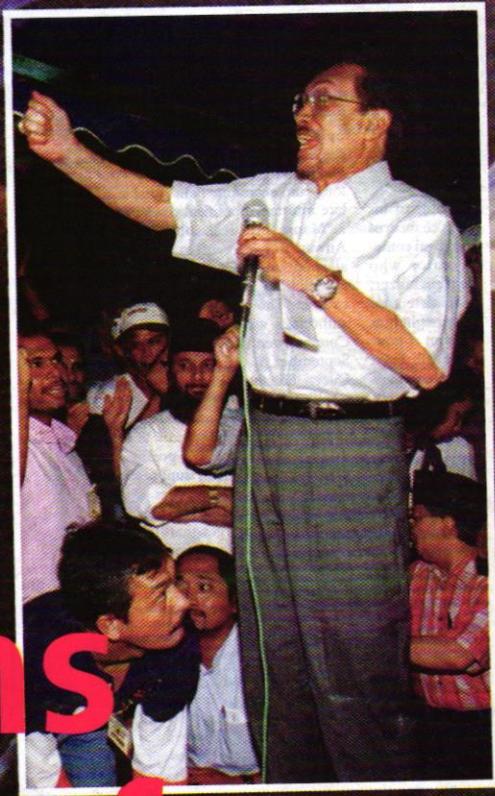
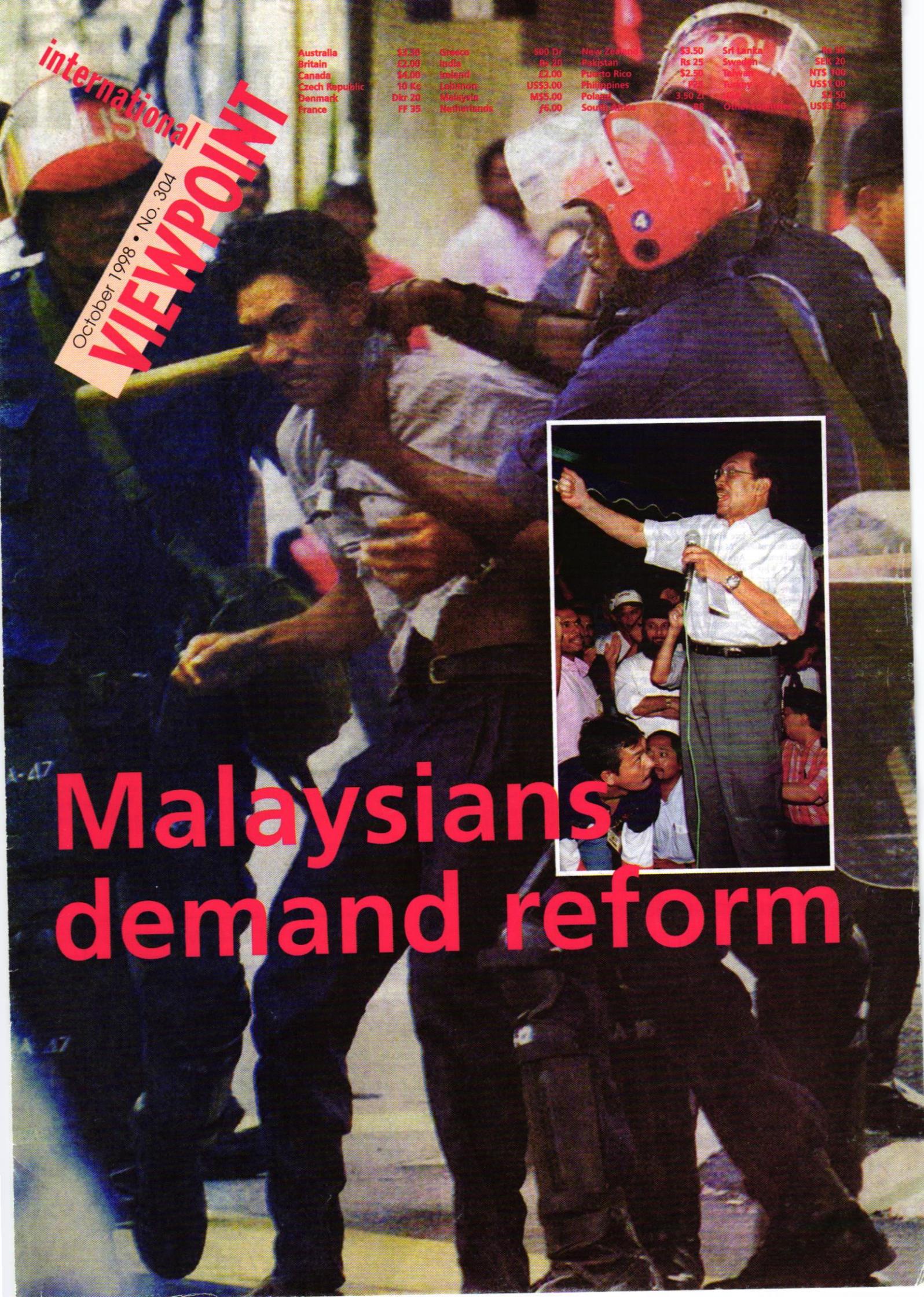


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Malaysians demand reform



USA

High crimes and misdemeanours

The release of Kenneth Starr's report on President Clinton has set off a media storm. Hypocrisy and puritanism has drowned out others issues, from the spreading world economic crisis to the predictable debacle of America's "welfare reform".

Barry Sheppard

Starr's report was turned over to the Judiciary Committee of the Republican-controlled House of Representatives, which will make a recommendation to the House as a whole whether to proceed with impeachment hearings. If after these hearings the House should vote for impeachment, then the Senate will hold a trial on whether Clinton should be removed from office or not.

A high point in this media blitz was supposed to be the release of a video tape, played on television around the world, of

Clinton's testimony to the grand jury concerning his affair with White House intern Monica Lewinsky. But it turned out to be a dud. Nothing new was revealed. The great majority of people in the US already knew about the affair, and about Clinton's attempts to deny it. A big majority think Clinton lied about it, but also think he shouldn't be forced from office, even if he lied under oath.

Viewers who saw the video tape were confronted with a four-hour interrogation. Clinton was asked details of exactly what

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kind of sex he had with Lewinsky — for example, how did Clinton's semen get on Lewinsky's dress?

One *New York Times* columnist said "the Starr report already resembles the surveillance records of a private detective. The grand jury deposition puts us, aesthetically speaking, in the position of watching a police interrogation. Many who watch this spectacle will surely imagine themselves in the same chair and wonder just how forthrightly they would react to similar grilling..."

"Granted, this is not... the Moscow trials of the 1930s. Unlike... Nikolai Bukharin, Mr. Clinton will physically survive this process. But the intent to destroy him politically is no less evident".

Another *New York Times* writer says, "Today, when you turn on the Sunday 'news' programmes, you might be watching Mr. Starr's prosecutors rehearsing. They sound like a crowd at an *auto-de-fé*, a burning at the stake in the Inquisition".

If they can do this to the President, what could they do to you or me? Most people have lied some time about their sex lives, and most are embarrassed about at least some things they have done sexually. And most don't want prosecutors to be prying into their private affairs.

Starr is connected with the Christian Right in the Republican party. He has presumably focused on the Lewinsky affair, rather than on the Clintons' shady financial deals, because he cannot find proof — a "smoking gun" — in these other inquiries.

But there is another side to Starr's motivation. The Christian Right wants to shift attention to its favourite "moral" issues, which are often connected to sexuality. They want to completely outlaw abortion. They want to enforce "sodomy" laws against gay men, and overturn any equal treatment legislation for homosexuals. Divorce should be made more difficult — abolished if possible. Women should recognise their husbands as their natural superiors and God-ordained heads of the household.

The Christian Right are against the separation of church and state, and want to reintroduce religious education into the schools — their religion, of course. Evolution should not be taught. They want the US to become a fundamentalist Christian theocracy.

By raising Clinton's sexual misconduct, they hope to further their claim that the country has gone down hill morally, under the influence of the movements that sprung from the 1960s and 70s, including the women's liberation movement, the gay and lesbian rights movement, and the relatively greater freedom from sexual repression that has developed since then.

The decisive sections of the ruling class have found it convenient to rely on the Christian Right as a battering ram against gains made by women, gays, blacks and others, but they by no means wish to put the Christian Right in power at this historical juncture, if ever.

Also, Clinton has done a good job

from the point of view of big business and Wall Street. Whether Clinton is thrown out of office or not, which at this point seems unlikely, the powers that be will also clip Starr's wings. Though they will presumably keep this particular brand of reactionaries around, to help get out the vote for more right wing politicians, and pull the ideological struggle to the right.

Clinton still gets high marks from most people for "how he does his job", while most take a dim view of him as a person. Americans tend to favour incumbents when the economy is doing good. (The growing economic storm world-wide threatens the US economy, but the effect hasn't yet been felt by most Americans.) This isn't the 1970s, when the US was in a war, with US soldiers coming home dead and disabled. So — "don't rock the boat" is a widespread political philosophy.

Of course, Clinton has played the "soft cop" to the Republican's "hard cop". He has moved the Democratic Party to the right and essentially adopted the Republican domestic programme.

For example, many in his party supported, and he signed, the Republican's law eliminating welfare as a federal right. Though he did criticise the harsher aspects of the law, such as requiring the states to throw many immigrants off the welfare rolls. So he looks to be more compassionate about the poor than the Republicans.

The Republicans are seen as anti-union and anti-worker. While doing very little for the unions, Clinton and the Democrats still have union leaders' support.

The Republicans make no bones about their disregard for blacks. Most are against affirmative action. Bill Clinton's support among blacks is especially high. His close personal friend, Vernon Jordan, is black, as is his personal secretary, Betty Currie. Clinton is formally for affirmative action — though not if this "penalises" whites. But when the issue was on the ballot in California, he hardly said anything, and the anti-affirmative action initiative won.

While the Republicans are against abortion, Clinton more or less supports the right to choose. He has vetoed some very bad bills that many Democrats supported along with the Republicans.

Even many Republican voters don't think he should be thrown out of office for his affair and lying about it.

The Constitution says that a President can be impeached and tried for "high crimes and misdemeanours".

The present noise about the Lewinsky affair actually diverts attention from the real high crimes and misdemeanours of Clinton and his Republican predecessors. Little things like bombing Iraq and threatening to do it again, tightening the blockade of Cuba, sending cruise missiles into Afghanistan and the Sudan, arming dictators like Suharto in Indonesia and elsewhere, and presiding over an imperialist globalisation that is destroying the lives of hundreds of millions around the world, and that threatens the entire world itself. ★

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Lessons from the GM strike

Kim Moody analyses the revival of rank-and-file militancy in the US labour movement.

The recently settled strikes at two Flint, Michigan General Motors plants were the sixteenth and seventeenth local strikes against the giant auto maker since 1994. The strike by UAW Local 659 at the Flint Metal Center was ignited over Memorial Day weekend when management, using outside contractors, removed dies used to form parts (hoods and bumpers) for GM light trucks. This would have effectively meant the end of work that GM had promised the local union.

Union officials knew in advance of this action, but took no action to prevent it or to prevent UAW members in Mansfield, Ohio, where the dies were moved, from working with them.

The second local strike began June 11, when workers at a GM Delphi parts plant in Flint (Local 651) walked off the job.

Altogether there have been 22 strikes against GM since 1990. Many of these strikes have demonstrated the power of the union and the vulnerability of today's just-in-time production systems. Most have resulted in some additional hiring at a time when GM was trying to downsize.

Several, including this year's Flint strikes, showed that the union could impose modifications on the corporation's aggressive restructuring plans. In a few cases, such as GM's Warren, Michigan Powertrain plant last year and now at the Flint Metal Center, GM has been forced to backtrack on plans to disinvest or remove major facilities.

GM swore it would never let the union dictate investment decisions. But it was precisely on this matter that the union forced GM to agree to live up to a past promise to invest \$180 million in the Metal Center.

In addition, the strike settlement appears to have put a temporary stop to GM's plan to spin-off Delphi plants in Flint and Dayton, Ohio. This temporary relief was enough to get overwhelming ratification for the strike settlement: 90% in the Metal Center and 76% in the Delphi parts plant, where the relief was less substantial. (Shortly after the settlement, GM revealed plans to sell Delphi.)

The union inflicted enormous damage on the company, which lost almost \$3 billion in profits and \$12bn. in sales during the fifty-four-day conflict. Strikes in just two plants closed twenty-seven of GM's twenty-nine assembly plants and over 100 parts plants in the United States, Mexico and Canada.

Clearly, one lesson of this year's Flint strikes is that workers' power in the heart of international lean production has been magnified and the union's ability to broaden the scope of bargaining enhanced.

Major issues unresolved

But despite what these strikes showed about the power of the workers and their union, the major issues in all the GM strikes remain unresolved. Downsizing, outsourcing, spin-offs, speedup and workloads remain issues across General Motors North American operations.

GM's attempt to "catch up" with its competition is a permanent feature of capitalism. It isn't something that began in the 1990s. It has, however, accelerated under pressure from Wall Street. Whatever the speed of this process, it can't be addressed one or two local unions at a time.

The United Auto Workers' major contracts allow them to strike over local issues such as health and safety, production standards (speedup), and the subcontracting of skilled work. But this set-up from the 1940s and 1950s, (though updated in past decades) needs a big rehaul for the 1990s and 21st century.

There's nothing wrong about using local strikes to get at a vulnerable corporation. Indeed, the Teamsters used local strikes at Overnite even as the GM strikes in Flint were going on. But the Teamsters had a national objective—to force Overnite to sign to the National Master Freight Agreement.

It's not that the right of local union to strike over local issues should be jettisoned. Rather, issues such as speedup, outsourcing and downsizing need to be brought under the umbrella of national negotiations, to put greater limits on the company and to create a more favourable climate in which to pursue local resistance.

The UAW's leaders, however, refused to generalise the struggle or even, with GM almost completely shut down, to point toward a more national approach to these issues in the upcoming contract negotiations in 1999.

The most the union could come up with is yet another high level joint union-management committee to "head off further confrontations," as the *New York Times* put it. And a no-strike agreement at the two brake plants in Dayton, Ohio that brought the company down in 1996.

But several other plants were still lined up for possible strikes, including NUMMI and Saturn (yesterday's models of co-operation) and two other assembly plants in Bowling Green, Ohio and Janesville, Wisconsin.

When the settlement was reached in Flint, many of the strikers predicted a major clash with GM in 1999 national negotiations. They knew that regardless of the gains or losses in the current local settlements, the basic issues that affected all GM workers — ongoing speedup, outsourcing, downsizing in violation of the 1996 agreement to maintain 95% of the workforce — would remain unresolved.

Over and over and over

Looking at the fate of the seventeen strikes at General Motors plants in the last four years, we have to wonder why the union would want to repeat the same struggle over and over without resolving the basic issues that continue to fester across the company.

The UAW continues to insist that the issues in all the plants lined up to strike are simply "local." To be sure, compliance with the contract limits mid-term strikes to plant issues. But there is more involved here. Legally, the union can only strike and bargain over these issues. But it still possesses the First Amendment right to publicly discuss the national nature of these issues.

There is an enormous difference between the way the Teamsters handled the 1997 UPS strike and the way the UAW leaders addressed the public this year. Whereas the Teamsters aggressively addressed the working-class public, making their strike a fight for all working families, the UAW keeps a low profile insisting these were local strikes over local issues.

The union still has the option of declaring that these issues will come under the umbrella of national negotiations when it bargains new national contracts with the Big Three next year. But the UAW has done nothing like this so far.

Activists in the UAW New Directions Movement called for such an approach. They and a few more independently minded local leaders saw an opportunity to rally a broad movement against GM, to make these issues national ones, and to build greater solidarity within the UAW and with labour as a whole.

It was not to be.

Declining union membership

Nationally, the UAW has lost half its members in the last twenty years, despite the fact that there are almost as many auto workers in the U.S. today as there were twenty years ago.

The GM hourly workforce in Flint has plummeted from 78,000 in the late 1970s to 33,000 on the eve of these strikes. The "effective unemployment rate" among Black males in this 50% African-



American city is about 27%. GM's total plan for downsizing Flint involves 11,000 more job cuts—a plan one UAW Local 599 official in Flint called “industrial racism.” (*Labor Notes*, August 1998, 14)

The UAW claims this is because production has moved abroad, mainly to Mexico. But the bulk of lost union members is explained by other factors.

The first is speedup in the assembly division. In 1978, 328,000 workers stamped and assembled about nine million cars and trucks in the United States. Today about 258,000 workers stamp and assemble 12 million.

The second cause of dropping union membership is the growth of non-union parts plants and firms within the USA. The number of workers in this sector has grown from 352,000 in 1978 to 437,000 this year, but union membership has fallen from 75% of this workforce to around 10% by some estimates.

Yet the UAW leadership continues to hold to the fiction that its declining membership faces only local issues. Union bureaucrats cannot shake off decades of business union ideology and practice.

For twenty-five years following the Second World War, local strikes were really just local disputes. National strikes tended to be brief ceremonies (with important exceptions, to be sure).

In those days, “scabs” were not spoken of in polite society. But, at the same time, the ranks of labour became increasingly fragmented by a “private welfare” system in which company-based benefits tied the union and its members to the company and fostered an insular consciousness.

UAW leaders’ passive behaviour and illusions have been reinforced by 15 years of “jointness” and labour-management cooperation in the name of “competitiveness,” with its debilitating impact on union consciousness at all levels.

The problem is that the post-1945 deal on which all of this ideology and practice rested was broken a long, long time ago. Indeed, by the early 1970s there were multiple local strikes (e.g. Norwood and Lordstown) over speedup and other working conditions issues, as well as a wave of wildcat strikes over repression in Detroit plants. Most of these disputes were dissipated or squashed by the UAW’s bureaucratic machinery.

The UAW’s elaborate, multi-million dollar capital-labour partnerships have tended to disarm the union, while giving the companies time to outflank them.

Caterpillar, another exemplary UAW “partner,” did more than break the deal. The company used the period of “cooperation” in the late 1980s to invest in non-union facilities all over the country and world, then resorted to scabs to break the union at home. GM did the same, though with less success.

“Partnership” or pretence?

In spite of its multi-million dollar “jointness” programme, GM turned nastier, under pressure from Wall Street and its shareholders. It resolved to downsize, outsource and otherwise cheapen its operations.

GM abandoned the practice if not the pretence of “partnership,” even at the model Saturn plant. There was a series of smaller rank-and-file rebellions—first against union leaders, then against the “risk-and-reward” contract. Finally, an overwhelming strike vote in July 1998 marked the collapse of partnership.

At GM’s NUMMI joint venture with Toyota, management went even farther and threatened to run the truck line themselves if the union went on strike when its contract expired on July 31. By the end of July, UAW locals at six GM plants were waiting in line to strike the giant corporation. And still the line was that these were all just local disputes.

GM’s propaganda certainly has some effect on workers. How can anyone in today’s dog-eat-dog competitive world argue for decent working conditions or secure jobs?

How, indeed—if, like so many business unionists, your world view includes so much of capital’s priorities? If, for example, you can contort reality enough to believe that GM’s competitiveness is the basis of job security rather than job elimination?

Many people fall back on that kind of thinking for lack of an alternative. And the UAW was certainly not providing such an alternative. In fact, the union’s rallying cry was that GM was putting “America Last” as it invested abroad. Patriotism being the last refuge of scoundrels in defence of business-union insularity.

Industry-wide problems

Problems of speedup, workloads, outsourcing and job loss are not unique to GM. Chrysler has seen two strikes, one a wildcat, in the last year. And there is more discontent beneath the surface. On July 26 the *Wall Street Journal* quoted UAW officials at Ford and Chrysler plants as saying the UAW national leadership has been too soft on management at those companies.

The problems vexing GM workers are rampant in Ford and Chrysler plants as well. It could not be otherwise in today’s international auto industry, where competition first breeds over-capacity as firms struggle to expand market share; where lean production has become the job-reducing-work-intensifying norm; and where competitiveness finally forces everyone to reduce excess capacity.

The working class sees itself

Union leaders with vaguely social democratic views imagine themselves far ahead of their ranks in social vision, strategic thinking and political savvy. In fact, they have in fact been bypassed by a growing number of their members.

More and more working people understand the almost universal nature of the issues that led to highly visible strikes such as last year’s UPS strike and those at GM this year.

Support for these strikes has been overwhelming. The polls show the public supporting the GM strikers by huge margins: 67% in a Flint-area survey, 74% in an *ABC* national Internet poll, and what *NPR* described as “overwhelmingly” in a Gallup poll.

Capital’s own thrust over the past twenty years to restructure, reshape and transform how it produces goods and services in the forge of ruthless competition has made one-time workplace issues into social issues.

Herein lies not only better strike strategy, but the possibility of mobilising across labour and beyond—the hope of organising the unorganised.

At the same time, capital’s unprecedented reorganisation via mergers, acquisitions and spin-offs have made it an even more visible target for working-class resentment. Add to this the equally visible explosion of upper-class incomes through skyrocketing executive salaries and bonuses and the astronomical growth of stock values and dividend income, and you have the makings of resentment—and class consciousness.

To be sure, this new consciousness must fight its way through decades of business union ideology, racism, social conservatism and the dead weight of so much “common sense.”

Today’s labour leaders are caught in their own contradictory ideology: On one hand, a business union outlook carrying the weight of a lost past and dead “partnerships;” on the other, a vague populism in search of relief from this “labour crunch recovery.”

Still, the dynamics of the struggle at

★ USA/Mexico

GM are revealing about the possibilities and limits of the moment. After nearly two decades of paralysis and near passivity, the rank and file in auto has begun to push for resistance at the local level, which for now is the only place they have the direct power to do so. Their renewed militancy has pushed the UAW leaders to open the gates of strike action and even to come up with a tactical approach to influencing the company—serial strikes that wound or cripple production.

Yet the ranks do not yet have the power to push the leadership to the next step: a genuinely national strategy for taking on the universal issues. And the narrowness of the leaders' strategy in turn holds back a broader working-class mobilisation, even if a largely symbolic one, in support of the strikers.

It is a situation begging for a breakthrough, but the necessary forces have not yet assembled. It takes more than one or two strikes to accomplish much, unless they are tied to building a broader working class movement.

In 1898, Socialist Labor Party leader Daniel De Leon told striking New Bedford textile workers that their strike would simply become one of a series of lost struggles, unless it was tied to the building of a broader labour and socialist movement.

His linear solution (socialist party plus socialist labour federation leading to the general strike) is not even an option now. But building on these struggles to create a class movement once again presents itself as a possibility—even if a difficult and still distant one.

The challenge for leftists is to build within the ranks the power and organisation to make the breakthrough—to take the local struggle to the national level and to reach out beyond the unions to a class that is beginning to see itself as a class. ★

* Kim Moody is the director of *Labor Notes*, a newsletter and network for US labour radicals. This article was first published in the US magazine *Against the Current* with the title "What Means This Strike?"

Han Young campaign

The San Diego-based Support Committee for *Maquiladora* Workers and the Campaign for Labor Rights (based in Washington, DC) are renewing and intensifying a consumer pressure campaign focused on the Hyundai company.

The campaign started 12 months ago, and aims to bring about a just resolution of the labour conflict at a Mexican subcontractor plant, Han Young, in Tijuana.

"The crisis at Han Young exemplifies everything that is wrong with the North American Free Trade Agreement," explains Mary Tong, executive director of the Support Committee. "Refusal by Mexican authorities to enforce Mexico's own labour laws is causing citizens in Mexico, the USA and Canada to have serious second thoughts about proceeding any further down the road of free trade."

The renewed campaign against Hyundai will attempt to force the company and the Mexican government to recognise the workers' independent union.

Workers at Han Young weld chassis later assembled into tractor trailers ("semi's") by Hyundai Precision America. Both operations are in the Tijuana area although Hyundai Precision is headquartered in San Diego.

The Korean-based Hyundai Group has been experiencing severe financial stress due to the Asian currency crisis. Campaigners believe Hyundai is ill-prepared to ride out a campaign which might adversely affect its exports from the US.

The central issue at Han Young is winning respect for the workers' right to join an independent union of their choosing and the union's right to bargain a contract

with management. The workers formed the "October 6" union (named for the date of the first of their union certification elections), and a clear majority of eligible workers has voted three times to be represented by the independent union. Workers at other factories in the Tijuana area are reportedly eager to be represented by the new union.

Initial agreements broke down after Hyundai stood by while Han Young management proceeded to try to crush and/or circumvent the independent union. Many of these actions by Han Young management were in direct violation of Mexican labour law. In any case, Han Young could not have continued its course of action without the consent or possibly even the assistance of Hyundai (Han Young's only customer).

The renewed campaign is initially directing most of its pressure on Hyundai Motors dealerships.

On September 9, the Support Committee released an open letter to Hyundai, signed by representatives of 87 US religious organisations. "Because your company is in a position to insist on a just resolution to the current situation," they wrote, "continued violation of the rights of the Han Young workers will only serve to damage Hyundai's reputation in the United States."

Another open letter to Hyundai - this one signed by 136 community-based organisations and individuals, said "we are committed to an intensive long-term campaign to ensure that the members of our organisations and the broader public are fully aware of Hyundai's role in the Han Young labour dispute and will respond with appropriate consumer decisions.

We strongly urge you to intervene decisively and swiftly to ensure that the Han Young workers are allowed to negotiate a fair contract in an environment free of intimidation and repression."

"Decent people everywhere are outraged at the treatment accorded the workers at Han Young," said Trim Bissell, national co-ordinator of Campaign for Labor Rights. "The Hyundai corporation is in for a rude awakening when it looks out the windows of its car dealerships to see picket signs and when it hears that its labour policies are being questioned in the halls of Congress." ★

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Maquiladora sector growing fast

The most recent statistics indicate that *maquiladoras*, the manufacturing and assembly plants mostly located on the US-Mexican border, remain the strongest and fastest growing sector of the Mexican economy. The success of this industry, however, often brings social problems in its wake.

Usually non-union plants, or plants with government-controlled labour unions, low wages and little enforcement of health and safety or environmental laws, the *maquiladoras* have proven to be the ideal basis from a business point of view for Mexico's export for manufacture programme. Most *maquiladora* workers make only between the minimum wage (US\$3.00) and \$6.00.

The *maquiladora* sector saw more than

one billion dollars in investment in July. The *maquiladoras* generated \$884m. in foreign exchange, a 20% increase over last year.

In July alone, the government approved 50 *maquiladoras*, and the expansion of 59 others, while only 12 were cancelled and five suspended temporarily. There are now more than 4,000 *maquiladoras*. The new plants will create about 23,000 new jobs.

Maquiladoras produce 44% of Mexico's foreign exports. Maquila sales abroad during the seven month period amounted to more than \$4bn., a 3% increase over the same time last year.

US corporations remain the biggest investor in *maquiladoras*, followed by Mexicans. [MLNA] ★



Europe's labour left

The labour movement is absent from the great process of European integration. But **François Vercammen** sees signs of change.

In the early 1980s, western European social democratic parties accepted the key elements of the growing neo-liberal offensive: social counter-reform, "brain-washing" the population with reactionary ideology, redistribution of wealth from poor to rich, and deliberate weakening of the trade unions.

This was a complete abandonment of programmatic autonomy. The worst and longest-lasting social democratic "treason" in peacetime. In the search for "electability," social democratic parties abandoned their basic policies, which had served since the 1930s: Keynesian economic policy, defence of public services, state intervention, economic and social "programming" by government, and some level of support for the general social demands of the trade unions.

With the fall of the Berlin Wall, social democrats seized the project of European Monetary Union (EMU) with enthusiasm, even joy. They convinced themselves, and their supporters, that the (new) sacrifices demanded by the Maastricht Treaty on EMU would guarantee a new era of prosperity in the future.

Leaders of the continent's major trade union confederations did everything to help. They tried to keep labour demands

within the limits set by the EMU Convergence Criteria. One effect of this was to push the labour movement in each country into a position of national competition between EU member states. Which obviously ruled out any Europe-wide campaign, mobilisation or strike.

Trade Union leaders presented the European Union as the saviour of labour. They destroyed the alternative perspective, of a strong, active European trade union movement, with its own, alternative political and social policies.

Trade union leaders have restricted the role of the European Trade Union Congress. It has never been more than a lobby and pressure group.

Not that there has been much opposition to this strategy from the rank and file. The fact that no pan-European left has emerged shows the depth of the historic crisis of the labour movement.

This is something much worse than an "unfavourable balance of forces." The traditional labour movement is at an all-time low. The situation is truly dramatic.

The working population is being transformed, in a dynamic of fragmentation, and division. What form should trade union work take in these new conditions? Traditional political-institutional power structures are being diluted, as the economy becomes more globalised, and a supra-national European power centre slowly forms. This situation is paralysing the 100-year old strategy of the trade unions, which has consisted (at best) of promoting demands that can unify the

working population, and supported by progressive social legislation. And the increasingly distant relationship with social democratic political parties (or, in some countries, the complete disconnection of the trade union bureaucracy from its traditional political reference point and pressure point) has completed the process.

The traditional left in the trade unions has also been weakened by these developments. In reality, apart from a very few countries, the trade union left no longer really exists as an active and coherent force.

If we are to end this situation, we need analysis, reflection and programmatic proposals which can rebuild common, unitary work. We need to redefine ways of action and organising on the ground, and re-find the autonomous behaviour and reflexes which every real emancipation movement needs. We need to re-legitimise trade union work outside the narrow confines of workplace issues, and outside the Capital-Labour relationship. We must seek to incorporate the needs of all the oppressed layers of society. Including, and particularly at the level of the European Union as a whole.

In recent weeks we have seen two encouraging developments. Leaders of significant sectors of the labour movement in Germany, France, Italy, Spain and Belgium have organised an EU-wide meeting of the trade union left in Paris later this month. On the next page we reprint the initial "orientation text" of this unprecedented meeting.

The other good news was the recent Milan meeting of 500 left trade unionists (including some of those who signed the pan-European appeal). This important meeting in Italy shows the potential dynamic which a Europe-wide left regroupment can have on the labour movement in each country. Indeed, this new phase of left co-ordination in the trade unions was somehow prefigured by last year's co-ordinated European Marches Against Unemployment, Marginalisation and Job Insecurity, an initiative that linked unemployed workers, trade union activists, and others who supported the rebirth of the social movements.

Let's hope that this encouraging trend is confirmed, and that we see a Europeanisation of labour struggles. The political context is ripe. Europe's new single currency, the Euro, will be introduced in 1999. This will create, for the first time, a real European Executive power.

Meanwhile, social democratic parties will dominate the governments of all member states, except Spain. They will have no excuses for not introducing the "social and economic" Europe they have been promising.

Time to start increasing the pressure! EU heads of state will meet in Cologne, Germany on 5 June 1999 to review developments. It's time to start building the counter-summit, and the pan-European demonstrations that will ensure that our voices are heard. ★

For a social Europe...

Change is urgent!

European trade unionists convinced of the urgent need for another, social Europe, have come together to initiate a movement of reflection and initiative.

The following text is aimed at all European trade unionists who are concerned for the social development of Europe. We invite them to join our reflection. A meeting of trade unionists is planned for October 24 in Paris.

- The social situation continues degrading across the European Union. The growing fragility of wage labour makes it hard to make ends meet after the 15th of the month. Because of low wages. Because of enforced part-time working. And the fear of losing your job. Or worries about the future of your children.

The European Union has 50 million poor people, and 20 million unemployed. This contributes to the degradation of working conditions, and creates a field for racist discourse and far-right organisations.

- Meanwhile, there is no real discussion among trade unionists about the objectives of mobilisation and the indispensable structural reforms. The closure of the Renault-Vilvorde factory is the symbol of non-existent Social Europe. There were several demonstrations in 1997, in Amsterdam and Luxembourg. But, while awareness of the need for a truly social Europe has made great progress, the European Union is still, essentially, a free trade zone.

Thanks to the action of the French and German unemployed, unemployment and poverty statistics have found a human face. The unacceptable is no longer bearable. An alliance is emerging, unifying the world of labour around a clear, simple objective: new full employment, and the resources for a life in dignity.

Mobilisation is still necessary. The employment chapter of the Amsterdam Treaty relegates employment concerns to a secondary position. The Consultative Employment Committee (Article 1095) does not have the same kind of powers as the Monetary Committee. The new chapter on social policy is still based on a labour-market policy which respects the limits imposed by competitiveness and favouring a neo-liberal approach (employability, adaptability). The main lines of economic policy (the Stability Pact) do not make any allowance for their effect on employment. Not surprisingly, the Luxembourg summit

has not changed the direction of European construction.

Economic competition and the low-cost-labour policy are eating away at social protection. Employers' contributions to social security are being cut, and bosses get subsidies for creating jobs. Restructuring of work is reducing the workers' access to social rights and benefits. Without a social Europe, the enlarging of the European Union will increase the divergence in competitiveness, and prolong the period of social and fiscal dumping.

Economic growth has left hundreds of thousands of unemployed and impoverished workers by the wayside. It is becoming clear that the Euro, on its own, will not change this. The United States has the strongest currency in the world, but the "hidden hand of the market" has not created much benefit for the 30% of the population which is below the poverty line. Which proves that the (re)distribution of wealth and social justice are, above all, political questions.

As trade unionists, we cannot accept the development of an antisocial Europe which condemns millions of people to poverty. A Europe which reduces the lives of these people to something "superfluous". Which confines women to part time work and the home, thus preventing the development of real social equality between men and women. A Europe which allows social segregation to grow. This situation is all the more unacceptable when the conditions for economic growth exist. Growth which would only be boosted by an increase in wages and massive job creation.

Improvements are still possible at the level of an EU member state. But European integration has reached the point where these improvements must be spread to the other countries.

The beginnings of a European employment policy worry us, because we know that neither compulsory training placements, nor labour market flexibilisation, nor workfare can solve the terrible problem of unemployment. Quite the contrary.

This is why we think that all trade unionists in Europe should begin discussing the means for obtaining:

- A European framework directive reducing the working week to a maximum 35 hours, everywhere in Europe, by the year 2002. This must be done, and financed by a redistribution of wealth, without loss of salary or regulations which worsen living and working conditions.

- A framework directive raising unemployment benefits, social security payments and other minimum revenues to a level which permits each individual to participate in social and cultural life.

- An end to privatisation and the dismantling of public services.

- A European political engagement to modernise and improve public services, to satisfy social needs.

- Fiscal reform so as to increase taxation of income of capital, company profits, and stock market speculation. This will release the necessary resources to restore social equilibrium and generate durable development.

To ensure that this social reorientation is protected in the future, we want to see democratic reform of European institutions.

We refuse to accept that the price of the Euro includes maintaining the current level of unemployment. The single currency must not involve increases of unemployment and reductions in democracy.

This is why we think that urgent social measures must be adopted.

Since the essential decisions of European construction are intergovernmental in nature, our action in pursuit of the above demands should address our respective national governments, and the ensemble of heads of state when they come together at European Summits. ★

Signatures :

Etienne Adam (CFDT URI Basse Normandie, France), Paola Agbello (sec. naz. CGIL funzione pubblica, Italy), Hervé Alexandre (Fédération Générale Transports et Equipement CFDT, France), Alessio Ammannati (sec. gen. CGIL Firenze, Italy), Anne-Marie Appelmans (sec. gen. Interrégionale Brussels FGTE, Belgium), Michel Angot (Interc 94 CFDT, France), Chantal Aumeran (Syndicat unifié des impôts, France), Gérard Balbastre (FGTE-CFDT, France), Ctaido Ballistreri (Fiat Torino direttivo naz. CGIL, Italy), André Beauvois (sec. rég. CGSP-FGTB, Belgium), Paolo Belloni (sec. naz. FILCEA CGIL, Chimie, Italy), Wilma Casavecchia (sec. reg. CGIL Umbria, Italy), Henri Cellé (SUD-Rail, France), Jean-Christophe Chaumeron (Féd. Finances CGT, France), Annick Coupé (SUD-PTT, France), Gioglio Cremaschi (sec. gen. FIOM CGIL Piemonte, Italy), Bruno Dalberto (Cheminots CFDT en Lutte, France), Ferruccio Danini (pres. dir. naz. CGIL, Italy), Claude Debons (FGTE-CFDT, France), René Defroment (CFDT Auvergne, France), Giuseppe Di Iorio (CGIL Napoli, Italy), Angela Di Tommaso (Dir. naz. CGIL, Italy), Bernard Dufil (Féd. Banques CFDT, France), Jean-Claude Gagna (UGICT CGT, France), Joaquin Garcia Sinde (CC.OO. Metalworkers, Galicia, Spain), Gérard Gourguechon (Union syndicale Groupe des 10, France), Pino Greco (sec. naz. S.in.Cobas metall., Italy), Jean-Paul Halgand (CFDT Caisse d'épargne, France), Jörg Jungmann (sec. IG Medien Wiesbaden, Germany), Pierre Khalfa (SUD-PTT, France), Angelo Leo (sec. FILCAMS CGIL Brindisi, commercio, Italy), Piero Leonasio (sec. naz. SLC CGIL, comunicazioni, Italy), Gigi Malabarba (coord. nat. S.in.Cobas, Italy), Rino Malinconico (sec. naz. S.in.Cobas scuola, Italy), Freddy Mathieu (sec. gen. FGTB Mons, Belgium), Jean-Claude Missonnier (Syndicat unifié des Caisse d'épargne, France), Andrea Montagni (sec. reg. CGIL Toscana, Italy), Lluís Perarnau (FETE-UGT, Spain), Luigia Pasi (sec. naz. S.in.Cobas enti locali, Italy), Fulvio Perini (Dir. CGIL Torino, Italy), Jean-Marie Piersotte (sec. naz. Centrale Nationale Employés CSC, Belgium), Alain Placidet (UFICT-CGT transports, France), Maurizio Poletto (sec. CGIL Torino, Italy), Raffaello Renzacci (sec. CGIL, Piedmont, Italy), Rosa Rinaldi (sec. naz. CGIL Piedmont, Italy), Augusto Rocchi (vicesec. CGIL Milano, Italy), Horst Schmitthener (Nat. Sec. IG Metall Vorstand, Germany), Marc Sonnet (CFDT Provence-Alpes-Côte d'Azur, France), Guy Tordeur (sec. féd. ACV-CSC Féd. Bruxelles-Hal-Vilvorde, Belgium), Philippe Vandenaeele (Centrale générale des syndicats libéraux, Brussels, Belgium), Claire Villiers (CFDT-ANPE, France).

Philips workers refuse "flexibility"



Militant trade union struggle in Barcelona has blocked attempts to "flexibilise" working conditions.

Juan Montero



According to Spain's influential business weekly *5 días*, "when the Dutch multinational Philips tried to introduce a new shift system at its Miniwatt subsidiary in Barcelona, it had no idea how much workers would resist its decision."

On 17 August a judge disallowed the new shift system, under which workers would have worked six-days-on, then two-days-off.

A victory for the multinational would have been a terrible blow for what is left of the class-conscious labour movement in Catalonia. Having defeated the combative workers at Minwatt, managers and the regional government would have used the case as a precedent to enforce their plans for a double salary scale, with newly hired workers receiving up to 40% less. To oblige workers to work on public holidays as required. To introduce a nominal working week of 48 hours. To enable employers to decide when pauses should be taken. And so on and so on.

But the victory of Minwatt strikers is a setback to this bosses' offensive. 350 new workers will receive proper contracts.

But what Catalan bosses are really worried about is the wide support for the strike among workers outside Philips. The "officialist" leadership of the main trade union confederations were completely side-stepped in the strike, which was led by activists from the "critical sector" of the Communist-led CC.OO. trade union, and Catalonia's strong anarcho-syndicalist confederation (CGT). Up to 2,000 workers from outside Miniwatt joined demonstrations. Once again, workers have seen that "there is an alternative" to the realism and abdication of trade union leaders.

Philips decision to force a conflict at the plant was the result of shameless collaborationism from the leadership of the UGT trade union, which thought it could replace the CC.OO as the main union at the plant.

Management was massively overconfident. "Your past strikes have been like flower-arranging," the Miniwatt Director told union representatives. "Why not try a three month strike!" Three weeks into the strike, this same Director went cap in hand to the courts, asking them to enforce a

return to work. One week later, he unconditionally withdrew all proposed reforms at the plant.

Not that everything is the result of human error. The personnel section at Miniwatt employs several "experts" who have rich experience in running down, then closing, factories which have been blacklisted by the top management of the Philips group.

Workers at Miniwatt realised that the real struggle was about Philips' determination to worsen salary and working conditions, reverse previous concessions to workers, and cut jobs. The multinational's Spanish subsidiaries were particularly determined to liquidate the class-struggle trade union tradition, which has dominated a number of larger industrial plants ever since the death of General Franco in 1975.

In January 1997 the company increased capacity by 60%. Management proposed to recruit 300 new workers, but to pay them 40% less than the core workforce. In April that year, management cancelled all short-term contracts, and demanded that unions accept the two-tier salary scale. They began closing sections of the workshop, and transferring work to other Philips plants.

In November 1997, the UGT union agreed to the two-tier salary scale. Workers struck in protest. On 12 January '98, UGT shop stewards crossed the picket line.

In April 1998, the company said all future workers would be recruited through temporary labour agencies. Only recently licensed to operate in Spain, "temp" agencies are deeply distrusted by workers and young people. There is widespread sympathy for the youth campaign to close private labour agencies, which are accused of profiteering from unemployment, and encouraging flexible and unstable labour contracting.

In June, management invoked new labour legislation to impose the new shift system. There were a series of one day strikes. In an attempt to divide and isolate more militant workers, management destroyed part of the plant, and build a wall dividing different workshops.

On July 6th, Miniwatt workers began an all-out strike. In a hard struggle,

workers occupied the factory, and organised a number of ambitious events, including a flash occupation of the Barcelona stock exchange, and the burning of tyres in the Placa de San Jaume, home of the Catalan government and Barcelona city council.

International solidarity

With most trade unionists nowadays accepting the "logic of competition," Philips was amazed to discover that workers at their Brazilian plant of San Jose dos Campos refused to do any overtime to replace lost production during the Barcelona strike.

After three months on strike against a multinational, Miniwatt workers were increasingly desperate. But, when they realised that poorer workers, thousands of kilometres away, had adopted such exemplary solidarity measures, their morale was restored for a final push towards victory.

Calalonia's main left parties were conspicuous by their absence from the solidarity campaign. But the United and Alternative Left (EUiA)* threw all its efforts into the Miniwatt campaign.

Current situation

Management and the UGT trade union bureaucrats are still trying to squeeze through some unfavourable clauses in the contracts for the 350 new workers now recruited to meet extra orders. They have also appealed against the court which squashed their original plans, though they know that no court would try to enforce a pro-management decision in the current balance of forces – so strong is the popular feeling against Miniwatt and Philips. ★

* Formed after a split in the Catalan wing of the ex-Communist United Left, EUiA is a regroupment of Communists, Trotskyists and independent leftists who want to rebuild a pluralist social and political movement to the left of social democracy.

The author is a trade union representative at Miniwatt, and a long-time supporter of the Fourth International.

Breakthrough for Left Party

The ex-communist Left Party (*Vänsterpartiet*) are the most impressive winners of the recent parliamentary election.

Peter Lindgren

In previous elections the party seemed stuck at 3-6% of the vote. This time they won 12%. The Left Party is now the third largest party in the *Riksdag* (parliament).

The Social Democrats, still Sweden's dominant party, have been obliged to start negotiating with the Left Party and the Greens about a "long-time co-operation" agreement to cover the four-year life of parliament. The Social Democrats and the Left Party are one vote short of a majority in the 349-seat assembly.

Prime Minister Göran Persson says he doesn't want the two smaller left parties to be part of the government, but to support from outside. For the Left Party, this is an open question.

The history of the Left Party is similar to other European Communist Parties. The Communist Party of Sweden changed its name to the Left Party Communists in 1967. In 1968 the party strongly condemned the invasion of Czechoslovakia, even demanding that Sweden should break off diplomatic relations with the Soviet Union! The development towards "euro-communism" took a step forward in 1977, when the hard-line supporters of the Soviet "line" left the party.

After the fall of the Berlin Wall, the party briefly tried to build a strong, united left (like Spain's United Left). The far-left Socialist Party (4th International) participated on a joint list in the 1991 election, but declined a serious offer to join the Left Party. Later that year, the Left Party caused a government crisis, voting against the Social Democrats, who wanted to freeze public sector salaries.

Eventually, events in the ex-USSR and eastern Europe provoked a political crisis for the party. Several party leaders joined the Social Democrats. The rest decided to change the party's name to Left Party. "Communists" became demoralised and increasingly passive. The right-wing within the party grew in strength. This trend was helped by the lack of party organisations in the trade unions and workplaces. In fact, the last workplace branch of the party dissolved in the beginning of the eighties.

Such was the climate in the party that Gudrun Schyman, claimed she had never been a Communist, when she became party leader in 1994. In fact, the first woman to lead any Swedish parliamentary party had been a member of the Left Party



Left Party leader Gudrun Schyman is the first woman to lead a Swedish parliamentary party

Communists and, for a few years in the 1970s, a Maoist group called the Marxist-Leninist Struggle League.

Autumn 1994 was a decisive moment for the party. The new Social Democratic government pushed through an aggressive austerity budget, cutting down a total of 126 billion *kronor* (US\$16.7bn.). These cutbacks were particularly hard for the unemployed, social welfare recipients and single mothers – all core voters of the Social Democrats.

You wouldn't know it if you looked at their 1998 electoral campaign, but at the time the Left Party supported these cutbacks! In fact, the "savings-parcel" was only passed in parliament because of the votes of Left Party deputies.

According to Jörn Svensson, an MEP on the right of the Left Party, "our party was dishonest [in 1994] when we took responsibility for 114 billions of 126 billions in cutbacks and then – during the 1998 electoral campaign – blamed the Social Democrats for the cutbacks."

In 1995 the Social Democrats turned their back on the Left Party, preferring to negotiate its cuts programmes with the liberal Centre Party (*Centerpartiet*). One

reason for the strategic shift was the Left Party's critical view of the European Union. The Swedish establishment is committed to the European Union, but all polls since 1995 shows that a majority, particularly among working people, want Sweden to leave the Union.

The new co-operation between Social Democrats and the Centre Party let the Left Party off the hook during this election. The party was able to demand "justice" for the unemployed, single mothers and social welfare recipients. In the eyes of the voters, the Left Party was standing for a traditional, social democratic, welfare policy.

Among young people voting for the first time, the party won 20%. About 27% of unemployed voters supported the Left Party, as did over 30% of members of the LO trade union confederation, which organises 84% of blue-collar workers. The true face of the "responsible" Left Party could be seen in some municipal governments. In Stockholm in 1996, a Social Democrat-Left Party-Green coalition cut 3 billion *kronor* (US\$ 400m.) from the health budget. Not surprisingly, Stockholm voters have since elected a bourgeois

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majority. In several cities the Left Party showed its "responsible" attitude to cash shortages at the municipal level by cutting payments to welfare recipients.

Tragically, the left inside the party reacted in a very confused way. At the 1996 congress of the Left Party, left-wingers denounced any co-operation with the Centre Party, while voting in favour of the Stockholm council health cuts.

The outcome of the current government negotiations will ultimately be decided at the international level. With a crisis in Asia, Russia and Latin America, there is small reason for optimism.

Perhaps we will see a government like the Jospin administration in France: a left government that satisfies the needs of big business, and implements the reactionary criteria of European economic integration.

"The markets" have reacted mildly to the elections indeed. And the Left Party has made it clear they will not "put at risk the repayments of the budget deficit". They want to repay public debt slightly more slowly than the Social Democrats, but stress that the difference is only 10bn. kronor (\$1.4bn) This is certainly a comforting message for "the markets". In fact, Sweden's public sector debt is only 30% of GDP, much lower than the EU average of 50%.

The European Commission has bluntly announced that unemployment payments in Sweden are too high, and must be reduced. Social Democratic Finance Minister Erik Åsbrink has promised to comply. But he will not have an easy ride. This ques-

tion was hotly debated at the Social Democratic congress in September 1997. The party leadership was clearly defeated by the delegates, a very rare phenomenon showing the strong feelings of the traditional welfare-sentiment in the party.

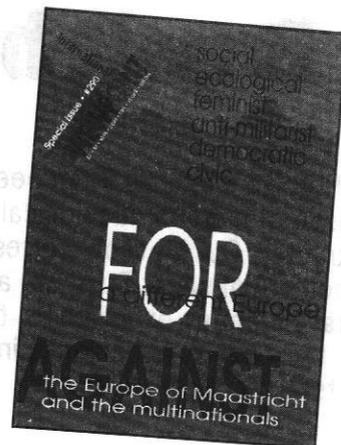
The Left Party's electoral campaign included a pledge to increase unemployment benefits. But party leaders would rather give proof of their "responsibility." Their strong parliamentary group might be a problem. Not all had expected to be elected, and some might stand up for their promises (though their initial statements are not encouraging).

It is clear that the new government will continue with neoliberal policies against the poor. Up to a point, the Left Party will go along with these attacks. No-one knows yet how far the Left Party will go, and when it will resist its "realistic" leaders.

That will be decided by forces outside the parliament. But there is no cause for exaggerated optimism. Only one demonstration in the nineties has gathered more than 8,000 participants – a demonstration of 30,000 against the austerity policies of a conservative government in 1993.

This might mean that the masses will not spontaneously flood the streets in protest against the Social Democrats in the near future. But four years is a long time in politics, and the new government can be expected to provoke bitter disappointment among its core voters. ★

* The author co-ordinates the *International Viewpoint* website. He is a member of the Socialist Party (Swedish)



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The centre collapses

Sweden's ruling Social Democrats have just had their worst electoral result since 1922. Left and right opposition parties have gained votes

Elections on September 20th showed a growing polarisation in Swedish society. Prime Minister Goran Persson saw his party's share of the vote fall from 45.3% to 36.6%. The party lost 30 seats.

The ex-Communists of the Left Party (*Vansterpartiet*) scored a record 12.0%. It's parliamentary representation increased from 22 to 43 seats.

But the right-wing also gained votes. The Christian Democrats – homophobic and neoliberal, though not overtly racist – had their best election since their foundation in 1964. The party's share of the vote increased from 4.1% to 11.8%.

The Social Democrats also lost to "the sofa party", apathy. The number of voters actually exercising their right to vote went down from the usual 86% to 78%.

In the past, a clear majority of unemployed voters have supported the Social Democrats. This time, only 35% gave Goran Persson their vote. The Left Party gained a record 27% of votes by unemployed Swedes, with the conservatives in third place with 12%.

Austerity and cutbacks were the main reasons behind the defeat. "I have hurt people", Goran Persson admitted after the results were announced. "And I failed to explain why it was necessary" [to hurt them].

This was the first election since Sweden joined the EU in 1995. In the 1994 referendum on entry, the Social Democrats were the most important part of the "Yes!" coalition but all opinion polls since the end of 1995 show that a majority of Swedes want to leave the EU – including up to 70% of blue collar trade union members! (Sweden has the highest rate of trade union membership in the world: 84%).

One new phenomenon in Swedish politics during the 1990s has been the string of corruption scandals. Not surprisingly, these have particularly hurt the ruling party, the Social Democrats.

In fact, the Swedish political system is in crisis. All parties connected to the policies implemented in recent years did very poorly in this election.

The Social Democrats may form a minority government with the support of the Left Party. But the two parties have only 174 of 349 of the parliament's 349 seats – one less than a majority! The

only other party likely to support the government are the Greens. [The alternative for Persson is a "grand coalition" with the conservative opposition, so as to marginalise the Left Party – Ed.]

Goran Persson has claimed that "I will never risk my credibility with the market. I will not gamble with the debt. Good finances will come before any reforms".

Strong words. But being forced to negotiate with the Left Party may get the prime minister into trouble.

Interestingly, no openly-racist party is represented in Sweden's parliament, reflecting the still-strong welfare-sentiment in the country. Even the pro-EU parties claim to be "friends of immigrants", despite the increasingly anti-immigrant and anti-refugee policies adopted in Brussels.

On the extreme left, the Socialist Party defended its electoral gains, but won no new official positions.

"It is sad, a tragedy, that the extreme left lacked the maturity to form a broad, democratic front during this campaign", said a Socialist Party spokesperson. "This must be done before the European elections in the spring of 1999 And we must now start to prepare a common struggle against the cutbacks that we suspect are coming." [PL] ★

Is Russia bankrupt?

The Russian state has often been accused of moral or ideological bankruptcy. Our Moscow correspondents **Aleksandr Buzgalin** and **Andrei Kolganov** explain why, this time, the country is bankrupt in the literal, economic sense.

The Russian government has refused to meet its financial responsibilities to domestic and foreign creditors. Moscow says it will repay foreign debt over a much longer period than agreed, and at a lower interest rate.

But the biggest shock concerned state bonds issued to cover short-term finance requirements. It now seems that these GKO bonds will not be redeemed when they mature. Instead, GKO holders will receive new state securities, about which few details are known. But everybody expects that it will only be possible to redeem (cash) these new bonds gradually, according to a timetable that has not yet been announced.

After categorically denying any plans to devalue the ruble, the government was forced to do so. But they were unable even to maintain the upper limit of the new hard currency corridor (9.5 rubles to the dollar) and the ruble continues to fall. Perhaps it will stabilise around the 12-13 ruble level. But perhaps the panic on the money markets will drive it even lower.

What happened?

One would have thought that the efforts of the government led by the young ambitious technocrat Kirienko — backed by rather large credits from the West — ought to have at least postponed the collapse of the very unhealthy Russian financial credit system. Many analysts thought that the crisis had been averted, at least until the end of the year, “providing that the government manages to overcome the difficulties in the autumn.” Yet the collapse came even before autumn set in.

In fact, people began talking of the threat of collapse of the GKO pyramid back in 1996, when the need to finance Boris Yeltsin's election campaign forced the government to borrow money domestically at colossal interest rates. Even without the election campaign, however, the system of financing the state budget deficit through domestic and foreign borrowing required that the state ensure the stability of federal budget income, so as to meet the heavy interest payments. In fact, budget earnings fell, and at the same time the government, in desperate need of money, was forced to borrow even more,



and at totally unreasonable rates.

The root of the problem lies in the general economic situation. In almost eight years of reforms, Boris Yeltsin's team has failed to revive the national economy. It has also been unable to stop the economic decline, which has been accompanied by the redistribution of the main income into the pockets of “new Russians” who have never paid tax before, do not pay tax now and are not planning to pay tax on the bulk of their income.

A constant reduction of the tax base and a contraction in the income of the state budget are an inevitable reality. The efforts of the government to maintain an appearance of relative social well-being, financed by unsecured debts, was always going to lead — sooner or later — to state bankruptcy. This bankruptcy is only a formal confirmation of the bankruptcy of the entire social and economic policy of the Yeltsin administration.

In such an economic situation the banking system cannot be stable. The real sector of the economy — the only reliable basis for the well-being of the monetary credit system — is in depression. The banks are hardly investing any money in production, and are certainly not drawing any income from it. About half of industry is making a loss, and the few profitable enterprises have not been able to provide the bankers with incomes even comparable to the GKO operations income. The corporate securities market has until now amounted to a share market of a few large companies from the energy and raw materials sectors, which are mainly geared towards export. Banks therefore inevitably placed the majority of their funds in GKO.

A vicious circle was created: The state had no income apart from borrowing from banks by selling them GKO. In their turn, the banks' very existence depended on the income they could generate from GKO operations. So the collapse of the GKO

pyramid is not just a collapse of the state's finances, but also of corporate finances. Freely convertible currency, particularly the US dollar, is practically the only reliable security left on the Russian market. This is why there is continual demand for dollars and the ruble continues to fall.

The immediate consequences of this crisis are already evident. Lending to trade and industry has decreased dramatically. Contracts are being torn up or not being honoured. The uncertainty in the exchange rates is forcing traders to cease making deals.

For consumers, prices began to rise quickly: In Moscow they had almost doubled by September 2nd, even on some domestically-produced food products. Throughout the country, trade in imported goods is being sharply curtailed (and Russia is currently more than 50% reliant on imported foodstuffs). In industry, the majority of long-term projects are under threat. The incomes of workers (particularly in the budget sectors) and pensioners are rapidly losing their value.

In its attempts to overcome this crisis, the government has begun borrowing slogans from the opposition. Phrases about nationalising the banks and price control are being bandied about. Some officials are resorting to covert and sometimes open threats about introducing repressive measures against businessmen who do not follow the recommendations of the central or local authorities. Such loud words, however, are powerless to influence the situation.

Tough measures are needed...

It will be impossible to overcome the crisis without some package of harsh mobilisation measures. The question is whether the current administration has the will and competence to design and implement such a set of measures.

The problem cannot be reduced simply to whether the government and the Central Bank will resort to printing money. If one limits oneself in this situation to choosing between soft and harsh monetary policies, then either choice will be wrong.

By holding back from printing money, the state can expect the ruble to stabilise after a while — at a significantly lower rate. But this will mean averting the crisis at the cost of a dramatic reduction in the living standard of Russian citizens and a significant contraction of the domestic market, which will mean that the speed of industrial decline will quickly increase.

On the other hand, by printing money, the state can revive the domestic market to some extent, but at the price of a long, inflationary price spiral, which will also lead

to a fall in production and living standards.

...but there is a choice

Of course, other policies are possible. The reality is that no government can fulfil its social obligations at their current levels. In this sense, a decrease in the average standard of living of the Russian population is inevitable. With progressive taxation and other measures, however, it is possible to ensure that the incomes of the majority are protected by sharply reducing the semi-legal incomes of today's privileged classes.

In addition to this, harsh mobilisation measures may facilitate a redistribution of resources, in such a way as to concentrate them on resolving the urgent (and subsequently also the long-term) tasks of modernising domestic production. (Analogies can be drawn with the post-war recovery policies of Japan and South Korea). If the competitiveness of industry were increased, it would in turn lead to economic revival and a growth in real incomes. It will at the same time provide the state with real resources for re-establishing social spending.

Whether such policies are undertaken depends first on resolving the question of whose interests the Russian state is serving. Will the government have the will to carry out the measures necessary? Not just to postpone economic collapse for another few months, but to really break through the destructive economic tendencies which have set in over many years (with roots stretching back to the Soviet period)?

To do this will entail going against the interests of those groups of businessmen — and the bureaucracy related to them — upon which the government has been depending up until now: groups connected mainly with the financial markets and the export of raw materials and natural resources.

Not surprisingly, the economic crisis has led to an exacerbation of the political situation. A change of the authorities may be an essential prerequisite for finding a way out of the crisis. But Russia's constitution, which was designed to keep Boris Yeltsin in power, hampers any political change. This is why a smooth transfer of power is difficult, and the risk of serious political upheaval increases.

The reluctance and inability of Russia's elite to serve the interests of the majority of their own population has not as yet led to large-scale civil protest. The people are exhausted after the political upheaval of 1991-93, having absorbed the lesson that any political change is for the worse. But another blow to the standard of living of Russia's citizens could be enough to test the limits of their long suffering and patience. ★

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Inertia strikes back

In the old days, Soviet propaganda insisted that the overall course of economic policy was correct, and that all problems were the result of individual error by negligent or corrupt bureaucrats.

Now that the Western powers and IMF control many of the levers in the Russian economy, they make the same claim. Boris Kagarlitsky suspects that the system itself is the problem.

Only a few months ago, anyone who even mentioned the idea of establishing control over capital investment, let alone nationalisation, might have been taken for a "red extremist" and had their views labelled as ridiculous or dangerous. Now, representatives of American corporations working in Russia are saying they do not intend to pull out of the market, demanding instead a radical revision of economic policy and measures that fly in the face of Western economic sermonising.

"If that means instituting age and price controls, or renationalising basic industries to ensure supplies and employment, so be it," Deborah Anne Palmieri, president of the Russian-American Chamber of Commerce, said in the *Journal of Commerce* earlier last month.

The *New York Times* of Sept. 15 approvingly quoted David Kotz and other radical critics of the neo-liberal policy in Russia, arguing that the time has come to recall Franklin D. Roosevelt's New Deal "as a model for helping the Russian economy recover."

Domingo Cavallo, who was brought to Russia to discuss the creation of a currency board on the basis of the Argentinian experience, used the September issue of *Forbes Global* to argue that such steps are not applicable in Russia and only a speedy annulment of sham privatisation can help.

The Russian crisis rudely demonstrated how misled the prevalent attitudes have been. The string of successive "reformist" governments led the country into such a blind alley that only extreme administrative measures could provide any hope of a way out. Foreigners who were working with portfolio investments and playing the T-bill market and those who catered to the whims of New Russians have already pulled out of the market. Those who remain have invested money into serious projects, and are here for the long term. They have no time for ideology, and are willing to support any measures that might help correct the situation.

Meanwhile, in Russia the bureaucrats and politicians are in a far more placid mood, as the unhurried formation of the government shows. No one shies away from talk of administrative measures, only from their implementation. Proposed half-measures such as the creation of special exporters and compulsory transfer of currency earnings to the government will probably come to nothing, and rather than signal the engage-

ment of real command economy levers, will merely cause further disruption to existing market mechanisms. Not even the threat of famine in the northern regions and the Kaliningrad area appears to worry the government unduly.

But the explanation for all of this is not to be found entirely in Russians' carelessness and their tendency to hope for the best.

The government's own inability to seize control of anything would appear to be the main cause of its apparent timidity. Tentative efforts to deal with commercial banks that are unable to settle up with their own customers ended in nothing, while the bankers themselves seem prepared to go down with the entire country rather than concede property and power to the government.

To undertake something radical yet not touch the interests of the oligarchs is impossible. Although now practically bankrupt, the 15 wealthiest men in the country still command colossal political clout, and despite their inability to effectively use the property they accrued during the plundering of the state sector, they will not surrender it — Boris Berезovsky has already warned of civil war if there is an attempt to nationalise anything.

Where is the left?

In theory, the Communists should be striving toward nationalisation, but like everyone else they fear (or respect) the oligarchs even more than the representatives of the other political parties. When erstwhile Prime Minister Sergei Kiriyenko raised the idea of the state seizing the property of Gazprom as the most heinous tax-dodging enterprise, it was the Communist majority in the State Duma who reacted with outrage. Nor did the Communists rush to pass legislation that would allow the nationalisation of banks. Over the past few years the leaders of the "left-patriotic" bloc in the Duma have played by the rules established by the Yeltsin regime while crushing dissent in their ranks.

The West's leaders fear a radical about-face in Russia under a Communist government. In fact, the real threat is that nothing will change. This contemporary inertia and dread of taking decisive action may ultimately prove to be a far more awful variant than any return to the past. ★

* Boris Kagarlitsky is a researcher at the Academy of Sciences' Institute for Comparative Politics. This article first appeared in the *Moscow Times*, September 22, 1998

The ability to mobilise

Now that the *Solidarnosc* trade union movement is a pillar of the Polish right-wing, the ex-Communist OPZZ trade unions are increasingly able to mobilise the working population in the struggle for social justice.

The following analysis first appeared in *Dalej!*, the newspaper of the far-left group NLR.

The Warsaw demonstration organised by the National Trade Union Alliance (OPZZ) on 3rd April marked the opening of a general dispute with the Government. It showed that dormant within this trade union grouping is a substantial potential to mobilise large numbers in defence of the interests of the workers.

The day after the demonstration, *Trybuna* newspaper wrote that the OPZZ: "was often perceived as a bureaucratic, inanimate... [post-Communist] union which would find no place in the new order."

The OPZZ was particularly inactive when the ex-Communist Social Democrats (SdRP) were in power. Both "social partners" took the side of Poland's new capitalists on every issue that was important.

Things seem to be changing a little. At the April 3 demonstration, according to *Trybuna*, "The workers showed that – contrary to the opinions of the neo-liberals – they are an important partner for discussions and not merely an obstruction on the road to reform. The words of the *Internationale* could be heard here and there in the OPZZ ranks. They are today once more a reality. 'The wretched of the earth' were marching in the street – people made wretched by the government of Solidarity and the Freedom Union. Parties who today care only for the new vanguard of change, the so-called middle class."

The same so-called middle class, we might add, which the SdRP looked after when it was in power.

Pushed leftward

The decision to organise the demonstration was taken by the OPZZ Presidium on 11th March. According to the weekly newspaper *Nowy Tygodnik Popularny*:

"The debates at the Presidium were historic in character. For the first time in six years the OPZZ decided upon such decisive action in relation to government policy. They adopted numerous demands of a national, regional and work-place character, reflecting the growing conflicts, closures and job losses, inappropriate restructuring of some [??] branches of



industry, sharp increase in the cost of living and growing poverty and simultaneous excessive enrichment of the elite in the work-place and in the state at national and regional levels."

The newspaper summarised the prevailing mood at the meeting in these words:

"...we will not allow further oppressive behaviour by the Government towards working people, towards the unemployed and pensioners, or put up with the continual disregard shown by the governing coalition towards the largest trade union organisation. It is time to say Stop!"

We should keep pushing

If only this were true! But experience teaches us that we must take a sceptical attitude to this declaration by the leadership of the OPZZ. We should demand and exert pressure on them to really do what they say. Saying 'stop' to the Government can only be done in one way, by a massive mobilisation of the workers, not once, but as part of a campaign of protest action adopted democratically, after the widest possible consultation amongst workers and in the trade unions.

The demands which the OPZZ has put forward are very limited. The Council of the OPZZ Metal Workers' Federation, stated that "the basic conflict from the point of view of the trade unions lies between capital and labour."

Anyone who thought however that the Council was beginning to speak the language of class struggle would be mistaken. Instead, the Council asks the OPZZ Congress to "define in the form of a resolution the interests of working people,

taking into account the interests of capital."

In the columns of *Nowy Tygodnik Popularny*, one writer close to the OPZZ leadership writes that, although this year's neo-liberal budget cannot be defeated, "trade union pressure can cause a diminution of the pain for the worst off." And that, in general, "it is the trade unions who have the capacity to oppose neo-liberal tendencies effectively."

So far so good. But as the writer continues, he exposes the split personality of the OPZZ leadership:

"We are not talking here about the welfare state, but about a minimum social justice, about exerting some restraint on the excessive enrichment of the few at the expense of the majority. The past four years have shown that it is possible to reconcile economic growth with improvement of the social situation, that the left is – what a paradox! – building capitalism, without interfering for an instant in the transformation of the system. This is logical, since in order to meet social needs more adequately it is necessary to strengthen the market economy, to the extent that it favours economic growth."

If union activists are so eager to show that they do not dissent from the dominant ideological trend, that they abandon advocacy of the welfare state and restrict their goals to "minimum social justice," if they do not demand that the few stop enriching themselves at the expense of the majority, but only that limits are put upon excessive enrichment and shamelessly assert that the strengthening of the market economy makes it easier to meet social needs, then there can be only one outcome: time and again the defence of the workers' needs will be abandoned.

Looking forward

The OPZZ is today the only mass workers' organisation which can defend the workforce and what remains of publicly owned property from exploitation and waste by neo-liberal capitalism.

Despite these shortcomings, the April 3 demonstration showed that, contrary to all those who had written off trade unionism as a lost cause, the OPZZ was capable of mobilising the working masses.

Whether and to what extent this capacity is used and translated into deeds cannot be left to the narrow circles of the OPZZ leadership. It is a matter for all those who are under threat of finding themselves on the street, reduced to beggary, if no organisation comes forward to defend their rights, dignity and interests. If the OPZZ adopts such a course, then sooner or later it will win over workers who belong to Solidarity, who are losing out, like all other workers and have nothing to gain from the policies of the Solidarity-led government. ★ ★

*Reprinted from *Dalej!* the Warsaw based journal of the Revolutionary Left Tendency, which supports the Fourth International. Contact: PO Box 76, 03-912 Warsaw 33, Poland, e-mail: dalej_nlr@hotmail.com.pl>. Translated by David Holland for *Labour Focus on Eastern Europe*.

1968 in Poland

The Exodus of the Jews and the Death of Jewish Culture

Poland's anti-Semitic purge of March 1968 is one of that year's less edifying anniversaries.

Marek Torunski

The purge was led by General Moczar and his associates. Many of these were veterans of the Communist partisan forces in Poland - as opposed to those, like a number of leading Jewish communists, who fled the Nazi occupation and returned with the Red Army.

After the war, Jewish communists became prominent in the Stalinist security apparatus of many central European countries, and in the Soviet Union itself. This was apparently Stalin's deliberate policy. People in such positions were naturally extremely unpopular and provided a focus for long-standing anti-Semitic feeling. This perhaps made them even more dependent on their master and prevented them from developing any independent power base.

Their children were visible participants of the left-wing radical youth movement characteristic of 1968. These privileged, disaffected youth became the targets of anti-Semitic slurs themselves, but this time orchestrated by the regime itself. Moczar exploited this situation for factional ends and the campaign was tolerated by Poland's leader Gomulka.

The anti-Semitic campaign in March 1968 was not confined to racial purges in the central organs of the state and the PUWP (Polish United Workers' Party). The Moczarites also achieved the destruction of the remainder of Jewish culture in Poland - the land of the Holocaust.

The Jewish community in Poland in the 1960s was certainly not limited to a few hundred high-ranking apparatchiks. The majority of these were fully culturally assimilated, did not feel themselves to be Jews and maintained no contact with Jewish organisations. At the beginning of the 60's there were about 31,000 Jews in Poland. The community however was still a vibrant one. The Jewish Social and Cultural Association (JSCA) had about 7,500 members.

The Association campaigned to preserve the Jewish language (Yiddish), which had been rejected by the Zionists. There were about 1,500 young people in the JSCA. The leaders of the JSCA, such as Leopold Trepper, David Sfar and Hersz Smolar made great efforts to preserve the Jewish language amongst young people and to educate them in a spirit of anti-Zionism, secular culture and internationalism. The youth were orga-

nised in 24 youth clubs and five student clubs. There was a network of Jewish schools - six primary schools and three secondary ones (in Lodz, Wroclaw and Legnica). There was a very well developed movement of amateur art circles.

There were still a dozen or two creative writers working in Yiddish. A monthly literary journal *Jidysze Szriftn* and a newspaper *Folks Sztyme* also circulated outside Poland. Every year the publisher Jidysz Buch issued a dozen or two book titles, which reached 24 countries. The Jewish Historical institute continued to produce the academic journal *Bleter far Geschichte*. The State Jewish Theatre was headed by one of the most important Jewish actresses, Ida Kaminska.

This development of Jewish culture in post-war Poland, despite taking place in a tiny community, still had a very considerable moral and political significance.

At the end of the day, what better counter could there be in the struggle against Zionism than cultural development in a Jewish community outside Israel, especially when the leaders of this community condemn Israeli terror against Palestinians.

The years 1967-68 shattered the hopes of the leaders of the JSCA that an enclave of Jewish culture could be maintained in Poland. It counted for nothing that Israel's aggression against the Arab states was condemned by the JSCA. The Moczarites were not interested in campaigning against Zionism, but in an anti-Semitic purge.

The authorities closed the Jewish schools. The publisher Jidysz Buch and the journal *Jidysze Szriftn* collapsed. *Folks Sztyme* was transformed from a paper appearing four times a week to a brutally censored weekly. Ida Kaminska and the majority of the actors at the Jewish Theatre resigned.

After years of struggling against Zionism, Trepper, Smolar and Sfar capitulated and left for Israel. Only the poet Elias Rajzman remained of the Jewish writers.

After the departure of the majority of their members, the JSCA and the Jewish religious congregations were only shadows of their former selves. Only pensioners unable to emigrate were left.

In the following twenty years the few young people of Jewish origin did not frequent the Jewish clubs and houses of prayer. The prevailing view was that Polish Jewry had come to an end with the departure of the pre-war generation, while the few young people were being assimilated.

There are around 5,000 Jews in Poland today. Yiddish language culture may be regarded as dead. A bilingual journal *Slowo Zydowskie - Dos Jidysze Wort* comes out in Warsaw. Over 80% of the Yiddish-language content is reprinted from foreign periodicals. The publication is only kept alive by subsidies from the Ministry of Culture.

The Jewish Theatre no longer has a public which understands Yiddish. The spectators listen to a Polish translation of the performance through ear-phones!

In recent years the Ronald Lauder Foundation has been active in Poland. Lauder is an American millionaire and former American ambassador in Vienna. The Foundation spends millions of dollars in Poland and is the chief author of the so-called "rebirth of Jewish culture in Poland."

The Foundation concentrates its work on a milieu of a few hundred young Poles of Jewish descent. Young people of Jewish descent can amuse themselves at various free camps, excursions and shows. During these free events, Jewish religious studies, Hebrew and an uncritical devotion to the achievements of the state of Israel are propounded to the young people.

The older generation of activists from the Jewish community have PUWP biographies and the leaders of the middle generation (eg K. Gebert, St. Krajewski, R. Zachariasz) were active in the pre-war Communist Party of Poland. But their Stalinist education has only strengthened the anti-communism of this milieu. An anti-communism impregnated with the spirit of Miczslaw Moczar.

And Poland is left with a cultural void where its Jewish life once was. ★

Source: *Dalej!*. Translation by David Holland for *Labour Focus on Eastern Europe* (see p.36 for order details). For more information on the themes of this article see *Di gesichte fun jidysz iszuw in nochmilchomedikin Pojln*, by Szlomo Strauss Marko, Tel Aviv, 1987, and *Polin - kultura Zydow polskich w XX w.*, by R. Zebrowski and Z. Borzymoska, Warsaw 1993

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Do the workers have a country?

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All quiet in Euroland?

European Monetary Union will start in less than 100 days. François Vercammen asks whether it can work, and in what conditions social protests could emerge.

Exchange rates between the participating currencies will be fixed on 1 January 1999, though Euro bank notes and coins will not begin to circulate until January 2002. Besides the EU's chief propagandists, critics of all colours have stressed that the road towards stabilisation of the Euro system will be long and hard.

Despite the risks, EMU is an important victory for Europe's major capitalists. It is no exaggeration to say that the EMU opens the way for a dramatic decline in the living conditions of the working masses, and a historic regression of political democracy.

Such a victory, however, will only come after a series of battles and contradictions. It is crucially important that the workers' and social movements understand the changes that are underway, and rethink the strategy and programme for dealing with them.

The initial success of EMU preparations has created a mixed atmosphere of confusion, arrogance, euphoria and anxiety among Europe's "decision makers". It was far from certain that the Brussels summit on 2-3 May would confirm the official timetable for EMU. But it did.

The EMU will shake up the EU's institutional framework, introducing a variety of transformations, with different rhythms.

By replacing the 11 national currencies of the participating countries, the Euro will reduce the cost and uncertainty of financial transactions within "Euroland". This is likely to boost the Euro as a strong currency, with low interest rates. The single currency will increase price transparency across Euroland, and encourage trade in goods and services between the 11 participating countries. The European Commission, always fond of optimistic predictions, claims that the EMU will spark a "mechanical" 0.5% increase in the total value of goods and services produced in Euroland.

A super market

By converting their public debt bonds into Euros, the participating states will create a two trillion dollar market for Euro-denominated securities, and pro-



bably attract 0.5-1.0 trillion dollars of funds currently held in other currencies.¹ Euro-denominated stock exchanges are also expected to attract new funds.

This completely deregulated market will become much more "liquid" because of this new, rapidly moving capital. But the only winners will be the continent's major companies. Indeed, the gap will increase between the large companies that raise money on the stock exchanges and the small and medium enterprises which borrow money from the banks. In other words, continental Europe will adopt the "Anglo-Saxon" model of organisation of major companies.

All this will encourage the formation of a "super league" of the top 300 or so European multinationals.² There will be a wave of "megamergers" across Euroland's internal borders, particularly among banks and financial institutions. As the race to increase productivity and competition increases in speed, the social consequences will become greater and greater.

At the political level, this process of concentration will further weaken state control over key economic sectors such as finances, energy, communications and armaments.

For working people, the implications in terms of working conditions will be enormous. *Business Week* estimates that

one in five workers will have to change jobs in the first five years of the EMU, as "a series of economic shocks" leads to the creation of a "leaner corporate Europe" with maximum "flexibility." (27 April '98)

Monetary Union will help the EU present itself more clearly as a "new" superpower. With a larger economy than the United States or Japan, the EU will be in a neck-to-neck race with the US. These two giants are evenly matched in terms of production, foreign trade, and the size and wealth of their domestic markets. Within a decade, some predict that the Euro will replace the US dollar as the global currency of reference and reserve.

Authoritarian government

With the EMU, Europe's major capitalists have laid the basis for a supranational state structure. We can no longer repeat the old Marxist judgement that the major capitalist countries are incapable of creating a supranational state by peaceful means or by war. That was true throughout the 20th century, but seems to be no longer valid.

The institutional set-up around the Euro is the result of a real transfer of national sovereignty. And since we are talking about nothing less than the money of the new Europe, the intrinsic dynamic will be towards the reinvigoration of the whole executive power of the EU (the European Central Bank, the Council of Ministers, and the European Commission). These bodies will be "obliged" to increase their profile, and to lead.

The dominant classes will have created a centralised and authoritarian command structure, removed from public scrutiny and the pressure of public opinion and the subordinate classes.

This is a considerable step forward for the capitalists. For the last 10 years they have been fighting to prevent the social and political gains of the workers movement being transferred from the national to the European level. Now they will be able to reverse this trend, and use their new despotic central power-base to reshape the political and social institutions of the member states, emptying them of their democratic and parliamentary character, and removing or weakening the system of social laws guaranteed or underpinned by the force or control of the workers' movement.

Interest rates in Euroland will be fixed "independently" by the European Central Bank. The Bank's main task will be to

ensure the stability of the Euro. Interest rate policy will obviously have a major impact on the management of national public debt. The size, repayment programme and most other details of debt vary from one country to another. This means that, although all use the same currency, Euroland states will borrow money at different interest rates, reflecting their international credit rating. The implications are serious for those countries with the worst rating. And the impact of their higher repayments will be felt by the entire population.

How feasible is EMU?

The most obvious threat to the EMU is an "asymmetrical shock" affecting one country much more than the others. Since the EMU makes it impossible for any one country to devalue its currency or allow inflation to increase, the only "flexibility" left for a country in economic difficulty is to increase labour mobility, raise prices or reduce salaries. Unless, of course, the other member states agree to transfer resources

We have already seen two such "asymmetrical shocks" - German reunification and the collapse of Finland's foreign trade with the former USSR. But it doesn't require much imagination to foresee other dangers: a banking crisis elsewhere in the world that affects the banking sector in one or more member states more than the others; a speculative revaluation (strengthening) of the Euro, which would reduce the export competitiveness of some countries or sectors more than others; a war just outside the EU, perhaps in ex-Yugoslavia; or a social explosion in one country, "obliging" that government to break the rules of the EMU stability pact. Or even the "natural" cycle of the capitalist economy, with the return of recession at a local or international scale

Shocks like this are normally absorbed by the nation state. That won't be possible after the EMU enters into effect, because states will have virtually no manoeuvring room in their monetary policy. Of course, the EMU treaty allows each state to invoke "exceptional circumstances," but in practice that would threaten to break up EMU.

This doesn't mean that the EU doesn't have any solutions to potential crises like these. But so far we are talking of "blind" responses.

Exchange rates can't be changed, because there is only one currency. National budgets are in a straight jacket formed by the Maastricht criteria and the stability pact. And interest rates will be fixed by the European Central Bank, after a study of the likely reactions of the financial markets. The ECB is specifically forbidden to help member states overcome a crisis by increasing the money supply (printing new Euro bank notes). And the EU has no bottomless central budget to smooth out such problems. In fact, the

EU budget is fixed at a maximum of 1.27% of the EU's gross domestic product. To bail out a member state, it would need

five or six times more money!

Nor do member states have much flexibility in fiscal (tax) policies. At the European level, there is absolutely zero flexibility. The minimalist proposal of EU Commissioner Monti, to introduce a Europe-wide minimum tax of 20% on interest payments and share dividends, was shot down by a series of protests from financial markets. The current tendency towards fiscal dumping (competitive tax cuts) will continue, as states compete ferociously to attract new capital, and keep the footloose investors they already have.

Socially explosive

This means that all the pain of "adaptation" will be carried by wage-earners. In the United States, regional economic difficulties provoke widespread labour migration to more fortunate parts of the country. European workers are much less likely to move from one country to another in search of work. Language difficulties and the national organisation of social security systems will continue to be brakes on such movements for the foreseeable future.

With mass emigration unlikely, EU governments intend to introduce "radical labour market reforms." This means making everybody's salary, working hours, regulations and working processes much more "flexible." Governments will also try to sharply reduce the overall "cost of labour" to employers, and dismantle large parts of the social security system. In other words, there will be a harmonisation of social standards across Europe. But it will take the form of a downward spiral.

A currency like the Euro cannot be managed by the "autopilot" technical system currently regulating exchange rates between EU members. The EU will clearly require a real government, as supranational as its new currency. But, for the moment, the supra-national European Central Bank operates on a different level than the European Council, which is only an inter-state body (a committee made up of representatives from the government of each member state).

This is the Achilles heel of the European Union. It is a congenital problem, and apparently insurmountable, until such a time as there is a Europeanised capital sector, detached from the various national states, and willing to impose its European will on the various national governments. This is already the case in Luxembourg and Belgium (which have no multinationals of their own) but is certainly not so anywhere else in the EU.

Because of this, the EU is unable to rationally define a coherent state structure based on the existing institutions. The supranational logic of the EMU process has become bastardised, both in terms of efficiency and democracy.

Policies and structures are patched together in secret, in response to crises, in reaction to

events and under pressure from conflicting directions. And always in completely undemocratic ways. This is no accident. But when the EMU is introduced, the political-institutional centralisation will be reinforced, and will take a qualitative step forward. The partisans of a political, rather than just economic Europe will have won the day. EMU pushes the EU to "talk politics" as well as economics. To ensure much closer day-to-day management of the common economy.

Unfortunately, the accumulation of external difficulties and internal contradictions mean that this "political Europe" will not develop in a democratic direction. On the contrary, everything points towards the strengthening of the executive branch, which will accumulate more and more legislative and constitutional powers.

At first sight, the situation is one of total rigidity at both the institutional level as well as EMU norms. And total impotence at the level of national governments and states.

In reality, however, nation states are still the main source of power, and they have the economic and material force and the ability to exercise political pressure. Who in Brussels can impose a major decision against the German government?

Negotiations have already started to define the ground rules of the relationship between the three segments of the fledgling European executive: the Central Bank, the Council and the Commission. The most delicate negotiations concern the day-to-day relationship between the Bank and the Council in the determination of monetary policy. Europe's financial newspapers regularly express their concern at "Brussels do-it-yourself" or "out-of-control Brussels".

What is clear, however, is the growing active role of the European Commission. The European Commission has always been responsible for applying the treaties and making suggestions for further cooperation. Since 1985, the Commission has concentrated its efforts on the harmonisation of the Common Market. It will



★ European Union

apply the same minute and regular intervention to the Euro, the Stability Pact, and employment policy.

The Commission has already clashed with the European Council, which in the current system is supposed to make decisions on the basis of suggestions and recommendations from the Commission. The Commission wanted a new, supranational power, to force member states to "guarantee the free circulation of goods." As Transport Commissioner Neil Kinnock (former leader of Britain's Labour Party) made clear during the recent strike by French truck drivers, this means sending police to break-up picket lines wherever a strike somehow threatens to hinder trade across EU internal borders.

Another new power was discussed at the November 1997 EU summit in Luxembourg. Member state governments are now obliged to co-ordinate their employment policies, and present them to an annual meeting of the European Council. The Commission lost no time in criticising the French and Italian governments for their positions in favour of a 35-hour work week (though neither has actually introduced such a measure).

Monetary union generates an unstoppable pressure towards the emergence of a supranational and intergovernmental political power at the European level, dominated by the more powerful member states, but with the European Commission taking the initiative.

This does not just mean a stronger central power. It will also be more visible, since it will be in more regular and direct interaction with society.

"Social disorders" like strikes, factory occupations, cross-border solidarity, and other "anti-economic" demands will be judged as "threats to the stability of the Euro." As such, they will "justify" public statements, media campaigns and "legal" interventions by the Commission, the Council and the Central Bank.

This is a new political situation, both in terms of the structure of political power, as well as the populations' perceptions. The workers' and social movements should recognise and understand both aspects of this new situation. We are witnessing a powerful offensive against labour, and the evolution of a European state structure, which embodies this offensive, but, for the moment, has very little legitimacy among the population.

The coming struggle

The November 1997 Luxembourg Summit was the result of a growing awareness among the "upper spheres" of the EU of the need for quick action in response to the growth in social protest that had accompanied the Amsterdam summit in June 1997. (Solidarity actions were held in response to the threatened closure of Renault's Vilvoorde plant, and the convergence of the "EuroMarches" into a 50,000-strong demonstration against unemployment, job instability and marginalisation during the Amsterdam Summit.)

Europe's leaders also realised that the tensions that would accompany the introduction of the Euro made a period of extremely firm management necessary throughout the transitional period in order to control any social explosion.

Much depends on exactly how this European political power crystallises and how soon the public will see it as irreplaceable and unavoidable. If that happens, we will need to rethink the ways in which to encourage the extension of immediate demands and struggles to a national and European level.

As this process intensifies, our own alternative policies will have to incorporate a more "positive" dimension, to respond to social questions, particularly unemployment and democracy. The political and social struggle will be to break through the process and modalities of EU integration.

As we near the end of 1998, Europe's social democrats already have a majority of European Commissioners. They form the government in Britain, and dominate coalition governments in France and Italy. But will the social democrats be able to maintain the neo-liberal policies they have inherited? If so, what will be the impact on the trade unions nationally and in the European Trade Union Confederation (ETUC)?

The social democrats aren't the only ones in trouble. Many of Europe's major bourgeois parties are in their greatest crisis since 1945. Italy's Christian Democracy has collapsed, and millionaire businessman and politician Berlusconi has been unable to regroup the right. Both conservative parties in France are also in crisis, as are Britain's Conservatives.

In many continental countries, the far right is gaining votes and political impact. On a smaller scale, the radical left is also increasing in importance.

Might we see a change in the balance of forces in one or more countries? Could this throw the EU into crisis?

The current economic "good news" cannot continue indefinitely. When the downturn comes, how deep will the recession be? What will be the social and political context?

International Viewpoint's economists say the most likely development is a generalised slowdown during the next 12 months, after which we could even see a legitimacy crisis for the neo-liberal system in one or more countries. This would have a complex impact on the EU in general, and the introduction of the Euro in particular.

We should prepare for an unstable social and political situation, with sudden shifts in the electoral and political panorama, a worsening social climate, and the broadening of economic-political contradictions.

This will push people towards struggle. With the traditional workers' movement in historical and existential crisis, and completely unable to respond to such a situation, the field is open. ★

Reformasi pressures in Malaysia Winds of change

The persecution of Deputy Prime Minister Anwar Ibrahim has focused the frustrations of many ordinary Malaysians.

As **B. Skanthakumar** explains below, people no longer accept that economic growth justifies the authoritarian politics of Prime Minister Mahathir Mohamad.

"Anwar has awoken something I haven't seen in 20 years. Political consciousness," a worried business leader told the **Far Eastern Economic Review**.

The Mahathir regimewill not hesitate to use repressive legislation inherited from the British to squash opposition protests.

On September 20, Anwar addressed the largest opposition rally in three decades. He called for an Indonesian-style *reformasi* (reform) movement.

But as **Syed Husin Ali** warns (on page 20), the new opposition leader offers little which progressive and socialist Malaysians can be enthusiastic about.

The **Commonwealth Games** which closed in Kuala Lumpur on September 21st were intended to be the highlight of 1998 and another step on Malaysia's road to fully developed country status by 2020, writes **B. Skanthakumar**. It was an opportunity to show off the city and its environs which have been the site of years of frenetic building activity and major infrastructure projects to participants, tourists and the international media.

This will certainly be a memorable year for many Malaysians but for very different reasons.

1998 was when the financial crisis struck home, when fears of economic recession became reality, when popular disillusion mounted over the privatisation of public utilities, when workers were outraged that their savings in the Employment Provident Fund are being used to bail out cronies of the government and injected into the stock market, when crippling water shortages affected almost two million people, and factional in-fighting between Prime Minister Mahathir

Mohamad and his former deputy Anwar Ibrahim broke out within UMNO, the ethnic Malay party which dominates the *Barisan Nasional* (National Front) coalition.

The silver lining in this catalogue of calamities is that for the first time in many years, Malaysians irrespective of party political and ethnic loyalties are engaged in a debate on the political and economic record of the government and the future direction of their country.

But this is a country where opponents can be held *incommunicado* for indefinite periods.

Not surprisingly, as tensions between the Prime Minister and his deputy erupted into public following Anwar's sacking, many activists began to worry that once again innocent third parties to this intra-elite feuding will be the hapless victims of a general clamp-down on opposition to the government.

A statement by fifteen Non-Governmental Organisations on September 4th warned of this possibility, protesting at the circumstances and manner in which Anwar Ibrahim had been dismissed and appealing to Malaysians to safeguard their freedoms and fundamental liberties from state repression.

While Anwar projects himself as a much wronged individual and as a fighter for democratic rights, it is instructive to remember that he displayed scant evidence of such a conscience when he enjoyed the full support and confidence of the Premier and was a senior Cabinet member.

Anwar could have spoken out against ISA arrests and other human rights abuses in 1987 when he was Education Minister. But he chose to remain silent.

Anwar also chose to remain silent a few months ago, when opposition parliamentarian Lim Guan Eng was charged with sedition, imprisoned for 36 months, and lost his seat. His "crime" was to criticise the handling of an investigation into the statutory rape of a minor by the then Chief Minister of Melaka in 1994.

The rapist walked free and rebuilt his political career, while his accuser was behind bars. Amnesty International has recognised Lim Guan Eng as a 'prisoner of conscience'. Anwar did nothing.

Anwar's other major credibility problem is with the substantial non-Malay and non-Muslim, Chinese and Indian communities who have enjoyed a period of reduced ethnic tensions and rise in living standards under Mahathir Mohamad.

For them Anwar is associated with the radical Muslim youth movement ABIM which he led before he joined UMNO and is seen as an advocate of Malay suprema-

cist politics. Certainly Anwar is neither a racist nor a religious fundamentalist but he has a long way to go before he wins the trust and support of non-Malays.

While the state controlled media reproduces the allegations against Anwar without a right of reply, his supporters have taken to the Internet to put his case, and to rebut the "evidence" against him.

During the Commonwealth Games, Anwar took to the road, "meeting the people".

Under the Police Act any public gathering of more than three persons requires a permit, a regulation which has been used to make mass open meetings a thing of the past even in election campaigns.

This echo of extra-parliamentary politics has generated an excitement of its own as tens of thousands travel for hours to hear Anwar speak and make up their own minds, knowingly in violation of the law. The crowds have been predominantly Malay but with small numbers of Chinese and Indians.

Anwar constantly evoked the upsurge which overthrew Suharto in Indonesia. He is an old friend of that country's new president Habibie. Both men are like-minded Islamic modernists, who spent much of their political career as the closest aide of their country's authoritarian leader. Anwar has also embraced the Indonesian slogan *reformasi!* (reformation).

There is a sentiment that the winds of change blowing through Asia in the wake of the financial and economic crisis and sweeping away old regimes and autocratic leaders should not by-pass Malaysia.

As the 'feel good' factor from the Commonwealth Games evaporates, Mahathir Mohamad confronts the most serious threat to his authoritarian hold on power in over a decade. ★

Long memories, harsh legislation

Eleven years ago, Malaysia had a similar cocktail of middle class disenchantment, popular disaffection over "money politics" (the nexus between big business and ruling politicians), a serious challenge to the leadership of the Prime Minister from within the ranks of UMNO and a prolonged and painful economic recession.

The reaction of the government was to intimidate its critics and opponents by invoking the Internal Security Act (ISA).

This obnoxious Act provides for preventive detention without trial on the

vaguest of charges, "acting in a manner prejudicial to the security of Malaysia". Detention orders are renewable indefinitely on the Home Minister's recommendation and are without challenge by an independent review body or the Courts.

In arrests beginning on October 27th 1987 119 people, opposition politicians, human rights workers, trade unionists, environmental and Christian activists, were rounded up and imprisoned

• For more information see *International Viewpoint* #132, 21 December 1987.



The neoliberal reformer

Pro-democracy activists are rallying to defend sacked Finance Minister Anwar Ibrahim. On social questions, however, Anwar offers fewer guarantees than Malaysia's authoritarian Prime Minister Mahathir Mohamad.

Syed Husin Ali*

Malaysia's Deputy Prime Minister and Finance Minister, Anwar Ibrahim, was removed from his senior government posts on 2 September. The next day he was sacked as Deputy President of UMNO and expelled from his party, the leading constituent in the government coalition.

As a result, Prime Minister Dr Mahathir Mohamad not only holds the position of Home Minister, but has also assumed the function of First Finance Minister. He is also virtually the Foreign Minister and Minister of Trade. Mahathir has concentrated power in himself both over the government and his party; and he also has a strong hold on the cabinet, the courts and the media. His dictatorial powers are becoming greater than ever.

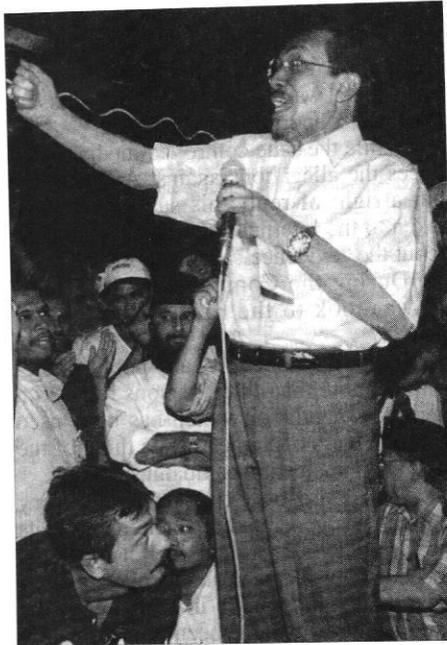
Sixteen years ago, six years after his release from a 22 month detention without trial under the Internal Security Act (ISA) and enjoying great popularity as president of the Islamic Youth Association (ABIM), Anwar was successfully enticed by Mahathir, then already Prime Minister and UMNO president, to join that party. Mahathir opened many avenues and opportunities to help Anwar rise quickly through the political hierarchy. In most people's mind there was no doubt that Anwar was going to be Mahathir's successor.

There was always a difference in approach and style between the two leaders. But they were mutually supportive, and it appeared impossible to separate them. But by 1997, differences between them had developed into conflicts.

A few days before the UMNO Assembly in the middle of that year, Mahathir confirmed the existence of a poison pen letter alleging Anwar's involvement in a sexual affair with a married woman, and homosexual activities with a driver. Although Mahathir (and the police) later dismissed the letter as false, by bringing the matter to public knowledge Mahathir weakened Anwar, who was believed to be preparing to vie for the president's position in UMNO.

Differences become clearer

When Malaysia began to face its economic crisis, in the form of depreciation of the *ringgit* and fall in the value of shares



beginning July 1997, differences between the two leaders became clearer. Right from the start Mahathir blamed foreign financial speculators for the crisis and named George Soros as the main culprit. Mahathir rejected the pressure to follow Thailand and Indonesia by accepting help from the IMF and the World Bank. He quite correctly identified both institutions as instruments of "neo-colonialism". He also advocated controls on international financial speculation.

Mahathir's position was viewed by some sections of the Western ruling elite as being against liberalisation and free markets. A section of the western media began to attack him or gave him poor coverage. But the truth is that it was Mahathir himself who was responsible for opening the country to globalisation and the attendant liberalisation and free market policies. He supported those policies when they helped corporate figures close to him to amass wealth. For example, Malaysia's Central Bank, was involved in speculation on the British pound in 1992-3. It seems the bank incurred a loss of around US\$6 billion. The Prime Minister's future enemy George Soros made enormous profits from the same speculation.

Although Anwar did not openly oppose Mahathir's stand, he frequently referred to weaknesses in the leadership and administration. He often used terms like corruption, cronyism and nepotism, which Mahathir called "terms originating from the neo-colonial press," and a direct attack on him. As Finance Minister, Anwar appeared to be more open to IMF and World Bank prescriptions for overcoming the crisis. (Though he never publicly

stated that Malaysia should accept an IMF bailout.)

Anwar's relationship with the highest officials of the IMF and World Bank appeared to be more than cordial, especially after he became chairman of the IMF's Development Committee. Anwar was also becoming a darling of the western media, receiving wide and sympathetic coverage. Some members of the US ruling elite were also seen to favour Anwar more than Mahathir. During a visit to the Pentagon, Anwar was given the red carpet treatment complete with gun salute. Anwar's close relationship with some high US officials at the time when Mahathir was attacking neo-colonialism did not go down well with the Prime Minister and in fact aroused his suspicion against Anwar.

Fifty Reasons

Things came to a head during the UMNO general assembly in June this year. Just before the assembly, a book entitled *Fifty Reasons Why Anwar Cannot Be Prime Minister* was published. Copies of the book found their way into some conference bags that were distributed among delegates to the assembly.

The allegations against Anwar involving sex scandals, called him an agent of a foreign government, and accused him of receiving money from foreign intelligence agencies. The book included the poison letter exposed by Mahathir a year earlier.

During the assembly Mahathir disclosed several lists of people who were awarded special shares, privatised projects and transport permits. The lists included many prominent corporate figures close to Mahathir, including his children. But it also showed that some of Anwar's family members and close associates had enjoyed similar privileges. This blunted their attack on Mahathir.

Anwar's power curbed

The economic crisis affected a number of big corporate figures, burdened with huge foreign loans after the 50% fall of the *ringgit* against the US dollar. Furthermore, listed companies suffered heavy losses as the stock market fell by over 70%. Shareholders lost an estimated RM700 billion (US\$185 bn.). Among the worst-hit companies were those owned indirectly through cronies of the UMNO leadership.

The government decided to use funds from the Employee's Provident Fund and the Pilgrimage Board Fund, as well as the country's reserves in order to bail out some of the crony companies.

There was opposition to this, articulated in a number of Malaysian media. Mahathir immediately acted to bring journalists and publishers under tighter control. The senior editors of two influential Malay newspapers – *Utusan Malaysia* and *Berita Harian* – and a senior programme officer of the private television channel *TV3* were forced to resign. All were considered to be strong supporters of Anwar. Their replacements were all men who

could be dominated by Mahathir.

A few weeks later, the Central Bank governor and his deputy resigned. Both men opposed Mahathir's assertion that interest rates should be lowered and control over foreign exchange re-established.

Mahathir acts

On September 1 Mahathir announced what "shocking measures". These included fixing the *ringgit* at RM3.8 against the US dollar, allowing a maximum of RM10,000 to be taken in and out of the country, and declaring all *ringgit* stocked overseas to be worthless, unless they were repatriated by the end of the month.

In a more shocking move, the following day, Anwar was stripped of all his government positions. Television and newspapers immediately publicised affidavits repeating many allegations contained in the *50 Reasons*. On 3 September Anwar was expelled from UMNO.

There are several reasons why these shocking events took place. The main one being that Mahathir and his associates feared Anwar would challenge and possibly defeat him in the UMNO general assembly. Furthermore, a handful of billionaires and millionaires who had become very wealthy with the help of Mahathir wanted him to continue in power in order to protect their interests and help to rescue their ailing companies. At the same time they also wanted to be sure that in case anything happened to 73-year old Mahathir, he would be succeeded by someone reliable. Anwar was not seen as the right candidate, because not only has he declared to take stern action against corruption but also he was surrounded by a new set of ambitious young businessmen, who seemed to be in a great hurry to replace the established ones surrounding Mahathir.

Anwar's moves

After being sacked, Anwar expected to be arrested under the ISA or fall victim to foul play of some sort. This did not happen immediately, because of the presence of hundreds of media representatives at the Commonwealth Games.

Large numbers of supporters and well wishers came to Anwar's residence every day. Every night he addressed thousands of people outside his home. Audio and videotapes of his speeches were sold widely all over the country.

Anwar says he intends to form a reform movement. But the meaning of the reform and the nature of the movement have not been spelt out. His main target is also still vague. He seems to be carried away by developments in neighbouring Indonesia.

The main organisation involved in the new movement is the Islamic Youth Association (ABIM), which Anwar used to lead. Nevertheless, public sympathy is widespread and seems to be increasing, especially among youth, the lower classes, professionals and government servants.

Anwar's main problem arises from UMNO's political culture. A leader who

loses power can easily lose his political support. UMNO leaders often hold well-paid positions in government and enjoy many perks and great wealth. Therefore, they often quickly turn to and pledge loyalty to the leader who still holds power. But these pledges may just be superficial. If Mahathir falls, they could easily make new pledges of loyalty, even to Anwar.

Another problem is that Anwar does not seem to have a compact organisation. He also lacks tested cadres. After his arrest, it is hard to predict how long the support given to him will persist.

The future

Anwar has stated categorically that he would neither form a new political party nor join any of the existing ones. On the eve of his arrest, he still seemed to be toying with the idea of being reinstated in the party and government in order to continue his reform movement within UMNO. A number of UMNO divisions within his home state of Penang, while upholding Mahathir's leadership, were appealing for Anwar to be reinstated to all his former positions.

This is impossible as long as Mahathir remains in power. As the Malay saying goes, he will not lick his own spit.

Mahathir seems to have ignored the other allegations against Anwar, and now concentrates on those relating to sex and moral issues. He will try to convince the country that Anwar is not fit to hold important leadership positions because his real character is not consistent with the religious façade that he presents.

Mahathir already has most of the UMNO leaders in his pocket. But if he fails to move the public to his side or should he suddenly die, then Anwar would have a chance to go back to UMNO, but not necessarily with the guarantee that he could return to his old positions of authority.

For progressive people in Malaysia, there is not much choice between Mahathir and Anwar. One may approve of the Prime Minister's pronouncement against neo-colonialism and the fear of foreign capital dominating the country. But how genuine is he?

How long can he or will he maintain this position? In any case, Mahathir cannot be trusted, because he has slowly turned into a one-man dictator, violating fundamental practices of democracy and basic human rights.

On the other hand Anwar may attract a lot of people because of his populist approach and concern for civil society and human rights. But there may be strong reservations among certain quarters because of his strong leanings towards the West, foreign capital and the IMF.

In other words, a third alternative has become necessary. ★

* Dr. Syed Husin Ali is President of *Parti Rakyat Malaysia* (Peoples Party) and author of *Two Faces: Detention Without Trial* (Kuala Lumpur: Insan, 1996), the story of his imprisonment between 1974 and 1980 under the Internal Security Act.



Howard's way

John Howard's conservative Coalition¹ was returned to power in Australia's general election on October 3. Voters did not switch to the racist One Nation party, as feared. John Tully reports.

As we go to press, it seems that the coalition will not have a majority in the Senate. But the virulently racist One Nation party will not hold the balance of power.² This worst case scenario would have pushed the centre of gravity of Australian politics even farther to the right, and been a disaster for the working class and oppressed minorities. Instead, the Coalition will have to court the handful of Green and (centre-left) Australian Democrats in the Senate.

Despite their setback at this election, One Nation is still a dangerous force. Pauline Hanson's party has been able to capitalise on the distress of rural voters by scapegoating the poor and the powerless. Single mothers and Aboriginal people have been favourite targets for Hanson's hate politics and she advocates a kind of welfare for the middle classes at the expense of programmes for the poor. Such "downwards envy" has the advantage of deflecting anger away from the real causes of distress. But there is also no doubt that many "battlers" have been drawn to her simply because they see no alternative to the "economic rationalism" of the two major parties.³

Hanson herself was not re-elected. But the party did well in state elections in the north-eastern state of Queensland.

More of the same

Since its landslide election victory in 1996, Howard's Coalition government has broken every positive promise it made to the voters. The man the capitalist media dubbed "Honest John" subsequently divided those promises into "core" and "non-core".

His pledge that no Australian worker would be worse off economically under the Coalition was repackaged as a "non-core" promise. Howard has been a ruthless opponent of trade unions. He rushed through the Workplace Relations Act which aims at replacing union awards and agreements with individual contracts. He also waged a dirty war against the Maritime Union of Australia, replete with dogs and thugs and military personnel trained as scab labour. (Justice North of the Federal Court agreed with the MUA that there was a prima facie case for conspiracy by the government and

stevedoring companies.)

The Coalition also claimed to have located a \$10bn "black hole" in public finances and slashed pitilessly at education, health and social security spending. Those worst hit by the cuts included women, children, the poor and recently-arrived migrants (the latter are not illegible for social security until they have been in the country for two years).

Land grab

Most reprehensible of all has been the government's racist "10 Point" plan, aimed at the virtual extinguishment of Native Title. This legislation provides for what is in effect the second greatest land grab in Australian history and secures billions of acres of leasehold land for wealthy farmers and graziers and brushes aside the rights of indigenous landowners to prevent mining on their land.

Nothing sums up the racism of this government more than the arrest of Yvonne Margarula, a leader of the Mirrar people, for trespass on her own land at the uranium mine at Jabiluka!

At the centre of Howard's election campaign was a promise to introduce a regressive Goods and Services Tax (GST) which will further shift the tax burden away from the rich and big business onto the poor. Australia's corporate taxes are already amongst the lowest in the OECD countries and it is estimated that the rich avoid paying at least A\$10bn in taxes per year via legal and semi-legal scams. A majority of voters oppose the GST, but not enough to block the reelection of the Coalition.⁴

Labor is unattractive

The explanation to this paradox lies in the recent experience of 13 years of Labor government.

Whilst there can be little doubt that a

Labor government would be the lesser of two evils, Kim Beazley faces an uphill battle to convince sceptical voters that his party has changed. Despite a shift in rhetoric designed to appeal to its traditional working class constituency and despite its opposition to the GST, the electorate remains unconvinced that the party has changed.

The 13 years of Labor Government saw the right-wing party leaders dump policy after policy as they strove to be better managers of the capitalist system than their conservative opponents.

The centrepiece of the Labor government's approach was a series of tripartite "accords" between government, business and the unions. In return for increased efficiency and competitiveness, workers were to receive an enhanced "social wage". The reality fell far short of the promises. There was a massive transfer of wealth from the poor and the working class to the rich and big business. Company taxes actually declined under Labor and there was no compunction about privatising state assets. The union award system was broken down in favour of "enterprise bargaining", which was in reality the thin end of the wedge for individual contracts. Small wonder that workers left the new "super unions" in droves.

Whilst the ALP has disowned some of the worst excesses of the Hawke and Keating years, it has not come up with a credible left-wing alternative to "economic rationalism", as neo-liberalism is known in Australia. At the same time, the Left is still too marginalised and fragmented to be able to mount a coherent, nation-wide challenge to the established parties. ★

Notes

* The writer is co-editor of the PLP Victorian branch newspaper **Progressive Labor** and is a long-time supporter of the Fourth International.

1. The Coalition is made up by the Liberal and National parties. The former is largely urban-based, and the latter is a reactionary agrarian party.

2. The Senate cannot in theory block money bills indefinitely, but it can reject other legislation.

3. "Battler" is a person who has to struggle to make ends meet.

4. Howard's predecessor as Coalition leader, John Hewson turned near-certain victory into defeat in 1992 by insisting on the GST as a central policy plank.

(New) Victorian values

One bright spot in this otherwise gloomy election was the electoral alliance between the Progressive Labour Party (PLP), the Australian Women's Party (AWP) and the Greens.

The PLP has always campaigned for the formation of a "Red-Green-Black" alliance. No indigenous people's party is contesting the elections, but Greens candidate, Charmaine Clark, is a well known Aboriginal activist.

PLP candidate Therese Self won about 4.5% in Corio in the northern suburbs of Geelong. A long-time commu-

nity activist, Therese was also active in the Movement Against Uranium Mining and the ALP. Another PLP candidate, union organiser Bill Deller, won 2.5% in the inner Melbourne seat of Wills.

The PLP campaign was endorsed by almost every construction union delegate in Geelong and many members of the Maritime Union of Australia. Numerous union officials helped Bill's campaign.

Activists in all three parties are keen to continue to build the alliance into a grass-roots political formation after the election. [JT] ★

A turning point...

Local government bodies in the Jaffna peninsula have been completely paralysed after a series of bomb attacks by the Tamil Tigers.

The stalled constitutional reform package offers greater self-government by the predominantly Tamil North-East. That in itself is not a solution to the Tamil national question. But the Lanka Sama Samaja Party believes it does offer a way to stop the war.

The LSSP is a major player on the Sri Lankan left, and seems to be adopting a more militant, principled stance under its new general secretary Batty Weerakoon.

Unfortunately, the government has increased its war drive, and the Tigers seem to be targeting all Tamil political structures which they cannot control.

This document reflects the frustration of a major strand of the Sri Lankan Left with a war which neither side can definitively win.

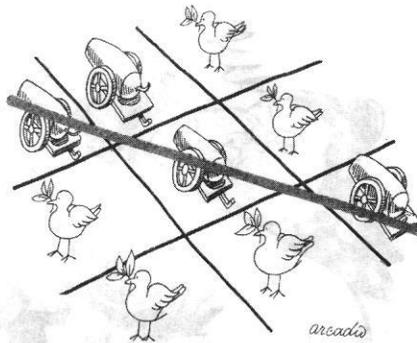
It also reflects the thinking of many Tamils who do not support the Tamil Tigers (LTTE), and resent their hegemonic pretensions and violent behaviour.

It is also evidence of the deteriorating relations between the LSSP and the Government.

Some aspects of the document are controversial. Many socialists in Sri Lanka would hesitate before categorising the LTTE as "fascist".

Nevertheless, this declaration represents a departure from the "war for peace" strategy which the Left in the government coalition has reluctantly endorsed.

Time will tell if it reflects the beginning of a break with the militarist approach to the war. If a turning point has been reached [JD] ★



"The South's responsibility for LTTE killings in the North" A Lanka Sama Samaja Party statement, September 26th

The Liberation Tigers of Tamil Eelam's terrorism, targeting the democratic political leadership in the North has reached a new high in the recent months. The political forces in the South have with each terrorist killing piously uttered their condolences and stopped at that. They have made no attempt to understand the underlying meaning of these new killings.

Whereas in earlier times the Tigers (LTTE) had shown concern for the popular reaction to any killing by them within the Tamil community, the recent killings were apparently done in complete disregard of public opinion.

The people of the North and their political parties are justified in concluding that they remain exposed to these killings solely because the political parties in the South have betrayed the hope, trust and confidence which they had placed in the political solution to the ethnic crisis that was projected by the Peoples Alliance (PA) Government.

These killings must be viewed in their political context. The people who in their totality left Jaffna in the face of the advancing Riviresa troops returned to their localities after the LTTE was dislodged from its urban strongholds. This return was in the face of LTTE opposition. The Tamil United Liberation Front (TULF), despite its initial hesitation and mistrust, entered the local government election fray in order to help re-establish the civil administration in the North. This was done in the teeth of LTTE opposition, but the LTTE was unable to carry out its killings because the people stood with these democratic forces.

It is only with the growing disenchantment of the people and the feeling of being betrayed that the LTTE was able to kill with political impunity the Mayor of Jaffna, Sarojini Yogeswaran of the TULF. The killing of her successor, P. Sivapalan,

was carried out in a manner which showed no concern for the lives of other Tamils who co-operated with the TULF in the maintenance of the civil administration.

What should be of special significance is that in this act of terrorism the LTTE had the willing co-operation of persons highly placed in that same administration.

Other Tamil parties which had entered the peace process were not spared. It was only medical expertise that saved Douglas Devananda [Eelam Peoples Democratic Party leader - Ed.] from the attempt made on his life. The Peoples Liberation Organisation of Tamil Eelam (PLOTE) lost one of its Members of Parliament who was killed by a claymore mine that did not spare those who accompanied him in his jeep.

These killings were carried out in a situation in which the people of the North felt justified in concluding that no trust could any longer be placed in the promised political solution. They saw that the United National Party [UNP - former ruling party and now largest opposition party - Ed.] had given every indication that it would not support in parliament the PA's package.

They saw that the PA made the UNP attitude an excuse to shelve the package and permit its political nincompoops to talk about a Presidential election on the basis of political success in the clearing of the highway to Kilinochchi no matter how ephemeral such success could be. It was in the face of these simpleton attitudes and strategies of both the UNP and the PA that the LTTE thought that it could start liquidating its political opponents without a backlash from the people. The LTTE sees that the point has been reached when it could, in its unmistakably Fascist manner, convincingly denounce the victims of their terror as betrayers of the Tamil cause.

The Lanka Sama Samaja Party warns the PA in particular that a turning point has been reached, and unless there is renewed commitment to the political situation it has advanced, the peace process will be wrecked. Such commitment can be convincingly demonstrated only by presenting to Parliament for adoption the PA's draft Constitutional amendment.

There is no reason as to why PA-UNP consensus cannot be reached on it through an adoption of the UNP's amendments to the PA draft. Not to do this and to engage in petty political bickering will only strengthen the LTTE. ★

Big vote for Japanese Communists

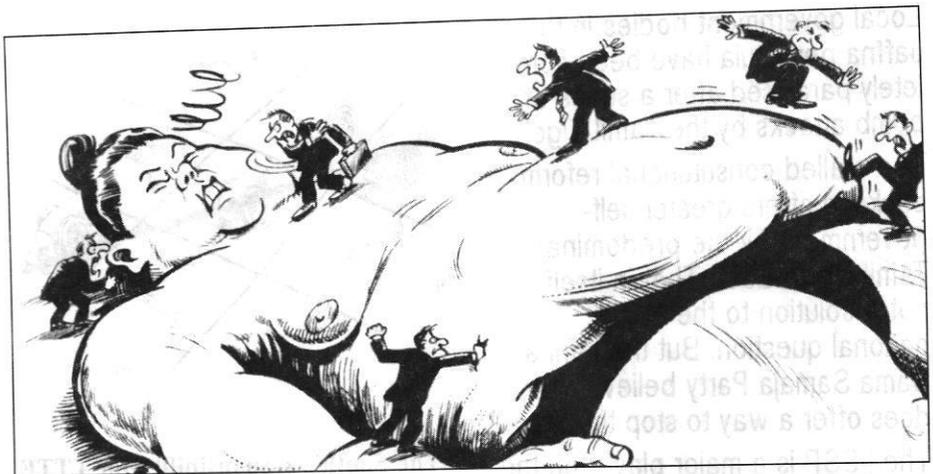
The ruling Liberal Democratic Party (LDP) suffered a stunning electoral defeat on July 12th. The Communist Party doubled its vote, and is now the largest left opposition party.

But as Jun'ichi Hirai explains, the Communist Party will now be tempted to moderate its policies to win over lower middle-class voters who have been hit hard by the recession and neoliberal policies.

The Liberal Democrats' disastrous result in the July 12 elections for the upper house of parliament mean that the party, which has dominated Japanese politics for the past 40 years, is now 22 seats short of a parliamentary majority. The LDP's total strength in the upper house is now 103, compared with 118 before the election.

Half of the 252 seats in the upper house are elected every three years. The LDP won 45 of the seats being contested; it had previously held 60 of them. The voting system is complicated, with geographical constituencies in each prefecture, and an element of nation-wide proportional representation.

This was the LDP's second worst upper house election results since the party was formed in 1955 (through the merger of two conservative parties). Since



that date, the capitalist class has enjoyed 40 years' absolute majority rule in the Diet, Japan's parliament.

The party won only 14 of the 50 seats elected under the proportional representation system. And in the prefecture-based electoral districts, the LDP failed to win any seats in the densely populated constituencies of Tokyo, Saitama, Kanagawa, Aichi, Kyoto, Osaka, and Hyogo.

Prime Minister Ryutaro Hashimoto announced his resignation on July 13 to take responsibility for the massive defeat of his party. On July 24 the LDP elected Foreign Minister Keizo Obuchi as party leader. Soon after, the LDP-controlled lower house of parliament nominated Obuchi as prime minister. However the upper house rejected him in favour of Democratic Party of Japan (DPJ) leader Naoto Kan.

Kan's nomination was only symbolic, because the Japanese Constitution gives voting supremacy to the lower house during selection of the prime minister. But the Diet's split decision underscored the unstable position of the Obuchi government and many expect it will soon face a deadlock.

The parliamentary system is in an increasingly deeper crisis, and none of the parties in the Diet seems to have a solution.

Gains for the opposition

The main beneficiaries from the LDP's defeat are the Democratic Party of Japan (DPJ) and the Japanese Communist Party (JCP). The DPJ is the largest opposition force in the Diet. It was established in April this year through the merger of various splits from the LDP, from the Democratic Socialist Party (the pro-capitalist wing of social democracy) and the right wing of the former Socialist Party.

The DPJ also has the support of the country's major trade union federation, *Rengo*. The DPJ obtained 27 seats, compared to the 18 seats held by its various components before the election. The party won 12 of the 50 seats elected through proportional representation.

The JCP increased its parliamentary representation from six to 15 seats. Almost 8.2 million voters cast ballots for the party in the proportional representation lists. This 14.6% score is the party's best ever electoral result.

The Buddhist party *Komei* showed its stable electoral base. It won nine seats, and attracted 13.8% of proportional representation votes. The Japanese Socialist Party (now called the Social Democratic Party), won only 7.8% of proportional representation votes, and retained only 13 of its 20 outgoing seats.

The JCP now has almost twice as many Diet seats as the SPD.

Okinawa rekindles peace movement

In the name of Japan's "contribution to international security and peace", the country's armed forces have expanded their ability to engage in military operations abroad. Military spending has increased, with the strong encouragement of Washington.

The last LDP government introduced legislation that authorises joint military operations overseas with US forces. (Under Japan's post-war constitution, the "Self Defence Force" was forbidden to operate outside Japan). Obviously, any joint Japan-US manoeuvres may cause tensions in the Asia-Pacific region, where Japanese imperialism invaded and massacred tens of millions of people in the Second World War.

Fortunately, the Japanese peace movement has been revitalised recently. This is largely because of massive mobilisations against US bases in the south-

western islands of Okinawa. Occupied by Washington for many years after the war, Okinawa still houses 75% of US bases in Japan.

Okinawa's Governor Masayoshi Ota strongly supports the local demand to withdraw US Marines. He calls on the Japanese and US governments to support the prefecture's goal of a totally "base-free" Okinawa by the year 2015.

The Okinawa movement against US bases has become the centre of the broad Japanese movement against militarisation. But at the same time, the devastating effects of Japan's economic crisis are encouraging nationalist sentiments among the population.

Any credible political alternative from the socialist left must include solidarity with the Okinawan people, and opposition to the re-emerging nationalist mood. ★

Critical economic crisis

The main reason for the defeat of the LDP is the critical economic situation in Japan. Since the burst of the bubble economy in the early 1990's, the country has been in a long recession.

In the late 1980s, Japanese capitalists (and many foreign observers) strongly expected that Japan would become the leading world power in the coming decades. But now that confidence is completely extinguished.

The economy shrunk by 0.8% in 1997, the worst annual "growth" since World War II. The official unemployment rate increased to 4.3% (which is probably only half of the real unemployment level).

Big financial businesses such as Takugin Bank and Yamaichi Securities went bankrupt last year, and other major banks also have been on the brink of going under because of their large non-performing loan portfolios.

The "Japanese system," characterised by an intense fiscal policy, stable labour-management relations based on "a job for life", and seniority-based pay rises has come to an end. Politicians from the LDP and the DPJ all say that "shock therapy" is needed. They claim that a series of bankruptcies and massive unemployment are unavoidable, because these are the only medicines that can cure the "sickness" of the Japanese economy.

They explained to the people that we could not refuse "the global standard" of the world market, ruled by free competition of businesses. The US in particular has been putting pressure on Japan's leaders to "stop shutting the door to foreign capital".

In the previous parliament, the LDP, the Liberal Party (a neoliberal split from the LDP), and the DPJ accepted US demands for deregulation of the Japanese economy. In fact, the economic policy of the Japanese government was subject to constant intervention and control by US officials.

Despite this neoliberal orientation, the government was not strong or confident enough to make a significant attack on the Labour Standard Law. But new legislation, opposed only by the JCP, threatens to abolish the regulation of the working day, and create a legal framework for the already widespread phenomenon of unpaid overtime.

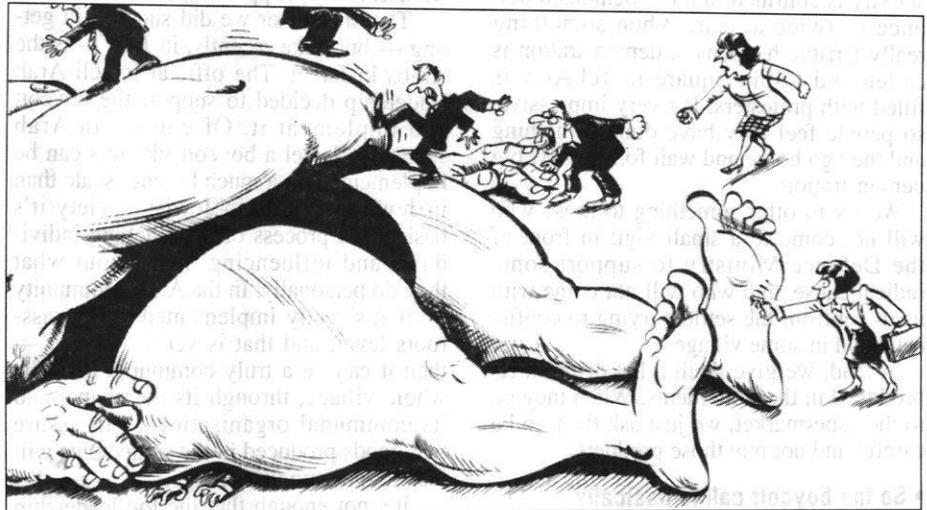
Despite the authoritarian control of the leadership of the *Rengo* labour federation, some trade unions are organising actions against this planned anti-labour "reform." These dissidents inside *Rengo* are collaboration with smaller union federations like the one-million member *Zenro-ren* (led by the JCP) and the 300,000 member *Zenro-kyo* (National Council of Trade Unions), which is led by the left wing of the Social Democrats and the independent left.

This campaign against capitalist attack marks an important step forward for the Japanese trade union movement, in which for a long time there was no collective action. A step forward was taken earlier

this year, when leftist activists organised a nation-wide "chain rally" against unemployment and the new Labour Standard Bill. Nearly 10,000 workers participated. The organisers were inspired by last year's EuroMarch initiatives in Western Europe.

Compared with the other imperialist countries, workers' reaction against the capitalists' offensive is still at a very low level. The collective class consciousness of the Japanese working class mostly disappeared during the wave of technical innovation and economical expansion that continued until the 1980s. The collapse of "really existing socialism" after 1989 only accelerated this process.

But under the severe effects of the current economic crisis, the political and social consciousness of working people has begun to change. Rank and file trade unionists are studying the struggles of dockers in Britain and Australia, and UPS workers in the United States.



Japan is also seeing the emergence of new types of trade unions, regrouping migrant workers, women workers, and managerial staff who have been fired in the name of "restructuring." There are also new unions that seek to organise all workers in a particular community, rather than on an industrial basis. These are good signs for the vigorous future of rebuilding the workers' movement in Japan.

Success and contradiction of the JCP

The JCP's electoral success has had a complex effect on the social movements. On the one hand, with the retirement of the traditional Stalinist leadership of the JCP, symbolised by former chairperson Kenji Miyamoto, the party has begun to change its sectarian attitude to various civic movements that are outside the control of the party.

Today the JCP is trying to attract these movements, including those led by the independent left, in order to broaden the party's electoral base.

On the other hand, the increase in electoral support for the JCP comes mainly from conservative sectors, like small shop owners and farmers, who have been hurt

by neoliberal "reforms," which reduced protectionist measures benefiting these groups. Disappointed at the LDP, the lower layer of the middle class is increasingly interested in the JCP's moderate left position.

Without strong pressure from the workers' movement and other social movements, the JCP will continue to shift to the right in an attempt to reassure those conservative voters who have abandoned the LDP.

The JCP leadership has eagerly explained that the aim of the party is to establish a "better capitalism". The party now believes that "the struggle for socialism should not be carried out under the contemporary relation of forces." On August 25, JCP president Tetsuzo Fuwa told the party's daily newspaper *Akahata* (*Red Flag*) that the JCP is ready to withdraw its demand to abolish the Japan-U.S. security pact in order to form a "better govern-

ment" together with the conservative opposition parties.

Fuwa also said that this "better coalition government", including the JCP, would maintain Tokyo's current military alliance with Washington.

The task of the independent left

Several small far left organisations, including the supporters of the Fourth International, presented a common electoral list in the 1995 upper house election. It was a failure, attracting only 0.9% of the nation-wide proportional representation vote.

Since this defeat, a series of unsuccessful attempts have been made to negotiate a common electoral list. Some of the participating groups are now considering standing their own candidates in future elections.

Whatever the outcome of these talks, the main task for the socialist left in Japan is still to take the initiative for organising mobilisations against unemployment, against deregulation of working conditions, and against the growing shadow of Japanese military force over other Asian countries. ★

“Boycott settlers”, says Peace Bloc

Adam Keller of the Israeli Peace Bloc (*Gush Shalom*) explains the movement's boycott of goods produced in Israeli settlements in the West Bank and Gaza.

Keller: This campaign has several aspects. The most basic one is to give Israeli peace activists a new way of being active. Those on the periphery of the Israeli peace camp are people whose activity is confined to a big demonstration once or twice a year. When something really terrible happens, a demonstration is called and Rabin Square in Tel Aviv is filled with protesters. It's very impressive, so people feel they have done something and they go home and wait for the next big demonstration.

We try to offer something to those who will not come to a small vigil in front of the Defence Ministry to support some radical cause, and who will not come with us to confront the settlers trying to confiscate land in some village.

Instead, we give them a list of products produced in the settlements. When they go to the supermarket, we just ask them to be careful and not buy those products.

• So the boycott call is basically addressed to Israeli consumers?

It started as a campaign inside Israel, addressed at the general Israeli public: those who do not often go to demonstrations. We wanted to offer them a new dimension of activism. It is a consciousness-raising measure, to tell the people that it is not very consistent if you hate the settlers, if you feel they're destroying the country, that they're destroying chances for peace, to then go to the supermarket and buy the food that the settlers produce, thus helping to finance them.

We distribute leaflets with the call for a boycott and a list of products. We have a basic list made up of some 20 of the commonest settler products most often seen in shops and supermarkets, and we have a more comprehensive list including some 150 products which we give to anybody who asks for it. We also have it on our Internet site [www.gush-shalom.org].

The second aspect of our campaign is directed towards entrepreneurs who are considering moving from Israel to the Territories, because of the subsidies and other advantages the government provides there. We give them the counter-arguments, letting them know that by going there, while they may get government subsidies, they may also lose customers.

• Are there any other sectors of Israeli society — like the trade unions — which are also putting pressure on employers not to invest in the Territories?

Definitely not the trade unions! The *Histradut* — the only trade union federation in Israel — would absolutely not touch this issue. You have to understand that this boycott is quite radical. The *Histradut* has within it all shades of political opinion. Quite a lot of the most militant trade unionists in Israel are *Likud* (Conservative) supporters.

The one sector we did succeed in getting — but quite recently, in July — is the Arabs in Israel. The official Israeli-Arab leadership decided to support the boycott and implement it. Of course, in Arab society in Israel a boycott like this can be implemented on a much broader scale than in Jewish society. In Jewish society it's basically a process of approaching individuals and influencing them about what they do personally. In the Arab community — if it's really implemented on a grass-roots level, and that is yet to be seen — then it can be a truly communal act. The whole village, through its merchants and its communal organisations, can assure that goods produced in the settlements will just not get into that village.

It's not enough that the top leadership be convinced of the necessity of this boycott. We need to rely on grass-roots organisations in each village separately. And these organisations must benefit from support and confidence in their own community. The Communist Party has now taken up this issue and is pushing it... I hope it will really work out...

The government is putting a different kind of pressure on mayors of these communities, which make up most of the Arab leadership inside Israel. Municipalities depend on the government for funding and endure chronic economic difficulties, especially the Arab municipalities...

We also want to send a direct message to the settlers themselves, and to the political system as a whole. We insist that there is no national unity in favour of the settlements. We have a lot of media attention on this. Unsurprisingly, the settlers are very angry about it. Their most common argument is that this is like the boycott of the Nazis against the Jews in Germany.

But there are also mainstream people (columnists, politicians, and even some people who define themselves as left-wing) who very emotionally expressed opposition to the boycott on Israeli TV. One famous columnist who is broadly

labelled to be on the Left even said: “I'm against the settlers, against the settlements, which will have to go, otherwise there will be no peace. But you cannot do such a thing because after all they are our brothers.”

It sounds ridiculous, but it's a very important political issue. The idea of national unity — the idea that Jews should stick together — is something which has very deep roots in Jewish history, because of 2,000 years of persecution.

This has been transformed in Israel into the ‘national unity of the people who come to live in a land, who took over the land from the original inhabitants, and we must be united, otherwise we will be defeated, as we have a common enemy.’ That is a very powerful feeling in the Israeli consciousness.

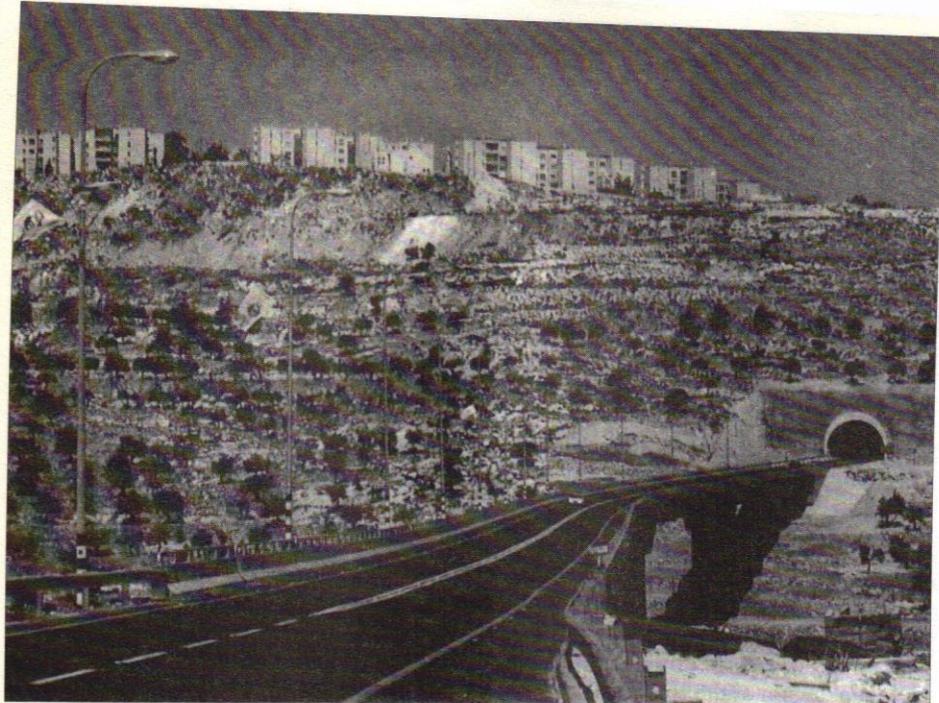
For example, Israeli fascists would have much more difficulty in killing a leftist Jew than would a French fascist in killing a leftist Frenchman, or a German fascist in killing a leftist German. It's logical that they would have this feeling because they need national unity in order to assure the success of the settler project...

Aside from the direct economic consequences of our action, we are telling the settlers — with our boycott — that they are not our brothers. ‘There is no national unity; we are not behind you; you cannot count on our support; on the contrary, you can count us among those are against you.’

• What about the international ramifications of the boycott?

That turned out to be the most important aspect. We have known for quite a long time that the European Union has been gradually moving towards some kind of action around the settlement products that are being exported to Europe. We have had contacts over the years with middle-ranking officials of the European Union. We sent a delegation to a conference in Brussels, which has held at the EU headquarters, but which dealt with other issues. We nevertheless established contacts with some of the officials. And we learned that they were becoming interested in this issue.

The European Union has a very strong legal case. Not exactly for boycotting products from settlements, but for denying them tax exemptions. Because there is a trade treaty between the EU and Israel giving agricultural and industrial products many advantages to enter the European market. But this treaty is only relevant to Israel within its 1967 borders. It is not valid for any territory which Israel con-



quered in 1967: neither for the West Bank, nor for the Gaza Strip, nor for East Jerusalem, nor for the Golan Heights. Of course the Europeans have known for a very long time that many of the products marked "made in Israel" are in fact coming from the settlements. And they have found it convenient to "turn a blind eye".

There has been some kind of power struggle going on inside the European Union. Those middle-ranking officials have prepared quite an extensive dossier on exactly the way Israel is going about it, and on the amounts of products exported, which are considerable: 10% of total exports to Europe "made in Israel" in fact comes from the Territories.

And there is another related aspect, which has to do with the captive market. Before Oslo, as part of their support for the Palestinian economy, the Europeans were trying to encourage Palestinians to export independently to Europe. They signed a separate treaty with the Palestinian Authority, granting exemptions for the export of certain agricultural products from Palestinian areas to Europe.

What has been happening in practice is that since the exports have to go through Israeli harbours and airports, Israel started to systematically delay the shipments until they rotted, officially for security checks. And Palestinians who want to sell to Europe are forced to do so under Israel export quotas. So those products are also sold under the label "made in Israel. And the Palestinians have to pay quite high sums to Israeli exporting companies for the privilege of using their quotas. This practice is in fact an infringement of both the treaty between Israel and Europe, and the treaty between the Palestinians and Europe.

• How can the European Community verify the origin of the products?

There are two things they can do. Firstly, they could themselves compile a list of products which come from the settlements. Then when they get something from Israel, they could compare the brand name with this list. Also, they obtained our list from Internet. Perhaps they need a little more research (we have only

volunteer staff).

Secondly, they could require Israel to deliver a certificate of origin, attesting that the product comes from areas which are legally recognised as being part of Israel and not from the Occupied Territories. Of course, such a certificate of origin could be falsified and probably would be, but then if it's discovered, Israel would be in serious trouble.

There was in fact a kind of dress rehearsal at the end of 1997, as the Europeans discovered Israeli exporters of orange juice actually imported the juice from Brazil, and then sold it in Europe marked "made in Israel." That's a serious infringement of existing agreements. The Europeans made quite a big fuss about it and demanded quite strong guarantees from the Israeli side that this would not happen again.

From the point of view of international law, something which comes from the settlements of Gaza or the West Bank is just as much outside Israel as something which comes from Brazil.

• Apart from demanding guarantees, have there been any sanctions?

So far, what the Europeans have done is firstly leak to the Israeli press their intention to impose sanctions. That made big headlines. Two weeks later, the European Commission in Brussels officially presented quite a different posture on this incident. But this European Commission report is just a recommendation which has to be approved by the ministers of the Council of Europe, and it was supposed to be on the agenda on May 25th.

This made a really big outcry in Israel and was for several days one of the main news items. There was a very stormy debate in the Knesset in which *Gush Shalom* was one of the main subjects, as we were accused of being the ones who caused the Europeans to do it. I think that was an exaggeration, but our action certainly helped them.

Afterwards, the 19 European ambassadors met with the Israeli Minister of Finance and said that for the time being they are not going to impose sanctions. The last news we heard is that a Com-

mittee of Experts was appointed to draw up practical rules on how to examine these kinds of shipments, and the Committee is to make its report at the end of June.

• The European Community is now a larger trading partner for Israel than North America is.

Yes. But I would like to say that European diplomats have hinted that it is in fact tied up to the current situation of the official peace process. There is now a big partnership between the United States and Europe — a lot more than ever before — on these issues... We know that there is quite a lot of personal co-operation between President Clinton and the Foreign Ministers. We assume that this European effort is being used to pressure Netanyahu on the redeployment, which has been delayed for so long. So we can assume that if he agrees to carry out the American redeployment scheme, then we could expect the Americans to play a role. If there's a definite rupture, and the Americans announce that negotiations have collapsed due to Netanyahu's intransigence, then I think we could expect the European measure to be implemented.

• Israel's Treaty of Economic Association with the EU has still not been ratified by France and Belgium. Is Israeli policy in the Occupied Territories a factor that European leaders take into consideration?

Yes, I think so. But there is a previous Treaty called an Interim Agreement, which has already been in force for many years, and which already accords quite a lot of privileges to Israeli goods on the European market. So if this new Treaty is not approved, then Netanyahu stands to lose additional privileges. He already has quite a lot of privileges. But if they demanded a certificate of origin for all Israeli goods, then the Israeli economy will have a difficult choice before it. They could either comply truthfully, thereby destroying the economic base of the settlements. The entrepreneurs who have invested there would then withdraw back to behind the Green Line in Israel.

Or they could lie about it and send false documents. But I don't know if they could do that with everything that comes from the territories. And the more they do it, the greater the chances of being caught... ★

Adam Keller is the spokesperson and member of the Executive Committee of *Gush Shalom* (the Peace Block). He was interviewed by Richard Wagman, who visited East Jerusalem as a delegate of the French Jewish Peace Union to a conference organised by the Palestinian Society for the Protection of Human Rights and the Environment, entitled "1948-1998: 50 Years of Human Rights Violations".

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Kabila's nasty reflexes

In May 1997, this magazine saluted the effort of those who overthrew the Mobutu regime. We do not regret doing so.

Eric Toussaint

The end of Mobutu's 30-year regime opened new possibilities for achieving the aspirations of the people.

But the new regime has not stimulated the self-organisation of the people. And, although Laurent Désiré Kabila's government has had a conflict of interests with major imperialist powers (France, and, to a lesser extent the USA), we can hardly say that the new regime does not support and uphold the capitalist order in Congo.

From the beginning, the Kabila regime has had very few foundations among the masses. The government's programme contained very few elements of progressive reform. State power was conceived in an authoritarian and paternalist way. Opponents faced limits on their rights to free speech and association. Kabila and his *entourage* were afraid of open political debate. Kabila kept a large part of Mobutu's state structures in place. And many Mobutists joined Kabila's AFDL front.

The regime went deliberately slowly in the creation of democratic projects aimed at meeting the population's health and education needs. Many of the country's new leaders were seduced by the "good life". Including many of those who Kabila appointed to run nationalised mines and other companies.

Ordinary Congolese people were certainly relieved to see the end of the Mobutu regime, and the reduction in harassment and extortion which has occurred. But they were not active participants in the overthrow of the dictator, and they have not been able to become actors in the struggle to build a new Congo.

Needless to say, the industrial countries have done nothing to help rebuild the Congolese economy. They have mostly refused to support development efforts. According to Belgian journalist Colette Braeckman, "not only have the Congolese been deprived of the aid which they should have received after the departure of Mobutu, but the mining royalties and taxes collected by the new regime have been used to pay the foreign debt contracted by the super-rich former dictator."¹

Deception and frustration

The situation came to a head during the first half of this year. In the east of the country, the old discrimination against Rwanda-speaking Congolese (known as

Tutsis or Banyamulenge) re-emerged. Waves of often arbitrary arrests shook the political elite in February and May. Several ministers and high-placed civil servants were imprisoned. Rwandan military and civil advisors (who had helped Kabila to power) were suddenly sent home. Kabila and Gaëtan Kakudji were systematically promoting people from their own region of the country.

The Rwandan and Ugandan governments were very unhappy with developments in Congo. They had given Kabila considerable aid when he was in opposition. They had expected that he would now ensure that their common border was secure, and that their armed opponents could no longer use Congo as a base. Rwanda was also concerned for the safety and human rights of Rwanda-speaking citizens of Congo.

Rwanda and Uganda had also looked forward to common economic and infrastructure projects in the border region. Projects like a road from the border to the Congolese town of Kisangani, which would give Congo's eastern neighbours access to the river Congo, which flows westward across the heart of Africa, and into the Atlantic. Or an agreement on the exploitation of the methane deposits under lake Kivu, which straddles the Congo-Rwandan border.

Military logic

Rwanda and Uganda boycotted the regional summit which Kabila organised in Kinshasa in May 1998. The expulsion of Rwandan advisors, and the new wave of "troubles" in Kivu led them to give direct support to a military operation to replace Kabila. The rebels of the RCD had amazing early successes. But a massive intervention by Angola and Zimbabwe seemed to crush those rebels who had advanced into the western part of Congo.

Once again, the people of Congo were not actors in the process. Neither Kabila, nor his RCD opponents were able to mobilise popular support for the war effort.

What now? Kabila will presumably re-inforce his authoritarian policies. How can Congolese socialists and panafricanists overcome the obstacles facing them? What will happen to the Rwanda-speaking and Banyamulenge citizens of eastern Congo? Is the country heading for de facto partition?

The logic of war and foreign intervention is likely to dominate the geo-strategy and politics of the region for years to come. And the imperialist powers can be expected to continue discreetly exploiting the contradictions between the countries of the region. An endless conflict in central

Africa can only help French, north American, South African and Belgian companies exploit the oil fields and mines of Angola and Congo.

These are difficult times. But socialists and internationalists in the north should not fall into inaction and confusion. This is the moment to intensify our efforts, to do everything to favour any change in the balance of forces which will encourage a positive, global solution. We need the cancelling of foreign debt of the countries of central and southern Africa. The wealth of the region's dictators should be confiscated and returned to the population. There should be a massive aid programme, to rebuild the region. And we should support panafricanist initiatives, as a secular alternative to ethnic chauvinism..

African racism

In the face of the recent rebellion, the authorities in Kinshasa have gradually adopted a deliberately racist policy and discourse. Tutsis (or suspected Tutsis) have been victims of selective repression (and attack in the streets).

Before the rebellion, Kabila's government had rejected "all acts of tribal hatred." By August, government leaders were inciting racial hatred, and justifying the "eradication" of Tutsis, Rwandans and Ugandans living in Congo. "The vermin must be crushed..." screamed the pro-government newspaper *Demain le Congo*. "The Tutsis may face a similar, unhappy experience to the Jews." A couple of days later, the newspaper reported that "Tutsis are untrustworthy, brutal, grudge-bearing and bloodthirsty."²

This racist propaganda was accompanied by arrests, even summary executions of Tutsis.³ When the rebels drew close to Kinshasa, the call to racial hatred became the cement which bound the population of the capital to Kabila's regime.

Kabila's Chief of Cabinet, Yerodia Ndombasi, called on the population to "crush this aggressive vermin." He called the Tutsis "rubbish, bacteria which must be eradicated with method and resolution."⁴ He called on the inhabitants of the capital to "allow the Congolese Armed Forces to complete the total eradication of these vermin, these Rwandan and Ugandan invaders."⁵

The government incessantly exhorted the population to be vigilant and mobilised to "throw the Rwandan Tutsis out of the country."⁶

Congo's Minister of Information, Didier Mumeng, told a radio audience that "the moment has come to put an definitive end to the manoeuvres of these invaders. They have no alternative but to flee. They

face the determination of the Congolese people, who refuse to be subject to the little Tutsi people.”⁷

Two Belgian journalists say soldiers in Kinshasa invited them to follow a patrol on 27 August. Their testimony is shocking. Tutsis, or suspected Tutsis, were murdered by civilians, and their bodies burned in the streets. These crimes are linked to the regime's racist discourse. Racism against Tutsis, Ugandans and Rwandans has become a patriotic duty.

According to Eric David, Professor of International Law at Belgium's Université libre de Bruxelles, this incitement to racial hatred is criminal. “It is also a recognised sociological phenomenon: by devaluing, and dehumanising the opponent, it becomes... much easier to achieve his physical elimination.”⁸

The 1948 Geneva convention establishes a specific crime of genocide, defined as “any act committed in the intent of partial or total destruction of a national, ethnic, racial or religious group as such.”

Fortunately, we are not yet witnessing genocide. But what happened in August must not go unpunished. And if the discourse of racial hatred does lead to further, greater crimes, then the top leaders of the Congo government must be considered directly responsible.

The rebellion

The rebels in eastern Congo say Kabila has become totalitarian. Their campaign to replace him depends on support from the Rwanda and Ugandan governments. Although western governments have not condemned the rebellion, they, like Kabila, denounce the “outside interference” of Rwanda and Uganda.

But the fundamental problem with this rebellion is elsewhere. Unless the people themselves are the principle actors in a struggle for emancipation, what can stop a new dictator emerging? If the goal is to have more democracy, then a military struggle, with the usual tactics of war, is surely inadequate.

The RCD rebels hoped to win a rapid military victory, thanks to active support from Rwanda and Uganda. They wrongly expected that Angola would remain neutral. The rebels say that they would have introduced a transition to democracy. This emphasis on the military aspect of struggle, with the people relegated to a passive role, reflects the authoritarian conceptions which dominate the regimes in Rwanda and Uganda. And which reveals their similarities with Kabila's regime.

The rebellion was clearly dominated by military, rather than civilian groups. The political structure, the Congolese

Rally for Democracy (*Rassemblement Congolais pour la Démocratie – RCD*) was only announced two weeks after the rebellion started.

This was a heterogeneous movement. It included Bizima Karaha, Kabila's former Foreign Minister, and D. Bugera, one of the co-founders of Kabila's AFDL in 1996. Both men were considered close to the Rwandan regime. Another rebel was Shambuyl Kalala, a Maoist, and former propaganda chief of the AFDL. They were joined by well-known opponents of Mobutu who had not been co-opted into Kabila's regime. The RCD's president was Ernest Wamba-dia-Wamba, History Professor at Daar Es Salaam University. Other prominent rebels were “dinosaurs”

from the Mobutu regime. Men like Thambwe Mwanba, founder of the conservative Union of Independent Democrats (UDI)

But the real weight in the rebellion was held by the military men, not the civilians. Many of the soldiers had loyally served Mobutu, and had been hiding from justice in eastern Zaire, waiting for just such a moment. ★

Notes

1. *Le Soir*, 20 August 1998.
2. Quoted in *Le Monde*, 26 August 1998.
3. Communiqué de the Comité pour le respect des Droits de l'Homme et de la Démocratie au Rwanda, 8 August 1998. Contact: tel. +32 2 2171629.
4. Quoted in *Le Soir*, 29-30 August 1998.
5. Quoted in *Le Soir*, 27 August 1998.
6. Quoted in *Le Soir*, 20 August 1998.
7. Quoted in *Le Soir*, 27 August 1998.
8. *Le Soir*, 29-30 August 1998.

South Africans condemn Lesotho incursion

Workers Organisation for Socialist Action (WOSA) condemns the incursion of South African troops into Lesotho. This military fiasco has led to the deaths of tens of people, including civilians, and the maiming for life of many others.

Besides questions of “international law”, WOSA notes that this ill-considered attempt to intimidate the people of an independent state most of whom are our worker brothers and sisters in the mines of Gauteng and the Free State, on the farms of the northern provinces and in the factories and offices of our cities, will have consequences for which South Africa will have to pay for many years to come.

Coming so soon after the fiasco of the “peace” initiative in the Democratic Republic of the Congo, this militaristic extreme demonstrates that South Africa's so-called foreign policy is in a shambles and that the new regime sees itself as the sub-region's sub-imperialist policeman acting under the cloak of the Southern Africa Development Council (SADC) [a regional co-operation group dominated by South Africa]. It is an ineffectual, counter-productive and destructive force which, essentially, increases the sufferings of ordinary citizens and workers.

We reject and oppose the doctrine which was agreed on by the SADC leaders in Mauritius earlier this month. That doctrine amounts to a guarantee of permanent tenure for the incumbent middle-class regimes, most of which are the very opposite of even the limited liberal democracy we still enjoy in the new South Africa.

This action also demonstrates that elements of the apartheid old guard and the present office-holders in South Africa will combine to suppress any mass democratic challenge to their power. This is one of the most sinister implications of this action from the point of view of those

of us who stand for the socialist alternative in southern Africa.

The most lasting and most tragic result of this insane move will be the hatred of all things and people South African that the South African troops have engendered in the breasts of our worker brothers and sisters in Lesotho. The inevitable consequence will be an even more disastrous increase in the levels of hatred of foreign workers among South African workers, especially among the unemployed. It could take decades to heal this unnecessary wound.

As revolutionary socialists, we call on all workers and socialist of southern Africa to join the South East Africa Forum which will be launched in Mauritius at the end of 1998 so that we can fight as a united force against the anti-worker and anti-democratic policies and practices of the middle-class governments of the sub-region.

We say that as the producers of the wealth of these countries and as citizens entitled to our human rights, we shall not be dragooned into wars and other international conflicts calculated to ensure the profits of the international and local capitalist classes. There is no doubt, for example, that, as in the Congo, the decisive reason for this intervention is protection of the interests of South African and foreign capitalist investors. They want to secure the Lesotho Highlands Water Project and its ramifications for the Free State and Gauteng mines.

WOSA makes a special call on the National Union of Mineworkers (NUM) to come out clearly against the South African military adventure in Lesotho from where many, if not most, of its members come. The workers have no fatherland. An injury to one is an injury to all. Let us stand together against all racism, national chauvinism and capitalist exploitation. ★

*This resolution was approved at the 5th National WOSA Conference, Johannesburg, 25-27 September 1998. See page 34 for more details.

★ conference reports

South Korea The People's International Conference

Seoul, 8-12 September 1998

The theme of "People Challenging the IMF: Neoliberalism, the IMF, and International Solidarity" attracted together more than 200 people, including 35 delegates from overseas. They adopted the following statement.

- Neoliberalism, with its destructive and murderous strategies, with the maximisation of the wealth and power of TNCs and capital as its end goal, causes splits between individuals, classes, countries, and regions in the process of reducing people to mere factors of production and consumption.

- We reject the logic of profitability and competitiveness that undermine human dignity and welfare and the earth as the source of all life. Its adverse effects range from increased unemployment, deprivation of rights and wealth, widespread impoverishment, the commodification of people as migrant workers, to the mass killings and genocide of indigenous people.

- We recognise that the economic and political crisis provides us with responsibility and opportunity to challenge the neoliberal globalisation and seek genuine alternatives, so that self-reliance is enhanced, livelihoods ensured, inequalities eradicated, the environment adequately upheld, and self-determination guaranteed.

- We conference participants, coming from diverse backgrounds, believe strengthening information, communication, and understanding our diverse needs and experiences is the most important task in building and shaping meaningful international solidarity in shared aspiration.

- The conference and its participants declare unconditional solidarity with the Korean people in their challenge against the IMF, the MAI, Structural Adjustment Programmes (deregulation, liberalisation and privatisation), and all lay-offs. We demand the immediate release of political prisoners everywhere, including over 100 KCTU unionists, as well as the reinstatement of those sacked for their trade union activities, and the guarantee of full labour and human rights for migrant workers and equal treatment of men and women at the workplace as well as in the family and society generally. We also demand the total repeal of the National Security Law and related legislation which has been used as the central instrument of human rights encroachment and political repression.

- We also demand that the US military forces in Korea, Bangladesh and the Philippines, under their appropriate agreements, be pulled out immediately. The

same action should also be taken in other countries with similar situations for these are the instruments of US imperialism to further oppress and harass of the peoples of the world.

- We recognise that this conference is only the first step. We confirm our commitment to continue working in solidarity to achieve our common goals and to seek solidarity with like-minded people and organisations, especially those victimised by IMF and other neoliberal policies.

The conference culminated in a march against unemployment and the IMF. 1,000 people held a rally at Chongmyo Park and marched along Seoul's main street, Chongro. ★

Full conference materials can be consulted at:
<http://kpd.sing-kr.org/pics>

South Africa 5th WOSA Conference

Johannesburg, 25-27 September 1998

Delegates to the recent conference of the Workers Organisation for Socialist Action (WOSA) condemned the incursion

of South African troops into Lesotho (see page 33). Members are currently being balloted on WOSA strategy in the forthcoming elections. The options are: 1. Non-participation 2. Participation as WOSA or 3. Participation in an alliance with other socialist organisations.

Other resolutions adopted by the conference include a condemnation of the GEAR strategy; a call to halt privatisation and increase social spending; resolutions on building the socialist alternative and the unity of socialist organisations; an endorsement of initiatives to establish an International Tribunal on Africa in order to judge those responsible for the devastation of Africa through Structural Adjustment Programmes; the building of the South East African Forum (a far-left project which will be launched in Mauritius at the end of the year) and the International Socialist Network. Conference also passed resolutions on the restitution of land and the causes of crime and ways of ending crime.

The newly elected officials include: Selby Nomganga (Chairperson), Dr Neville Alexander (General Secretary), Veli Nkosi, Sophia Kisting and Professor Ndlovu. ★

The General Secretary can be contacted at: phone/fax : (021) 47683. WOSA can also be contacted by e-mail at <155VAS@mentor.edcm.wits.ac.za>

coming soon

Preventing violence: the role of health professions and services

Mumbai, India, 28-30 November 1998
There are some funds for travel expenses of participants from India, Nepal, Bangladesh, Bhutan and Sri Lanka. Accommodation and food are provided. Contact: CEHAT, 519 Prabhu Darshan, 31 S. Sainik Nagar Amboli, Andheri West, Mumbai 400058, India Tel: 0091-22-6250363, Fax: 0091-22-6209203. Email: admin@cehat.ilbom.ernet.in

1999 Value Theory Mini-Conference: Deepening The Dialogues

Boston, USA, 12-14 March 1999
This is the sixth "New Directions in Value/Price Theory" mini-conference, organised by the International Working Group on Value Theory (IWGVT). It will be held as part of the Eastern Economic Association (EEA) conference in Boston, USA in March 1999.
Final acceptance is conditional on provision of a completed paper for which the deadline is November 1st. The IWGVT is run on a voluntary basis and its costs greatly exceed its income. Due to limited financial resources, you must send a submission fee with your paper. This is \$US20 or £15 (\$10/£7 for low-waged). Checks payable in US dollars should be made out to Andrew Kliman; checks payable in UK pounds should be made out to Alan Freeman.
Contact <value.theory@greenwich.ac.uk>

Socialist Historians' Group

London, Britain, Saturday 8 May 1999,
As the twentieth century draws to a close, this one day event, organised by the London Socialist Historians Group, will look at the question of progress in history and attempt to draw a balance

sheet of how far attempts to change society for the better since 1900 have worked.

From Bernstein to Bad Godesberg and New Labour, social democracy has reinvented itself throughout the 20th century. But what is the historical record of reforming Governments in the 20th century, and what does that record tell us about the future?

Have the examples of revolution in Russia or the free market in America provided coherent alternatives? Have changes for women, lesbians and gays and blacks led to liberation? Have developments in science led to relief from the dull compulsion of economic reality?

Proposals for Panels of two or three papers and a discussant are invited around the following subject areas: The Political Economy of Capitalism • Social Democracy and Strategies for Reform • Labour Struggles • Labour Leaders • Science and social change • Reform and Revolt • Reaction and the Failure of Reform • The Oppressed and the fight for liberation • The historical development of the Capitalist Economy

These subject areas are indicative, other topics on the general theme will be entertained. The day will open and close with Plenary sessions. Before and after lunch parallel panels of speakers and commentators will take place

Proposals for panels should be sent to Keith Flett, 38 Mitchley, Rd, Tottenham, London, N17 9HG by 1st December 1998, ((+44) 171-829 3097)

booknotes

Woody Guthrie's war stories

"Woody, Cisco, and Me: Seamen Three In The Merchant Marine" By Jim Longhi. University of Illinois, US\$34.95

It was in 1960 that I first became aware of Woody Guthrie and his music. Other than numerous references to him in folk music publications (virtually all of them originating from New York) he would have been largely unknown to the general public at that time.

When the "great folk scare" of the early and mid-sixties, to quote Utah Phillips, burst forth, Woody and his songs were everywhere. College kids all over North America were singing "This Land is Your Land", "So Long, it's Been Good to Know You", "Pastures of Plenty", "Union Maid", and dozens of others. By 1964 even high school dropouts like myself were deeply immersed in his music, his legend and especially his mystique. Our heroes may have been Dylan, Seeger, Ochs, Paxton and the many other songwriters who were expressing the outrage that many of us felt about the hypocrasies of the time, but Woody, ahh Woody was the "real thing".

He was a working man from rural Oklahoma, taking on the "big boys" with a guitar, a razor sharp country wit, and an indomitable spirit. We knew he was very sick with Huntington's Chorea and wasting away in a hospital somewhere in New Jersey, and most importantly, we knew that if he could, he'd still be out on the picket lines raising a lot of shit.

What we didn't know for many years to come was "who was Woody Guthrie when he wasn't writing or singing or bumming freight trains?" His close friends and family carefully protected his image

during those years when his legend was growing so rapidly, and in so doing created the impression that Woody was virtually a flawless human being.

During that strange period of history that some call the "Reagan-Bush Years", and I would dub the "exposed generation", this kind of image protection came to an end. "Tell all" books and documentaries became the great North American entertainment, with heretofore spotless reputations disintegrating into mere human ones. This "humanising" process even reached into the folk music community (who would have thought we were important enough for anyone to care?) Biographies of Dylan, Phil Ochs, and (saints preserve us!) even Pete Seeger hit the mainstream book stores and were eagerly grabbed by folkies like me searching for the "inside dope" on these people who had become so important in our lives.

Before the personal was political

When Joe Klein's *Woody Guthrie, a Life* (an incredibly well written book in my opinion) came out, the three dimensional Woody made his first appearance, and it wasn't an entirely pretty picture.

Let's face it, charismatic people get away with murder, (literally and figuratively) and Woody was no exception. As an effective and occasionally brilliant writer he deserved to be on the pedestal that we had created for him. As a husband, father, partner (and house guest) he was to put it very charitably, erratic at best. His lack of personal hygiene, disrespect for women, (don't give me that "he was a man of his time," crap) and a general unwillingness to bend an inch for others, probably caused a lot of grief around him. Having said this (and feeling a mite guilty about it) I still wish that I had lived in the time and place that would have made meeting him possible.

In Jim Longhi's book (which is, I suspect, about 90% truthful) you will get to know a courageous, funny, and flat-out brilliant Woody. I won't spoil your fun by telling you anything about the "wind machine" chapter, other than to say that any high priced team of motivational therapists would have been damned impressed.

Woody, Cisco, and Me begins with Cisco Houston (Woody's singing buddy and an important part of the folk revival) bringing the young Jim Longhi (at different times, a boxer, playwright, labour organiser and lawyer) into the Guthrie "sphere" during the last months of World War Two.

The three decide to ship out with the Merchant Marine as part of the constant supply of convoys taking men and materials to war-torn Europe and Africa. It seems to them that this is preferable to following their draft board's advice and joining the army.

The constant danger from U boats and German fighter planes is with them (and us) throughout the duration of the book and the spectre of drowning or dying in an explosive fire colours their behaviour on

each of the three voyages they take.

Longhi is an expressive writer and rarely is guilty of hiding (or even repressing) his emotions, which cannot be said about his sailing buddies. Both Woody and Cisco are stoic and often seem a mite uncomfortable with Jim's openness and constant hugs. What we learn about their feelings comes primarily from their actions under stress.

Although the book is as suspenseful as a good novel, there is great humour throughout. This is due in no small part to Longhi's ability to observe, filter, separate, and finally communicate. Considering that he is in his seventies now there may be no more books, and if that is the case, then I am truly sorry, for his style makes a relatively obscure part of folk music's history come vibrantly alive.

If you're wondering why I haven't said much about what actually happens during *Woody, Cisco, and Me*, well, I've been making a conscious effort not to. The three seamens' adventures are many, varied, funny, frightening, and touching and I'll be damned if I'm going to spoil a great read for you.

Suffice to say that their politics are an important factor in the story (Jim is a Communist party member and Woody and Cisco would be too were it not for having to go to meetings) and although Woody seems to be the prime focus, we learn a lot about Cisco and Jim.

I recommend the book highly, but I suspect you'll have to hunt for a copy. Mainstream it's not, and you may have to contact the publisher directly. ★

*Rick Fielding is a Toronto songwriter and musician, who performs mostly in New England. He has recorded an album of traditional and political songs called "Lifeline" with Folk-Legacy Records in Connecticut, and will be releasing a new album on Borealis records early in the new year. He hosts the folk music program "Acoustic Workshop" every Monday night at 9pm on CIUT 89.5 fm.

A bolshie old man

Red Hot: the life and times of Nick Origlass, by Hall Greenland.

"Nick Origlass was one of the most remarkable and troublesome characters on the Australian left," write the publishers of this fascinating biography. "Origlass was a man who would not be silenced, and was expelled from the Communist Party, from the Labor Party (twice), from the 4th International group, and even from his local council (they carried him out, chair and all). Naturally his workmates and fellow citizens re-elected him time and time again."

Biographer Hall Greenland traces his subject's political life from the Mt Isa Beer Strike of 1929 to Sydney's 1990s environmental battles. ★

Wellington Lane Press (1998), ISBN 0 908022 14 X, 336p. Order for £10 from 11 Temple Fortune Lane, London, NW11 7UB, Britain

60 the 4th International years

This month the Fourth International is celebrating its 60th birthday. This beautiful 21 mm² badge marks the occasion. It is black, red and white on a copper-plated background.

You can view the badge on the Internet at www.internationalen.se/sp/badg.htm

The badge costs is 30 SEK (25FF, \$US4), or 20SEK (17FF, \$US3) for orders of 10 or more.

Life and death of a veteran Chinese Trotskyist Zheng Chaolin (1908-98)

Veteran Chinese Trotskyist Zheng Chaolin died in Shanghai on August 1st. **Wang Fanxi** reports on a life devoted to the liberation of the Chinese workers and peasants.

Chaolin was born Zhangping in Fujian province in 1901, and received a traditional Chinese education. In 1919 he went to France as part of a "work study" programme (under which young Chinese students financed their studies by working part-time in French industry), and came under the influence of western thought, particularly the Russian Revolution.

He gradually abandoned his attachment to the philosophy of Confucius and Mencius, Lao Zi and Zhuang Zi and embraced the ideas propagated by Chen Duxiu

and his co-thinkers who advocated democracy and science. Shortly afterwards he embraced Marxism, and very soon progressed from thought to action.

In June 1922, when some young Chinese Marxists living in Europe held a meeting in Paris at which they set up the "Youth Communist Party". Chaolin was among the 18 delegates, who included Zhou Enlai, Zhao Shiyun and Yin Kuan.

In 1923 he was selected to go to Russia to study at Moscow's University for Toilers of the East. In July 1924, when the CCP urgently needed cadres as a result of the rapid development of the revolutionary situation in China, he was sent back to China with Chen Yannian and others. He worked in the Propaganda Department of the Central Committee, edited party journals, drafted internal educational materials and external propaganda materials and translated Bukharin's *ABC of Commu-*

nism, while at the same time teaching at the party school in Shanghai.

From 1925 to 1927, when the Chinese revolution grew apace, he participated in the famous May 30th Movement and in the second and third Shanghai worker's risings. After Chiang Kai-Shek's bloody coup on 12 April 1927, Zheng went with the Central Committee to Wuhan where he took part in the Party's fifth congress. He was appointed head of the Propaganda Department of the Hubei Provincial Committee.

After the final defeat of the revolution he took part in the party's famous August 7th conference. Soon afterwards he secretly moved back to Shanghai with the new Central Committee and took charge of the new party organ *Bolshevik*, as its chief editor. In 1928 he went to Fujian to reorganise party affairs in the province.

In 1929 he married another comrade, Liu Jingzhen. Not long afterwards he was arrested for the first time by the Guomindang. Fortunately, his identity was not discovered, and after 40 days he was released as a result of the secret intervention of the party.

Between 1929 and 1930 he began to come into contact with Trotsky's writings on the Chinese Revolution. Deeply impressed, he turned towards Trotskyism. In May 1931 he, Chen Duxiu and three other comrades represented the Proletariat group at the unification conference of the four Trotskyist groups.

He was elected to the Central Committee and took charge of its Propaganda Department. Not long afterwards, he was arrested by the Guomindang authorities and sentenced to 15 years in prison, though he was released after just seven years, when the Japanese war broke out.

After his release he rested and recuperated for a while in a village in Anhui Province together with his wife, and proof-read and translated the remaining parts of Trotsky's *The Revolution Betrayed*, a third of which had already been translated by two other Trotskyists in Nanjing prison.

In 1940, he returned to Shanghai, where he joined the leadership of the Chinese Trotskyist organisation and the editorial branch of the underground paper, *Struggle*. He translated volumes two and three of Trotsky's *History of the Russian Revolution*.

After the outbreak of a new world war in Western Europe in 1939, differences of opinion developed within the Chinese Trotskyist leadership. These were principally over what attitude to adopt to the Chinese resistance once the Anti-Japanese war in China became caught up in the wider war. A protracted dispute ensued, and spread from political to organisational issues. As a result the Chinese Trotskyist organisation split in 1942. Chaolin was a leading member of the group later known as the International Workers Party of China.

On December 7 1941, the Japanese army occupied Shanghai's foreign settlements and revolutionary activity directed

Analysis with Attitude

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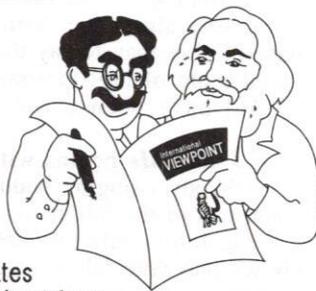
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against the Japanese became extremely difficult. From then until the Japanese defeat in August 1945, Chaolin put his main effort into writing.

Apart from editing *Internationalist*, the underground Trotskyist journal, he wrote his memoirs and *Three Travellers*, a collection of political debates in the form of imaginary dialogues. He wrote the *ABC of Permanent Revolution* and a *Critical Biography of Chen Duxiu* (uncompleted). To earn a living he also translated some literary works, among them Ignazio Silone's *Fontamara* and a book by André Gide.

From August 1945 to May 1949, from the Japanese surrender and the civil war between the Guomindang and the CCP to the Communist victory in China, he wrote numerous articles for *New Banner*, a publicly declared Trotskyist fortnightly which was banned by the Guomindang Government after 21 issues.

On the eve of the Communist occupation of Shanghai, the group to which he belonged reorganised as the International Workers Party (IWP) which he helped to lead. In the meantime Chaolin systematically researched the social material of the new China and wrote a pamphlet on the subject; *On State Capitalism*.

In the next two to three years the IWP continued its activities under communist rule and extended its influence. As a result, on 22 December 1952, its entire membership, together with all the other Chinese Trotskyists and even sympathisers, were rounded up by the Maoist political police.

This development had been expected. As a precaution, the other Trotskyist organisation under Peng Shuzhi, had already transferred its leadership to Hong Kong. The IWP also decided to send someone to Hong Kong to set up a liaison station. However, Chaolin himself refused to go and insisted on staying behind in Shanghai, although he was fully aware of the danger that he faced. He paid a heavy price: a further 27 years in prison, including physical and spiritual abuse.

In June 1979, as a result of changes in the leadership of the CCP and in response to calls by people both inside and outside China, Chaolin, his wife Liu Jingzhen, and 10 other survivors of Mao's gaols were restored to liberty. (Earlier that year Chaolin had been declared a prisoner of conscience by Amnesty International).

Chaolin spent a total of 34 years behind bars, equalling the record for political imprisonment set by the French Revolutionary Louis Auguste Blanqui.

Sadly, Liu Jingzhen died less than half a year after their release. With no surviving children, Chaolin was cared for in his last years by his great niece.

In the 19 years between his release and his death, Chaolin suffered poor health as a result of his years in prison, but he refused to give in to this. He put enormous effort into reflecting on and writing about events in the world around him.

He helped various historians write true

histories of the Chinese Revolution and the CCP (including Chinese Trotskyism), to correct distortions made, consciously or unconsciously, and in particular to refute past slanders and distortions directed by the CCP against Chen Duxiu.

He reflected independently and systematically on the Chinese and world Revolution, putting the process and outcome of those reflections into writing in his long essay *Cadreism*.

He repeatedly demanded of successive congresses of the CCP that they rehabilitate the Chinese Trotskyists, formally declare the Trotskyists (in China and throughout the world) not to be counter-revolutionaries, and to admit that the suppression of the Trotskyists was wrong.

He recorded his efforts in these regards in writings of more than a million Chinese characters. Unfortunately, so far it has been possible to publish only a small part of them.

Even though Chaolin enjoyed personal

freedom after 1979 and was named as a member of the Shanghai Municipal Political Consultative Committee, he was still labelled a "counter-revolutionary" and still suffered from discrimination.

In recent years his memoirs were published "internally" (i.e. for restricted readership) and his translation of D. Merezhkovski's *The Gods* was republished. None of his main works, however, which deal with political questions, whether written in prison or after his release, have received permission to be published, because he has all along resolutely maintained his opposition to Stalinism and Maoism.

Chaolin's memoirs have appeared in English, as *An Oppositionist for Life: Memoirs of the Chinese Revolutionary Zheng Chaolin*, published in the USA in 1996 by Humanities Press. From these writings, foreign friends can get some idea of the life of this remarkable Chinese Marxist-Trotskyist. ★



Luís Fernando Zuzarte de Sousa Graça

In April 1974, Portugal's fascist police force came to arrest Luís, a young man who refused to report for military service. He went underground and, the following year, joined the International Communist League (LCI). In 1978 this became the Socialist Revolutionary Party (PSR), Portuguese section of the Fourth International.

From 1982, Luís was regularly elected to the PSR Central Committee. He was the best known leader of the party's trade union work among teachers.

He worked tirelessly for a unitary, democratic left alternative within the Greater Lisbon Teachers Union (SPLG), of which he became one of the leaders in 1994. Within the national teachers union FENPROF he animated general strategic debates. A keen physical education teacher, he was also responsible for anti-racist and anti-

xenophobia work, as well as action on teachers' working conditions.

He helped found the José Carvalho association, named after a PSR member killed by fascists, and coordinated its antiracist education work. After José's death, he took charge of the PSR's security team, which he coordinated for four years.

Luís was a PSR delegate to the 1991 and 1995 congresses of the Fourth International, and a member of its International Executive Committee. For the PSR, he was a key representative of the group in international meetings.

A member of the PSR National Secretariat from 1985 to 1996, Luís then decided that his trade union responsibilities prevented him from continuing to be a permanent member of the PSR leadership. But in recent municipal elections, he was PSR candidate in the town of Oeiras. Thanks to his work, the PSR received a higher proportion of the vote in the town than in the country as a whole.

Luís was in the process of finishing a PhD in education science, and was vice-president of the National Association of P.E. Teachers. Generations of pupils will remember his enthusiasm.

The PSR has lost one of its most important leaders. A man who has shaped the organisation. A solid, generous spirit. Someone able to build links between different generations of militants. A member of social movements, and a trade union leader always ready to defend internal democracy, and the rights and interests of the members.

Luís is irreplaceable. But the memory of his presence and political activities will encourage us to continue our struggle for socialist society. [PSR] ★



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New publication

Fatherland or Mother Earth?

by Michael Löwy

The link between national and social emancipation has been one of the IIRE Notebooks for Study and Research's concerns from our inception. Over the years different titles have addressed Western domination in China and Latin America, Catalan and Basque movements, and the failure of the multi-national experiment in Yugoslavia.

Michael Löwy is a prolific writer, and director of research in sociology for France's National Centre for Scientific Research. He has been one of the IIRE's closest collaborators. He has written for us on **Marxism and Liberation Theology**, edited our anthology on **Populism in Latin America**, and allowed us to publish a French version of his book **The Politics of Combined and Uneven Development**.

Michael has been writing extensively on 'the national question' for over twenty years. But not for us. We now have the good fortune to publish in English the most complete work he has ever devoted to this subject.

Fatherland or Mother Earth? is also being published in French, German, Greek, Portuguese and Spanish. It brings together years of reflection on various Marxist thinkers. It integrates such recent developments as economic globalisation; the formation or reinforcement of supranational economic units like the European Union, NAFTA and MERCOSUR; the wave of national conflicts in the former Soviet bloc; and outbreaks of ethnic violence in many parts of the Third World.

This book pleads for a new and original synthesis (new even for Löwy himself) between Lenin's programme of national self-determination and Otto Bauer's programme of national-cultural autonomy.

Excerpt from the author's Introduction:

One of the most surprising aspects of this *fin-de-siècle* is the fantastic rise of nationalism, under various guises, both in the 'North' and the 'South'. Since this coincided, historically, with the demise of so-called 'really existing socialism', it was easy to jump to the conclusion that internationalism and socialism are 'dead' and that Marxism, unable to cope with the national movements, has become obsolete.

In fact this is not a new argument. It has been frequently said, by various sorts of commentators, that the Marxist tradition has ignored the national question (a so-called 'black hole' in the theory) or that national movements cannot be explained from a Marxist viewpoint.

It cannot be denied that Marxists have often underestimated the importance of national problems. But it is also true that one can find, in the Marxist literature, some very significant and rich contributions. As well, of course, as lacunae, contradictions, mistakes and hasty judgements.

The essays collected in this volume are of two kinds: comments on important aspects of Marxist theory in relation to the national question; and an attempt to analyse, from a Marxist perspective, some contemporary forms of nationalism and internationalism.

Fatherland or Mother Earth? has three central contentions:

- Internationalism is the core of the Marxian socialist tradition and it is more relevant now than ever.

- The distinction between 'oppressor' and 'oppressed' nations and the idea of national/cultural autonomy, far from being contradictory, are complementary tools for understanding and solving national conflicts.

- Nationalism is on the rise everywhere, there are also signs of the emergence of a new internationalism.

The first essay, 'Marx and Engels *cosmopolites*', deals with the philosophical background to Marxian internationalism, as the expression of a revolutionary humanist viewpoint. It seemed important to begin with a piece discussing the meaning of internationalism, because this is the strategic and methodological starting point for the Marxist approach. In a world confronted with capitalist globalisation, the Marxian revolutionary kind of cosmopolitanism seems to be an adequate alternative.

The second article examines some of the shortcomings of Marx and Engels' writings on the national question, while rejecting the view (presented by the historian Ephraim Nimni) that their conception is basically evolutionist and Eurocentric. I wrote this short polemical piece with my friend Enzo Traverso, a Marxist historian who has published several remarkable pieces on the national question (including **The Marxists and the Jewish Question**). We argue that Marx and Engels' incomplete theory of nationalities could either be developed in a dogmatic, Eurocentric and evolutionist way (as Stalin did) or in an emancipatory and dialectical way (as Lenin, Bauer and others did).

The key issue in the third essay is Lenin's classical distinction between oppressor and oppressed nations – still a relevant concept, even if one takes into account the various cases of rapid transformation of oppressed into oppressor – and his conception of the right to self-emancipation.

The Leninist tradition (including myself) has been rather harsh with the Austro-Marxist proposal for cultural autonomy. I feel that a more balanced assessment of Otto Bauer is needed, which I try to sketch in the next essay. As Georges Haupt observed, Bauer's seminal book on the national question 'was a model of concrete research and of theoretical generalisation... and remains the major reference work, indispensable for any historical and theoretical study of the national question'.

Moreover, Bauer remained strongly committed to socialist internationalism. In 1924 he wrote that 'the duty of the International can and should be, not to abolish national particularities, but to promote international unity in national diversity'. Lenin himself, although quite critical of some of Bauer's political propositions, insisted that 'Otto Bauer... argues quite correctly on a large number of most important questions'. Like Bauer's conviction that only the abolition of capitalism and the introduction of socialism will make it possible to abolish national oppression.

One can understand Lenin's strong reservations about Bauer's (and the Jewish Bund's) programme for separate national schools, which he compares to the system of school segregation in the Southern US. However, Lenin's general rejection of Bauer's perspective of national/cultural autonomy is questionable. As Enzo Traverso obser-

ved in his book on **The Marxists and the Jewish Question**, by confronting minority populations with a choice between assimilation and self-determination, the Bolshevik policy could not give a satisfactory answer to the problems of extra-territorial nations, which reject assimilation but did not dispose of the objective conditions necessary for self-determination.

In fact, the Bolshevik government, at least during the first years of Soviet power, implemented, in relation to the Jewish and other national minorities, a policy very much inspired by the ideas of national/cultural autonomy proposed by Bauer and by the Bund: for instance, in developing Yiddish schools, theatres, publishing houses, libraries, etc.

In the light of historical experience, including the recent catastrophic decomposition of multi-national states like the USSR and Yugoslavia, territorial self-determination and national/ cultural autonomy should be considered complementary rather than mutually exclusive.

Towards a New Internationalism

The last chapters relate to the contemporary rise of nationalism and possibilities for the rise of a new internationalism. These essays are an attempt to use essential Marxist categories to understand current developments related to the national question in Europe and the world, and to propose socialist, democratic and emancipatory alternatives to national exclusivism, chauvinism and xenophobia.

Rereading Chapter 5, first written in 1989, I have to acknowledge that I did not foresee the explosive wave

of internal national conflicts among the various communities of the ex-socialist bloc. I mentioned only the emancipatory dimension of movements against national oppression in the post-capitalist societies, neglecting the possibility that they could also become regressive, discriminatory against their own minorities, and expansionist. Chapter 6, written a few years later, strikes a better balance.

All these essays proclaim their hope for the rise of a new internationalism. This does not imply naïve optimism or short-term illusions. It means rather that one puts a wager on the possibility of a different future, where universal human solidarity will again become a powerful force in the political struggle.

Since I wrote these essays an important event illustrated the dialectics between national emancipation and internationalism. When it appeared in the insurrection of January 1994, the EZLN-Zapatista Army of National Liberation-raised the demand of national/cultural autonomy for indigenous communities and of Mexican national sovereignty against the US-imposed free-trade agreement. But in 1996 the Zapatistas, for the first time in Latin America, called for an internationalist meeting, not on a continental or Third-World level, but on a truly planetary scale. The 'Intergalactic' gathering in Chiapas in July 1996 was attended by intellectuals, leftist activists, trade unionists, indigenous, peasant, feminist and other social activists from Canada to Brazil, from Japan to Italy, and from France to South Africa. There is room for hope...

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