

workers POWER

Time to fight back

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HEALTH SERVICE

Pay the nurses – and end private finance

Nurses' pay has become a potent symbol of New Labour's contempt for public sector workers. When New Labour instructed the Public Sector Pay Review Body, to trim its recommendations to the 2.5 per cent inflation target, along with departmental spending limits, and targets for output and efficiency, the *Daily Mirror* proclaimed: "Blair Knives Our Nurses".

Health Secretary Frank Dobson may pretend to be an old-style "socialist", but that didn't stop him ordering last year's Review Body award to be paid in

two stages, while continuing the Tory tradition of ensuring that all pay rises are funded by cuts from already under-funded services.

Even according to the Government's own figures, public sector workers have fallen behind the pay rates of their private sector counterparts. Between 1992 and 1998 private sector pay rose by 31 per cent while public sector pay increased by a mere 20 per cent. Skilled workers now earn, on average, £307 a week in the public sector, compared to £336 in the private sector.

No wonder the government is unable to recruit nurses, and that 70 per cent of all nurses have expressed a wish to find a different job. A non-registered nurse starts on an annual salary of just £8,315; the average salary of a nursing auxiliary (regardless of length of service) is just £9,700. Most ancillary staff earn little more than the government's minimum wage of £3.60 an hour. And they face continued attacks on their terms, wages and conditions through the sell-off of services and the Private Finance Initiative.

New Labour must provide a fully-funded pay rise that abolishes poverty pay for all NHS workers. No worker should receive less than the TUC's minimum wage target of £4.61 an hour. Tony Blair should be told in no uncertain terms that all nurses are "super-nurses" – nurses don't want a divisive scheme that rewards a few but rips off the majority. They want decent pay for all.

The government has shown it will treat the independent pay review body with contempt when it suits its purpose.

The unions should reject the pay review process and take up the fight for a directly negotiated, national deal. Health workers need a massive pay rise across the board and if Tony Blair won't pay up there has to be national, indefinite strike action.

Labour must get the message loud and clear: instead of a semi-privatised health service built on cheap labour we want a publicly owned, publicly run NHS – and an end to poverty pay for those who work in it.

■ Hillingdon lockout – see page 4

IN BRIEF

RMT MEMBERS at North London's Willesden and Stonebridge Park depots are currently balloting for wider strike action in defence of Steve Hedley, a victimised RMT rep sacked by maintenance company GTRM. If the ballot is successful, a strike could be called for early November. Elsewhere, infrastructure workers at Centrac struck for 17 days over pay, until union officials suspended action when the bosses agreed to new talks. Now members have seen the bosses' offer, action is back on the cards.

THE LEMBA FAMILY have successfully fought deportation from Britain to Angola. The East London family won "exceptional leave to remain" in Britain. Their victory came after the UNHCR reported that it remains unsafe for refugees to return to Angola. Their success followed a lively campaign, initiated by 15-year-old Muyeke, who won wide support from fellow pupils and teachers at Hackney's Haggerston School. Another pupil at the school, Felician Nanga, and her family are still fighting deportation. Their most recent appeal was lost. For further details, contact Haggerston NUT, Weymouth Terrace, London E2.

In the wake of the Stephen Lawrence Inquiry more than 200 people attended a London conference last month to hear details of several other damning cases including that of Marcus Walters, his sister Emma and a friend, Francisco Borg. Marcus and Francisco are young black men, Emma was only five. Following a collision with a cyclist, Marcus stopped his car and got out. The cyclist punched him in the face. Another man joined in, threatening to unleash a pitbull terrier on Emma. Surrounded by a large racist gang, Marcus and Francisco sought police help. Both were arrested and sprayed with CS gas. The charges against them were only dropped in April 1998.

On 30 November gay rights activist Peter Tatchell faces a charge of "indecent behaviour in a church" under the Ecclesiastical Courts Jurisdiction Act 1860. If convicted, Tatchell could face jail. His crime? Interrupting the Archbishop of Canterbury with a peaceful protest during an Easter service. The protest sought to draw attention to the archbishop's support for homophobic discrimination. The 1860 Act gives the church special privileges to protect it from protest. Outrage! is calling for protest against the Tatchell prosecution and money for the defence campaign. Contact Outrage! at PO Box 17816, London SW14 8WT.

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BP CAMPAIGN

Security boss sacked as protests blow the lid off BP's death squad links

THE NEWS finally broke in the middle of October: Roger Brown, BP's chief security office responsible for Colombian operations, had been sacked.

In addition, BP announced it was to launch an internal inquiry into the company's connections with arms deals and spying operations. BP may pretend they are surprised by the news from the Colombian oil fields. They shouldn't be.

BP hired the firm Defence Systems Limited (DSL) to protect its oil installations throughout Colombia. Recently, DSL has been used to organise security on the Ocenca pipeline which runs from the central oil fields to the Caribbean coast. DSL is based in London and sent many ex-SAS soldiers out to Colombia to work for BP.

It has been established that BP make special payments to the 16th Brigade of the Colombian army to protect their installations. The 16th Brigade, like the Colombian state as a whole, is involved in paramilitary death squads.

In 1995, it was revealed that BP's security organisation had been responsible for giving information on community and trade union leaders to the security forces. On one occasion they even handed over video tapes to the army of meetings they had held with representatives to discuss issues concerning how the oil installations were affecting the local areas.

After this scandal, BP came under fire and faced criticism from many human rights groups. The company denied all the accusations and continued to give its full confidence to DSL along with the system of special payments to the Colombian army.

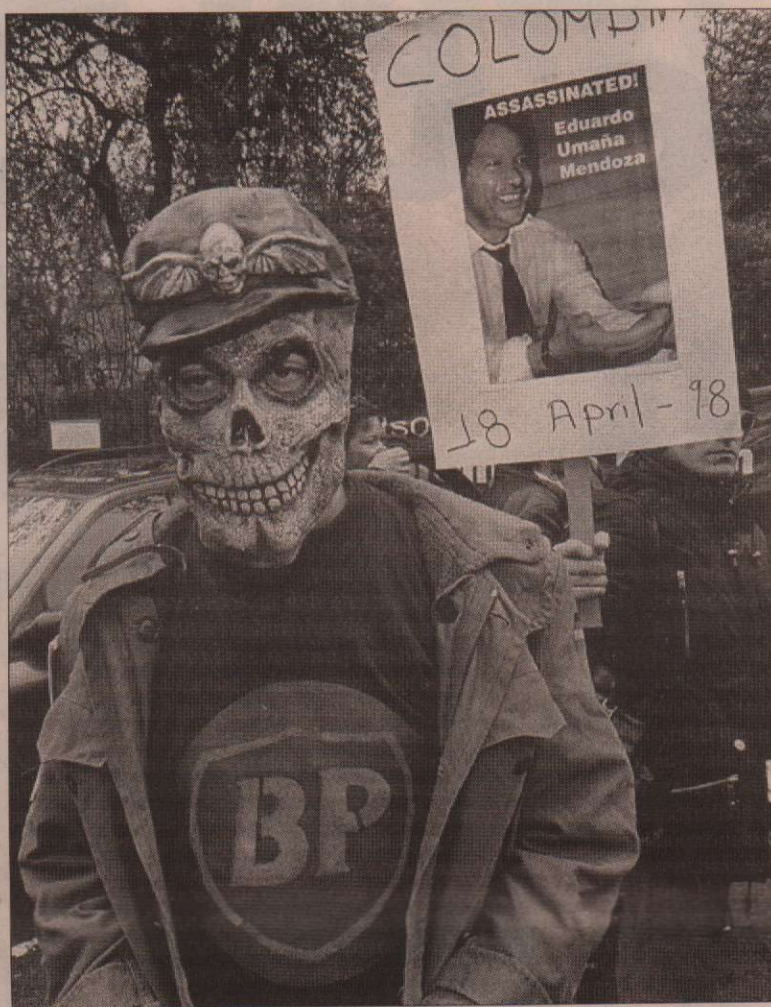
Many human rights groups and trade unions, including the Coalition Against BP in Colombia, campaigned against the activities of BP in Colombia and demanded that it stopped working with the Colombian state, gave its workers full trade union rights and compensated local farmers and communities.

Despite this, BP continued to feign ignorance of the situation and claimed it was merely caught between the warring sides in the guerrilla war. It tried desperately to clean up its image and was helped in this by Blair's appointment of Lord David Simon, BP's former Chief Executive, as the unelected "Competition" Minister.

BP went even further in their attempt to whitewash the role they had played in the Colombian countryside. They entered into negotiations with Amnesty International and drew up a code of conduct for their international operations. They even tried to enter into discussions with Colombian non-governmental organisations and peasant unions around this code of conduct to show the efforts they were making.

However, most of these organisations rejected the siren calls of BP, pointing out that the code of conduct was not binding on BP and that BP was still refusing to compensate local communities devastated by its operations.

The Guardian report on Saturday 17 October, showed that behind this facade the reality was very different, BP's activ-



Seven killed, 25 disappeared...

On 16 May this year, in the city of Barrancabermeja, a party on a local football pitch was interrupted by three trucks full of gun-toting paramilitary thugs. They forced 32 people to get into their vehicles and murdered one youth on the spot who refused to go with them.

The trucks drove off with the randomly chosen captives. By the morning the total number of those dead from the attack was seven. Another 25 remain "disappeared".

The people of Barrancabermeja have a long history of resistance. It is a key region of the petroleum industry and is the stronghold of the oil workers' union, USO. The local unions, along with community organisations, immediately organised protests and strikes.

Now, on the initiative of local people and supported by over 200 organisations across Colombia, they have set up a campaign to demand justice for those responsible. One of the

main aims is to tell the world what is going on in Colombia. They have approached human rights groups in Britain to try to set up a tribunal to look into the events surrounding this attack and at the violation of human rights in Colombia in general.

To launch this campaign, Colombian exiles, the Coalition Against BP in Colombia and the International Committee Against Disappearances are organising an open meeting. Anyone who would like to get involved in the campaign is welcome to attend.

OPEN MEETING

JUSTICE FOR THE PEOPLE OF BARRANCABERMEJA

Wednesday 11 November
7.30 pm
Conway Hall, Red Lion Square,
Holborn, London WC1
Nearest tube: Holborn (Central and Piccadilly lines)

OUT NOW

The latest issue of MOBILISE, the newsletter of the Coalition against BP in Colombia is out this month, price 20p. To affiliate to the coalition, or to get further information, phone 0181 981 0602 or write to BCM Box 7750, London WC1N 3XX

ities link it with security forces that have one of the worst human rights records in the world.

It shows how DSL was given responsibility for the security of the Ocenca consortium pipeline. The consortium is made up of BP, Total and two Canadian companies, TransCanada and IPL Enterprises. An Israeli security firm, Silver Shadow, proposed a defence plan for the Ocenca pipeline, including the use of armoured attack helicopters, night vision goggles, small robotic spy planes and a supply of anti-guerrilla weapons and ammunition. This plan was then presented to the Ocenca management by Roger Brown and was verbally agreed with Silver Shadow who received an initial payment of \$202,000.

The goggles ended up with another of the Colombian army's most infamous units, the 14th Brigade. Even while the negotiations were going on with Silver Shadow, this brigade, already implicated in the massacre of 43 civilians in 1998, was being investigated for the murder of another 14 civilians in Segovia.

But this wasn't all. Evidence has come out showing how DSL organises networks of informers to spy on local communities. Information on the activity of local community and trade union leaders and other "subversives" is passed on to the Colombian military.

All of this proves how BP's drive for profits has led it to become involved with the Colombian state forces and the paramilitaries. BP are well aware of the human rights abuses that have been going on but have been more than happy to accept that the people's blood is a price worth paying to keep the oil flowing. As Tessa Kingham MP, a Labour member of the Commons' International Development Committee, said, BP puts "profits above human rights abuses and people's lives".

Whatever BP may say, however many public relations exercises it carries out, it cannot conceal the truth. It is an imperialist company dedicated to the exploitation of people around the world. It is perfectly prepared to sacrifice the lives of the local people wherever there is oil to be found and money to be made. This has not changed nor will it.

The sacking of Roger Brown and BP's internal investigation means nothing. After all they already knew the facts and, according to the Financial Times, Roger Brown has already resumed work - as an adviser to BP in Colombia.

Turn to page 11 for the latest on the class struggle in Colombia.

GR McColl looks at the run up to the assembly elections in Scotland

Labour's Scottish scandals give SNP scent of power

IN THE May 1997 general election, Scottish New Labour, as in Britain as a whole, romped home. Labour in Scotland upset the predictions that its voters would defect in large numbers to the Scottish National Party (SNP).

Scottish Tory MPs became an extinct species. A party that had commanded an absolute majority of the popular vote in the mid-1950s was reduced to barely 15 per cent of Scottish votes cast on 1 May 1997.

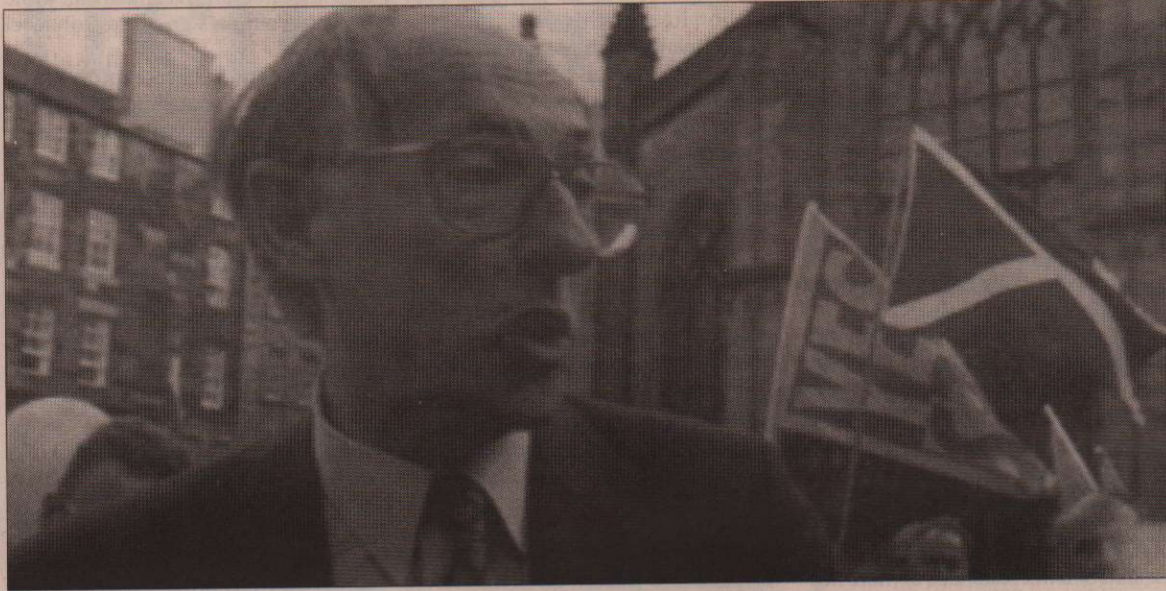
New Labour was on a roll. In early autumn 1997, the referendum campaign resulted in a yes vote – yes to the creation of a Scottish parliament, with limited tax-raising powers. New Labour seemed to have tamed its restless Scottish heartlands. After all, the Yes campaign had been so perfectly Blairite – it was a cross-class, cross-party coalition.

However, the last twelve months have shown that the prickly thistle of Scottish nationalism can still draw New Labour's blood. With the first election to an Edinburgh parliament under a system of proportional representation only months away, the SNP is running level with or leading Labour in nearly all opinion polls since spring 1998. At local council elections the SNP has captured seat after seat from Labour, with its overall share of the popular vote rising to 32 per cent, while Labour's has slumped to only 24 per cent in 17 by-elections.

Substantial damage has been done to Labour's support through a combination of corruption, council cuts, interference by Labour's London Millbank HQ in Scottish party affairs and now, the spectre of recession.

Within a few weeks of the general election the newly elected Labour MP for Glasgow Govan, Mohammed Sarwar, was accused of bribing other potential candidates. Sarwar, Glasgow's millionaire "cash and carry king", had emerged from a bruising constituency party selection battle with the blessings of Labour's Millbank HQ.

The suicide of another Scottish Labour MP triggered a party investigation that hinted at homophobia and vicious inter-party vendettas, eventually leading to the expulsion of long-time MP Tommy Graham from the party. Other corruption charges flew thick and fast around Glasgow City Council, culminating in the attempt to expel ex-council leader Pat Lally from the Labour Party. A series of lesser scandals erupted in Labour-controlled bastions in the west of Scotland, with claims of gross



Dewar: Crackdown on party mafia highlights Labour's rotten record in Scotland

mismanagement in council-run direct labour organisations.

In some cases New Labour operatives have probably been seeking to embarrass "old" Labour opponents, but the lengthy series of charges and counter-charges tarnished the image of the party as a whole.

Millbank's meddling in the selection process of candidates for the Edinburgh parliament elections has further alienated party activists. It has been crassly manipulated to ensure that only loyal Blairites are selected, even excluding Dennis Canavan, the long-time Westminster MP and left-winger, from the approved list.

Corruption and Blairite manoeuvring have, however, only fuelled a more basic discontent among many Scottish voters with the reality of New Labour in government.

Throughout the Thatcher years Scotland bucked electoral trends elsewhere in Britain. The Scottish working class and significant sections of the country's professional middle class remained committed to Old Labour welfareism which Thatcher was determined to tear up and which Blair dumped as part of his New Labour realism. Eighteen months after Labour's general election triumph, its Scottish supporters see not only a failure to reverse the ravages of Thatcherism but an intensification of attacks on local authority provision.

The evident impotence of Scottish Labour MPs at Westminster in the 1980s, combined with the Tories' repeat-

ed use of Scotland as a guinea pig for their most unpopular measures – above all the Poll Tax – revived a distinctly Scottish sense of grievance and with it the fortunes of bourgeois nationalism in Scotland.

Even as the Scottish political establishment agreed an uneasy consensus in the early 1990s around the call for Scottish constitutional reform the SNP under Alex Salmond's shrewd leadership had begun to re-position itself.

Bouncing back from a disappointing show at the 1992 general election, the SNP worked to shed its long-standing "tartan Tory" tag. Salmond occupied the social democratic territory deserted by Labour, under Blair. Salmond energetically derided New Labour, claiming that he had spotted that within Blair's name an anagram for "Tory Plan B".

The 1997 SNP manifesto was in most respects well to the left of New Labour's, with calls not only for much higher levels of spending on education and health but also pledges to restore benefit rights to 16–18-year olds and to a programme of large-scale investment in social housing. Radical talk of nationalising "Scotland's oil" was, however, shelved in favour of an "independent Scotland in Europe". Salmond – an ex-Royal Bank of Scotland economist – is keen to promote the model of the "Celtic tiger", pointing time and again to the high growth rates of the Irish Republic, which reaps the benefits of European Union infrastructure and social fund grants while maintaining a ludicrously low rate of tax on corporate profits.

Since the election the SNP has retreated further from its social democratic garb, dropping the demand for the renationalisation of Railtrack. Salmond senses that he may be the "first minister" of the Edinburgh Parliament so he is scurrying to reassure both Scottish bosses and the very pinnacles of the UK establishment that the prospect of an SNP victory should not cost them any sleep.

After leading construction boss David Sutherland suggested that his firm might well relocate in the event of an SNP victory, Salmond quickly reiterated his commitment to follow Gordon Brown's lead and cut corporation tax still further – from 29 per cent to 12.5 per cent.

In fact, just like New Labour, the SNP has no real answers to the economic crisis facing Scottish industry. Across Scotland there is widespread anxiety that the disproportionate impact of the "Asian crisis" and the slump in world oil prices could spell not just recession, but a severe slump for Scotland. The "silicon glens" that were supposed to be the answer to the demise of heavy engineering and shipbuilding now look as if they might soon be post-industrial wastelands.

The fortnight between late September and mid-October witnessed a jobs massacre across Scotland. Six hundred jobs were axed at National Semiconductor in Greenock, with another 500 workers threatened with redundancy in the next few months and company bosses refusing to exclude the pos-

sibility of complete closure. Seagate Electronics announced several hundred sackings.

In Edinburgh the Crawford food chain cut 150 jobs at its bakery and shops. In the Grampian region Crosse & Blackwell has axed 100 jobs at a food processing plant. Tool manufacturer Cleveland Europe has announced 200 redundancies at its Peterhead facility. In all employers have declared nearly 10,000 redundancies in Scotland so far in 1998.

In the face of such an offensive, Scottish workers need to learn from the lessons of their class' recent past. From Lee Jeans to Caterpillar, to the Glacier's December 1996 successful factory occupation, Scottish workers have highlighted the crucial importance of taking control of the means of production away from the bosses to resist attacks on jobs, wages, terms and conditions.

The recent Glasgow social services dispute, along with numerous unofficial walkouts by Scottish CWU members in the post, have shown the need to defy the British-wide anti-union laws. But the SNP and New Labour are not going to repeal these laws in the Edinburgh Parliament.

Neither the SNP nor Scottish New Labour represent a national way forward for Scottish workers; neither will undo the damage of the Thatcherite years, neither will protect Scottish jobs. A revolutionary, not a nationalist, response is required.

Workers Power defends the right of the Scottish people to opt for full independence from Britain if they desire. We support their right to have their own national institutions short of independence, if they desire. But, we argue that they should reject nationalism and take their place at the heart of the battle both against New Labour and the British state in general.

It is a reactionary nationalist dream to think that Scottish workers will be stronger separate from their English and Welsh brothers and sisters. It will set worker against worker, as fictional nationalist trash is dragged up from "history" to provide ever more "evidence" of the "historic" difference between Scottish, English and Welsh workers. Only a revolutionary struggle against nationalism of whatever variety and for the overthrow of private profit and capitalist crisis can provide a way forward for all British workers, irrespective of their "national" identity.

SCOTTISH LEFT

Scottish socialists go down reformist electoral road

THE ELECTORAL fortunes of the far left in Scotland have been only marginally better than those of their English counterparts. The exception to generally weak election results has been the performance of Scottish Militant Labour (SML) in certain parts of Strathclyde. The key figure has been Glasgow city councillor Tommy Sheridan, who continues to enjoy considerable support for his leadership of the Poll Tax non-payment campaign.

But SML has now voted to effectively liquidate itself into the recently formed Scottish Socialist Party (SSP), composed mainly of members of the three-year old Scottish Socialist Alliance. The SML's fortnightly paper, *Scottish Socialist*

Voice, is set to become the new party's official organ.

Rather than challenging the revival of Scottish nationalism, the new SSP are becoming advocates of it. While leading lights speak of a commitment to the "internationalist tradition of the socialist movement", the SSP emphasises Scottish independence over and above the need for class unity across Britain, against the Blair government, and across Europe, against the attacks of the Euroland bosses.

And if previous issues of *Scottish Socialist Voice* are anything to go by then the one thing that the SSP will definitely not be offering to Scottish workers is a call for a socialist revolution. It glosses over

the question of revolution with honeyed phrases about fighting for a "better future". This is not what Scottish workers need in the coming elections.

But a clear programme for revolution will not be on offer from the Socialist Workers Party either. Its first foray into elections for decades will be on the basis of its recent action programme, which while it calls for many important reforms, does not offer the one thing that should mark revolutionaries contesting bourgeois elections out from every other candidate – a revolutionary programme that starts from today's needs and clearly outlines the road to revolution and workers' power.

The left is gaining some key support. Glasgow

City Council Unison branch, spurred by the Labour council's union-busting tactics in the August social services dispute, voted to support parties to the left of Labour. Falkirk Unison has moved to suspend its payment to Unison's Labour-linked Affiliated Political Fund. And the Fire Brigades Union has hinted at the use of its political fund to support parties other than Labour.

These developments do not foreshadow an overnight break of the historic link between the unions and the Labour Party, but they are noteworthy cracks. It is crucial that a real revolutionary party is built to be able to widen these cracks ever further.

ROVER

YEAR IN year out, Rover workers have delivered increased productivity and flexibility, but now they have been told they are not productive enough.

The BMW management want to force through an annualised hours deal which would deliver even greater levels of flexibility and management control, and they want the unions to agree to it before they guarantee the future of the Longbridge plant, its 14,000 workers and the 40,000 jobs dependent on it in the West Midlands.

While BMW, its local Rover management, Industry minister Peter Mandelson and union chiefs bargain over Rover's future, Rover workers have been kept in the dark. There is anger and bitterness on the shopfloor.

Workers who have frequently changed shifts, retrained and worked long overtime to meet the company's demands now face further job cuts and the constant threat of closure.

Despite denials from BMW chiefs they are trying to blackmail the government into coughing up various sweeteners before they will give the go-ahead for the new Mini and for further investment in the replacements for the 200 and 400 series.

The new "working time" annual hours contracts would mean the workers have to work according to demand and bank hours – a scheme that sounds attractive enough to start with until you count up lost overtime and shift payments and count the human cost of being at the company's beck and call.

Defend every job

Meanwhile, the core workforce would be slimmed down even further with approximately 2,500 jobs to go from the 39,000 strong UK workforce, saving an immediate £150 million.

BMW bosses and their ministerial friend, Peter Mandelson, claim that productivity in Britain is only two-thirds that of BMW in Germany and lowest of all at Longbridge. Some of these figures turn out, on closer examination, to be based on false comparisons. For instance, Longbridge is a multi-model plant compared to others such as Nissan which turn out single models. German wage costs, at £17 per hour, are in fact substantially higher than those of British workers at just £8.50.

But even if there is an efficiency gap, simply further increasing productivity is no guarantee of security. The European car industry, indeed the global industry, has seen massive increases in productivity in the last decade but cars are stockpiled and competition gets more and more cut-throat. Each round of new efficiencies brings new forms of exploitation with extended or more flexible shifts enabling the plant to be in operation for a longer period.

Rover's problems have been compounded not just by the high pound, but by a management strategy of increasing reliance on exports in precisely the period that sterling was riding high. This has contributed to the estimated £600 million loss for this year. But if the British management is sacrificed by the BMW chiefs, we can be sure that bosses like Walter Hasselkus will walk off with mighty golden handshakes – unlike those on the shopfloor.

The response from the union leaders has been catastrophically weak. They seem to accept from the start that a serious fight back is ruled out, relying instead on their experts, such as ex-Rover finance chief Peter Regnier, now working for the TGWU.

Getting the facts straight is important and experts chosen by workers can be used. But first we need to demand that BMW "opens the books" so that its plans, profits and past mismanagement can be exposed to the whole workforce.

The importance of fighting for this demand now is clear, given that Rover workers are being deliberately kept in the dark about the company's plans,

by both the company and the union negotiators.

At the moment they are simply being told by Rover that "further communications will be available when the picture is clearer" and having to wait while full time officials go off to "top level meetings".

Proper and accurate information should inform a strategy for a fightback, not a retreat. And as well as opening the books of the company, we must demand that all negotiations with the unions and the government are open to the workforce.

Union leaders like Tony Woodley of the TGWU and Larry Brook of MSF have been falling over themselves to promise further efficiencies. They will not lead resistance. This task falls to the rank and file workers whose livelihoods are directly on the line.

Rover workers can fight back. Links exist between shop stewards in BMW across Europe. These can be built on to stop the bosses playing off one section against another. Strike action across the Rover group can dent BMW's determination to see through their threats. Land Rover remains extreme-

ly profitable. They will not want to see the production of their new Rover 75 halted.

Strikes, and occupations of threatened plants, can paralyse the group as a whole. The enormous impact of the recent strikes at just two GM factories in the US show how powerful workers' action can be. And BMW is still very concerned about its massive investments.

A fightback from BMW would spark resistance across the industry. Ford workers, for example, are angry at being put on short time. And they too may face job cuts in the months ahead.

Peter Mandelson and the Labour cabinet must be forced to intervene – not to bail out BMW or browbeat the workforce but to guarantee every job in Rover by:

- opening the books to workers' inspection;
- nationalising Rover without any compensation to the bosses;
- placing the firm under workers' control – workers' control of hiring, firing, speed and intensity of production and hours worked;
- implementing, immediately, a 35-hour week with no loss of pay.

HILLINGDON

Courage to inspire us all

THE HILLINGDON Hospital strikers scored a major symbolic victory in October. An industrial tribunal (IT) found that Pall Mall, a multinational cleaning contractor, had illegally sacked the ancillary staff who struck against the threat of a 20 per cent cut in their abysmally low wages and the slashing of holiday and sick pay.

Strike leader, Malkiat Bilku, declared: "This is a victory against slave labour in our battle to defend the health service. This was a fight against greedy bosses taking money from the poorest workers."

Nearly six months after Pall Mall had formally conceded it had acted illegally, the IT recommended the reinstatement of 21 remaining strikers on all their previous terms and conditions, while imposing compensation awards of £11,300 – the maximum sum cur-

rently allowed for "unfair dismissal".

The IT's reinstatement recommendation is not legally binding, however, and Pall Mall has ceased to be the relevant employer at Hillingdon Hospital. Granada Healthcare Services took the contract in the next bidding round as an indirect result of the strike.

The £11,300 may seem paltry, especially after three years on the picket line along with a gruelling campaign of speeches and demonstrations across the whole of Britain. But the IT award is nearly twice the average sum agreed by Unison full-time officials with Pall Mall's bosses in January 1997. The Unison leadership had seized on this dismal deal as the pretext for abandoning the Hillingdon women as the union's industrial action committee declared the dispute over and withdrew their strike pay.

In the wake of the IT decision, Uni-

son bureaucrats rushed in to claim credit for the women's victory, citing the union's funding of legal representation.

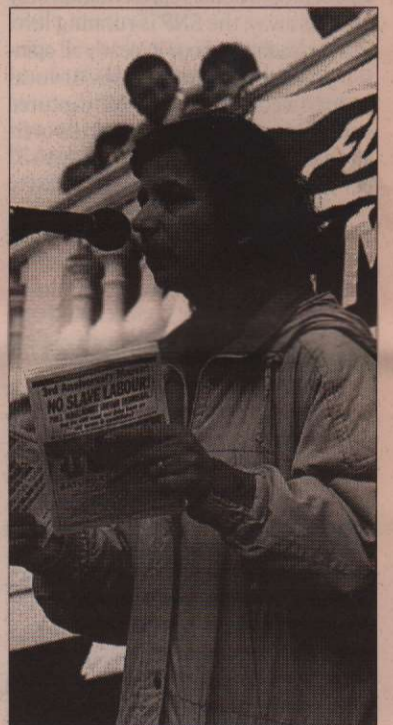
Rubbish! This victory was the product of the women's courageous determination, supported by rank and file activists in Unison and other unions. Whatever the Hillingdon strikers have achieved has been in spite, and not because, of the Unison leadership.

At the start General Secretary Rodney Bickerstaffe cynically championed the Hillingdon women to strengthen his reputation as a fighter for the low-paid. He posed for press photographers at the 1996 Unison conference holding Malkiat Bilku's arm aloft.

But after Unison full-timers struck their bargain with Pall Mall, Bickerstaffe refused to speak with the women, and union officials called in the Metropolitan Police to block the strikers from

entering Unison headquarters. Malkiat Bilku was denied the right to address the union's women conference. Unison even revoked their union membership until the 1998 national conference finally overturned the shameful line of the national executive.

The Hillingdon strikers have still not achieved their stated aim of returning to their previous jobs, but their unbroken fighting spirit can only inspire other trade unionists in resisting the devastating impact of privatisation – in whatever guise – on jobs, terms and conditions. The Hillingdon strike hammers home the message that success in defeating Best Value, the Private Finance Initiative and similar New Labour wheezes will require a very different kind of trade union leadership from that offered by the likes of Rodney Bickerstaffe.



Malkiat Bilku

MINIMUM WAGE

No discrimination against young workers

THE RAGE Over Age Rates campaign (ROAR) held its first conference on 17 October. In Britain youth and the trade union movement are becoming two separate worlds: only 6 per cent of workers under 20 are in unions, and 24 per cent of those under 30, compared to a 33 per cent density for the entire workforce. The average age of a trade unionist in Britain is 46, while the average age of the workforce is 31.

ROAR was set up by the GMB general union as a campaign around Labour's minimum wage proposals which discriminate against young workers: 18-21 year olds will get a £3 minimum wage (60p an hour less than those over 22), while there is no minimum for anyone under 18.

The conference was organised by GMB, Unison and TGWU. It was a

missed opportunity to take forward the fight to recruit young workers into unions.

The purpose of the conference, advertised in mail-outs beforehand, was to set up local branches and a steering committee. Somewhere along the line this was forgotten, instead of a ROAR we got a whimper, a talking shop of only around 60 people, and a lovely buffet luncheon.

The conference consisted of a series of addresses by young bureaucrats like Andrew Pakes, NUS president. The speeches were followed by workshops where it became clear that the whole strategy of the young bureaucrats was to run a timid and safe campaign of media adverts, and having a quiet and polite word with MPs and management behind closed doors.

Equalize! – a campaign set up by Revolution, the socialist youth movement – provided the opposition to this perspective. **Equalize!** supporters argued for a militant campaign, including a demo against the Minister of Low Pay, Peter Mandelson. By combining exposures of low-paying bosses and petitioning for support on the streets with a real organising drive in the workplaces where young people work, we could really mobilise youth angry about the minimum wage exemptions.

And, with a clear policy of no exemptions – unlike ROAR's acceptance of a discriminatory "training rate" – such a campaign could really grow if it built local branches that could attract youth whether they were in the unions yet or not.

All of this was sniffily dismissed by

the young union bureaucrats who said this would destroy their credibility (with MPs and the media) and might upset negotiations with management!

The only proposal to come out of the conference was a bureaucratic liaison committee between the top bods – but even this wasn't properly set up after a Unison representative said that Unison might not participate. At this point the organisers suddenly closed the conference!

The low-paying bosses of Britain are a million miles from negotiating with the unions. Seventy per cent of Macdonald's staff is under 18, while Burger King has a 104 per cent turnover of staff every year. Rentokil pays its workers £3.30 an hour; its boss compares dealing with unions to pest control. You won't unionise these places without a

well resourced, militant campaign.

We are not going to crack these fat cats with press releases; we will if we fight with the young workers inside those workplaces to hit them where it hurts, with strikes and pickets. And an active and militant campaign, not trainees for the 'beer and sandwich brigade', will be needed to recruit young workers into the unions.

Equalize! Say no to discrimination against young workers!

Demonstration against all exemptions to the minimum wage and against the Minister for Low Pay, Peter Mandelson

25 November, 5.00pm, Department of Trade and Industry (DTI), Victoria Street, London (nearest tube, St James' Park)

ECONOMY

THE LABOUR government's confidence was shaken this autumn. It's all down to the economy.

The crisis in Russia, turmoil in the world's stock markets and the collapse of one of the biggest "hedge funds", Long Term Capital Management (LTCM) with indeterminate debts, have all had a dramatic impact on the British and world economy.

Only a few months ago, Blair and Brown were blithely reassuring the media that the Asian crisis was far away and would only have a marginal effect on the UK economy. Gordon Brown has been advertising his "prudence" and "caution" ever since he became Chancellor.

Labour declared it was going to stick rigidly to the Tory spending limits for the first two years of government, even if this meant cutting benefits to lone parents and watching the health service lurch from one crisis to the next.

To placate Labour's supporters Brown promised "jam tomorrow" in his public spending review last Summer. Increases in public expenditure were announced for the three years after April 1999. Education was to get £19 billion, health to get £21 billion. But these plans were based on the assumption of continued and steady economic growth bringing in healthy tax revenues. Brown made it clear that he would not increase the Public Sector Borrowing Requirement (PSBR) to finance ongoing expenditure.

After the events of the last two months the whole plan looks distinctly shaky. The collapse of LTCM sent a tremor through the world banking system. The Federal Reserve organised a \$3.5 billion bail out because it knew that LTCM was just the tip of the iceberg. They feared that if LTCM collapsed it might lead to a "systemic collapse" as it dragged down other heavily exposed banks and investment houses.

The impact in Britain was immediate. Suddenly the "Iron Chancellor" looked distinctly malleable. Growth rates for the British economy of two per cent to 2.5 per cent predicted by the Treasury were suddenly revised downwards on Brown's instructions to one per cent. The much vaunted "independence" of the Bank of England was swept aside as the Monetary Policy Committee (MPC) was subject to a series of strong arm tactics to make it reduce interest rates in line with the US. Inflation worries were quickly consigned to history.

And yet it was Brown who made inflation targets the number one priority of

Labour feels the tremors

the Bank of England. It was Brown who endorsed the Bank's method - to hike up interest rates until the resulting unemployment levels reduce wage demands. Eddie George said nothing new when he suggested that job losses in the North were the price to pay for reducing inflation. His deputy Mervyn King declared publicly a few months ago that, "unemployment is below its natural rate... still not high enough to prevent inflation". The "natural rate" for these well-heeled bankers is at least seven per cent or eight per cent and this is the "target" at which they are aiming.

The Labour government is only panicking now because they know they are about to overshoot that target. The Tories' "golden legacy" is turning to dust before the government's eyes as the much vaunted hi-tech sector and industrial inward investment, attracted by a low wage and "flexible" workforce, is the first to be cut by the parent multinationals like Siemens or BMW. While national unemployment has been falling over a long period, it has disguised the growing unemployment rates in the North where manufacturing has gone into recession.

The economy was already heading for recession before the impact of the global slowdown made itself felt. The European Commission is predicting that Britain will have the lowest growth rate of any country within the EU by next year. But Britain, because of its dependence on the finance and banking sector which operates on a global scale, is vulnerable to the international turmoil.

Already a quarter of the world is in recession. The IMF has slashed its growth estimates for the world in 1998 from 4.5

per cent to 2 per cent. J.P. Morgan an American bank is predicting 1.5 per cent this year and 1.7 per cent next, growth rates equivalent to 1981/82, the world economy's worst recession since the 1930s.

As Britain goes into a full-blown recession in 1999/2000 falling tax revenues and rising social security costs will blow Brown's public spending promises out of the water. Either he will have to renege on the promises and risk the wrath of Labour supporters and workers in the public sector or he will have to borrow, risk a collapse of confidence from the international bankers and be ruled out from joining the Euro.

The government does, however, gain strength from the weakness of the alternative being put forward by the trade unions. The TUC can only line up with the manufacturers and bleat about lowering interest rates and taking action to support industry. Yet interest rates are much lower in the EU, growth is higher and still they have record levels of unemployment - 10 per cent on average compared to Britain's six per cent.

Both the TUC and the Labour left think that the problem centres on how Labour and the Bank of England are managing the economy, when the real problem is the nature of the economy itself - capitalism. The growing world crisis has once again revived the interest of a new generation in Marx's analysis of capitalism. The bankruptcy of new Labour's economic strategy must be seized upon to put forward a real socialist alternative to a system that only offers a future of slump, mass unemployment, falling living standards and war.

weeks Sheffield Forgemasters announced redundancies and British Steel's Templeborough Rolling Mill in Rotherham, in operation since 1917, is being closed in March.

The AEEU convenor John Martin slammed this closure, which will cost 142 jobs, as a cynical manoeuvre by British Steel who took over the mill just to shut it down after getting the order book and expertise for its plant in Scunthorpe.

Avesta workers are waiting to hear the full scale of local redundancies before formulating a strategy for fighting the job losses. But they need to move quickly.

Their discussions on strikes and the occupation of the threatened mill must be turned into action while the anger is there and before the union bureaucrats can stitch up a rotten deal.

The demonstration was jointly called with Sheffield Metropolitan Unison branch - representing housing benefit workers who are facing privatisation of their service by the Labour City Council. The Council has refused to consult tenants and claimants about the proposed sell off to private company CSL, despite receiving

20,000 postcards in protest at the move.

An indicative ballot of Unison members gave a result of 4 to 1 in favour of strike action but at present Unison bureaucrats are refusing to authorise an official ballot arguing that it is not a trade dispute and that the campaign against privatisation has been too political!

workers POWER

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COMMENT

Pinochet: murderer!

Augusto Pinochet is a mass murderer. The Chilean dictator, detained in a private London clinic, led a military coup in which thousands of people were killed, tortured, jailed or exiled.

A Spanish judge has asked Britain to extradite Pinochet to face trial over the deaths of Spanish citizens in Chile under the military regime.

Pinochet led the 1973 coup against the elected Popular Unity government of Salvador Allende. The history of this government and how United States imperialism and the Chilean ruling class plotted its overthrow is a lesson to anyone who believes it is possible to bring about socialism through gradual reform.

The US was directly involved in plans to destabilise Allende and bring in the military government. A document, dated, 17 September 1970, recently released by National Security Archive of the US government, shows the extent of CIA involvement:

"The Director told the group that President Nixon had decided that an Allende regime in Chile was not acceptable to the United States. The President asked the Agency to prevent Allende from coming to power or to unseat him. The President authorized ten million dollars for this purpose, if needed..."

Once in power Pinochet volunteered Chile as the laboratory for the economic policies that became known as Thatcherism, inflicting acute poverty on the majority of the population, with all political and trade union opposition wiped out. That explains why the US State Department is involved in a diplomatic scramble to free Pinochet and why the general still takes tea with Margaret Thatcher.

The arrest of Pinochet holds out the hope that this tyrant will finally be brought to justice. But can we rely on either the British or Spanish justice system to deliver this?

The simple answer is no. Industry minister Peter Mandelson declared Pinochet was a "brutal dictator" - but the government has categorically stated that the detention of Pinochet is purely on legal grounds and has nothing to do with his record on human rights or any "ethical foreign policy".

Neither is it the policy of the Spanish government to prosecute Pinochet. It is an "independent" judge, Baltasar Garzón, who has led the prosecution. The official Spanish prosecutors are currently opposing the extradition request in the courts.

Pinochet should be prosecuted. We want to see a trial where the facts about how the CIA backed the Chilean coup will be blazed across the world's front pages. We want to see the evidence

Pinochet should be prosecuted. We want to see a trial where the facts about how the CIA backed the Chilean coup will be blazed across the world's front pages.

unearthed about how the Chilean armed forces began preparing the overthrow of the Allende government on the very day he was inaugurated as president. This would be a great lesson to millions of workers around the world. It would teach them that the ruling class can only tolerate "democracy" as long as it does not threaten its wealth and power. Unfortunately, the chances of the ruling class legal system in Britain and Spain delivering such a trial are minimal. The chances are that Pinochet will be released, on legal grounds concocted between Tony Blair, Bill Clinton and Spanish PM Jose Maria Aznar. But why is Pinochet not on trial in Chile? When Pinochet finally stepped down from power, due to rising opposition on the streets, all the political parties agreed to a deal. In return for a civilian government, Pinochet was allowed to

remain as head of the armed forces. No officers were prosecuted for torture, rape and murder. Pinochet himself was made a lifetime senator, immune from prosecution.

Scandalously, even the leaders of the Chilean Socialist and Communist parties in Chile accepted this. They said it was necessary to get a small amount of democracy first and work towards reform.

It was a rotten compromise and one that has continued to hamstring the Chilean working class. Whenever radical demands are raised, the leaders of the workers' parties warn their members not to go too far for fear of "provoking the generals". The message is: you can have democracy but you can't decide how to run the country.

With the arrest of Pinochet the silence has broken. We cannot rely on the British or Spanish government to deal with Pinochet or any other present or future dictator. He can only truly be brought to justice by the thousands of sons, daughters, mothers, fathers and friends of those who disappeared, those who were imprisoned, tortured and murdered in cold blood.

But justice and revenge do lie within our grasp: the most agonizing fate of all for this despicable tyrant would be to make him watch the overthrow of Chilean capitalism.

SHEFFIELD

Stop steel job cuts

AROUND 500 people braved the pouring rain on Saturday 24 October to protest against job cuts and privatisation in Sheffield. The rally in the City Hall afterwards was one of the angriest and most militant that Sheffield has seen in recent years.

Avesta Sheffield, an Anglo-Swedish stainless steel producer, 51 per cent owned by British Steel, announced at the end of August that it would close the last remaining hot-rolled plate mill in Sheffield next March.

The work of the plant is being transferred to a mill in Sweden, despite the £3-5 million profits made last year and the hundred redundancies at Avesta's Shepcote Lane plant. Avesta is cutting jobs in Sweden and other plants in the UK. Another 1,200 jobs are under threat, workers are waiting for an announcement this month.

Members of the Iron and Steel Trades Confederation (ISTC) at the demonstration told *Workers Power* that they fear the Sheffield operations will be suffering the brunt of the job losses simply because it is easier for the bosses to make British workers redundant - Swedish labour law requires 52 weeks redun-

dancy notice; in Britain it is only 12 weeks.

Angry Avesta workers refuse to be taken in by their bosses' attempts to blame the economic downturn or problems of productivity for the threatened closure. The plant is profitable and workers have bent over backwards to improve efficiency and productivity, but as the ISTC convenor Nick Riley said in his rally speech the bosses "don't give a toss for communities, don't give a toss for a loyal workforce, they're only interested in making their wallets fatter".

Workers who have been with Avesta for 15-25 years know they'll have little chance of finding other jobs in the city's shrinking steel industry. In recent

The life of Reilly...

DOES ANYONE remember a rip-roaring television series called *Reilly: Ace of Spies*? Made in the 1980s and starring Sam Neill, of Jurassic Park fame, as Sydney Reilly, it was a late offering of Cold War propaganda.

Reilly, a British spy, was portrayed as an updated "scarlet pimpernel" – rescuing poor innocent victims of the fiendishly cruel Bolshevik regime immediately after the Russian Revolution of October 1917. Armed with a toothy grin, a revolver, good looks and unbounded courage and daring, Reilly ran rings around the hapless Reds. It was only jolly bad luck that stopped him from winning Russia back for the west.

This fanciful picture of Reilly was embossed with the romantic charm that all portrayals of western spies enjoy courtesy of the studios and the scriptwriters.

A new book, *The Iron Maze, the Western Secret Services and the Bolsheviks* by Gordon Brook-Shepherd, paints a rather different portrait of Reilly. As the Observer succinctly put it, the hard evidence – from MI6's own files – reveal him as "an incompetent, self-serving braggart outsmarted by his arch-enemy, Lenin." More a case of Reilly: arse of spies then.

The only inaccuracy in the Observer's assessment is that while Reilly might have considered Lenin to be his arch-enemy, the Bolshevik leader had far more significant enemies ranged against him. Reilly was an evil little nuisance but hardly in the same league as the generals leading "White" armies against the revolution.

So who was Sydney Reilly? As the book reveals, he was a congenital liar, a dodgy businessman and a bigamist. The bosses at MI6, who to this day are recruited from the ranks of the most trusted families of the British ruling class, didn't like him. He brought out the British aristocracy's deep-seated racism and anti-semitism. His bosses at London MI6 HQ described him as a "Jewish-Jap type, brown eyes very protruding, deeply lined sallow face".

Despite this, the MI6 bosses recog-

nised his value as a tool in their covert war against the Russian revolution. He was of Russian origin and his shady business connections gave him good cover to get into Petrograd at a time of revolutionary turmoil. Once in Russia, Reilly was authorised to do much more than just file reports. Together with leading MI6 agents already in Russia Reilly plotted a coup against the Soviet government in 1918.

The Bolshevik government of 1918 was the most democratic the world had ever seen. It led the world's first workers' state and it was based on the direct rule of workers' councils, made up of countless workers, soldiers and peasants. That is why every major capitalist government joined the counter-revolution, sent their troops, their gunboats and their spies to destroy it.

These capitalists weren't safeguarding "freedom". They were – as today's rulers are – the enemies of freedom for ordinary people. The only freedom they really wanted to preserve was their own freedom to rule over, exploit and pauperise the world's overwhelming majority of people – the workers and poor peasants.

Reilly was just one of their tools in pursuing this. Together with a motley crew of counter-revolutionary conspirators he hatched a plan to kill Lenin and Trotsky at an all-Russian Congress of Soviets. MI6 approved the plan and its agents began to organise the conspirators for its execution.

Like MI6's more recent (alleged) attempt to kill Colonel Gaddafi, the plot failed. The Soviet counter-intelligence organisation – the Cheka – had mass support and many means of checking the activities of western adventurers like Reilly. Before he was able to launch his assassination plot his entire network was broken up.

Although he escaped, MI6 persuaded him to return to Russia in 1925 to launch yet another coup attempt. This time he was caught and got his just desserts: a firing squad.

Two things emerge from this account of the "ace of spies". The first is that our rulers couldn't care less about democracy. For all their propaganda prattle about how the Bolshe-



Reilly: Lenin had him sussed

viks were murderers and enemies of democracy, MI6, without any democratic mandate whatsoever, planned to murder leading Bolsheviks and overthrow the government elected by the democratic soviets.

This demonstrates that our rulers – and their servants in MI6 and MI5 – are not merely hypocrites: they are capable of unimaginable violence against any who oppose their rule.

The British state's current vendetta against the rebel MI5 agent, David Shayler, who blew the whistle on the Gaddafi plot, also reveals the second

significant fact to emerge from the Reilly case: that they regard their right to secrecy as absolute. They know full well that if the true record of their conspiracies, snooping, intimidation, murders and torture was revealed, their value as a weapon defending capitalism would be undermined. They would be shown to be the nest of malevolent vipers they really are.

That is why, when the Reilly book surfaced, MI6 immediately tried to suppress any publication of their own files on the case, even though it dates back 80 years. Indeed, it has just been

revealed that since 1909 MI6 (the foreign arm of the security services – MI5 is the domestic wing) has amassed 86,000 secret files on people – half of them on UK citizens. MI5 holds a lot more than that and it will go to great lengths to keep every one of them secret.

Labour pledged to lift some of the restrictions that guard the secrecy of Britain's spy networks. But that was in opposition. Now it is in government it is falling over itself to prove its loyalty to the secret state. David Shayler will be prosecuted. Restrictions on access to files will remain. Jack Straw, the Home Secretary, thought it was just fine that MI5 had positively vetted him back in the 1960s when he stood for the NUS presidency. He declined an offer to see his own file just to prove his loyalty.

Blair was given information from MI5 on all his potential cabinet members, concentrating specifically on any who posed a "security threat". Bear in mind, we are talking here about unelected chiefs of the security services vetting elected political representatives. A better exposure of the real nature of the capitalist state would be hard to find. And Blair is a trusted custodian of this state. Sir David Spedding – head of MI6 – is both certain of and grateful for that. His secrets are safe with New Labour.

MI5 and MI6 to this day guard the bosses system and are empowered to trample over the democratic rights of socialists, trade unionists, campaigners, anti-fascists and, of course, Irish people.

Unlike the forgettable television series, the true story of Reilly's life is important since it exposes the real character of the British state machine and the lengths to which its secret intelligence service will go in order to defend and preserve British capitalism and its global interests.

To those who preach the possibility of a peaceful and reformist transition to socialism, to those who say we have no need to build our own state, capable when necessary of terrorising the class enemy into submission, the case of Sydney Reilly is a useful rejoinder.

MEGAPHONE

■ A reader criticises October's article on modern feminism

Essential mistakes in the construction of a theory

THERE ARE issues raised in Helen Watson's article in the last edition of *Workers Power* that I feel should be challenged.

While the article makes some important points about the collapse of feminism and the women's movement into an introspective and individualistic political dead-end, the piece as a whole is one-sided and in one important aspect, ultimately wrong.

You are right to challenge and expose the idealist basis of the work of so many "social constructionist" theorists (whether their work is mainly focused on issues of gender, race or sexuality). However, it would seem to me to be more consistent with a Marxist approach to turn social constructionism on its head, than to side theoretically with the "essentialist" camp.

My understanding (and this is rooted in my Marxism, rather than reading Judith Butler, bell hooks or any other post-structuralist writer) is that the social oppression of women, gay people etc, has its basis in the functioning of capitalist society and the interests of the capitalist class. As

a consequence, the oppression of women today is materially different from their subjugation under other class societies.

If we take the situation of gay men as a different example, the very way in which male homosexuality is understood has changed as a result of the material development of society and the balance of class forces (both within the gay political movement and in society at large). What it means to be a gay man in today's London is very different from what it meant to be homosexual in the 1950s, a mollie in 1700s Clerkenwell or a hijra in contemporary Bombay.

What does this demonstrate, if not that both homosexuality and the oppression of gay people are socially constructed? It seems to me that in the rush to bash the gurus of post-

structuralism Comrade Watson is forgetting the rich tradition of materialist social constructionist theory.

I have a further problem with the assertion that "in the debate over essentialism, Marxists side squarely with the essentialists". In my experience an essentialist understanding of race, gender and sexuality almost invariably fails to appreciate the material basis of social oppression and is as likely as (idealist) social constructionism to end up in a political dead-end.

You are probably right to suggest that social constructionism (from the post-structuralist stable) leads to more individualist political strategies than essentialism. But I think it should also be remembered that while essentialism may tend towards a slightly more collective approach to political

The social oppression of women, gay people etc, has its basis in the functioning of capitalist society and the interests of the capitalist class

action, it is usually collective action that stems from class-collaborationist, petit bourgeois politics.

All that having been said, I do recognise a place for strategic essentialism - in fighting for an equal age of consent or against legislation like Section 28 there is some merit in appealing to all gay people to take action. However, my political interests are not the same as Chris Smith's, just as Waheed Ali's interests are not the same as a 15-year-old gay Bangladeshi youth's growing up in Whitechapel.

Of course the point is to change society and to build a revolutionary working class women's/gay movement; but in order to do that we need to understand the obstacles to that goal and to identify correct tactics and strategy in the struggle against social oppression(s). I believe that a materialist social construction theory rather than a reliance on essentialism will aid us in that task.

Yours in the struggle,
Gavin, East London

marxism THE BASICS

A BEGINNER'S GUIDE TO REVOLUTIONARY SOCIALISM

The revolutionary programme

What is the revolutionary programme and why is it important? Because it is the key to building a revolutionary party and waging a successful struggle against capitalism, argues **Mark Harrison**

THE REVOLUTIONARY Marxist movement has developed many programmes, beginning 150 years ago with the *Communist Manifesto* by Karl Marx and Friedrich Engels. Sixty years ago Leon Trotsky founded the Fourth International on the basis of the *Transitional Programme*.

For all political parties a programme states what it stands for and its policies once in government. For bourgeois parties it is a statement of what they will do for (or to) us when they gain office.

For revolutionary organisations the programme is more. It is a statement of what we stand for, but it is also outlines what the workers and oppressed should fight for in the here and now. Unlike Labour's election manifesto it is not a series of passive policy statements. It is rather, as Trotsky called it, "a manual of action for millions". It is something we fight for the working class as a whole to take up.

The Marxist movement has produced a number of programmes historically precisely because the revolutionary programme has to be relevant to the current class struggle and to the stage of capitalist development. It is a living thing, tested and corrected in the course of struggle, by the experience both of the revolutionary organisation and of the workers engaged in action.

But while there have been many programmes, some elements have remained the same. The reasons for this are:

- that the fundamental principles of the Marxist programme have changed little in 150 years – our critique of capitalism, our belief in the need for workers' power and socialism, for example;

- that the method of developing a programme that points out the road to the revolution has remained constant – it is what we call a "transitional" method.

The transitional method developed as a response to the first serious undermining of the revolutionary programme of Marx and Engels. While the *Communist Manifesto* outlined an elementary programme for the "transition" to socialism, the major working class parties formed in the later nineteenth century, especially the German Social Democratic Party (SPD), gradually abandoned this idea of a transition (and later revolution) altogether.

In its place they developed a minimum programme (a set of demands for reforms within capitalism) and a maximum programme (socialism). The concept of a bridge between the two was considered unimportant.

The SPD grew rapidly and won parliamentary representation. But it came under increasing pressure to adapt to capitalism. Its minimum demands were often important and radical, supportable even today (arming the people, for example). While the transitional programme has replaced the minimum programme for Marxists, the fight around reforms (minimum demands) remains important and can kickstart many struggles.

But the minimum demands did not, taken as a whole, constitute a programme for a revolution. Any mention of socialism as the movement's goal became the stuff of Sunday speeches, separated by a growing chasm from the SPD's actual programme and practice as it became ever more reformist.

It was Engels, writing in 1891, who first spotted the problem with the minimum/maximum approach. When he saw the SPD's draft programme ("the Erfurt Programme") he wrote:

"The political demands of the draft have one great fault. It lacks precisely what should have been said. If all ten demands were granted we should indeed have more diverse means of achieving our main political aim, but the aim itself would in no wise have been achieved."

Engels saw that the fight for reforms, though important, ran the risk of becoming the fight for the reform of capitalism rather than for its revolutionary overthrow. His doubts were confirmed by the SPD's evolution into

IN BRIEF

- **The Marxist programme stands for workers' power and socialism**

- **The minimum/maximum programme puts a dividing wall between the tasks today and those of fighting for power**

- **A transitional programme serves as a guide to action, bridging the gap between today's consciousness and the goal of working class power**

a reformist party.

After the Bolsheviks successfully re-elaborated the transitional method in the Russian Revolution of 1917, the international revolutionary movement, the Communist International, looked back to Marx and Engels and their transitional method in order to avoid the pitfalls of the SPD-style minimum/maximum programme.

Tragically, the Russian revolution's internal defeat – at the hands of Stalin and his bureaucrats – cut short the debate in the Communist International and it was left to Trotsky (exiled and eventually murdered by Stalin) to keep the revolutionary flame alight and formulate a transitional programme for the modern epoch of imperialist capitalism.

As well as incorporating the revolutionary movement's historic principles, the programme had to grasp the lessons of recent revolutionary struggles. It was not a lifeless, abstract schema but a guide to action in the existing world. As such, it also had to elaborate the key revolutionary tactics for the class struggle. And it had to be an international programme, capable of spreading the fight against capitalism globally.

The 1938 *Transitional Programme* codified all these essential aspects. Just as it was a re-elaboration of previous programmes so today it has required re-elaboration. But its method and structure, its key demands and many of its tactics hold good for today. Above all else it spelled out the transitional method – the key to revolutionary strategy today. Trotsky summed the method up as follows:

"The strategic task of the next period . . . consists in overcoming the contradiction between the maturity of the objective revolutionary conditions and the immaturity of the proletariat and its vanguard (the confusion and disappointment of the older generation, the inexperience of the younger generation). It is necessary to help the masses in the process of the daily struggle to find the bridge between the present demands and the socialist programme of revolution. This bridge should include a system of transitional demands, stemming from today's conditions and from today's consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat."

The fight for workers' control, exercised by new forms of workers' power, is central to the system of transitional demands. To the extent that these demands are won the capitalist's power – in both the economic and political spheres – is in Engels' phrase "encroached upon".

The question is, how do such demands work in practice? Let us take one example from today's situation that illustrates Trotsky's point.

Unemployment is beginning to hit hard at what is left of Britain's factories.

Clearly, the issue of job cuts at Rover, for example, is both immediate – 2,500 sackings are threatened – and poses the question of capitalism's general crisis-ridden character. It highlights once more capitalism's callous indifference to working class needs. Workers will want to defend their jobs, but with Labour politicians blaming them and with union leaders willing to negotiate away their remaining rights, the danger is that the fight will be misled and go down to defeat, not because the workers lack the will, but because they lack a coherent political answer, a transitional answer.

Revolutionaries at Rover could turn this situation around through the use of transitional demands. They begin with action. Workers need to occupy the threatened plant (Longbridge). Such action immediately poses the questions of control and ownership since it means the workers seizing the bosses' plant and machinery. Action like this requires new and fresh

organisation. The occupied plant must be run by elected workers' committees, and must be guarded by defence teams, both made accountable to regular workforce mass meetings.

This action puts immediate pressure on the bosses and the government, but it needs to have a goal. If BMW cannot guarantee every job then Rover must be re-nationalised (it used to be British Leyland). The bosses, post-privatisation, have made a mint. Now these bosses are saying the workers are expendable. Our answer is the bosses are expendable. They must not receive a penny in compensation for their mismanagement. We must open up their accounts so that everyone can see the way in which they have run the company.

But on its own seizing the plant back from the bosses – and forcing Labour to nationalise the industry – will not guarantee future jobs unless a regime of workers' control is established. This means control over the speed and intensity of work. It means control over the hours worked so that the grinding working week can be cut (to 35 hours immediately) with no loss of pay or bonuses and so that during lulls work can be shared out among the workforce with nobody having to be sacked.

Demands such as these defend the needs and the interests of the workers against the bosses' ruthless drive for profits. They hit at the bosses' control of the plant. They conflict with capitalist priorities. They organise the workers as an independent class force. And they pose much wider questions of control over government and industry. Is the government to act in the interests of the workers by meeting these demands? If not then let us have a workers' government that will. Is the rest of industry going to sit back faced with such a struggle or will it recognise the danger and go on to attack other sections of workers? If it does then the workers' action and demands must be spread to other sections of workers, generalising the struggle more and more.

In this way transitional demands can both relate to the immediate needs of the workers and pose the question of power. When combined with militant action and overseen by new forms of working class organisation they begin to show the real possibility of workers' power in the here and now. They serve as the "bridge" Trotsky talked about.

Whether or not such demands can be realised under capitalism – i.e. whether in the eyes of the bosses and their reformist supporters in the Labour Party and the unions they are "realistic" – is not the main point. Such gains cannot be maintained indefinitely unless capitalism itself is overthrown.

But these transitional demands have a burning relevance when a capitalist boss tells 2,500 people that they are expendable. Indeed, the realism of such demands can only grow when the likes of Bank of England boss Eddie George can openly tell tens of thousands more that they must lose their jobs for the "good of the whole economy".

To those who say transitional demands are "too advanced" for the workers, we say it is not the job of revolutionaries to put forward demands that we know are inadequate (and we know because of the bitter legacy of previous crises that have caused mass unemployment) to save jobs.

Workers currently dominated by reformist ideas may indeed think what we are saying is too advanced but through the fight for a revolutionary action programme a party can win ever wider popularity for it to challenge and overcome the backward ideas that lead straight to the dole queue and show that the new ideas can lead to socialism's triumph.

That is the importance of the transitional programme today.

FRANCE

SCHOOL STUDENTS REVOLT

ALL OVER FRANCE, school students took to the streets on Tuesday 21 October. It was estimated that at least a quarter of a million youth took part in the demonstrations in different French towns and cities.

French schools are suffering a severe crisis: schools are not being heated; there are classes of over 40, some over 50; a lack of specialist teachers and specialised equipment for subjects like technology and science.

French teachers are supporting the students. In fact the teachers are also in dispute with the government, not only because of their solidarity with their pupils' demands but because of reforms the government is trying to force through.

All teachers are employed, paid and allocated to their posts centrally. The teachers are civil servants. The benefits for teachers in this system are security of tenure and high status. But that security is why the government doesn't want to employ any more full time permanent teachers, instead they have

employed thousands of emplois jeunes (youth who would otherwise be on the dole) to plug the gaps.

The downside of being a French teacher is being deployed in a quasi-military fashion. A new teacher will simply be allocated to the school in which they are to teach. It can be anywhere within a large region and they are told where they are going only a couple of weeks before term starts. The system is very inflexible from the standpoint of responding to shortages at local level.

Education Minister Claude Allègre wants to devolve the system to local education authorities, but at the same time to break the unions' partial control over the process. That is why the teachers' unions (the FSU and the FEN) are in dispute with the government and have joined the movement.

The Allègre plan involves no new full-time, qualified, permanent contract teachers and a pitiful extra expenditure of only £450 million (i.e. £225 for each lycéen). But so far, the alternative

demands of the movement have been vague and this opens it up to deception by the politicians. The school students must demand the reduction of class sizes to a minimum of 25 pupils and the staffing by permanent teachers to make this possible.

The democratisation also promised by Allègre will only seek to incorporate an upper layer into school councils where they will be "consulted" and all radical proposals ignored.

The danger now is that the government's concessions, and the two week mid-term vacation, will disorient and demobilise the movement, at least until the fraud of the Allègre plan becomes obvious.

A burning task for the student movement is to form a real democratic leadership. Fear of manipulation by political organisations involved in the struggle has led to a split within the leadership of the movement. Part of the motivation for this was that sympathisers of the far left groups (Lutte Ouvrière

and the Ligue Communiste Révolutionnaire) and the Communist Party youth organisation saw the need for an organisational split from the government's sympathisers, the FIDL, a small union of lycéens who support the Socialist Party.

But even within the left version of the leadership there has been internal friction: the word "independent" was added to its name because some saw it as in danger of manipulation by the left.

The danger is that this fear of political organisations will lead to paralysis. The way to overcome the problems of leadership is to create local, regional and a national coordination based on mass assemblies at the base, the election of delegates upwards to national level and absolute openness about who supports which political current or party. This must be open to supporters of the SP – as well as the CP and the far-left – as long as they are democratically elected. But the leadership also has to draw in the majority of "non-party" youth who really represent the movement and who can decide for themselves what direc-

tion the action should take.

To have a real chance of changing the vicious exam system and the antiquated and pro-capitalist curriculum, French students will need to fight for regular mass assemblies in the schools that can elect and recall their representatives. Then together with representatives of rank and file teachers and parents, they can fight for real change in the schools.

A massive amount of money will be required to meet the needs of schools. And who should pay? The answer, as in Britain, is to tax the rich.

Last but not least there is a clear need to link up with workers in struggle, with the unemployed and the sans papiers (immigrants demanding residence and citizenship rights). If young people do this then they can create a movement similar to that of 1968.

The SP and the CP are in government and the right is divided and in disarray: a mass movement of workers and youth could expose the limits of reformism and demonstrate the need for a revolutionary answer to the economic misery inflicted by capitalism.

School students seize the time

FRANCE

EYEWITNESS REPORTS

A GROUP OF us from the socialist youth group REVOLUTION took a car and the overnight ferry to Paris to join comrades from our sister organisation Révolution on the school students' demonstration of the 21 October. This is what happened.

The demo was massive. Although everyone says it was smaller than the one a week before, it was still very impressive. Densely packing both sides of the wide Paris streets and stretching as far as the eye could see was a forest of homemade banners and placards and excited and enthusiastic school students – called lycéens in French. Some of them were very young, many were young women.

The main target of the demonstrators was the education minister Claude Allègre. The demonstrators had clearly seen through his declarations of understanding and support for the movement. A lot of placards demanded actions, not words from the government.

The placards drew attention to the students' anger at the rotten conditions in French schools; to the lack of teachers; to the parallel with the great student revolt of May 1968. The most frequently repeated slogan was "tous ensemble, tous ensemble, oui! oui! oui!" (all together – all together – yes! yes! yes!).

This expressed young people's sheer exhilaration at being involved in a mass movement on the streets; many for the first time doing something directly themselves, not relying on their "elders" – on teachers or politicians – to solve their problems for them. This same slogan was the main slogan of the workers'

demonstrations that rocked France in 1995.

Not only May 1968, but also the massive public sector workers' protest three years ago showed that going out on the streets in hundreds of thousands is the way to force real change. Relying on the "socialist" politicians had produced nothing.

The famous CRS riot police, toiled-up like Robocop refused to let anyone move outside the route of the demo. But the demonstrators responded well when they tried to arrest a young woman near us: determined resistance persuaded them to let her go.

The excuse for the massive police presence was the actions of a few thousand youth from the satellite towns and suburbs around Paris (the French equivalent of inner cities) who went on the rampage, breaking shop windows, looting their contents and smashing and setting fire to parked cars. We saw little sign of this activity, though we saw and had to dodge the stones of some of the casseurs (the smashers).

The casseurs show that there is a layer of youth, so alienated by terrible social conditions – with no prospects of work, no money, or facilities to enjoy themselves – that a movement to reform the schools holds little interest for them beyond the opportunity to take revenge on a society which has marginalised them. Unfortunately, while you have to understand their anger, their disorganised protest can give the police the pretext to intervene.

The great mass of the lycéens had



no time for them. The lycéens response to the rioting of the preceding week was to create a "service d'ordre" (stewards) who linked arms facing outwards along the sides of the demonstration. This was right. To artificially provoke a riot with the CRS would be madness. It would confuse and put off tens of thousands of very young people, weaken and break up the movement. To defend the march against disruption by the actions of the casseurs was correct. But also it taught the youth to rely on themselves, not the police.

We gave out thousands of Révolution leaflets. Most people took them, some enthusiastically, but some said "no politics, we don't want the politicians". This showed the strength as well as the weakness of the movement so far. It is a really big mass movement – with all sorts and levels of political awareness. It is not just the "politicos" from a school but nearly everybody who goes on the demos.

When you go to France at a time like this, you don't need to know too much of the language: the language of mass action is universal. But we did learn at least one new French word on the demo: "récupération". It means manipulation, and that is what many students fear. Because there is no democratically elected national leadership that represents the whole movement, rival "leaderships" have taken it upon themselves to "coordinate" and represent the movement. One is close to the ruling Socialist Party, another to its Communist Party coalition partners and the far left. The government has obviously chosen to negotiate with the socialist "leadership". Youth fear a takeover by people who will sell the movement short.

What everyone wants to see is real change: smaller classes, more teachers, repairs to the buildings, new equipment, a more humane exam system. Many are well aware of the lack of jobs, the inse-

curity of life awaiting them when they leave school.

If the movement kicks off again after the mid-term break then Revolution in the UK will be organising to get contingents from schools and colleges to go to France.

Schools in this country also have massive problems of under-resourcing and, as in France, we have a Labour government that wants to solve these problems at the expense of pupils and teachers. We have run down schools, not enough books or computers and, especially in the inner cities, an increasing shortage of teachers. Despite telling us that education is their number one priority. There is little evidence that Blair's New Labour is going to give us any money to sort out these problems.

Perhaps he would have to listen if he had hundreds of thousands of school students knocking on Downing Street. French lesson, anyone?

Italy's Stalinists fall out

The chickens have come home to roost for Stalinism in Italy. Having propped up the government for the last two and a half years, Rifondazione Comunista has paid the price by suffering a major split. Meanwhile the government has moved left, with the first "former Communist" prime minister, Massimo D'Alema taking office. **Paolo Barbone** and **Marco Rosso** report.

RIFONDAZIONE COMUNISTA has split. For the last year its two figureheads – union-oriented party leader Fausto Bertinotti and Stalinist president Armando Cossutta – have been conducting a war of words. Now Cossutta has walked out, taking with him most of the party's MPs, to join the government of Massimo D'Alema's Left Democrats (DS). It is all part of the prolonged death of the Italian Communist Party (PCI) but the split in Rifondazione, and the recent shift in alignment of the government, creates new tasks for socialist militants in Italy.

One year ago, the Italian coalition government led by Romano Prodi, entered its first real crisis. On that occasion, Rifondazione withdrew its support for what it termed "a bosses' and bankers' government" only to be back supporting it within a week.

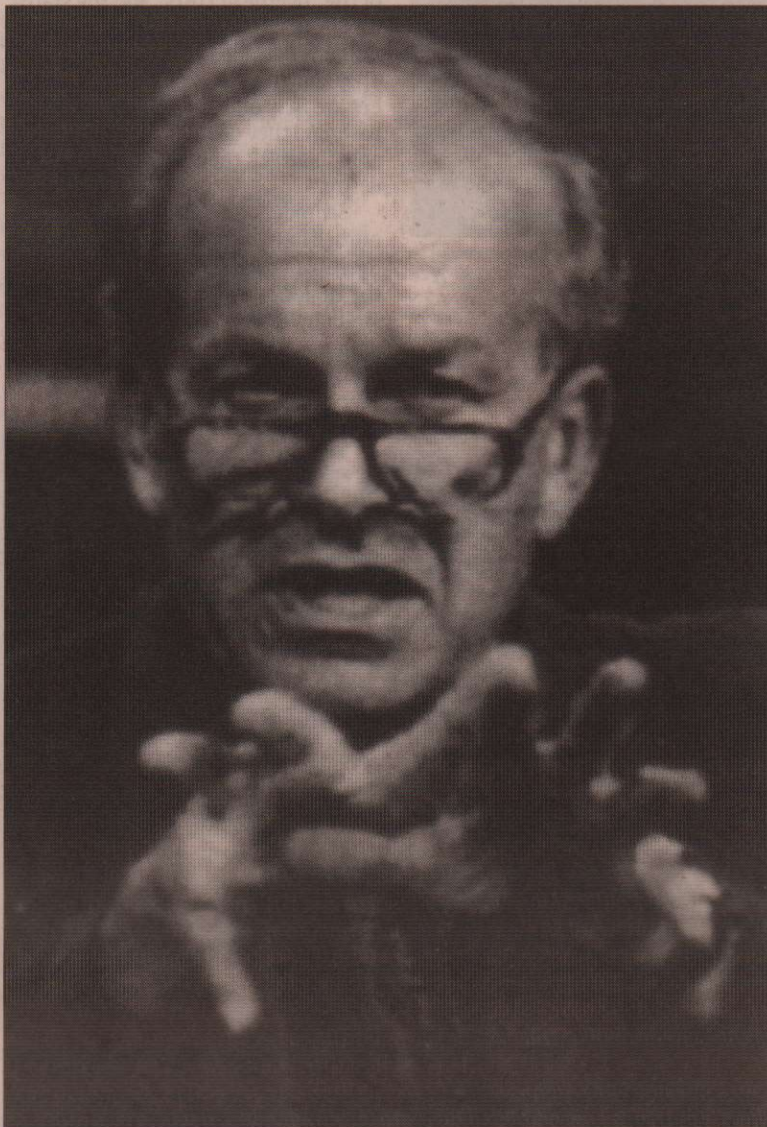
It now transpires that Cossutta got the better of Bertinotti then, as Bertinotti wanted to go the whole hog and break fully with the government. Cossutta's line gained greater weight due to workers' demands for unity among the left parties, and for the salvaging of the centre-left government which many workers wrongly saw as their own.

But Rifondazione has nothing to show for its continued support for the government, barring the abstract promise of a 35-hour working week. The government attacked pensions, privatised state industries, cut public spending and refused to tax the bosses. It also presided over the introduction of detention camps for refugees, new racist immigration controls and the military intervention of the Italian armed forces into Albania, where they disarmed the masses and gave power back to a pro-imperialist government.

Over the last few months, Bertinotti has emphasised that Rifondazione was in danger of losing its support among the working class altogether – in order to critically support the government, Rifondazione had to be seen to oppose it too.

The kind of party Bertinotti wants is a loose alliance of radical opposition groups. He himself began as a left leader inside the socialist party, then became a trade union leader within the CGIL, the main union supporting the PCI, organising a trade union broad left "Essere Sindacato" (To be a Union) in the 1980s. Bertinotti's "socialism" stands in a long tradition of "maximalism" going back to the Second International, and comes replete with magical oratorical skills, a smooth line in verbal obfuscation and the willingness to compromise with right wing reformism at every opportunity.

Cossutta, on the other hand, wants a strong monolithic and bureaucratic party. He is a dyed-in-the-wool Stalinist, going back to the leadership of the PCI before 1989, when he never voiced any opposition to the policies of the Kremlin. Cossutta wants party discipline in order to tie both the party and the working class to the bourgeoisie's coat-tails via a closer alliance with the Left Democrats (the right wing majority of the old Communist Party) – the largest party in Italy and the mainstay of the



Bertinotti: Power of oratory cannot hide the failure of his reformist project

Prodi government. Cossutta also wanted to go from informal parliamentary support to outright participation in the government that has attacked workers' rights, wages and conditions.

The final decision to break with Prodi, and the crucial moment for precipitating the split in Rifondazione, came at the National Political Committee meeting of 3-4 October in Rome. Bertinotti's motion to end support for the government got a majority of 188 votes against Cossutta's 112. According to Rifondazione's statutes, the vote to break with Prodi was binding on all of Rifondazione's MPs.

Despite all his talk of a disciplined party, Cossutta refused to abide by the decision. Although Bertinotti had the support of the majority of the party and of the NPC, Cossutta had the support of the majority of Rifondazione's MPs who defied their own party and voted to support the government.

Even this manoeuvre could not save Prodi. The government fell by one vote on 8 October when a supporter of the right-wing Italian Renewal Party, crossed the floor and voted against it. On 11 October, Cossutta formed a new party, the Party of Italian Communists, with 24 MPs, just sufficient to have an independent parliamentary group – and the state funding that goes with it.

In the meantime, a new government has been stitched together around the DS leader, Massimo D'Alema. This was

made possible by an offer of help from Francesco Cossiga and his Democratic Union of the Republic (UDR). Cossiga is a right-wing Christian Democrat, freemason and well known friend of the Italian secret police. All the UDR's MP's participated in the right wing coalition of Silvio Berlusconi and former fascist Gianfranco Fini.

At the founding meeting of his new party, Cossutta declared that the votes of his parliamentarians would never be given for a government which contained Cossiga. A fortnight later, he is now in government with Cossiga, paid off by being made the Minister of Justice.

Already, Cossutta's new political formation is beginning to show signs of weakness. Having been assured of two ministerial posts in the new parliamentary share out, Cossutta only received one. His colleague, Ersilia Salvato, who was hoping to receive the second, has walked out on the new party, disgusted at the lack of recognition for her key role in orchestrating the most recent sell-out of the working class.

Does the rupture with Prodi mean that Bertinotti and Rifondazione have finally seen the light? No. The very next day after the break with the government, Bertinotti was back appealing to Prodi to change track, to discuss the budget and to get the show back on the road. No balance sheet of a seven year reformist failure has been drawn up, indeed, Bertinotti and his supporters continue to argue that their whole practice over the last two and a half years in relation to the Prodi government was correct.

Although Rifondazione's importance at a national level is not reflected in its local branches, which are generally small, passive and loosely organised, it has maintained mass support. A national demonstration on 17 October in Rome was a huge success for Bertinotti: 200,000 people turned out, with a significant presence of young people. Surveys show Rifondazione's support holding steady among its electorate (15 per cent in some areas).

Since its foundation, Rifondazione's objective role in Italian politics has been to save the bourgeoisie from its own crisis of political regroupment. This is not the first split suffered by Rifondazione. In 1995, 14 of its MPs, led by former leader Sergio Garavini, voted to cut pensions on the old Stalinist pretext that it was defending the "democratic" ruling class government against the far right. Since then, Rifondazione has supported even harsher measures...all to defend "democracy".

Twice now, in 1995 and 1998, when Rifondazione has been clearly posed with the question of which class it supports, it has split. And, in splitting, it has saved the ruling class.

Rifondazione's activists include two groups of self-styled Trotskyists: the Bandiera Rossa group, which sympathises with the United Secretariat of the Fourth International and is led by Livio Maitan, and the larger, and formally more left wing, Proposta Comunista, led by Marco Ferrando and Franco Grisolia.

The USFI and Maitan hailed the formation of Rifondazione in 1991 as a new kind of left party, not "strategically delimited" as reformist, in which revolutionaries could work to build a new workers' movement from the bottom up. They said it represented the way forward for the left across Europe, demoralised after the fall of Stalinism in the east.

In reality, Rifondazione illustrates the dead end of left reformism. The only good reason for revolutionaries to be inside Rifondazione is to fight for a clear revolutionary programmatic alternative to Bertinotti, and for a real, democratic centralist fighting organisation, far removed from Bertinotti's rainbow coalition or Cossutta's gulag. That is something neither Bandiera Rossa nor Proposta Comunista, despite their left rhetoric, will do.

Workers should demand that both the DS and Bertinotti break with the bourgeoisie and form a government of workers' parties that enacts an emergency programme to meet the needs of the working class. Short of this, there should be no support for any government in the Italian parliament that supports and aids the ruling class. Italian workers should call on the DS-led government now to:

- Defend workers' historic gains in pensions, health and education.
 - For radical improvements in all public services via a wealth tax and a clamp-down on bosses' tax evasion.
 - Work for all or benefits at the average industrial wage for the unemployed.
 - A programme of public spending on infrastructure and services, carried out under workers' control.
 - A 35-hour working week with no loss of pay.
 - Nationalisation under workers' control of all firms threatening closures or redundancies.
 - Open the borders to refugees and migrants: for the repeal of all racist laws ratified by the Prodi government. No more repatriations. Full citizenship rights to all immigrants regardless of where they come from.
- Of course, for such a programme to be carried out would require that the repressive apparatus of the bourgeois state be met head on and crushed.
- There is no doubt that Bertinotti, D'Alema and Cossutta would run a mile from such a programme. That is why the Italian workers need a new, revolutionary alternative to Stalinism and left reformism.

No justice from Middle East peace deal

THE WYE River agreement between Yasser Arafat and Benjamin Netanyahu is yet another betrayal of Palestinian rights.

The deal, whose timing owes as much to Clinton's domestic political priorities as to the approach of the May deadline for a "final settlement" written into the Oslo Accords, exchanges a mere 13 per cent of largely uninhabitable land and just a quarter of Palestinian prisoners held by Israel for two major inroads on Palestinian sovereignty.

Arafat has agreed to allow the American CIA to supervise the rounding up of Palestinian militants and the seizure of weaponry within Palestinian controlled territory. By agreeing to remove from the Palestinian Charter those clauses which demand the destruction of the Zionist state, he has in effect recognised Israeli sovereignty over the lands from which the Palestinians were expelled.

Since his election, Netanyahu has systematically reneged on past Israeli concessions, particularly by support-

ing increased Israeli settlements on the West Bank. In fact, the settlers and their extreme right wing, even fascist, supporters within Israel have come to expect so much from Netanyahu that they see the concession of even a small strip of land as betrayal of their cause.

The scene is, therefore, set for increased political tensions within both Israel and the Palestinian territory. But justice for the Palestinians, the right to their own land, has once again been sold short by Arafat.

GERMAN ELECTIONS

After 16 years the German social democrats are in power.

Martin Suchanek analyses the background and the likely consequences as the new government takes office



Workers force turn to the left

WHEN HELMUT KOHL won his fourth election in 1994, the more aggressive wing of the German bosses saw it as the green light for a concerted offensive on the gains that the most powerful sections of the working class had made in the post-war years. The following year saw the first round of attacks: a government austerity package and an attempt to cut sick pay.

But these attacks triggered mass resistance. First, the austerity package led to protest demonstrations, mobilising 300,000 workers. Then the sick pay dispute sparked a strike wave among the best organised and most combative workers in the metal working and engineering industries.

Massive protests by miners against redundancies swiftly followed. The miners even occupied Bonn for a couple of days in a prelude to demonstrations and strikes by steel workers against threatened job cuts when corporate giant Krupp took over Thyssen.

The workers' counter-offensive forced a substantial retreat by the employers and the state as they returned to negotiations with union officials and the works' councils. Above all, the humiliating defeat over sick pay showed the capitalist class that it lacked a political and economic leadership that could decisively shift the balance of class forces on the scale that Thatcher and Reagan had in the 1980s.

Without a doubt, the workers' mobilisations drove a wedge through the employers' ranks, so stripping away the previous aura of invincibility around Kohl. On top of that, although the workers saw that they still had the fighting strength to stop the bosses, they also saw that they needed not just a trade union fight back, but a political solu-

tion. Not surprisingly, in the circumstances, they turned to the Social Democrats (SPD), the historic party of the German working class.

This was spectacularly reflected in the elections. Despite all the talk about the importance of the "new centre" in German politics, even bourgeois electoral research makes it clear that it was working class votes that made Gerhard Schröder chancellor. The SPD received 48 per cent of all votes from those "officially" classed as workers – essentially productive manufacturing, transport and building workers.

Among trade union members, the SPD share of the vote was estimated at 61 per cent. The SPD made big gains in two groups: workers who had not voted in 1994, but now wanted to oust Kohl, and "traditional" working class and middle class supporters of the

Christian Democratic Union/Christian Social Union (CDU/CSU), particularly Catholic workers who have been a base of Christian Democracy since the last century. In the former East Germany, the increased vote for the ex-Stalinist Party of Democratic Socialism (PDS) reflected a similar pattern, although the PDS electorate is generally less proletarian in composition than the SPD's.

Schröder is probably the SPD's most right-wing leader since the Second World War, yet his victory has caused consternation among the bosses. Normally, business chiefs in Germany are very restrained in their political comments. But not this time.

Norbert Walter, chief economist at Deutsche Bank, made the apparently incredible claim that Germany had become the third crisis point in the

world order, alongside Russia and Japan. Olaf Henkel, chair of the board of industrialists (BDI), foresaw a catastrophe so great that it could only be contained by a "Grand Coalition" between the SPD and CDU. So what is the German bourgeoisie so uneasy about?

Schröder may be very far to the right, but he is not right-wing enough for the capitalist class. He is certainly prepared to serve the interests of capital, but his strategy is to do that through the institutions of class collaboration set up during the "economic miracle". This is exactly the strategy which the employers want to ditch.

During the long boom, they were reluctantly prepared to make concessions to maintain high volumes of production. Today, they want to be rid of the "overhead costs" and the statutory rights of the labour aristocracy and millions of skilled blue collar workers. They know only too well that these workers are Schröder's principal electoral base, and they do not believe he will be able to attack them on the scale they desire.

Schröder no doubt wants to distance himself from the organised workers, but they are not about to go away. Although the hopes of workers and the middle strata invested in the SPD may not be dramatically high – and are clearly not "anti-capitalist" or "socialist" – they are very concrete. They want:

- the repeal of all anti-working class legislation, in particular the cuts in pensions
- re-introduction of 100 per cent sick leave pay
- restored legal safeguards against redundancies
- guaranteed apprenticeship for all youth, paid for by the bosses and according to national collective agreements
- a programme of public works to cut unemployment
- a ban on overtime work and
- a prohibition on all jobs without social and pension insurance.

Schröder would have preferred a much narrower lead over the CDU/CSU, even a grand coalition. At the moment – as long as an international recession has not hammered the German economy – the incoming government has some room for manoeuvre. The pressure from the working class is already reflected in the IG-Metall demand for a 6.5 per cent rise in the upcoming wage round, and in the government's hint that it will consider increasing the budget deficit to finance programmes to reduce unemployment.

Last but not least, the labour bureaucracy itself is divided into two major factions. One stands for massive concessions to capital in order to "save" the German economy. This camp includes the IG-Metall deputy leader, Walter Riester, who has already been given a seat in the new government.

The other, represented by Oskar Lafontaine, the new Finance Minister, and union leaders like Zwickel (IG-Metall's chief) stands for a return to Keynesianism, preferably across the whole of Europe. The German bourgeoisie's fear that this wing has the upper hand

has been reinforced by the resignation of Jost Stollman, a major boss scheduled to become minister of economic affairs, who appears to have been forced out by Lafontaine.

Schröder's economic strategy, supported by all wings of the labour bureaucracy, is to introduce on a national scale the kind of deal made in Volkswagen. The so-called "pact for work" between the unions, the bosses and the state allows for greater flexibility and intensification of work, with more shift work at weekends. The carrot has been a cut in the average working week, calculated on an annual basis.

As the Volkswagen experience showed this approach can dramatically boost productivity, especially in big industry. It can also incorporate a sector of the labour aristocracy and the bureaucracy.

In the current period of renewed economic growth, such a model could work in the major plants and companies. But, given the workers' combativity and confidence, the union bosses may have to work overtime themselves to hold back workers' demands.

Most of German finance capital has tremendously increased the mass of profit in recent years, while cutting jobs sharply. In the early 1990s the bureaucracy could "persuade" workers to accept wage restraint because of low profits, but this is more and more difficult when companies like Volkswagen and Mercedes regularly report record profits and take over companies like the US-based Chrysler.

In the first period of the new government, therefore, we can expect tensions within the unions to develop between rank and file militants and the bureaucracy. These may not lead to strikes but will be fertile ground for the development of class struggle oppositions within the unions. In the longer term, the impact of economic recession elsewhere in the world will sharpen the conflicts between workers and their SPD and union leaders.

Inside the unions and workplaces, the priority today is to win the most advanced workers, those who organised and led the mass mobilisations against Kohl and the employers, to revolutionary politics. This means not only winning them to the need for mass mobilisations to secure the immediate class demands, but to recognise the need to tear up the cosy collaborationist deals the bureaucrats made with the bosses, to wrench control of the workers' organisations away from the bureaucrats, and to transform them into independent forces fighting for control over the workplace and the corporations.

In this fight to revolutionise the workers' movement, it will be crucial to recognise that millions of working class SPD voters expected it to defend their interests. Mere denunciation of Schröder, Lafontaine and company will not break these millions away from the reformists. We must popularise demands on the leaders to force them to use their newly-won offices to give the workers what they want but, at the same time, we must mobilise the workers to fight for those demands themselves. Nothing will politicise the workers' movement as fast as the experience of seeing their own leaders side with the capitalists against the workers' own mobilisations.

Nor will anything attract the youth and other oppressed sections of German society to the revolutionary movement as fast as the sight of the working class throwing its massive social weight into the political struggle.

The election of the Schröder government has already marked an important turning point in German politics. In the coming years, the pace of change will quicken as international instability limits markets and hits profits. These will be the years when parties and leaders are tested, and we must make them the years when Trotskyism builds strong foundations in Europe's biggest working class.

Greens: not the radical alternative

In previous SPD-led coalitions, the FDP, the small Liberal party, has played a crucial role. Time and again in the 1970s, the FDP provided a convenient excuse for the SPD leadership's right-wing policies. Keeping their support, it was argued, was the only way to keep the SPD in power.

Now the Green Party is eager to prove that it will play a similar role. There are, of course, important differences with the FDP in electoral base and the make-up of their activists, but for all their supposed radicalism, the Greens are a petty-bourgeois party,

and even before taking office they have shown their true colours on two acid-test issues.

Internationally, they have backed sending German troops as part of any NATO intervention into the Balkans. On the domestic front, they have argued that the present pension system is too expensive to maintain "for much longer".

Workers should demand that the SPD immediately break the coalition with the Greens and form a government with the PDS, the ex-Stalinist party, which was the only other to gain in electoral support. Although

this coalition would be two seats short of a majority, it could sustain itself in power by pursuing the implementation of the labour movement's key demands and calling for widespread mass mobilisations to defend it.

The currently leaderless CDU is in no condition to lead an attack on such a government and a resolute campaign would soon break up the Greens' fragile organisation. Of course, this would leave the government exposed to the full force of the organised working class, which is exactly what the SPD leadership do not want to see.

The betrayal of Kosovo

THE HOLBROOKE-MILOSEVIC deal has been presented to the world as a last ditch victory for humanitarianism and the defence of Kosovo Albanians. This is sheer hypocrisy. Why did NATO and the USA wait until Serbia's forces had already regained control of central Kosovo? Why were no representatives of the Kosovars even present at the talks which supposedly guaranteed their safety?

The reason is quite simple. Imperialism does not want an independent Kosovo. To put it more precisely, the ruling classes in the USA and EU want to avoid at all costs a liberated Kosovo which is the product of an armed uprising by the masses and guerrilla organisations beyond their control.

That is why they were quite happy to see Serbian forces crushing the Kosovo liberation front, the UCK. As the pro-Serbian business paper in Greece, *New Europe* noted at that time: "The West has quietly tolerated Belgrade's new offensive, apparently hoping it will cut the UCK down to size and encourage it to negotiate."

It was only after Milosevic had defeated the uprising that Clinton, Blair and Chirac were prepared to pressure him into making concessions. Again, the reasons for this are clear. A return to the brutal regime imposed for the last 10 years would be certain to lead to a new and broader uprising in the near future. That would further destabilise the already fragile political equilibrium in Albania, Macedonia and in Serbia itself. This, in turn, could lead to revolutionary situations and provoke wars in the region which would potentially involve Greece and Turkey – both NATO-members – on opposite sides.

In addition, the politicians recognised that continued ruthless oppression in Kosovo would make it virtually impossible to stop thousands of refugees fleeing to western Europe – something which could cause massive domestic political problems given the strength of right-wing racist forces in Ger-

Michael Gatter, in Vienna, surveys the Kosovo crisis after the peace deal.

many, Italy, Austria and France.

Given the overall purpose of the deal, it is no surprise that many Kosovars reject it because of its detailed provisions. First, while NATO wants to reduce the heavy Serbian oppression which inevitably provokes resistance, it has agreed with Milosevic that all the police and army forces which were in Kosovo before the end of February should stay. Every Kosovar knows that this means a continued occupation by up to 40,000 para-military police and soldiers. Furthermore, the deal accepts that Kosovo must remain under Serbian control. The deal does not even require recognition of the formal autonomy the region had under Tito's regime. At most it speaks of "special status" and promises to discuss the future status in three years' time.

NATO's present sabre rattling, even

if it were to lead to limited air strikes, would not be aimed at liberating the Kosovars but rather at enforcing a pacification deal which denies the Kosovars their most fundamental right of self-determination.

Workers across the globe should oppose the Holbrooke-Milosevic deal. It is the right of the Kosovo Albanians to decide which state they want to live in. They have already made clear in referendums and mass protests that they want to secede from Serbia and form an independent state. Workers Power and the LRCI unconditionally defend this right and therefore support the right of the Kosovars to take up arms against Serbian occupation and repression.

At the same time, as the Holbrooke-Milosevic deal has shown, imperialism can play no progressive role in any aspect of the conflicts in the

Balkans. Pressure on Serbia, be it economic or military, is designed to achieve imperialism's aims, not to protect anyone else's rights or interests. That is why we should oppose all imperialist intervention, whatever its supposed objectives.

However, socialists also recognise that the strategy and tactics of the UCK have been fatally flawed and have played into Milosevic's hands. At the beginning of the uprising, in early summer, the guerrilla movement's power and strength took the regime by surprise. By July, the UCK controlled some 40 per cent of the national territory. What weakened the rising was the UCK's decision not to involve the towns and cities where the majority of Kosovars live.

This was not simply a military error, although it did allow Milosevic's troops to control the towns and use them as bases from which to pick off the UCK's rural bases. It was a political error. For the UCK, the urban

workers and youth play, at best, an auxiliary role. Their middle class, elitist conception prefers the hierarchical organisation of guerrilla groups to the democratic mass organisations of workers, peasants and youth. This could be seen in the areas the UCK controlled for several months.

In Malisevo, the centre of the UCK-held territory, the civilian administration was a "political directory" and the town was patrolled by a "military police". Both were set up by the UCK leadership, neither was elected or controlled by the thousands of peasants and workers living there. This was again no accident, because the lack of democracy leaves power in the hands of a small military leadership.

Because it ignored the powerful potential of a general strike, mass demonstrations, mass councils and an armed uprising in the cities, the UCK has been unable to resist the Serbian counteroffensive. Up to 400,000 Kosovars – nearly 20 per cent of the whole population – have been forced to flee. The whole racist policy of "ethnic cleansing" has been replayed.

The national struggle of the Kosovo Albanians, however, will not be stopped even by ethnic cleansing. The US and NATO states hope to use the next period to restore stability to the region and even to identify a "reliable" Kosovar leadership with which Milosevic can be pressured into doing a deal. Much more likely is a renewal of military operations and continued savage repression by Milosevic's forces. Against this background, workers' movements around the world, but especially in the EU states, must demand:

- Independence for Kosovo!
- Open borders for all Kosovar refugees!
- Imperialist hands off Serbia. No to NATO intervention!
- All NATO troops out of the Balkans!
- For a Workers' Republic of Kosovo and a voluntary federation of socialist republics of the Balkans!



Serbian para-military police terrorise Kosovars

COLOMBIA

Union leader murdered as strike wave grows

JORGE ORTEGA, the vice-president of the main Colombian trade union federation, the CUT, was assassinated by a gunman on 21 October. He was shot at point blank range in the head and chest.

Jorge Ortega's murder occurred in the midst of a mounting, militant struggle by the Colombian working class. Freddy Pulecio, Organising Secretary for USO, the petrol workers' union, explains what is at stake:

"The Colombian state workers have been on national indefinite strike since 7 October against the impositions of the IMF, through which the government proposes to privatise the most profitable state industries and the social security funds, handing over the social wealth to the industrial and financial multinationals. It will free the prices on fuels and public services, cut salaries and loans and sack huge numbers of productive state workers while considerably increasing the repressive state and finally denying the right to free trade union activity with threats, assassinations, imprisonment, forced migra-

tion and unemployment."

The new Conservative government of President Andrés Pastrana has wasted little time in launching a fresh offensive against the Colombian people. Within days the government had declared the strike illegal. Demonstrations and protests have been banned. Police using horses, tear gas and water cannon have attacked demonstrations. A teacher has already been killed. Troops occupied the main offices of Telecom, Ecopetrol and the agrarian state bank – the main state enterprises to be privatised.

But the Colombian workers have not buckled in the face of this onslaught. The use of widespread violence and intimidation has not dampened a new feeling of militancy. The union federations that united to call the strike have presented the government with their own 110 demands. They have become locked in battle with the government and the conflict is sharpening.

The unions want an above-inflation pay rise and an increase in government spending on health and education.

They have demanded an end to privatisation and to government compliance with IMF diktats. They have set out a series of demands on the right to organise trade unions, including forcing employers to recognise the unions and negotiate with them.

In an attempt to head off the outrage at the murder of Jorge Ortega, the government has hypocritically offered a reward to capture his killer. Yet it is the government that has used violent repression against the strikers. On hearing of the assassination of Jorge Ortega, the unions walked out of negotiations. Private sector workers were called on to join the stoppage. The next day many did strike. As we go to press, there is the possibility the unions will call on other organisations to join them in a national civic strike.

The strikers must forge solidarity across all sectors. An indefinite general strike can unite the entire people against the government until all of its austerity plans have been withdrawn. Workers and poor peasants must organise through councils not only to co-ordi-

nate action but to organise self-defence against state and paramilitary violence.

Fearful that the intense guerrilla war in the countryside is becoming an obstacle to multinational investment the Colombian government is attempting to start a series of peace negotiations with the main guerrilla groups. They hope that the participation of the main guerrilla groups the ELN (National Liberation Army) and the FARC (Revolutionary Armed Forces of Colombia) will secure future multinational investments. At the same time, they push through their plans to privatise the most attractive state industries.

But the public sector workers' tremendous militancy shows how to tear up the government's cynical blueprint. Defeating the government's attacks on the public sector can lay the basis for victory against the Colombian ruling class and its imperialist allies.

A successful strike would clear the path to revolution and an end to the ceaseless drain on Colombia's riches by the multinationals and the servicing of the foreign debt. Colombia's wealth

could then be spent on the health, education, housing and welfare needs of the masses. The demand for the cancellation of the foreign debt and the nationalisation of all foreign-owned companies must come to the fore.

Strikers must press forward with the call for trade union rights. This demand can be linked to the question of democracy across Colombian society as a whole through the struggle for a sovereign constituent assembly. This would not be another talking shop but a key part of a revolutionary struggle to smash the current regime. An assembly controlled by the masses' organisations where political activity will be guaranteed by the self-defence organisations of the workers, the urban poor and the peasants against the army and paramilitaries.

Above all, a revolutionary Trotskyist party must be built that clearly spells out the need to destroy the state's repressive forces. Such a party would stress that achieving the goal of a more benevolent, democratic capitalism will not solve the problems confronting Colombia's masses. It would develop and fight tirelessly for a programme linking the national, social and democratic demands of the masses to the objectives of overthrowing capitalism and the seizure of power by the working class and its allies, the poor peasantry.

Only then will the Colombian ruling class and its multinational cronies have paid for the blood of Jorge Ortega and the thousands of other militants who have fallen in the class war.

IMF: Enforcer of t

Whenever there is a financial crisis the IMF gets called upon to "step in" or "intervene". What is the IMF and whose interests does it serve? **Keith Harvey** explains

EARLIER THIS year on the demonstrations in South Korea protesting against price rises and job cuts many in the crowd carried placards with the words: IMF = I'M Fired.

Being on the receiving end of International Monetary Fund (IMF) help has boiled down to just that for millions of workers in "emerging markets" during the 1990s. In order to "stabilise" the economy and "restore investor confidence" the IMF has insisted that each government implement its now all too familiar package. Austerity measures are the IMF's number one condition for any financial help to deal with capital flight, problems with debt servicing and the haemorrhaging of foreign exchange reserves.

The IMF claims political neutrality and portrays itself as a sort of benevolent, but sensible, banker. It merely expresses the wishes of its member countries. It exists only to sponsor the development and growth of international trade. Its financial assistance is to allow member countries to overcome temporary balance of payments difficulties (i.e. not having enough money to pay for exports) while allowing them to make the necessary structural changes to their economic policies that will allow them to export more. It preaches the neo-liberal doctrine that all countries can specialise in something and that exporting this product or service will maximise the well-being of citizens.

The truth is very different from this glossy self-portrait. The IMF acts as an International Ministry of Finance supervising interventions into the "Third World" – the numerous semi-colonies of Asia, Latin America and Africa – on behalf of the small number of powerful imperialist countries, the USA, Britain, Germany, Japan, France etc., which dominate the world economy. The IMF's scale of intervention is beyond the scope of any one government or the many private commercial banks. The goals of its intervention are:

- guaranteeing the ability of a country to meet its debt servicing obligations to private banks. Any surpluses generated from increased export earnings or privatisation revenues are earmarked for paying interest on foreign held debts;
- opening up restricted national markets to investment and ownership by the major imperialist countries of the G8.

Within the IMF itself some members – namely, the developed imperialist powers – are more equal than others. And in pursuing its agenda of no restrictions on the free movement of goods, services and capital, it proves it is a weapon for the rich and powerful.

IN THE Great Depression that ravaged the world economy in the 1930s banks failed by the thousands, land values plummeted, factories stood idle, and tens of millions of workers were unemployed. The world of international finance and monetary exchange was wrecked. A widespread lack of confidence in paper money led to a demand for gold beyond that which national treasuries could supply.

A number of nations, led by the UK, were consequently forced to abandon the gold standard, which, by defining the value of each currency in terms of a given amount of gold, had for years given money a known and stable value.

In the 1930s, when the value of money was uncertain, nations hoarded gold. This further contracted the amount and frequency of monetary transactions and intensified the depression.

Some governments, desperate to find foreign buyers for domestic agricultural products, sold their national currency below its real value to undercut the trade of other nations selling the same products. This practice, known as competitive devaluation, provoked retaliation through similar devaluation by trading rivals, in turn adding to monetary uncertainty and undermining trade.

The relation between money and the value of goods became confused, as did the relation between the value of one national currency and another. World capitalism was pinned to the floor,

trapped in a spiral of deflation and recession. Between 1929 and 1932 prices of goods fell by 48 per cent worldwide, and the value of international trade fell by 63 per cent.

The Second World War created the conditions for economic revival and in these conditions the victorious imperialist powers set about the construction of a monetary system designed to prevent a recurrence of the 1930s disaster.

Harry Dexter White in the United States and John Maynard Keynes in the UK put forward similar schemes in the early 1940s. They wanted a system that would encourage the unrestricted conversion of one currency into another, establish a clear and unequivocal value for each currency, and eliminate restrictions and practices, such as competitive devaluations, that had brought investment and trade to a virtual standstill during the 1930s.

The system was to be monitored by a new international institution, and in 1944, at the Bretton Woods conference in the USA, the IMF was founded. It began its work in 1946. Underpinning it was US imperialism, which had emerged from the war as the undisputed victor. The IMF was based in the US, staffed mainly by its economists. It regularly exchanged personnel with the US Treasury. As the biggest donor to IMF funds it had the most votes, enough to veto all changes to the IMF Charter. As one US Treasury Secretary, Donald Regan, said in 1983:

"The IMF is essentially a non-political institution . . . But this does not mean that United States' political and security interests are not served by the IMF."

For most of its first 25 years the IMF was not very visible. The international monetary system was stable. Bretton Woods had established an exchange rate of 1oz of gold to \$35 US dollars. The US agreed to buy and sell at these rates on demand. So long as US economic dominance was absolute and it had enough gold in its vaults to honour this commitment, there was little need for IMF intervention.

But during the course of the post-war boom US dominance lessened as other countries grew in wealth (Japan and Europe). By the early 1970s the US Treasury no longer had sufficient reserves of gold to exchange with the mass of dollars held abroad. In 1971 the US unilaterally abandoned the commitment to fixed exchange rates and the era of managed and floating exchange rates opened up. But how to prevent a return to the competitive devaluations of the 1930s? Now the IMF came into its own.

As an official historian of the IMF put it: "In changing over to the current system, the membership has asked the IMF to penetrate beyond the exchange value, which, after all, is the final result of a range of economic policies, to examine all aspects of the member's economy that cause the exchange value to be what it is and to evaluate the economy's performance candid-

ly for the entire membership. In short, the current system demands greater transparency of members' policies and permits more scope for the IMF to monitor these policies. The IMF calls this activity 'surveillance', or supervision, over members' exchange policies.

Supervision is based on the conviction that strong and consistent domestic economic policies will lead to stable exchange rates and a growing and prosperous world economy." (David Driscoll, *What is the IMF?*)

In other words, the IMF is an imperialist financial gendarme. It exists to ensure that all domestic economic policies promote openness of trade and capital movement to the benefit of the imperialist countries. Inevitably, such a system of openness can only serve to enhance the wealth and power of the imperialists whose economic productivity, capital resources and technological dominance allow them to sweep all competition aside, where there are no protective barriers to the movement of capital or goods. The IMF exists to ensure that countries, invariably the poorer semi-colonies, which enter into financial crisis and are forced to seek its help, pay by removing such barriers.

IT WAS with the debt default of 1982 in Latin America that the IMF came to prominence. In August of that year Mexico faced bankruptcy. For the previous ten years it had been pumped full of loans from the major international private banks. These banks had more money than they knew what to do with. After the 1973 oil price rises the OPEC oil-producing cartel had massively enriched them with deposits of "petro-dollars".

Until the early 1970s most semi-colonial countries had seen their exports grow at rates which meant that they had not run up great balance of payment deficits. The deficits that did exist were financed by trade credits, public loans from governments or international agencies. Private bank loans accounted for under a third of all foreign-held debt in the Third World in 1971.

By the end of 1982 this had all changed. The 1970s was a decade of crisis and two world recessions in which the demand for the traditional exports of Africa, Asia and Latin America collapsed. By the end of the global slump of 1980-82 countries like Brazil, Mexico, Argentina and Venezuela were effectively bankrupt. They were unable to meet the increasingly onerous debt service payments to the private banks that had stepped in during the 1970s to offer loans to finance their deficits.

In 1970, Third World debt totalled \$75 billion. By the end of 1985, this figure had mushroomed to \$900 billion. Most of the loans taken on in the 1970s by the semi-colonial ruling classes were not aimed at enhancing the living standards of the people. Many were specifically tied to military contracts which would simultaneously strengthen the repressive military regimes in Latin America (e.g. Chile, Argentina, Paraguay, Brazil) and Africa against their people and boost the profits of the military-industrial multinational corporations (MNCs) in Europe and the USA.

Other loans went into useless and inefficient "prestige projects" whose purpose was to boost the reputation of the regime in the eyes of its people and the world. In addition, billions upon billions of dollars received in loans were never used for their intended purpose but were merely recycled back out of the country by the Mobutus or Suhartos of this world into their own private bank accounts.

During the 1980-82 recession the debts became unbearably large. The slump in demand for the exports of Latin America was bad enough; but the US hiked up interest rates from 7 per cent to 17 per cent in the years 1979-82 to dampen down inflation. As a result interest payments consumed a growing share of a declining export income. The ratio of debt servicing to export earnings went from 15 per cent in 1977 to over 25 per cent in 1982. During the same period all Third World countries' debt payments went from \$40

IMF Structure

- The IMF has 182 member countries. At the start of 1998 member countries had paid in \$193 billion. Its base is in Washington DC; it employs 2600 staff.
- Broad policy is set by an annual meeting of a Board of Governors, with one from each member country. The Executive Board, with 24 full-time members in Washington, oversees day to day policy. Michael Camdessus is the IMF Managing Director.
- Voting rights in the IMF are proportional to the amount of money paid in. The USA has 18 per cent of votes for its \$35 billion payment. This allows it to veto any changes to the IMF Charter, which requires 85 per cent approval. The G8 countries have more than 50 per cent of the votes; 174 countries share the rest.

Third world misery

Smile please: Imperialist leaders celebrate the founding of the IMF at the Bretton Woods conference



billion to \$121 billion. The ruling class of one semi-colonial country after another held up its hands.

The banks demanded the IMF step in to act on their behalf in ensuring bankruptcy was avoided and that economic measures would be taken by these countries to guarantee that they could meet their debt obligations.

Each country had to go cap in hand to the IMF. In 1944 the US had demanded and won a condition that all semi-colonies who wanted to be eligible for development loans from the World Bank had to be a member of the IMF and thereby submit to its conditions. In 1978 the US demanded and got an amendment to the IMF charter which expressly included the clause that loans would be subjected to meeting IMF-designed conditions on economic reform.

This measure formalised a practice already applied – selectively.

In the 1950s and 1960s on the rare occasion that an imperialist country had to turn to the IMF for a loan to overcome temporary balance of payments difficulties no conditions were attached, such as Britain in 1960. Meanwhile semi-colonies were treated differently. In 1954 Peru was the first Latin American country to turn for help to the IMF and had to agree to economic reforms to get its money; the same was true for Chile in 1956.

The debt crisis of the early 1980s saw a rush to the doors of the IMF. By the end of 1984 nearly 40 semi-colonies (plus Hungary and Romania) had signed agreements with the IMF. The way agreements are designed is to avoid any democratic control. The IMF formulates a Letter of Intent, setting out the conditions, which the government signs and the funds are then granted. The agreement does not have to be published, nor does it have the status of an international treaty, which ensures that it does not have to be overseen or approved by parliament.

Nor does the IMF help come free. First, a country has to pay interest of 0.25 per cent on the loan to cover the IMF agents' fees; then it has to pay 4.5 per cent on the loan, which goes to the member countries whose currencies are being borrowed from within the IMF pool, usually US dollars, sterling, yen or D-marks. All this represents a transfer of wealth from the semi-colonies to the imperialist countries.

For the privilege of handing over money to the US, UK, Japan or Germany via the IMF the debtor country has to subject itself to a structural adjustment plan, without which it will effectively be shut out of international capital markets and starved of investment. The effect of the plans are to secure bank profits and transfer national assets to the west.

The traditional IMF package of measures insists upon: devaluation of the national currency; raising interest rates; cutting back on government spending – especially social spending; the elimination of food and other subsidies; an increase in prices charged by state enterprises (for energy, water etc.) or their privatisation; a cap on wages; and a restriction of credit.

All these "adjustment" measures have the same aim: to restrict domestic demand and deter imports while boosting exports through lowering their price. Any increased export income is then earmarked for debt repayment.

By restoring a balance of payments equilib-

But the meltdown in South East Asia in 1997 has delivered an enormous blow to the IMF's neo-liberal theories of capitalist development

Timeline

July 1944: The IMF and World Bank founded by delegates of 44 nations gathered at Bretton Woods, New Hampshire, USA
May 1946: The IMF begins operations. It then had 39 members
1978: Amendment to IMF charter insists conditionality be attached to loans
1983-84: IMF lends \$28 billion to various (mainly Latin American) countries after the 1982 debt crisis explodes
February 1995: IMF approves a record financing package of \$17.8 billion to Mexico
March 1996: Russia gets \$9.2 billion loan to help oversee restoration
August 1997: Thailand receives \$4.0 billion loan
November 1997: Indonesia gets \$11.2 billion IMF loan
December 1997: New record loan of \$20.9 billion to South Korea
July 1998: Russia is extended a further \$11.2 billion IMF loan in failed attempt to stop run on rouble, devaluation and debt default

rium or surplus in the short-term the IMF ensures that the country will be able to attract foreign capital back into the country. When it does so it will find that as a result of devaluation, assets are much cheaper than before.

These measures are only concerned with creating, or recreating, the conditions for imperialist super profits.

In Latin America the IMF's policies led to a "lost decade" for the masses in the 1980s. Brazil is a typical example. In January 1983 Brazil signed an IMF Letter of Intent which set out a three year "stabilisation" programme. After the cruzeiro was devalued by 30 per cent the IMF approved a \$4.5 billion loan in February. The measures included halving the balance of payments deficit in 1983 (to 2 per cent of GDP) and to 1 per cent by 1985.

Likewise the budget deficit was to be halved to 8 per cent of GDP in 1983. Inflation, running at 100 per cent per annum was to be cut to around 85 per cent by the end of 1983. Interest rates were raised, state spending on services slashed and subsidies to nationalised industries cut. Export duties and import controls were slashed and the IMF insisted that the government pass legislation to facilitate profit transfers by foreign-owned MNCs. It also demanded the abandonment of wage indexation to allow wages to fall.

Given that devaluation ensured that prices went up twice as fast as wages, many people were impoverished. Exports increased but working class resistance ensured that wages did not fall as much as the IMF wanted; as a result they withheld the second tranche of money in 1983 and made the government sign up to increases in the price of petrol by 45 per cent and electricity by 90 per cent. In July the government passed a wages decree which held indexation of wages to 80 per cent of the inflation rate.

More working class resistance led to the resignation of the Central Bank Governor in September 1983 and the IMF held back its loan. Brazil ran out of foreign exchange reserves and pleaded for debt rescheduling. Using brutal repression the government pushed through IMF measures and in November 1983 the IMF and the banks agreed a package of assistance to Brazil of \$11 billion which in the words of one analyst "were used exclusively to meet foreign debt repayment commitments."

THE IMF used Latin American debtor countries to bench-test its neo-liberal orthodoxies in the 1980s. One by one each country adopted the export-driven model of growth, which involved an extensive programme of privatisation of state assets into the hands of western-owned MNCs, and a slash and burn attitude to welfare programmes.

But the meltdown in South East Asia in 1997 has delivered an enormous blow to the IMF's neo-liberal theories of capitalist development.

Here were countries that were praised by the IMF as role models of Third World growth; export-driven economies with fixed stable exchange rates, open to foreign capital investment. The massive influx of private capital into these countries between 1990-96 by international banks was applauded by the IMF as the path to follow for all semi-colonies, something to be emulated by Africa and Latin America.

Last year these policies led to over-production, profit collapse, capital flights and unserviceable debts in Indonesia, Thailand, Malaysia, South Korea and the Philippines. These countries found they could not defend their currencies; one by one they collapsed. Given they had been following the prescribed IMF development path one might have imagined that the IMF would have reacted by providing unconditional funds to stabilise the exchange rate while devaluation worked its way through into an export led revival.

It did nothing of the kind. It demanded the traditional measures to cut deficits, depress demand and raise interest rates. It added a raft of measures to further deregulate the movement of capital, something that had contributed to the

crisis in the first place.

The IMF goal is clear:

"There is no doubt that Western and Japanese corporations are the big winners. The transfer to foreign owners has begun in the spirit of euphoria captured in the remark of the head of a UK-based investment bank, 'If something was worth \$1 billion yesterday, and now it's only worth £50 million, it's quite exciting.' The combination of massive devaluations, IMF-pushed financial liberalisation, and IMF-facilitated recovery may even precipitate the biggest peacetime transfer of assets from domestic to foreign owners in the past fifty years anywhere in the world, dwarfing the transfers from domestic to US owners that occurred in Latin America in the 1980s." (R Wade and F Veneroso, *New Left Review* 228)

THE PRO-IMPERIALIST character of the IMF's prescriptions and conditions has never been so clear. The scale of its intervention is so broad that the social consequences cannot be hidden from view. But the IMF is unrepentant. After all, that is why it was set up in the first place.

Its future can be resolved in one of two directions. The number and depth of member country economic crises in the 1990s have stretched IMF resources to breaking point, raising fears that the next big crisis may be one too many. The IMF needs more money from the US, Europe and Japan to deal with the crisis now unfolding.

Yet the Republican Congress in the US only released a long overdue \$18 billion subscription to IMF funds last month. The IMF needs much more. It may simply be overwhelmed by the scale of this crisis or the next one. In that case we could see a collapse of the global trading and payments system and a rerun the 1930s chaos. This is the reactionary path.

Alternatively, the struggles of the world's poor and exploited against IMF-inspired austerity can wreck its plans and overthrow the bourgeois governments that try to implement them. This is the revolutionary path. Only along such a path can the banks and the factories of the world be taken out of the ownership and control of the capitalists and placed in the hands of those who toil in them.

Workers' governments in a number of the most developed states in the world could begin to construct an alternative monetary order to that of the IMF. It would be an order based on a global system of socialist planning, a system dedicated to raising the standard of living of the world's poorest.

The expropriation of the banks would abolish national debts. No longer would export earnings feed the profit lust of the world's financiers or oversee the transfer of a poor nation's wealth to a handful of multinationals.

A democratically controlled international monetary institution would oversee a system of payments at stable rates of exchange between members of a socialist federation while different national currencies continued to exist. But a socialist transition, in which each country was integrated into an international plan of production and distribution, would increasingly eliminate the need for several competing currencies. Abolishing the transaction costs associated with a system of currency exchange would release further resources for productive use.

Monetary policy would be directed at measuring improvements in labour productivity in and between different countries, and thereby signal to other planning institutions how to spread the benefits within the system as a whole.

None of this was on the agenda at Bretton Woods in 1944 at the conference that set up the IMF. Nor will it be if the world's bankers ever get around to holding the much talked about "new Bretton Woods" conference. What we need is those same placards worn by Seoul's protesters to be tied onto the backs of the economists and financiers holed up at the HQ in Washington: IMF = I'M Fired.

Hedge funds collapse fuels market meltdown

They were the last word in opulence. They were unsinkable – and now, like the Titanic in its day, the fast-sinking hedge funds have become the symbol of the end of an era. **Mark Abram** explains how the capitalists became experts at losing other people's money

THERE ARE about 3,000 hedge funds, with combined assets of around \$300 billion. They are among the biggest capitalists in the world and this is how they work. A few dozen filthy rich people stump up millions of dollars and place it in the hands of "expertly run" investment funds.

The fund managers then borrow up to fifty times more from the banks to place bets on the movement of government bond prices or currency exchange rates. The fluctuations are small but the sums involved are so huge that if they get it right they can make megabucks overnight.

But last month it all went wrong. The fund managers operate with finely crafted mathematical calculations; some of them are even Nobel prize winners in economics. However their betting formulas could not anticipate the bookmaker running off with the money – which is what happened when Boris Yeltsin decided to suspend Russia's debt. Then the fall of the US dollar and the unexpected rise of the Japanese yen delivered a further blow; the equations hadn't predicted that either.

The hedge funds lost money heavily. The world's biggest hedge fund, Tiger, lost \$1.5 billion in one day last month. George Soros, the world famous currency speculator, lost \$2 billion when Russia defaulted. Long Term Capital Management (LTCM) had \$200 billion of investments at risk when it was bailed out by a coalition of US banks – and all but \$15 billion of this was borrowed money.

The hedge funds bet sums that outstrip the total annual production of some third world countries. As long as the profits kept on flowing, complaints about this disgusting fact were written off as the hand wringing of liberal do-gooders. But now the funds, which are for the most part unregulated by laws or codes of practice, have come under fire from serious capitalist reformers.

It is fashionable in times of crisis to blame the ruin of an otherwise "sound" system on the activities of financial speculators. Some of the big speculators, like Soros, even agree with this and plead with governments to "stop me before I kill again".

But this is not the real picture. Hedge funds are just the craziest part of the system of financial speculation that keeps world capitalism afloat – and which, when it hits the iceberg, sends it quickly to the bottom with lifeboats only for the rich. And, while the financial system has developed over a century of monopoly capitalism (see box), the massive role of speculation is a product of the crisis decades we have lived through since the 1970s.

Since the early 1970's the rate of profit in industrial investments has been dramatically curbed. In the post-war boom (1951-73), the average rate for non-commercial businesses in the USA was around 11 per cent; by the recession of the late 1979 it was three per cent and falling. The same trend could be observed elsewhere in Europe and Japan.

Competition led capitalists to "overinvest": in sectors like the car industry, too much capital was chasing too little profit. Profits fell and with them fell net investment. In turn this led to declining productivity and still less profit.

There must be easier and quicker ways of making money, reasoned the international bosses. And there was: outright speculation, buying cheap to sell dear – and every variation on that theme known to the smallest street market trader.

This was the reason for the great spate of "deregulation" in the finance industry in the 1980s. In 1975 the functions of banks were highly regulated and what they could and could not sell as well as what they alone could trade in, was



Sell! Sell! Sell!

both nationally restricted and narrow in the type of goods and services.

All this was blown away. First the distinction between banking and industrial capital was effectively destroyed: banking products could now be sold by non-banks and vice-versa.

Then a range of new financial products were invented to compensate for the low rate of return in industry. As well as trading in actual goods, be it gold, shares or bonds, trading in future goods – "futures" – became popular.

This operation can be taken a stage further. If you are also allowed to cancel that contract before delivery and payment, in return for a small sum, then you have bought an "option". This is a type of insurance policy.

"Derivatives" – a type of financial product that

sprang up in the 1970s – take options as their starting point. Derivative markets are where you buy and sell options; that is, you buy the right to buy or sell something, not buy or sell the thing itself – in this case, bonds, shares, IOUs, currencies.

Big corporations wanting to spread risks, have fund managers whose job is to buy and sell such derivatives. This is one of the ways in which modern capitalism equalises out the rate of profit for the big businessmen, making it a relatively abstract issue what a firm actually makes and sells.

Thus, buying and selling an expected future cash flow has become more and more prominent in late 20th century capitalism and this testifies to the parasitic and speculative character of the

whole system.

It is this growth in "fictitious" capital – money that does not represent real profit-producing capital, or which overvalues that capital – that is a truly novel feature of the globalisation of capitalism in the late 20th century. The volume of international trade compared to national output and the volume of foreign direct investment in new plant and equipment are not exceptional today compared to the years 1900-1939. But what is phenomenal is the explosion in fictitious capital of which hedge funds are a part.

Buying and selling debt is a huge industry. Global business and household debt totalled \$31 trillion by 1995 and was growing at nine per cent a year. The stock of such financial assets like debt increased four-fold, every year, in the 1980s. The total value of long-term debt is more than the sum total of output of the OECD countries.

Today the scale of financial trading of all kinds dwarfs productive activity. More than \$1.5 trillion is traded each day in currency exchanges.

So does it matter if the speculators get their comeuppance? How does it effect the "real economy". The answer to this is being given right now.

Major crises often start as financial crises: companies can borrow at ratios (to their assets) many times bigger than those available to mortgage owners or bank loan borrowers. But crisis is not contained within the financial system.

The first link in the chain is the banks. They lent money big time to the hedge funds – as well as to the already collapsing industries of Asia and to the bankrupt Russian government. Now they are having to accept losses as a result of exposure to hedge funds. The biggest bank in Europe, USB of Switzerland, revealed losses last month of \$200 million. In the USA, the Bank of America reported similar losses for 1998 due to hedge fund activity.

In turn the banks have to "repair" their balance sheets by calling in overdue or poor loans – and they become very cautious about their lending all round. They call time on obviously loss-making firms but also restrict lending to profitable firms. This produces the so-called "credit crunch" that is striking such fear into the hearts of the central bankers and finance ministers across the globe. Banks refuse to lend to industry for expansion: industrial demand contracts, workers are sacked, high street demand contracts, prices fall, firms go bust.

The recent interest rate cuts in the USA and UK are designed to ease the problem by making it cheaper to borrow money from the banks. But this will not stave off the credit crunch. Left to itself the crisis spreads and deepens, wiping out swathes of banks and companies until the openings for profitable loans and production have been restored.

The cycle ends not just with the "froth being skimmed off the real economy" but with the devastation of hundreds of millions of lives as wages are slashed, jobs destroyed, families broken up, crimes of poverty soar and suicides multiply.

The hedge funds managers care little for all that. John Merriweather, head of LTCM, having seen his fund taken over by the banks who lent to it, is still earning millions in "management fees". Calls to reform and regulate the financial cowboys have fallen on deaf ears: indeed who can regulate them, say the government ministers, they operate beyond our borders?

Even as capitalism sinks deeper into productive stagnation the big banks and corporations will not allow anyone to tie their hands and prevent them making huge profits in financial speculation. That is why reforming them is not an option. Their power will only be broken by workers' revolution.

The financial ruling class

Since the start of the 20th century industry and finance have been locked together in huge finance capital monopolies. Before then, banks lent to industry mainly to cover cash-flow crises and to cover short term problems. But industry could not grow without access to much greater credit. And to protect their loans banks demanded places on boards of directors of the major firms they lent to.

This gave them immense power. It created what Lenin called a "financial oligarchy" which, by 1914, effectively ruled the major multinational companies (MNCs) of the world's wealthiest countries. Today this oligarchy consists predominantly of the Chief Executive Officers (CEOs) of the major MNCs, around 700 of whom control the vast bulk of trade and production in the world. Their main concern is to show a profit and they are not particularly concerned with the line of business activity they make it in.

The major MNCs use their cash surpluses to open banks or invest in financial markets, just as much as banks invest in industry. As the new millennium approaches we have seen the power of this financial oligarchy grow hugely. And within the industrial-financial fusion we have seen the scope and importance of the purely financial operations predominate more and more over the industrial.

Basically – as long as things do not go wrong – they can make more money from dealing in money and other people's shares than they can from making and selling things – testament to the bloodsucking nature of the capitalist system.

Britain's plunge into recession has got everyone – from big bosses to media pundits and trade union leaders – debating different “programmes” to avert economic meltdown. **Jeremy Dewar** assesses the response of Britain's largest far left organisation, the Socialist Workers Party (SWP), to the crisis, while **Mark Boylan**, a former SWP member, gives his views on why the party has suddenly embraced the idea of a political programme

A turn to programme

WORKERS NEED their own action programme if they are to stop the bosses shifting the burden of the capitalist crisis onto them. The Socialist Workers Party (SWP), after years attacking those who defended the importance of a revolutionary action programme, have now decided they too need a programme.

Their action programme first appeared in a pull-out section of the 12 September issue of *Socialist Worker* (SW). Its main points, along with commentaries and explanations, have appeared weekly in the pages of the paper.

SWP members have also been circulating a petition and model resolution for use in union branches with eight basic demands on the Labour government and calls on the union leaders to lead a fight against the government's free market policies with demonstrations, strikes and occupations. Faced with workers demanding answers to the crisis, the SWP's programme phobia has given way to a “programme turn”.

The problem is that the SWP's recent programme falls well short of providing a revolutionary answer to the crisis. It remains a series of demands on Labour, unrelated to the forms of struggle and organisation needed to win them. And, even if all of them were won, the totality would remain a radical reform of capitalism rather than its revolutionary overthrow.

This is not to say that the SWP is itself reformist. But their programme demonstrates their continuing centrism – a vacillation between revolution and reform. They recognise the need for revolution, but limit their programme to a string of radical reforms.

Today's revolutionary action programme needs measures to defend the workers from the effects of the crisis, to advance new organisations to prosecute the struggles that will be required, and to link both demands and organisational forms with the struggle for working class power as an alternative to the insane anarchy of the market.

Measured against these requirements the SWP's programme is inadequate. It is not a transitional programme.

It calls for the “nationalisation” of companies threatening job losses, and in its petition adds “no compensation” to the capitalist owners. So far, so good, but calls for nationalisation and renationalisation must be expanded to ever wider sectors of the economy. Unless we draw a clear line between what we mean – expropriation of the bosses – and what capitalism means by nationalisation (shoring up unprofitable, but necessary, sectors of capital production and services) we will not take the struggle for power forward.

First, nationalisation is no guarantee against job cuts. The legacy of British Coal, British Rail and British Steel proves this. These state capitalist concerns savaged jobs. Second, nationalisation on its own – even tied to no compensation – does not challenge the bosses' economic power.

To give this demand a revolutionary content – which the SWP programme does not – we have to fight for the demand of workers' control. Without this, workers will be disarmed by what will end up as a short-lived reform.

The SWP do, in fact, recognise the importance of workers' control. Explaining how workers would have to demonstrate and strike in response to the bosses' sabotage of reforms, an SW article by Sam Ashman points out: “Workers would throw up new structures with the potential to run society on a completely different basis. Workers' committees, at first born out of the necessity of struggles, could then be used to plan production on a much bigger scale.”

If we look at the fight to defend jobs at Rover,

Ford, in steel and in the hi-tech industries, the burning relevance of workers' control becomes clear. In Rover, we need to counterpose control of the speed and intensity of work, as well as the hours worked, to the lies of Labour and the BMW bosses about unproductive workers.

Likewise, when we see how the bosses “steal” one firm's order books in order to shift production elsewhere (as British Steel have just done in Sheffield) we see the immediate relevance of the demand for opening of the books

The danger with the SWP's approach is that they will end up with two programmes – one they put forward to the class, and another reserved for the membership of the party

and accounts of the companies to workers' inspection.

The fight for control means that workers' don't simply “throw up” the necessary organisations, as Ashman puts it. It actually means that we link the fight for control now to factory committees and inspection committees to lay the basis for the future order of socialist planning in today's struggles.

The clearest failure of the SWP's programme is its continued passivity faced with the attacks that will be launched against the working class when they do move into struggle and challenge the bosses' right to rule.

For example, the SWP make a convincing case for occupying factories and offices earmarked for closure. By holding the bosses' capital to ransom and providing a focus for other workers' solidarity action, occupations can raise

the class struggle to new heights. But the SWP go on to claim that the bosses would not dare to send the police in to break the workers' action for fear of provoking further anger.

At best, this is naive; at worst it is deeply irresponsible. Socialists must argue for workers' defence guards in every occupation as the best way to stop the bosses' police from coming in to restore their political masters' property rights. Far from being a demand that will put workers off, it will show that socialists can think ahead

and provide practical solutions for impending dangers.

In addition, these defence guards can form the basis for a future workers' militia, which will be necessary for the breaking up of the capitalist state.

The danger with the SWP's approach is that they will end up with two programmes – one of limited, though practical demands, which they put forward to the class, and another – with arguments about workers' control etc. – that is reserved for the membership of the party. This is not the way to fight for a revolutionary answer to the crisis.

The lack of the fight for workers' control runs right through the SWP's various versions of its current action programme. This leads straight to a much bigger error in their existing method. While the programme rightly poses a series of

demands on Labour, it fails completely to embody an alternative, workers' government, as part of the struggle to deal with the crisis.

In its own way, this represents the SWP's political inability to deal with reformism. Rather than constitute their programme as a fight for a revolutionary workers' government, their demands on the existing Labour government are tailored to make them acceptable to wide layers of reformist workers. Thus, in place of the clear call to end all spending on the defence of British imperialism, the SWP say “slash the arms bill” or “cut the arms bill”. This is a standard left reformist battle-cry. And the SWP don't go beyond it.

They call for “state control of international trade and finance” but don't make clear that this is impossible unless the banks and finance houses are not only nationalised but are subject to a regime of workers' scrutiny. And to get that regime we need a government that legitimises it – a workers' government.

These failings are not just oversights. The SWP's commentaries on the importance of workers' control and the need for a socialist alternative to Labour demonstrate that. What they represent is a failure to use the transitional method in the development of their action programme.

Having said this, however, the SWP's development of a programme is clearly a welcome step. The fact that the pages of the paper are now taking up issues such as workers' control and the demands workers need to fight around is a plus. In the coming round of struggles Workers Power will seek to convince the SWP of the superiority of the transitional programme, not just through debate but in action in the class struggle against the effects of the capitalist crisis.

Go for growth, the '98 remix

Many Workers Power readers may have been surprised to see the sudden emergence of a programme from the SWP. During the 10 years I was a member of the SWP, up to December 1997, any talk of programme was dismissed as “sectarian” or “ultra left”.

At the November 1997 SWP conference, when the need for transitional demands was raised, Tony Cliff opposed this, claiming that a decent pension was a revolutionary demand as there was no longer scope for reforms under capitalism. It was not, conference was told, necessary to raise demands in the form of a programme as these questions and slogans would come up in the course of argument or struggle anyway. So why the new turn by the SWP?

Even the quickest examination of the action programme reveals a set of reformist demands. The SWP leadership has been spending too much time reading Will Hutton in the Observer and too little studying Lenin or Trotsky, as they now appear to be the standard bearers for neo-Keynesian economics. Worse, this is not a programme of action for the working class but mostly suggestions to capitalist governments for dealing with the crisis.

So where has this programme come

from? Certainly not as a result of internal discussion and debate inside the SWP. Nor should we expect it to be altered at this November's SWP conference. The new action programme is best seen as a continuation of the “Hate the Tories and Don't Trust Blair - then join the SWP” slogan used before the election.

In a situation of sharp economic crisis the SWP leadership realises it needs to say a little more than “join us, we're the socialists”. Although it appears that the main aim of the action programme is recruitment. That's why the leaflet it has been reprinted in makes no call for the setting up of the sort of united front or rank and file organisations the class needs to defend itself from the effects of the madness of capitalism. However, if the SWP is serious about raising its programme in the trade unions then it can create the opportunity for debate about the kind of action the working class needs to take.

I suspect the other reason for the SWP's sudden interest in having a programme stems from the need to say something new to the membership in response to the sharpening crisis. The report in *Socialist Worker* of the recent national meeting could have been written at any time in the last

eight years: go for growth, build new branches, the branch leadership are conservative, the cadre are stuck in the 1980s. The reality is that the SWP's supposedly innovative local cadre have been loyally implementing this perspective for the last eight years, recruiting thousands, possibly tens of thousands, only to see the vast majority exit through the revolving door and then loyally take the blame.

And once more the SWP leadership plays the final crisis card and so forgets about political debate, the united front, the transitional method and just build the party – recruit, recruit and recruit again. They need a new 1998 mix. In 1997 it was supporters' cards and go for growth. In 1996 it was industrial sales and go for growth, it was small branches and so on. The new mix in 1998 is an action programme – and go for growth.

The hope must be that members of the SWP will be expected to argue for and defend this programme and as a result will be forced to look at the method used by the early Comintern and by Trotsky – and so begin to locate the reasons for the stalled growth of their organisation not in the period, nor in the 1980s, but in the flawed politics of the organisation itself.

■ Mark Boylan, Sheffield

CAPITALISM is an anarchic and crisis-ridden economic system based on production for profit. We are for the expropriation of the capitalist class and the abolition of capitalism. We are for its replacement by socialist production planned to satisfy human need. Only the socialist revolution and the smashing of the capitalist state can achieve this goal. Only the working class, led by a revolutionary vanguard party and organised into workers' councils and workers' militia can lead such a revolution to victory and establish the dictatorship of the proletariat. There is no peaceful, parliamentary road to socialism.

THE LABOUR PARTY is not a socialist party. It is a bourgeois workers' party—bourgeois in its politics and its practice, but based on the working class via the trade unions and supported by the mass of workers at the polls. We are for the building of a revolutionary tendency in the Labour Party, in order to win workers within those organisations away from reformism and to the revolutionary party.

THE TRADE UNIONS must be transformed by a rank and file movement to oust the reformist bureaucrats, to democratise the unions and win them to a revolutionary action programme based on a system of transitional demands which serve as a bridge between today's struggles and the socialist revolution. Central to this is the fight for workers' control of production. We are for the building of fighting organisations of the working class—factory committees, industrial unions, councils of action, and workers' defence organisations.

OCTOBER 1917: The Russian revolution established a workers' state. But Stalin destroyed workers' democracy and set about the reactionary and utopian project of building "socialism in one country". In the USSR, and the other degenerate workers' states that were established from above, capitalism was destroyed but the bureaucracy excluded the working class from power, blocking the road to democratic planning and socialism. The parasitic bureaucratic caste has led these states to crisis and destruction. We are for the smashing of bureaucratic tyranny through proletarian political revolution and the establishment of workers' democracy. We oppose the restoration of capitalism and recognise that only workers' revolution can defend the post-capitalist property relations. In times of war we unconditionally defend workers' states against imperialism. Stalinism has consistently betrayed the working class. The Stalinist Communist Parties' strategy of alliances with the bourgeoisie (popular fronts) and their stages theory of revolution have inflicted terrible defeats on the working class world-wide. These parties are reformist.

SOCIAL OPPRESSION is an integral feature of capitalism systematically oppressing people on the basis of race, age, sex, or sexual orientation. We are for the liberation of women and for the building of a working class women's movement, not an "all class" autonomous movement. We are for the liberation of all of the oppressed. We fight racism and fascism. We oppose all immigration controls. We fight for labour movement support for black self-defence against racist and state attacks. We are for no platform for fascists and for driving them out of the unions.

IMPERIALISM is a world system which oppresses nations and prevents economic development in the vast majority of third world countries. We support the struggles of oppressed nationalities or countries against imperialism. We unconditionally support the Irish Republicans fighting to drive British troops out of Ireland. But against the politics of the bourgeoisie and petit-bourgeois nationalists, we fight for permanent revolution—working class leadership of the anti-imperialist struggle under the banner of socialism and internationalism. In conflicts between imperialist countries and semi-colonial countries, we are for the defeat of the imperialist army and the victory of the country oppressed and exploited by imperialism. We are for the immediate and unconditional withdrawal of British troops from Ireland. We fight imperialist war not with pacifist pleas but with militant class struggle methods including the forcible disarmament of "our own" bosses.

WORKERS POWER is a revolutionary communist organisation. We base our programme and policies on the works of Marx, Engels, Lenin and Trotsky, on the revolutionary documents of the first four congresses of the Third International and the Transitional Programme of the Fourth International. Workers Power is the British Section of the League for a Revolutionary Communist International. The last revolutionary International (the Fourth) collapsed in the years 1948-51. The LRCI is pledged to fight the centrism of the degenerate fragments of the Fourth International and to refound a Leninist Trotskyist International and build a new world party of socialist revolution. If you are a class conscious fighter against capitalism; if you are an internationalist—join us!

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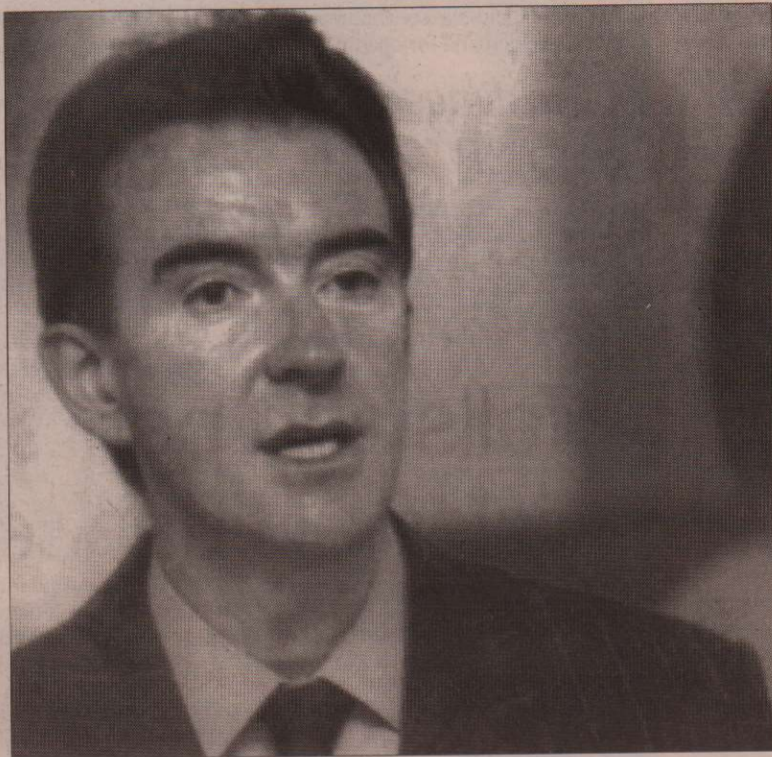
THIS MONTH, as Labour prepares to publish its new employment laws, trade unions are finally going to get something from the Labour government. Unfortunately, the already hopelessly weak Fairness at Work legislation – delayed for consultation since March – looks set to be further watered down.

Industry minister Peter Mandelson has spent the summer consulting with the big employers. On one recent freebie to the tropics he told bankers that Labour is "seriously relaxed about people getting filthy rich". But only some people. Those who staff the supermarket checkouts, the contract cleaning teams and the production lines will stay poor and see their workplace rights trampled on yet again.

Labour's proposed union legislation is a two edged sword. Although it aims to curb the worst excesses of really bad employers, it sets in stone all the laws that Thatcher brought in to make effective trade unionism well nigh impossible. The emphasis is on individual, rather than collective rights at work.

Labour proposes to remove the £12,000 ceiling on unfair dismissal compensation, guarantee paid holidays, set maximum working hours, reduce the delay in getting workplace rights from two years to one year and give everyone the right to union representation in disciplinary procedures.

When it comes to collective rights, the law's one concession to the trade union leaders will be the right to recognition after a workplace ballot. But it's not much of a concession: after a workplace ballot all abstentions would be counted as votes against; while 40 per cent of all those eligible would have to vote yes to win recognition (i.e. a minimum turnout of 80 per cent of workers). The other route to recognition (apart from employers simply volunteering to give in) was the chance to prove a union had 50 per cent of the workers in a "relevant bargaining



Mandelson is set to backpedal on union rights in the face of pressure from the bosses

unit".

Five million workers in small firms would already be excluded from these rights, but this was still too much for the Confederation of British Industry. Their consultations with Mandelson produced an assurance that only "overwhelming" support would guarantee recognition and the government will only raise the ceiling on unfair dis-

missal compensation but will not remove it. As a result, employers will still be able to calculate what it costs to sack a union militant, or a face that doesn't fit, in terms of half a year's salary for a middle manager.

Mandelson used the excuse of "slightly bumpy economic times" to signal the possible changes to the legislation. Evidently a recession only hits the bosses

and not their employees. But Mandelson also got a massive boost from the Department of Trade and Industry's Workplace Employee Relations Survey, published last month.

The survey's headline findings were a sharp erosion of union membership in the workplace, a significant rise in the "new management techniques" of teamwork and performance appraisals and the growth of fixed term contracts. Not surprisingly, spinmaster general Mandelson used these parts of the survey to present a picture of UK managers getting so friendly and team-spirited with their workers that unions and collective workplace rights are now far less important.

But the survey also shows why we need workplace rights – and much better ones than are on offer from Labour. It studied 3,000 workplaces, covering 30,000 workers, more than half the companies involved had less than 50 employees and only a quarter of them had more than 100 workers. The survey found that 47 per cent of such workplaces have no union members compared to 30 per cent in 1990.

So it is precisely these workers – in small factories and businesses where the bosses can take a personal interest in the physical and psychological bullying of their employees – who are the most in need of legal rights.

It is exactly among small firms that fixed-term contracts that provide no employment rights – are most prevalent. And the survey shows that management's attitude is the key factor in union membership density and recognition. Despite the bad news contained in the survey, it still showed that, where management favours union membership, union density is 62 per cent. Where management is against, union density is just seven per cent.

The figures are even starker on recognition. Just nine per cent of workplaces had recognition against the wishes of the boss, compared to 94 per cent where managers were in favour. Although only 45 per cent of workplaces surveyed had union recognition, 62 per cent of the workers covered had recognition.

This underlines why we have to fight for real rights at work. Whatever shoddy law is offered in the Queen's speech it is the organisation and action of workers themselves that makes the difference.

Bosses will do anything they can get away with. If they talk "partnership and consultation" it is because workers are united and well-organised; if they talk with their fists and P45s it is because workers are divided and unrepresented.

Labour should be forced to give us real rights at work. Labour MPs should amend the Fairness at Work law to guarantee union recognition now. Employers who refuse to negotiate with their workers' representatives should be fined and locked up.

Most important of all, the anti-union laws, which ban unofficial action, solidarity action, mass picketing and political strikes, should be swept off the statute books – not accepted in return for this pathetic law.

FEEDBACK

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