the few places where "trade union principles" have been disregarded work couldn't start anyway.

Some craftsmen walked past an isolated picket at the River Don works when the strike started, but by the time the next shift was due to start both shifts had decided not to work.

The only scabbing has come from white-collar workers. According to ASTMS members, their union had received no request for support from the ISTC and the Blastfurnacemen's Union. According to ASTMS their members are not touching other people's work. APEX has issued instructions similar to the GMWU's. SIMA, the industry's middle-management union, however, is crossing

picket lines and doing the work of strikers.

The most important success of the strike — it was never doubted that the big plants could be shut down — is the instant spread of flying pickets. There are 200-odd BSC and private steel stockholders in the Sheffield-Rotherham-Scunthorpe area, and pickets quickly got out to their gates in an effort to stop the movement of all steel. Picket squads have also gone to steel stockholders in Manchester and Barnsley.

The steel pickets have had the help of the 66,000-strong Yorkshire miners who have pledged picketing and financial support. These pickets have also gone to different ports to stop steel imports. Scunthorpe strikers have gone to Immingham to stop steel imports while other steelworkers have gone to the smaller, unregistered ports of King's Lynn and Boston. Agreements have already been reached with the dockers at the bigger ports and ore terminals.

Tees Port blocked

On Tees 15,000 IST strikers. A other worker only about members of backed the st

Picketing now, with turned bac Lackenby we Dutch cargo ded, while a terminal o unloaded by allowed out. the ports ha dockers. n lorry drivers.

The main. to shut dow. ers and oth like Lionn Hauliers am thwart the st BSC has se service to

THE TORIES NOW

valid mand-
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cket lines,
us. We must
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ales TUC's
strike action
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to be made

dards hammered, and the
trade unions hamstrung.

■ The Tories should be
allowed no easy victories.
Nowhere should we let the
Tories' measures go through
without a fight on the excuse
that it is better to wait for
when the big battalions of
the labour movement are
ready for a general confront-
ation... for all defeats
weaken our forces, and
defeats without a fight
doubly so.

Attacks on women's
rights, like the Corrie anti-
abortion bill, and racist
scapegoating of black
people, like the Tories' new
immigration curbs, are all
part of the Tory programme
to weaken the working class
and boost the power and
prosperity of the bosses.
They must be resisted, too.

■ Over decades, many of
the official structures of the
labour movement have been
drawn into the philosophy
and practice of helping to
manage the present system

as it is. Now they are acting
as accomplices or agents of
the Tories.

Break collaboration!
Demand the Parliamentary
Labour leaders start a cam-
paign of Parliamentary
obstruction. Demand they
pledge themselves to a
complete repeal of the Tory
anti-union law and to restor-
ation of all Tory cuts when
they return to office.

Demand the TUC leaders
break off talks with the
Tories and start a fightback
now against the anti-union
bill. Demand they withdraw
their guidelines on picketing.

Demand Labour councils
defy the Tory cuts.

If the movement rouses
itself for action, Trades
Councils, Labour Parties,
and other labour movement
organisations could get
together in each area to form
special 'Stop the Tories'
committees. These commit-
tees could hold factory gate
meetings, rallies, demon-

strations. They could organ-
ise mass leafletting. They
could coordinate with cuts
committees and other cam-
paigns. They could organise
solidarity for strikes like
the steelworkers'. The crea-
tion of such committees
would be a giant step
forward for the labour
movement towards settling
up with the Tories.

■ The mightiest indus-
trial mobilisation of the work-
ing class against the Tor-
ies — a general strike — is
possible in the months to
come. Working class organ-
isation is still strong, despite
repeated attempts to cripple
or lame it over the last ten
years. 1979's strike fig-
ures — more strike days than
any year since 1926 — show
the will to fight is there.
The Tories' increasingly
vicious attacks, under pres-
sure of capitalism's economic
crisis, will convince workers
that we have a united cause
against those attacks.

And that general mobil-

isation is necessary to stop
the Tories. In 1972 it was the
threat of a general strike
which forced the Tories to
back down over the use of
the Industrial Relations Act.

We must prepare for a
general strike: popularising
the idea, building links,
putting the labour movement
on a class-war footing,
explaining the scope and
power of the general strike
weapon.

■ To put the labour
movement on a class-war
footing, its organisations
must be restructured and
reoriented. Full democratic
accountability must be
fought for in the trade unions
and the Labour Party. Rank
and file movements must be
built to call the leaders to
account and to replace them
if they continue collaboration
with the Tories.

Especially, working class
youth must be mobilised for
the battle. Labour's official
Young Socialist movement is
far weaker than it need be.

Campaigning against the
Tories, big YS branches must
be built, drawing in working
class youth as they are, with-
out wanting to turn them into
refined Marxist academ-
icians before they can enter
the movement.

■ Industrial action can
throw the Tories back and
even drive them out of office.
But the victories will turn to
ashes as 1972-4's did, with
another right-wing Labour
government not seriously
challenged by the labour
movement, unless the indus-
trial action is linked with a
political battle, to build a
class-struggle left wing in
the labour movement with
a socialist programme for the
conquest of power by the
working class and the revolu-
tionary transformation of
society.

That political battle is
inseparable from the work
of restructuring and reorient-
ing the labour movement for
today's battles against the
Tories.

perspectives
movement
movement
to the urg-
the Tories.
and 1974
action made
ment retreat.
me now. We
at again like
We must do
or see whole
communities
le industries
the sake of
living stan-



Victory

running short on where they
can get their supplies.

According to the 'Birming-
ham Evening Mail, in
Birmingham, flying pickets
are at the private firm of
Ducile Steels in Willenhall.
Forty pickets including MP
Les Huckfield are picketing
steel stockholders. Herring-
shaws, a major supplier to
British Leyland.

Michael Leahy, ISTC
Divisional Organiser, is
reported to have said that
he aims to cut off all supplies
to British Leyland.

In Scotland, steelworkers
have stopped ore being off-
loaded at Hunterton and
Grangemouth.

At Shelton Bar the strike
is 100% solid with the crafts-
men out too.

What answer to the Tories?

THE STEEL strike and the
moves for regional general
strike action by the Wales
TUC and by the South
Yorkshire Trades Councils
mark the biggest confront-
ation so far with this Tory
government. But they found
the strongest currents on
the revolutionary left, rep-
resented by *Socialist Worker*
and *Socialist Challenge*,
flourishing.

Socialist Worker's front
page (5th January) has a
good, clear call to support
the steelworkers, spelling
out practical steps necessary
to win the strike. But apart
from pointing out that
the Tory government stands
behind the BSC bosses,
the paper says nothing about
the connection of the strike
with the general, political
fight against the Tories. And
it just doesn't mention the
Wales and South Yorkshire
general strike calls.

Socialist Challenge does
mention the general strike
call from Wales, though not
the one from South York-
shire. Its attitude is curious-
ly passive.

"The Welsh TUC is laying
plans for a day of strike
action [the call is in fact for
an indefinite strike] to def-
end jobs on 21st January.
Miners, railway workers,
engineers, dockers and of
course steelworkers are
discussing support for this
action. Emlyn Williams,
South Wales president of
the NUM, has already
received pledges for strike
action from five other Brit-
ish coalfields if Welsh miners
take action on 21 January.

Robinson's sacking:

"The lesson is that the
trade union leaders are
terrified of centralising a
movement against the
Tory policies that would
threaten the existence of
Thatcher's government and
take on a socialist direction".

So the task is to build such
a movement. The only
possible axis for it is "kick
the Tories out". "The logic
is towards unified and gen-
eralised strikes against the
Tories".

Apparently SC is edging
cautiously towards raising
again their slogan of 1973-4:
"General strike to kick out
the Tories". No wonder
they're cautious. Their

by a Callaghanite Labour
administration would be the
prime capitalist tactic to
forestall the progress of
the strike.

Unlike specific demands
like 'smash the Industrial
Relations Act' (in 1972) or
'stop the steel closures'
(now): 'kick the Tories out',
as an objective posed for a
general strike, limits it in
advance.

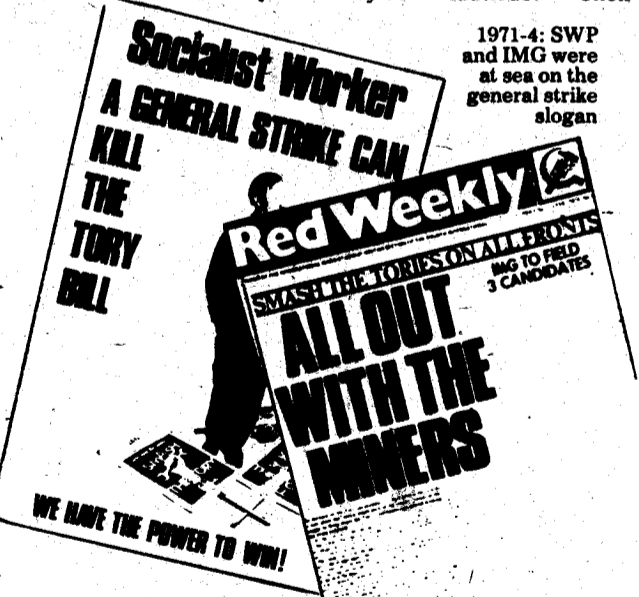
Benn

SC's statement is made
worse by the stand-offish
attitude it expresses towards
the fight inside the Labour
Party. "Tony Benn and his
supporters claim to be
fighting... to make sure that
the Tories are not replaced
with another government
like that of Callaghan",
says SC: and then it criticises
Benn, not for waging that
fight against Callaghan's
right wing inadequately, but
for failing to link up with the
fight to bring down the
Tories.

Whatever Benn's personal
attitude, many of his co-
thinkers are of course very
much for bringing down the
Tories. In any case, what
does SC propose? A fight to
kick out the Tories without
an accompanying fight to
make sure that victories
against the Tories are not
annulled by a succeeding
Labour government as many
of 1972-74's victories were
annulled by the 1974-79
Labour government?

Perhaps conscious of
the difficulties, SC's state-
ment resorts to rhetoric
about the anti-Tory move-
ment (necessarily?) being
socialist: "The name of such
a movement would be
socialist". Then it contra-
dicts itself by saying "The
working class does not have
the leadership, nor the
consciousness to overthrow
[the] system today. What
can be done is to build a
revolutionary organisation."
And so the statement ends:
"Join the International
Marxist Group".

No-one can deny the
IMG's right to try to recruit.
But as a specific answer to
today's political situation,
"join the IMG" is rather
lame.



Essence

SW generally tends to
think that militantly-fought
sectional strikes are the
essence of revolutionary
politics, and therefore that
all socialists need do is argue
for strikes to be waged
militantly. From that point
of view, the special signifi-
cance of general strike
action is hardly visible.

In the struggles against
the last Tory government,
from 1971 to 1974, SW
raised the call for a general
strike erratically and occa-
sionally, but never with any
serious campaigning for it,
never with any serious
political explanation... and
never at the most important
times! SW now reproduces
the same attitude, with one
addition: its new-found
pessimism as to the state of
the working class.

In the front page article
the best they can find to
say is "A defeat for the
steelworkers... will make
many workers lose confi-
dence in the trade unions.
...But the outcome of the
strike is by no means a
foregone conclusion."

Presumably, SW sees the
general strike calls as so
far fetched as not to be worth
mentioning.

"Some doubts are being
cast over the likelihood
of this regional general
strike in Wales, because the
ISTC national executive
has not yet given its backing
and South Wales steel-
workers are reluctant to
strike out alone against
job loss..."

And there the matter
is left, with the concluding
remark, "[Wales TUC sec-
retary] George Wright
predicts [action on the 21st]
... Let's hope he's right".

"Let's hope". That's all.
SC also has a full-page
"IMG statement", "Prepare
for confrontation with the
Tories". After outlining
the Tories' attacks, this
statement notes some recent
defeats, such as Derek

frantic use of that slogan
for their front page headline
almost every week in late
1973 and early 1974 was
roundly condemned by many
in the IMG as "the politics
of fantasy" with only "too
little purchase on reality
to represent genuine ultra-
leftism".

"General Strike to kick
out the Tories" sounds very
radical. Actually it is a
demagogic snare, empty
word-rattling. To kick out
the Tories and replace them
with a Labour government is
of major importance now.
But if a general strike, how-
ever it starts, begins to
reach even some of its
revolutionary potential, then
calling a general election or
replacing a Tory government

Dates to organise for

• Sunday 13th
January

**'Reinstate Derek
Robinson'
conference**

Called by BL Shop
Stewards' Combine,
Birmingham Town
Hall, 11am.

Credentials: Colin
Willetts, 25 Hawne
Lane, Halesowen,
West Midlands.
(021-550 6652)

• Sunday 26th
January

**Liaison Committee
for the Defence of
Trade Unions**

**conference on the
Tory anti-union bill.**

Friends House,
Euston Rd, London,
NW1. Credentials:
c/o 137 Wanstead
Park Road, Ilford,
Essex.

• Saturday 2nd
February

**Labour Party Young
Socialists**

**National rally
against the Tories.**

Porden Road, near
Brixton tube,
South London,
12 noon.

• Saturday 9th
February

**Rally and demo
against the cuts,**

called by S.Yorks.
Association of
Trades Councils

• Monday 18th
February

**One day general
strike against the
cuts, called by**

South Yorkshire
Association of
Trades Councils.

• Sunday 9th
March

**TUC national demo
against the cuts and
the anti-union Bill.**

• Saturday 22
March.

**Labour Movement
Fightback for
Women's Rights
conference.**

Conway Hall, Red
Lion Sq, London
WC1. 11am.

Inquiries: c/o 41
Ellington St, N7.

• Saturday 22nd
March

**National conference
against the cuts,
called by Liverpool
Trades Council and
District Labour
Party.**

St. George's Hall,
Liverpool. 11am.

Credentials:
T. Harrison & A.
Dodswell, 70

Victoria St, Liver-
pool 1, (delegates'
fee 50p).

The Crisis

JOHN CUNNINGHAM looks at the trends behind the current crisis in British steel.

1. Britain's backwardness

THE BRITISH steel industry is now in the middle of the worst slump it has known since the 1930s. This slump (indeed, crisis) is not specific to Britain; it is part of a generalised crisis of the capitalist system the world over.

Along with the steel industries of France, the USA, Belgium and others, British steel is faced with chronic problems of overcapacity, a severe downturn in demand, and fierce competition from overseas (particularly Japan). Its plant and equipment is outdated and obsolete, and the British industry has a long history of under-investment.

All of this adds up to a crisis of proportions unknown to most of the present generation. The future of the British steel industry, and with it thousands of steelworkers' jobs, is in the melting pot.

The steel industry has been facing a more or less continuous rundown since the early '70s. The second post-war slump of the capitalist economy, in 1975, marked the beginning of the really steep decline. As Ernest Mandel remarks in his book, *The Second Slump*:

... the steel boom ended during the second half of 1974. The steel industry, like the petrochemical and textile industries, has a cycle of its own during past decades which does not entirely coincide with that of industry as a whole. Orders for steel products in Western Europe during the first quarter of 1975 were down 33% from the first quarter of 1974.

'In April 1975 steel production in the capitalist countries as a whole was down 9.8% compared with the April 1974 level... prices fell between 40 and 50% from November 1974 to March 1975. A new plunge into recession in the steel industry during Autumn 1976 exacerbated this downward movement.'

Demand for steel depends to a large extent on industries producing machinery or more expensive consumer goods, such as cars. These industries tend to slump even more than others in a downturn of the capitalist economy. The rapidly rising price of petrol has hit the car industry especially. Thus the steel industry suffers specially in the current capitalist crisis.

The problems are made worse by the fact that the steel industry requires huge investments over long periods, and thus has special difficulty in reacting to shifts in demand. The steel industry is a victim of the anarchic nature of world capitalism and its lack of overall rational planning.

By the mid-'70s, the writing was on the wall, and nowhere was it written in bigger letters than in Britain. But the problems are not special to Britain, and a solution is not to be found along the road sometimes proposed by steel union leaders of keeping out foreign steel. An international fight by steelworkers is necessary, not a competitive struggle. And the Tory notion that British steel is in crisis because British steelworkers do not work hard enough is even wider of the mark. A sketch of the history of the British steel industry will show this.

The British steel industry grew out of the earlier iron industry. The early ironworks were small, and scattered according to where iron ore was to be found. In many areas these early deposits were soon found to be inadequate, or were exhausted as industry grew.

This gave rise, as steel took over from iron, to a chaotic and scattered steel industry. To contrast this with the more concentrated industry of Germany and the USA is to demonstrate the fact that 'being first', while it made Britain a world power in the Victorian era, later became a brake on the development of an integrated and efficient steel industry.

The German and American steel industries, in contrast to the British, developed enormous cartels and trust systems, like Krupp. In the British industry, while there was a trend to monopolisation, the production units remained scattered, uncoordinated and small by comparison with their foreign competitors.

Britain's share of the market declined from 1890 onwards. However, the industry could 'ride' most of the crises because it had the protected market of the Empire. With an expanding world market, things went fairly well until 1921, when production slumped drastically as the postwar reconstruction boom collapsed.

After 1921 the British steel industry was virtually taken over by bankers and financiers. This period is sometimes referred to as 'bankers' control'. They restructured the industry.

14 major companies were formed, under the Federation of Iron and Steel Manufacturers. The NIFSM gave birth in the early '30s to the British Iron and Steel Federation (BISF).

The BISF developed monopoly practices and it also got measures taken against imported steel. In 1932, a tariff of 20% was added onto finished products and 33% on semi-finished products.

The bankers eventually withdrew. There was conflict between them and the steel barons and they were glad to get out of a not very lucrative venture. The formation of the

BISF had been an attempt, in a period of decline, to bring the industry into line with those abroad.

The crisis of the '30s was eased only the market of the Empire. When war came, production picked up to supply the munitions industry. The problems of the steel industry were now apparently 'solved' (though at what a price). In the aftermath of war, the industries of Germany, Japan and other countries were either completely destroyed or severely dislocated. With the USA occupied by its huge internal market, British steel was able for a short time to boom. Production and exports soared.

The 1945-51 Labour Government nationalised coal, rail, and steel. In rail and coal the only arguments were over the levels of compensation. In steel, however, the owners, faced with a boom and a quick rake-off, resisted nationalisation. When the Tories were returned in 1951, the industry was handed back to private ownership.

There was a period of stable growth in the '50s, which ended around the beginning of the '60s. The warning signs were there long before 1960, however. As early as 1953 German steel production had reached its pre-war level and Japanese steel was making an equally spectacular recovery. In effect, all the problems which had bedevilled the British industry in the '20s and '30s came back with a vengeance.

It was apparent to the capitalist class that a drastic reorganisation of the British steel industry was needed. The Labour government of Harold Wilson, elected in 1964, decided to do something about it. A healthy, dynamic steel sector is a bedrock industry, and without it Labour's plans to revitalise the British economy were doomed. The only possible way to restructure the industry was to take it under the wing of the state.

After Wilson was re-elected in 1966 the steel industry was once again nationalised.

Unlike the previous attempt at nationalisation, the steel barons this time did not resist, merely arguing for as much compensation as they could get. The only resistance came from the special steel sector (mainly based in Sheffield and Rotherham) — the most lucrative sector of the steel industry. 90% of the industry was nationalised, the remaining 10% being nearly all in special steel.

The guideline used was that any firm producing below 475,000 tonnes per annum was kept out of the British Steel Corporation (BSC) (as the new nationalised industry was called). Most of the firms producing below this figure were in the special steel sector rather than in loss-making bulk steel (structural steel, girders, plate etc.).

The message from the capitalist class was therefore clear — leave the profitable sectors alone, take the non-profitable sectors and give us maximum compensation.

Just as the special steel was left out, so was the supply industry. A whole number of other branches of industry dependent on steel, for example, scrap metal suppliers (in 1972 the industry consumed 13.7 million tonnes of scrap) refractory brick and electrodes etc, were left out. The

nationalisation was therefore an incomplete one, less of a botch-up than existed previously, but nevertheless it was in no way the global takeover it is sometimes made out to be.

Thus nationalisation had few advantages for the workforce or the steelmaking communities (it did however have some advantage, for example, the tendency for national wage structures and uniformity in negotiations and procedures). Basically the nationalisation was a capitalist *rationalisation* to provide cheap steel for private industry. Since nationalisation there has been virtually continuous price restraint, which between 1967 and 1975 lost the industry an estimated £750 million.

From what has gone before it can be seen that the nationalisation bears no resemblance to what would happen under socialism. Just one aspect of the nationalisation shows how far removed it is from anything even remotely resembling a socialist measure.

Wilson's government doled out literally millions of pounds in compensation to the former owners, who did very little except bleed the industry white in the fifties. Not only was compensation paid when it shouldn't have been, but it was paid well over the odds. For example in 1965 the shares of the Steel Company of Wales were 19/9d (old money) per share, yet the Wilson government bought them at 32/5d! On average £45 million is still being paid out every year to former owners, even today.

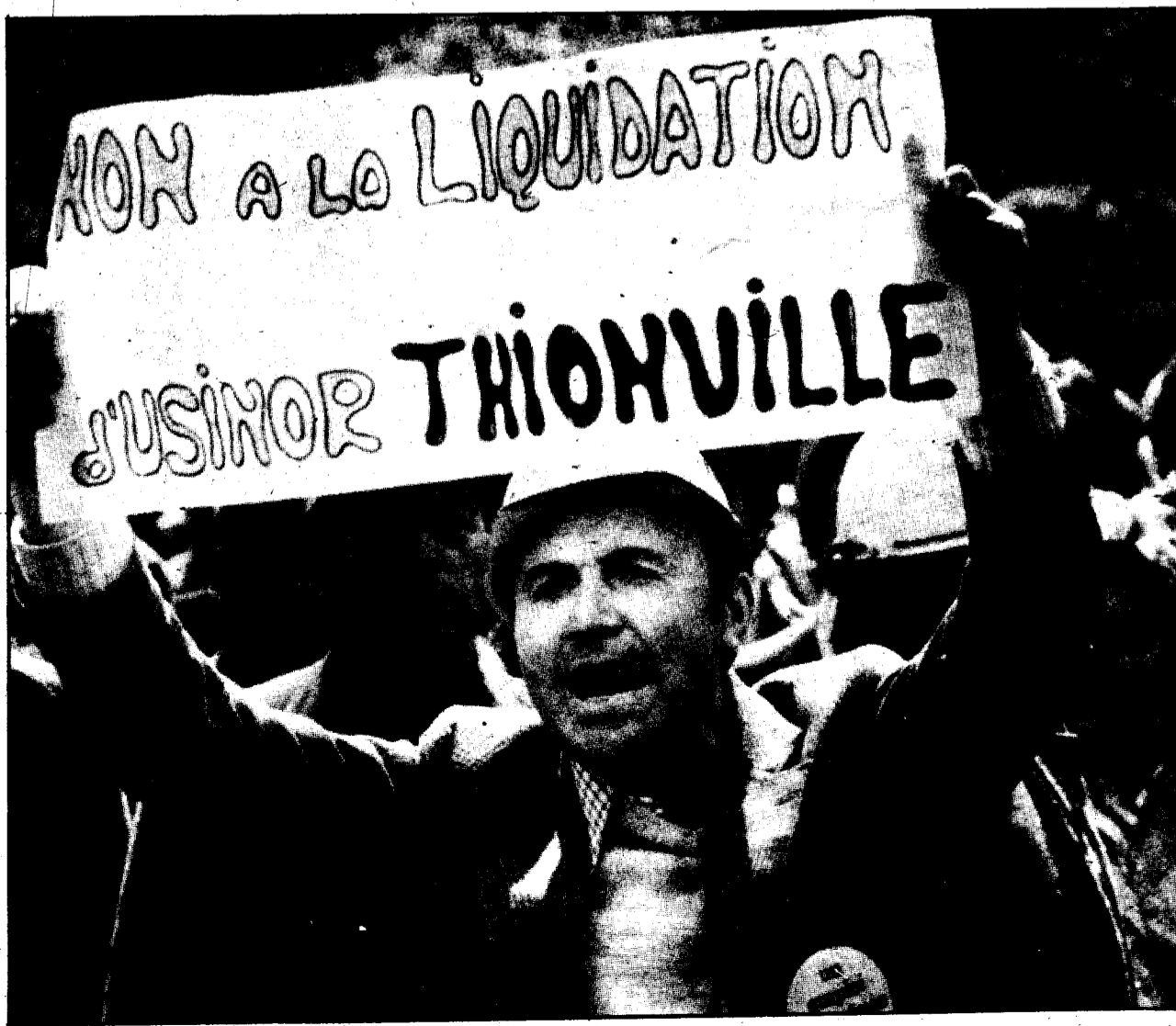
When the government took over in 1967, consistent underinvestment and lack of modernisation had left a terrible legacy in the steel industry. Most of the plant was dilapidated and obsolete. A glance at the figures for investment in the five years up to nationalisation show how far behind the rest of the world the UK industry was:

Table: Investment per ton of steel capacity, in US dollars

	1963	64	65	66	67
UK	9.4	5.9	5.1	4.7	5.6
EEC	20.2	15.9	10.8	10.0	8.3
USA	10.5	13.9	15.2	16.1	18.8
Japan	14.1	10.4	10.0	11.3	13.6

The collective loss of the 14 companies which became BSC in their last accounting year was around £50 million. As an index of the technological backwardness it only needs to be pointed out that three years after nationalisation the UK had 20 basic oxygen furnaces (BOS) producing 13.9 million tonnes of crude steel p.a. while Japan had 36 BOS producing 96.1 million tonnes p.a.. That is, nearly twice as many BOS furnaces producing just over seven times as much steel.

It was obvious to the new owners, the government, that a number of things were needed to get the industry back on its



in Steel



feet. The main priorities were:-

1. A massive reorganisation of the industry from top to bottom;
2. An equally massive financial programme to fund this reorganisation;
3. A system of planning, management and forecasting (of market developments, demand etc.) never before seen in the industry.

Initially the drastic reorganisation of BSC meant something like 80,000 jobs were to go (though many more jobs have come up for the axe since). Along with this, steel-making was to be concentrated in five areas and other sectors (finishing etc.) were to be drastically reduced.

In effect this meant making the steel workers pay for the crisis of the industry, responsibility for which rested on the shoulders of the old steel barons who virtually ruined the industry in the years before nationalisation. Instead of the former owners paying for BSC's reorganisation plan, it was the taxpayers, the majority of them ordinary workers, who footed the bill.

As any worker in BSC will tell you, the third plank, more efficient management, is something of a joke. Stories of managerial incompetence abound in steel-producing communities — ordering wrong materials, no spares etc. and on a bigger scale planning for national developments has been as bad and occasionally disastrous for the industry.

A few years ago BSC missed the boat completely when the so-called North Sea oil boom started. It could not supply the right steel at the right time and major orders were lost. Growth forecasts for the industry have been continually overoptimistic — growth for the period 1970-85 was put at 4.5% a year, and now BSC is in the position of scrapping all these figures and having to cut back on capacity drastically.

The present crisis, the worst since the thirties, has left the industry in a bigger mess than ever. The continuing heavy losses have provoked the Tories' chief hatchet-man, Keith Joseph, to cut back even further. He has stated that there will be no more funding for BSC in the new financial year, 1980-1.

Following Shotton and Corby, a new spate of closure announcements came in December. Consett is now to be closed, along with Hallside in Scotland. 10,000 jobs are to go in South Wales and 2,800 at Scunthorpe. 32,000 jobs in all are to go, on top of the 20,000 previously announced (of which the majority would come from Shotton and Corby). Further cuts to trim the workforce to below 100,000 are not ruled out.

2. BSC and private steel

AT THE TIME of nationalisation, in 1967, there were 40-odd steelmaking centres in the UK, with a labour force of approximately 270,000. BSC's plan was and basically still is to concentrate steel production in five major centres:

- Lackenby and Redcar (Teesside);
- Scunthorpe (including the Anchor site);
- Ravenscraig (Scotland);
- Port Talbot (near Swansea);
- Llanwern (near Newport).

The investment required amounts to some £300,000 million up to 1982.

By choosing these five sites, BSC was merely following (late) an international trend to place steel-making centres on coastal sites. Such sites make ore supplies easier, saving on overland transport costs. As ore from British orefields is of low iron content and stocks are diminishing, siting steel-works on the coast is especially important in Britain. British ore's average iron content ranges from 21% to 40% in different areas, while Australia, Sweden and Brazil all have ore

with a 60%-plus iron content.

Aside from the five main sites, the only other areas would be secondary rolling mills in various localities, and the special and alloy steels in Sheffield and Rotherham.

In 1965 the industry produced 27 million ingot tons with 317,000 workers. Originally BSC envisaged producing 32.3 million ingot tons by 1975 with about 215,000 workers. In 1972 the workforce stood at about 250,000, but production was way off target.

BSC losses continued to mount throughout the '70s, and at one point a scandal erupted when it was discovered that BSC boss Charles Villiers had covered up the corporation's losses for the year 1976-7. Originally put at £350m, the actual loss was over £500m. By January 1976, BSC's weekly losses were running at £8.4 million.

The projected figure now is 100,000 production workers in the industry, but it may well go lower. When the 100,000 figures is reached it will mean that something like 200,000 production jobs will have gone since the mid-'60s, although the white collar workforce in steel has been growing steadily (it was 9% of the total in 1950, 16% in 1960, and 24% in 1968).

Such is the sweeping nature of the BSC cutbacks that no steelworker should consider his job 'safe'. Even in areas earmarked for development, new techniques usually mean fewer jobs, not more.

The Basic Oxygen process requires only about one fifth as much labour as the old Open Hearth furnaces. An Open Hearth requires 9 to 10 hours to process a heat (load) of steel, whereas the BOS needs only 45 minutes. At Port Talbot, when BOS converters replaced the Open Hearths, manning levels went from 2,500 to 500. The new blast furnace at Redcar, which came on line recently, is one of the biggest ever built in Western Europe, but employs only 450 men.

Continuous casting uses 10 to 25% less labour, and automatic and semi-automatic rolling also mean reductions in the workforce.

In South Yorkshire, an area which BSC boss Charles Villiers singled out for praise at the recent conference of the main steel union, ISTC (where he and Prince Charles were guest speakers!), many jobs have been lost in recent years despite the fact that fairly consistent profits have been turned in. At BSC Stocksbridge, a plant whose future is 'assured' and where a multi-million pound development scheme is under way, jobs have still been lost. The Umbrella Frames department and the Light Springs have gone, and they were followed in 1976 by the Bar and Rod mill. Who's next?

Meanwhile, the private sector is mainly concentrated in the Sheffield area, though other works exist in other parts of the country, like the Midlands.

After nationalisation, about 100 companies were left in private ownership. The private sector is no sideshow. Its tonnage is much lower than BSC's, but it produces more expensive steels; in all, it is responsible for a third of the whole industry's turnover.

Generally speaking, the recession has not hit the private sector, with its special and more profitable markets, as badly as BSC, but even so, as far back as 1972, the *Financial Times* had this to say:

"Few of the private steel companies are profit-making, and none earns a rate of return which would be considered satisfactory in practically any other industry, or particularly attractive to investors"

It is in special steels that the private sector dominates. Private producers turn out 85% of all alloy bright bars, 86% of all alloy forgings, and 95% of all high speed and magnet steels.

Chaos and anarchy reign in the special steel industry. In the Sheffield area there are something like 25 companies producing high value special steel. Many of these firms are very small and highly specialised, and they suffer the same backwardness in terms of technique and investment as the whole industry did in the '50s and '60s.

There has however been a tendency to concentration,

particularly in the last 10 years or so. In 1972 Brown Bayley was taken over by Hadfields (itself then owned by Jessel Securities, now part of 'Tiny' Rowlands' Lonrho empire). The reorganisation of Samuel Osborns (a part of Aurora Holdings) a few years ago reduced it from 12 sites to 3 (Ecclesfield, Bradford, and Sheffield), and reduced the workforce by 900 at the same time.

The Hadfield empire, having acquired Brown Bayley, is now busily chopping up the bits it no longer requires, like the forging which has been sold to Firth Brown, and keeping the sections it needs like the melting facilities at Brown Bayley. It's a hard time for the small fish, and a number of them have been gobbled up by the big boys. Edgar Allen Balfour, a mixed steel and engineering group, has been taken over by Aurora, and now faces the prospect of some 500 redundancies.

The scene looks set, in Sheffield anyway, for the big companies — Firth Brown, Hadfields, and Aurora — to fight it out for the rest of special steel.

Whatever happens, the workers will be the losers. All takeovers in the past few years, virtually without exception, have resulted in redundancies. Firth Brown, the biggest firm in the private sector, looks the healthiest, but they have only just announced some 400 redundancies.

With the special steels industry having already lost some 5,000 jobs in the past few years, things do not look good for the workers in the industry that has made Sheffield famous. The ruling class is in favour of a drastic reorganisation of the special steel sector, and the Monopolies Commission has looked favourably upon mergers and takeovers in the past, like the Aurora takeover of Edgar Allen Balfours and Firth Brown's eventually unsuccessful bid for Hadfields in 1977.

It appears likely that the ruling class strategy is to let virtually the entire special steel industry go to the wall, with the exception of the bigger companies like Firth Brown and Hadfields, who may merge into one big monopoly.

3. USA: profiteers flee from steel

THE CRISIS hits not only the British steel industry but also the huge US steel industry and the more successful steel producing nations like Japan and Brazil. First, we look at the USA.

In 1978, Roger Brown, a spokesman for the Republic Steel Corporation, said: *"We're seen as Big Business. Really we're a sick industry..."* The steel industry of the United States, after ruling the roost for much of the 20th century, has noticeably declined over the past two decades and is now faced with a huge crisis.

In 1971 the Soviet Union overtook the USA as the world's leading producer of steel. In that year, the USA, with 109.3 million tonnes, accounted for 19.5% of the world market — as against 60% in 1947. In 1975, US steel makers produced *less steel than they had twenty years earlier!* Production is drastically down, and in 1978 imports accounted for 20% of the domestic market.

What are the reasons for this decline? In many ways, they parallel developments in Britain, though the sheer size of the US industry increases the gravity of the situation.

The US industry was not hampered by the same drawbacks of fragmentation and archaic structure that bedevilled the British industry, at least not in its early days. In 1901 the three biggest corporations merged to form the United States Steel Corporation (known as 'Big Steel'): this one firm controlled 65% of all US steel production.

Further merges produced some competitors for Big Steel, but extreme monopolisation and 'friendly competition' (price fixing between the monopolies and market carve-ups) were dominant features of the industry from that



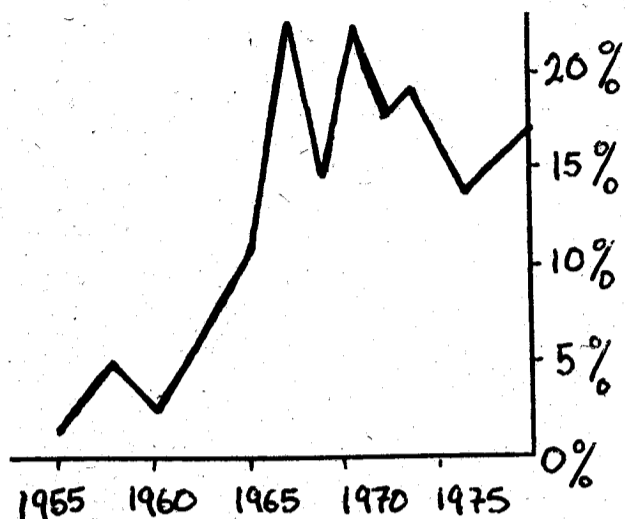
The banner of these German Steelworkers on strike for a 35 hour week reads: 'Krupp workers ready for a fight'. On the gates they are marching past, the placards say: 'On strike'. Facing page: French steelworkers have also been fighting against job losses.



period onwards.

The trend towards monopolisation was encouraged by the government. By 1950, 12 firms had more than 85% of blast furnace production and control of iron ore reserves. Today eight firms produce approximately 95% of all steel in the USA, and two companies, Bethlehem Steel and US Steel, control nearly 40% of the output.

US steel barons were able to set their own prices and pay only slight regard to the normal workings of the capitalist market. Their cosy world was shattered when foreign steel began to enter the US market in quantity in the late 1950s and early 1960s. As the graph below shows, since around 1955 imports of foreign steel have risen steadily



Graph: Imports as a percentage of steel supply in the USA. Source: American Iron and Steel Institute, Annual Reports.

The US's major foreign competitor has been and of course still is Japan.

On a technological level the American industry has not been as backward as the British. It has built new plants, it has invested huge sums of money in the industry. However, it has not done enough. A number of new plants were built during the war with government money (and then sold off at give-away prices), and since 1953 two new integrated plants have been built, at Fairless, Pennsylvania (US Steel, 1953), and at Burns Harbour, Indiana (Bethlehem Steel, 1967). US steel makers invested almost 35 billion dollars in steel making facilities between 1957 and 1976 — an average of \$1.7 billion a year. Huge as this sum is, it simply isn't enough.

Steel is one of the most capital intensive industries. On average it needs 2½ times as much capital to start off a new plant as for industry as a whole.

According to the US Bureau of Labour Statistics, capital expenditure per worker in steel has dropped at the annual rate of 6.3% between 1966 and 1972.

In order to maintain profits the steel companies have pushed the old equipment as far as possible, with the result that accidents have gone up, and of course the exploitation of the workforce has increased.

"Foremen [are] urged to operate furnaces in reckless fashion to get the highest ton per hour rate possible, and all maintenance is of the patch-and-go variety so that down time is minimised..." (Ike Gittlen, a steelworker in Steelton, Pennsylvania, in *In these Times* magazine, 4.10.78).

Even so, US steel companies have turned in profits fairly consistently. But whereas twenty years ago profits were 'comfortable', they have now declined to a level which places the US industry at the bottom of 41 manufacturing industries in terms of return on net worth for most years in the 1970s.

So where have the profits gone?

First, steel industries which had developed newly since world war 2, and were more up to date than the US's, began to challenge the US steel industry. With ample profits coming in from a comfortable home market, US steel had had a sluggish attitude to investment. But growing competition has led not so much to revived investment in US steel, as to a flight of capital to other industries and other areas where profit rates are higher.

A look at one steel company in the USA will give us an idea of the trends involved. In the middle of 1978 the 'ARMCO Steel Corporation' became simply 'ARMCO Corporation'. Why? Simply, profits are higher elsewhere, so ARMCO is getting out of steel. In 1971 ARMCO's steel operations accounted for 68% of its revenue but only 41% of its profits.

ARMCO is moving into oil field equipment and nuclear power. Other steel companies are going into gas, petrochemicals, cement, railroads, transport, etc. A significant factor here is that many steel corporations are moving into mining and ore extraction, to a point where many corporations will control the whole steel process right from ore to finished product.

While the steel barons cry out that they have no money and that cheap foreign steel is killing them, they are ploughing millions into their non-steel activities. US Steel, with an average of capital expenditure on steel of \$650 million a year, is planning non-steel investments which far surpass that sum.

While the US steel industry is turning to other areas, the US bankers have been steadily increasing their lending to steelmakers in Japan and in the third world. The amount of capital they loaned to the six largest Japanese iron and steel companies increased threefold between 1975 and 1977; in 1977 it was \$1033.5 million.

So, in effect, US banks have for many years been helping the US steel industry's main competitor. Indeed, without the huge loans from banks like Chase Manhattan, Japanese firms such as Nippon Steel could not have carried out their

massive modernisation programme. Japan in turn is now a major investor in steelmaking and ore extraction in the Third World. US banks are also increasing their loans to Taiwan, Brazil, South Korea, and Argentina.

Not only the big banks but even the smaller ones — some of them based in the heart of US steel-making country — have been generous creditors to overseas steel.

Along with the export of capital to Japan and the Third World, the US also exports its technical know-how. (British steelmakers and equipment firms have been doing the same for years).

US engineering firms like Pullman Swindell, McKee and Wear United have been contracted to build steel mills in Algeria, Yugoslavia and many other areas. Not only engineering firms but steel corporations like ARMCO and US Steel have supervised the building of mills in Brazil, Colombia, Argentina and Taiwan. Again, this is not a trend confined to the USA. The first ever BSC-designed integrated steelworks with deep harbour facilities was opened in 1974, not in Britain but at Las Truchas on the Mexican Pacific coast.

What does this all represent? On the surface it seems crazy in capitalist terms. The US steel industry at home is declining and in severe crisis, yet US banks are loaning massive sums to their competitors to build ultra-modern sites.

It represents part of a global shift in manufacturing, away from the advanced Western countries, to the less developed countries where the standard of living is lower, where labour costs are much lower, where the costs of transporting raw materials are often lower, and particularly where the working class is under the heel of regimes of imperialism which fall in line with the wishes of US imperialism, like Argentina, Brazil, South Korea, etc.

The shift in manufacturing in the Third World has now developed to such an extent that one third of all US imports originate in sales from majority-owned US subsidiaries abroad. The implications for the working class in the Western countries are enormous — increased decline of manufacturing industries (not just steel), leading to increased unemployment.

4. Japan: boom, low labour costs... and 50pc overcapacity

JAPAN IS the country that has really set the pace since the late '50s. Only the USSR and the USA produce more tonnage than Japan.

At the end of the second world war, the Japanese steel industry lay devastated and in ruins. In 1946 Japan produced only 0.6 million tonnes of crude steel, but in less than ten years this was doubled and trebled, so that by 1953 7.7 million tonnes were produced. While most countries experienced only steady growth, the Japanese boom continued. In 1970, 93.3 million tonnes were produced, and in 1974 117 million tonnes.

These figures do not tell the whole story. What has had the greatest impact on the rest of the world is Japan's export record. Japan is now the world's biggest single exporting country, and steel is its biggest export. In 1974 Japan exported 29% of its total production of 117 million tonnes.

Financed by a massive influx of loans from US banks, Japanese steel has outstripped the rest of the world technologically. In 1968, 73.7% of crude steel output came from the advanced Basic Oxygen furnaces (it was only 23.9% in the UK and 37.1% in the USA). Similarly with continuous casting, 35% of Japanese output was made with this method in 1977, and only 10% in the USA.

Japan has consistently invested more in steel than most other countries.

Forced to build a steel industry anew after the second world war, Japanese steelmakers have been able to incorporate new techniques and machinery while actually designing and building new plants — not taking them on to some already existing structure, as so often happens in the USA and UK. Maintaining a high investment programme and a dynamic approach to extending capacity (in the '60s and '70s almost 100 million tons of new capacity were built), the Japanese have virtually left everyone else standing.

Operating costs are lower in Japan than in the west. All in all, taking account of labour costs and costs of raw material (all of which have to be imported as Japan has no coal or iron deposits), Japanese costs are between 31% and 83% less than the average in the USA, depending on the grade of steel. It can cost between \$78 and \$153 less to produce a ton of steel in Japan than in the USA. These figures are derived from five major comparative studies of the Japanese and US industries.

Japanese workers are paid less than most of their counterparts in the West, and the Japanese industry is more productive per worker. In 1976 it took a Japanese steelworker 10 hours (on average) to produce a ton of steel, as against 11.8 hours for a US steel worker.

Reactionaries have used figures like this supposedly to show the laziness of one set of workers as opposed to another, but all they show in fact is that the Japanese steelworker works with newer equipment and in plants which employ faster, more productive techniques. Also there are features of Japanese industry — company unions, a high level of control by the bosses over the workforce — which mean it is not such a 'success' for the workers.

The present crisis has not even left Japan unscathed. Chronic overcapacity exists. Japan's high level of investment could even turn into a burden. Even in the years 1976-8, when the first rumblings of the crisis were underway, Japanese steelmakers built five new blast furnaces, with a total capacity of 15 million tons a year. Now productive capacity is around 155 million tons. Only 110 million tons of capacity were being used in 1978, and now the figure is

probably lower.

Fixed costs are very high in steel, and the industrial set-up in Japan makes it more difficult for Japanese bosses to lay off workers than in the USA. It is therefore worthwhile for Japanese steel companies to sell off extra production at almost any price. Since 1977 Japanese steelmakers have been exporting at a fairly consistent loss, a trend accentuated by the yen's rise relative to other currencies.

While the Japanese steel bosses have not yet had to resort to swingeing cuts like BSC's, there is no doubt that given the continuing crisis and chronic overcapacity, some of Japan's older plants will be closed and probably some of the newer developments will be 'mothballed'. When this happens a new phase will have opened, not only in the steel crisis but also for the Japanese proletariat.

5. Brazil: military dictatorship, low wages... and foreign debt crisis

UNTIL THE END of the Second World War, only 32 countries had any steel industry to speak of. The US, the UK and the original members of the EEC were responsible for 72% of the world's output in 1950. 25 years later this figure had shrunk to 35%.

Alongside the rise of the Soviet Union and Japan as steel producers, the Third World has quadrupled its output since 1960. It is estimated that by the 1980s they will have installed 10% of the world's capacity, and, if trends continue, by the year 2000 the Third World will produce 25% of the world's total output.

This development is distributed very unevenly among the countries of the Third World. Brazil is a particularly important example of the countries which have industrialised rapidly.

As Brazil's steel industry was getting off the ground in the mid-'60s, a German writer, Werner Baar, had this to say:

"The Brazilian experience in establishing a steel industry should make it clear that the usual condescending clichés about the wastefulness of implanting a heavy industry in a developing country have no universality. Given the necessary natural resources, a large market, and an already trained technical elite in matters of steel technology, it is entirely possible for a developing country to establish a steel industry with a comparative advantage"

Since then Brazil's steel industry has developed rapidly. Brazil has the largest iron ore reserves in the world, so can save on delivery costs for ore (often as high as 40% of the total price). Brazil has no coking coal, and has to import that. But another great advantage, and one that no capitalist is slow to latch onto, is the extremely low level of wages in Brazil. In 1968-70, 69% of the urban labour force of 4.2 million in the North East earned the minimum wage of £27 per month, or less. 18% earned from a quarter to a half of this figure, and 22% less than a quarter. (*Financial Times*, 23.9.75).

Clearly the 'Brazilian miracle' has been built on the backs of the working class. Since the military coup of 1964 wages have been held at subsistence level (or below), as we have already seen. The right to strike, to negotiate with an employer, or to be in a union simply do not exist in Brazil, or where they do exist the government exercises tight control.

The strikes of 1978 have led to some relaxation, yet the repression continues. Clearly an explosive situation is developing which may yet place a question mark over Brazil's capitalist development. There are other problems too.

Firstly, the amount of capital required for continued expansion of Brazil's steel industry is colossal. Brazilian capitalists have to look abroad for loans. Brazil's foreign debt is now the highest in the Third World, a staggering \$40 billion.

The three main investors in Brazil are the USA, West Germany and Japan. The USA has loaned \$941.2 million since the end of world war 2 to Brazil's steel industry, and orders for US steel mill equipment could amount to \$8.5 billion in the next ten years.

An example of the problems which the Brazilian industry faces is the Tubarao project. It was first planned in 1968, as a partnership between Siderbras (51%), Kawasaki (24.5%), and Finsider of Italy (24.5%). (Siderbras is the Brazilian state holding company in steel; it coordinates and directs all developments, including imports, loans, and joint-venture negotiations. In 1972 the government controlled 60% of all steel holdings).

The total cost of the project was put at \$2.6 billion, with Kawasaki and various Japanese banks supplying most of the cash. Kawasaki agreed to take 40% of the plant's output of semi-finished products and supply 66% of the equipment needed.

But with the downturn of the market in the mid-'70s, the Japanese and Italians decided to cut their commitment by 50%. In the meantime, domestic producers of equipment were kicking up. They said they could produce 80% of the project's equipment, not the 33% they had been allocated, and they accused Finsider and Kawasaki of overpricing equipment. Eventually 50% was agreed. Being so heavily in debt, the Brazilians had little room for manoeuvre and no chance of pulling out of a disastrous and expensive undertaking.

As the US magazine *NACLA Report on the Americas* commented recently: "What does all this imply for Brazil's ability to industrialise on the basis of domestic needs? To what extent can a country like Brazil afford to alienate foreign capital, upon which its present political and economic system is so dependent? Brazil will surely become a major steel producer in the not-too-distant future, but on whose terms and for whose benefit remains to be seen".

WHY CAPITALISM CANNOT LAST

This article is the fourth and last of a series explaining some of the basic ideas of Marxism. Earlier articles dealt with the relevance of Marxist theory to the socialist struggle, with profits and exploitation, and with the nature of commodities and money. All quotations in italics are from Marx or Engels, unless otherwise indicated.

Many people other than Marxists are aware of the callousness and inhumanity of capitalist society. But to them it seems to be only a 'bad side' or 'unacceptable face' of the system. Marx, on the contrary, declared:

"It is the bad side which produces the movement which makes history, by providing a struggle..."

Oscar Wilde expressed a similar idea:

"The virtues of the poor may be readily admitted, and are much to be regretted. We are often told that the poor are grateful for charity. Some of them are, no doubt, but the best among the poor are never grateful. They are ungrateful, discontented, disobedient and rebellious. They are quite right to be so."

(*"The Soul of Man under Socialism"*)

Capitalism has played a great progressive role in world history and it prepares the way for socialism.

The bourgeois greed for money develops *general industriousness* — the habit of working consistently, regularly and quickly.

"The bourgeoisie has disclosed how it came to pass that the brutal display of vigour in the Middle Ages, which Reactionists so much admire, found its fitting complement in the most slothful indolence. It has been the first to show what man's activity can bring about."

Bourgeois selfish individualism destroys the superstitious sheep-like attitudes of previous exploited classes, and develops habits of independent and rational thinking.

"The bourgeoisie has ... rescued a considerable part of the population from the idiocy of rural life."

The combination of the general bourgeois greed for money with the relative poverty of the working class spurs on the class struggle against the bourgeoisie. In the course of that struggle, the working class, although more individualistic than previous exploited classes, has become much more united, cohesive and well-organised than previous exploited classes.

The bourgeoisie itself develops the unity of the working class by concentrating thousands of workers in large factories and constantly doing away with old specialities and skills. (As Marx sarcastically remarked, *"It is very characteristic that the enthusiastic apologists of the factory system have nothing more damning to urge against a general organisation of labour in society [i.e. socialism] than that it would turn the whole of society into a factory..."*)

Capitalism develops the productive forces far more rapidly than any previous society. It constantly drives down the labour time required to produce things. Under capitalism, this reduction of necessary labour time takes place mainly to the benefit of surplus labour time, i.e. profits; but it does lay the basis for the general reduction of the working day, which is the first condition for the liberation of the working class.

"Capital ... quite unintentionally — reduces human labour, expenditure of energy, to a minimum. This will redound to the benefit of emancipated labour, and is the condition of its emancipation."

It is the development of the productive forces which provides the key to human history. The methods by which men produce the necessities of life condition the social relations of production and distribution; and these social relations, in their turn, condition the ideas, laws and customs of society.

Feudal society, with its guilds, rested on a system of production which mostly used only hand tools and individual labour (or the labour of a few people working together). It was the development of more advanced production methods that led to the overthrow of feudalism and the rise of capitalism. Industries developed where large numbers of workers were brought together, with a more efficient division of labour, and power driven machinery was used. The new industrial bourgeoisie, and the merchants associated with them, wanted freedom of trade and an end to the old feudal restrictions.

When they overthrew the old monarchies and aristocracies and won their demands, it was a great step forward. In France before the great bourgeois revolution of 1789-99 a large part of the country's (not very extensive) industry was nationalised or run by monopolies which had licences from the state. At that time, nationalisation was reactionary; instead of developing freely, industry was kept within narrow limits and just boosted the old feudal privileges. When free enterprise was introduced, it laid the basis for industry making great strides forward.

But by about 1900 capitalism had fulfilled most of its progressive role. It had spread all over the world: *"In place of the old local and national self-sufficiency, we have intercourse in every direction, universal interdependence of nations"*. It had brought the working class into existence as a powerful and cohesive class. And it had developed indus-

try to the point where free enterprise was generally turning into its opposite: monopoly.

"If the crises demonstrate the incapacity of the bourgeoisie for managing any longer modern productive forces, the transformation of the great establishments for production and distribution into joint-stock companies, trusts and state property shows how unnecessary the bourgeoisie are for that purpose. All the social functions of the capitalist are now performed by salaried employees. The capitalist has no further social function than that of pocketing dividends, tearing off coupons, and gambling on the Stock Exchange."

Economic development has reached the point where capitalist competition, rather than being a factor of progress, is rather chiefly a factor of chaos and waste. Marxists call this the *epoch of capitalist decay*. But this does not mean that the progressive work of capitalism ceases altogether, or that economic development stops.

"It would be a mistake to believe that this tendency to decay precludes the rapid growth of capitalism. It does not. In the epoch of imperialism, certain branches of industry, certain strata of the bourgeoisie, and certain countries betray, to a greater or lesser degree, now one and now another of these tendencies. On the whole, capitalism is growing far more rapidly than before; but this growth is not only becoming more and more uneven in general, its unevenness also manifests itself, in particular, in the decay of the countries which are richest in capital (England)."

(Lenin, *"Imperialism, the highest stage of capitalism"*).

The decay of capitalism manifests itself through crises. In fact, periodic economic crises existed from the earliest days of capitalism. But in late capitalism they became more destructive and convulsive.

The theory of capitalist crisis is one of the most important aspects of Marxism. What is important, however, is to understand the general outlines of capitalist economy in crises. The point of the Marxist theory of this is not that it necessarily makes us any better able to make short-term economic forecasts than bourgeois experts, but that it gives us a longer-term perspective of the fragility of any bourgeois prosperity and any bourgeois anti-crisis measures. It shows us that the seeds of crisis are to be found in the very basis of capitalism itself. The ingenuity of capitalist governments may soften crises for a certain time, but it can never abolish them for good.

The simplest relations of a money economy contain a potential for economic crisis. Consider a farmer growing potatoes for sale. Suppose he spends the amount in potatoes growing the seeds, having to get them from the market. But if he

But when the time comes to sell our potatoes, we find perhaps that the demand has levelled off — and not all of us can sell an increased number. We have over-produced. The price of potatoes drops, and we all find ourselves a lot poorer than we expected. As a result the other producers suffer a drop in the demand for their goods too. A vicious circle begins and we end up with stacks of unsold goods and everyone being too poor to buy them!

State regulation and agreements between capitalists can partly offset the danger of over-production. That's why you get American farmers paid by the government not to produce food, masses of food destroyed, and butter mountains at the same time as half the world is starving. But what all these capitalist arrangements can't overcome is the general drive of capitalism towards overproduction. In periods of prosperity each capitalist strives to push up production rapidly and get a bigger share of the market. He also strives to modernise his machinery. The capitalists producing machinery step up their production even more. But the final consumer market always remains limited, because the capitalists are also striving to keep down workers' wages. Eventually the bubble bursts.

The crisis generally shows itself first in the sphere of credit — because the capitalists' first reaction when they find demand is slowing down is to ask for loans to make up for their loss of income. The crisis breaks when a whole string of capitalists find they can't pay back the loans. In this way the roots of the crisis in production are attacked.

There is a trend in capitalism which causes that the bourgeoisie has a constantly increasing need for investment in its efforts to avoid crisis. That is the aim of the falling tendency of the rate of profit.

Profit, as we have seen, comes from the surplus labour of the working class. But the capitalists do not consume profit to the extent of surplus labour. They consume it to the extent of surplus labour that is the same as the value of their product — but in the form of wages in the market, and in machinery. The accumulation and investment program, a great amount of surplus value sets in motion a greater and greater quantity of capital in the form of machinery. So even if surplus labour-time increases as a proportion of total labour-time, it tends to decrease in proportion to total capital.

Suppose one year a capitalist has machinery worth £1,000 and pays out £500 in wages. (Ignore for simplicity the cost of raw materials. If the workers produce twice the value of their wages, then his profit will be £500 — or 50% on his capital.)

But over the capital he has accumulated machinery worth £1,000. This machinery will produce, say, £1,000 worth of goods in a year. He will have to pay out £500 in wages. His profit will be £500 — or 50% on his capital.

But when the capitalist gets more advanced machinery introduced. It sets a limit to that prosperity.

However, economic crises do not lead to the automatic collapse of capitalism. As Lenin said, *"there is no crisis without a way out for the bourgeoisie"*, as long as the workers do not take power. In a slump, the value of machinery falls, a good deal of machinery is sold below its value, the rate of exploitation is generally increased, and thus the basis is laid for a recovery of the rate of profit.

Crises do however lead to sharpened class struggle (usually not in the depths of the slump, but at the turning points where boom turns into slump and slump turns into boom). In sharp and generalised class struggles, the very structure of the modern economy (even apart from the propaganda of conscious communists) drives the working class towards communist conclusions.

Given a revolutionary party capable of leading the struggle for political power, the beginnings of the socialist organisation of production are merely the next logical step forward from developed capitalism.

"The working class did not expect miracles from the [Paris] Commune [when the workers seized power in 1871]. They have no ready-made utopias to introduce par decret du peuple [by decree of the people]. They know that in order to work out their own emancipation, and along with it that higher form to which present society is irresistibly tending by its own economical agencies, they will have to pass through long struggles, through a series of historic processes, transforming circumstances and men. They have no ideals to realise, but to set free the elements of the new society with which the old collapsing bourgeois society itself is pregnant".

- The first steps of the workers' revolution will be:
 - Establishing the rule of democratic workers' councils in the factories and in society;
 - Shortening the working day, so that workers have time to enjoy themselves, to educate themselves and to really take part in running society;
 - Social planning of production, with the major means of production in public ownership;
 - International extension of the revolution.

Future generations will be more intelligent and clear-sighted than us. We can leave it to them to work out the detailed ways and means of progressing from there to the fully developed communist society.



While there is thus a progressive diminution in the number of the capitalist magnates [who usurp and monopolise all the advantages of this transformative process], there occurs a corresponding increase in the mass of poverty, oppression, enslavement, degeneration and exploitation; but at the same time there is a steady intensification of the anger of the working class — a class which grows ever more numerous, and is disciplined, unified and organised by the very mechanism of the capitalist mode of production. Karl Marx.

While over 100 branches say 'Duffy out' AUEW Exec borrows from Chapple's rulebook

SINCE the dust settled on the national engineering dispute, militants in the AUEW have been wondering if any fate could be too severe for AUEW president Terry Duffy and his Executive Council. Since the sell-out at Leyland, everybody realises that it couldn't.

As even the Guardian reported last week, the left is organising to remove the leadership. *Engineers Charter*, a rank and file organisation supported by the SWP, *Workers Action* and other militants within the union, has sent copies of a model resolution to all branches of the union, urging them to pass it.

Charter reckons that over 100 branches have already supported this motion.

Under Rule 15, para 5, we can remove the Executive Council by a two-thirds ballot if 10% of the union branches call for such a ballot.

The trouble is that this ballot will be a postal ballot, and we all know what that means — non-arrival of voting papers, editorials in the millionaire press about Brother Duffy's integrity and

no chance to reply on the same scale. Nevertheless, we should fight to get this resolution through our branches and for the two-thirds majority we need to remove these parasites.

The story of our leadership's attempts to amalgamate with the EEUPTU would do Machiavelli proud. Although nothing is being said, a lot is happening.

A Special National Conference of the Sheetmetal Workers' Union (NUMSW CH&DE) on September 19th overwhelmingly passed the proposal to amalgamate with the Engineering Section of the AUEW. A ballot of the members will be taken in March/April 1980.

The odd thing in this arrangement, however, is the fact that any member who serves the union, from shop steward upwards, is not entitled to argue against the decision...so we can take a fair bet which way the vote will go.

When or if the NUMSW CH&DE amalgamates, it will give just the precedent needed to allow the EEUPTU to slide in, EEUPTU machine

as well, without even a ballot in the AUEW to see if we favour it.

The EC isn't even waiting for Chapple. The November journal contains their proposals for the Rules Revision Committee in 1980. The most insidious clause is clause 17, which would allow the EC arbitrarily to merge branches and give them full time secretaries appointed by the EC.

Frank Chapple has used a similar clause to help turn the electricians' union into a bureaucratic dictatorship — we must make sure it doesn't happen to us.

We need one union for all engineering workers, but not through bureaucratic mergers and the destruction of our rulebook. We need a strong united union which backs the members and is accountable to them. To do this we need to organise a rank and file movement of all militants in the industry: a movement to give power back to the rank and file and to stop the slide towards the right wing.

A Manchester AUEW member

Chapple tries to silence EETPU branch

ON THE 14th of December, the Executive Council of the EETPU suspended its Birmingham Midland branch. A member of the Birmingham Committee explained to WA why:

The branch generally has been opposed to the Frank Chapple leadership of our union. It has actively supported workers on strike and we have invited to the branch members banned from office by the EC, and an ex-EC member who claims to have had a ballot rigged against him.

We have questioned EC decisions and have pursued issues where we got unsatisfactory replies until the executive refused to reply any more.

Our full time area officer Ray Rider has constantly worked to close down the branch. A year ago he got the EC to reduce the meetings from weekly to fortnightly.

He is appointed by the EC as secretary and treasurer of the branch, and he appointed himself minutes secretary after another member was elected to the post.

On December 14th we attended the branch meeting only to find that it had been closed down under Rule 14 Clause 3(c). This allows for

suspension of a branch for non-remittance of money to Head Office. However, the only two people who handle money are...the full time secretary/treasurer and his assistant, who was sitting across the doorway still receiving money from the members.

Another letter handed to the branch president stated that the closure was because "an unofficial meeting of Birmingham Midland branch members was held on alternate Fridays at which union business was discussed and further that copies of unofficial literature were distributed outside the branch meeting room".

Some members of the union decided to protest at the closure and attempted to get a clear explanation of why it had happened. 12 members occupied the area office for four and a half hours on Friday 4th January and only left when the Divisional EC member, Brother Jack Ashfield, promised that he would investigate our complaints and that there would be no disciplinary action taken against anyone involved in the occupation.

This closure is not unique. It is part of an ongoing process of eating away at the right of members to hold democratic branch meetings.

Chapple moved against us because we had become quite a name up and down the country for our opposition to the leadership. In the past, the EC has shut down branches and then reopened them several months later, held elections and if it didn't like the new officers, suspended the branch again, continuing this process until it got the committee it wanted.

This is the way the EETPU operates, and AUEW members who think amalgamation a good thing should realise that a united union under a Duffy-Boyd-Chapple leadership could end up leaving them in much the same situation we now find ourselves in.

Members believe we will need a long fight against the EC decision to get the branch reopened. We're organising a campaign within the union and are calling on as many branches as possible to pass the following resolution: "This branch strongly protests at the totally undemocratic EC decision to suspend Birmingham Midland branch, and fully supports the members in their campaign to restore weekly branch meetings. We also ask the EC for an explanation of their action."

WORKERS' ACTION

NURSES LOSE £10 BY 'PAY RISE'

"AND GOD gave the Angels". We were told last week by the press that nurses, the backbone of the NHS, were to receive a 28% pay rise. Two days later — 25%. On Monday it turned out to be 18% on average, and a lot less for qualified grades.

So this was the reward for the Angels for not going on strike last Spring, handed out by the Clegg Commission as an increase supposed to bring nurses' pay up to a level 'comp

arable' with other jobs.

We were told that our pay should never again be allowed to drop. However our wages have not even kept up with inflation.

We have been paid £2.50 and 9% on account since August. Nursing auxiliaries who have been awarded a £2 a week increase will have to pay back about £10.

Rises for staff and student nurses are better: £8-11 a week extra by April. However

this includes the unsocial hours payment for working Sundays and Bank Holidays.

What most people don't realise is that this should have been awarded in April 1979. By the time the money is in our pay packets, our negotiations for 1980 will have started.

The management will then no doubt tell us that because we have just received a substantial increase, there's no more on the date.

Foiled by the promises of Clegg, nurses thought that a true study of our job would show we deserve more than what Clegg wants to give. However most nurses are women and our wages were compared with the average for women workers. So much for hopes that we would be compared with non-manual male workers.

Clegg obviously didn't have women's equality in mind when he did the comparability study. It turns out to be a kick in the teeth for our non-militant stand.

Unless we organise in unions and act, we will see our wages and conditions further eroded.

Nursing auxiliaries in particular will have to be more militant. Their rises are an insult to the work they do. Qualified staff too must fight with other NHS workers to improve all our wages.

MARY IRESON (NUPE Shop Steward, Heath Hospital, Cardiff)



The lesson of the Clegg award: nurses, too, must be ready to take industrial action

'MUST I DIE TO SAVE MONEY?'

TORY HEALTH Minister Gerard Vaughan was acutely embarrassed last Thursday by a demonstration of kidney patients from Dulwich hospital. They were protesting against the suspension of transplant operations at the hospital's renal unit. Dr. Michael Berwick, the surgeon running the unit, had earlier warned that three patients would die before April.

Dulwich belongs to the Lambeth, Southwark and Lewisham Area Health Authority, now being run by Tory-appointed commissioners. The authority was suspended for refusing to carry out cuts.

According to the commissioners, the unit had overspent its budget by 100%. "This decision had to be

taken to keep within cash limits." And just to make sure the money is saved, the hospital was instructed not to transfer its patients to other hospitals doing transplants!!

Dr Berwick referred to his £200,000 budget as "totally inadequate". "We need £700,000", he said. "If we accept that people need to be treated then we must fund them. There is surely something wrong when a father is taken away from his family because of a curable problem".

The commissioners are attempting the impossible task of cutting spending without affecting services, especially in the area's three teaching hospitals. As a result of heart operations already stopped in one of

them, King's College, 70 people will die by April, according to consultants' estimates. Presumably the commissioners thought that they could get away with cutting the smaller, isolated hospitals like Dulwich...

Now the British Kidney Patient Association, a charity, has stepped in and offered to fund the unit until April 17th, when the commissioners are due to review their suspension order. A three month breathing space has been found, and the Tories have been able to pacify the protesters for the time being, but the long term problem still remains. "Must I die to save money?" said one of the patients' placards.

CHEUNG SIU MING

Jan. 19, 20
Southall calls
for action

Southall
Day of Action
January 19th:
local activities in
many areas.

January 20th
National
Demonstration

FREE THE SOUTHALL PRISONERS PICKET

PENTONVILLE PRISON

SUN 20 JAN ASSEMBLE 1pm

EUSTON STATION WEST SIDE-MELTON ST

MARCH TO PENTONVILLE PRISON

PICKET 10-11am

Adamsons:
still standing
firm after
21 weeks

'MY FAITH in the working class movement has been reaffirmed by the 180 at Adamson's who have refused to sell out their principles and their convener', says Dave Smith, press officer of the Adamson's strike committee.

The Adamson's workers are now entering their 21st week on strike and levies are starting to come in from AUEW members in Stockport and Manchester. South Manchester AUEW has yet to be balloted on giving support due to the obstructive behaviour of district secretary Walter Mather — a TRUMID supporter

The Tactical Aid Group (Manchester's SPG) are now stationed at the picket line and two pickets have so far been arrested.

If Acrow, the parent company, decides to close Adamson's, then flying pickets will be sent to other Acrow plants in Britain. Acrow head Alfons De Vigier is returning to England on January 8th to give a decision on the plant's future.

Support for the strikers is urgently needed. Donations to: Stuart Robertson, Treasurer, Adamson's Strike Committee, c/o AUEW district office, 125 Wellington Road South, Stockport SK1 3TY