Trotskyist International

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beyond Maastricht



Fourth International: from degeneration to split

South Africa: betrayal in the making

Abortion rights under attack

After 1992 – where is Europe going?

English language journal of the League for a Revolutionary Communist International

Dave Hughes memorial fund

Dave Hughes, a leading member of the LRCI, died aged 43 in August 1991. As a fitting tribute to his expertise on and passion for the Soviet labour movement the LRCI launched a Memorial Fund for work in the USSR/CIS. Since then we have received donations totalling £4,150.

This has provided us with essential resources for our work in the CIS. We have produced four issues of a Russian paper, *Rabochaya Vlast*, and have sold hundreds of copies of each issue. The *Trotskyist Manifesto*, programme of the LRCI, has been published in Russian and sold widely. The money has enabled us to undertake an ambitious programme of translation of our theoretical material into Russian, essential if we are to help overcome the ideological confusion that pervades the Russian working class and radical left. With this material we intend to launch a regular journal as a complement to a series of leaflets and news-sheets with a more interventionist character.

But our work has not only been of a literary or theoretical character. Throughout the last year we have maintained an active presence in Moscow. The money has been used to finance regular extended visits by LRCI comrades to strengthen our work there. We have debated the Federation of Revolutionary Anarchists, taken the initiative in organising a public demonstration of left forces and intervened at the Stalinist organised demonstrations, raising the voice of internationalism against the Great Russian national chauvinism and anti-Semitism of the Stalinist-fascist bloc as well as intransigent opposition to Yeltsin and restoration.

We marked the 75th anniversary of the October Revolution by helping to organise and participate in a demonstration in Moscow that ended in Manezh Square. We handed out thousands of LRCI leaflets denouncing both Yeltsin and the anti-Semitic Stalinists of Trudovaya Rossiya. Later in November we held a weekend school which over thirty people attended.

A profound and crippling crisis of leadership affects the working class and the left forces in the CIS at all



levels. We are determined take steps to resolve this crisis. A small but vital measure will be the creation of the first nucleus of a CIS section of the LRCI. We have trained comrades in languages, organised a permanent presence, and demanded self-sacrifice from our militants in order to carry out this work.

Despite the current ascendancy of the capitalist restorationists and the growth of reactionary nationalism in the CIS, opportunities for genuine Trotskyism do exist. The LRCI is determined to grasp these opportunities. This will take considerable material, especially financial, resources. In responding to this task we will always be inspired by the memory and example of Dave Hughes, who devoted much of his time as a revolutionary militant to analysing Stalinism and the political situation in the USSR. We would like to thank all those comrades, supporters and friends of Dave who have contributed so generously over the last year. We urge you all to continue to support us in this work through further donations to the Memorial Fund.

Send donations to:

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Cover: French youth celebrate Mitterrand's 50.1% victory in the Maastricht referendum

Foreword

The economic and political future of Europe continues to make headline news. The Maastricht treaty's stormy passage through parliaments and its mixed fortune in referendums are only the first obstacles to union.

In two major articles, on the European Community and on German imperialism, we examine the prospects of a capitalist united states of Europe and look at the present health of the leading economy within the new Europe.

Germany's re-unification was heralded as one of the pillars of imperialism's "new world order". Another was the creation of a post-apartheid South Africa. We analyse the present negotiation process between the ANC and the government and what the black masses can do to prevent a great betrayal.

The absence of revolutionary leadership in South Africa and elsewhere is in part a reflection of the failure of the Fourth International to win substantial mass forces to its ranks.

Here we outline the post-war centrist degeneration of the FI up to the 1953 split which helps explain why Trotskyism is not in as strong a position today as it should be. ●

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Russia staggers towards spring referendum

As the Russian economy goes into a tail spin, hard won political rights too are under threat. Dave Stockton puts the case for using revolutionary democratic demands to rouse opposition to Yeltsin and Congress.

Boris Yeltsin suffered a serious defeat at the Congress of Peoples Deputies in December. The combined forces of the Civic Union and Russian Unity managed to deprive Yeltsin of a large element of his bonapartist powers and led to the establishment of an unstable equilibrium between the parliamentary bodies and the presidency.

The social and economic programmes of the main contending forces are capitalist restorationist, although a minority Stalinist rump continues to harbour dreams of a return to bureaucratic planning *à la* Stalin on the basis of the old USSR territories.

The spectrum of transition programmes runs from neo-liberal through to highly state capitalist. The new Yeltsin-Chernomyrdin government is a compromise regime reflecting the balance of forces in the restorationist camp.

The representatives of the state enterprise managers emerged stronger as a result of the evident failure of Yeltsin's shock therapy to work and the failure of imperialism, after the open support for Yeltsin in August 1991, to put its money where its mouth was.

The new government is a two headed monster that will tear itself apart sooner or later since bo are agreed that the constitutio passe must be broken. The pr drafting a new constitution and holding of a referendum on it ir spring means that a struggle fo will continue.

The task of all those who care about the fate of the Russian working class is to intervene in this process so as to disrupt the plans of all the factions. But how to intervene and around what slogans?

As the iron grip of the Stalinist dictatorship loosened in the USSR and the other degenerate workers' states after 1985 the full extent to which the working class had suffered a grave blow to its class consciousness as a result of its decades of oppression became more and more obvious

The fighting soviet democracy of 1917 or the workers' councils of the Hungarian uprising in 1956 were faded and distorted memories. The mass forces opposed to the bureaucracy at the end of the 1980s were mobilised first and foremost under the slogans of "democracy".

Socialist forces were marginalised or non-existent. Marxism stood discredited because of its fraudulent monopolisation by the bureaucracy to justify dictatorship and a declining economy.

Of course, at first the leaders thrown up by the mass upheaval did not

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These bourgeois democratic counter-revolutionary leaderships were able to mobilise not only petit bourgeois intelligentsia but urban workers too, around slogans for democratic rights, for the overthrow of the bureaucracy and the calling of free, multi-party parliamentary elections.

Amongst the slogans the LRCI raised were the rights of assembly and organisation, the right to strike, the right to bear arms and the smashing of the secret police. In fighting for these demands amongst the masses we found ourselves on several occasions alongside bourgeois and petit bourgeois restorationist forces. Such ad hoc "united fronts" were unavoidable given that these forces stood at the head of the proletarian masses.

But these justified partial slogans were not sufficient by themselves to build a bridge between the democratic consciousness of the masses and the goal of working class power.

For this we had to use political, governmental slogans. Of course, we have in our programme such slogans—a government based on soviets. We put this slogan forward repeatedly in our propaganda and agitation.

But soviet slogans *alone* are insufficient and ineffective in conditions where the masses have little or no experience of democratic or independent proletarian mass organisations, even of trade unions or factory committees.

They are especially ineffective where the masses are mainly gripped by slogans for free elections or national self-determination. To restrict oneself to advocating soviets and denouncing parliaments will only satisfy hardened sectarians for whom political slogans exist to save their souls rather than to intervene within the struggles of the masses.

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parliament and an instrument of capitalist restoration. Anyone who raises this slogan will surely, *ipso facto,* be aiding the destruction of the workers' state?

In fact, the sovereign constituent assembly cannot be simply equated with a parliament because of its form (election of a body of deputies by universal, secret and equal suffrage of delegates). It is not a normal part of the bourgeois *regime* (i.e. a legislative body, part of a division of powers within a bourgeois form of class rule).

Rather, it is a sovereign assembly of the peoples' representatives within which the conflicting classes of the nation meet and which is sovereign to decide on the whole basis of the state—its constitution.

Of course, if bourgeois restorationist forces win a majority for open restoration then they can and will use it as a vehicle for bourgeois class rule and a parliament/presidency which will try to destroy the property relations of the workers' state.

But there is no automatic relationship between the political form of the restorationist state and property relations.

It is possible that a constituent assembly could prove to be a serious *obstacle* to the final destruction of the planned property relations where there is as yet no significant bourgeoisie to corrupt and control the electorate and the media, and where the disastrous consequences of this move could be exposed to the people within debates.

It is also certain that the *absence* of parliamentary institutions is no safeguard against counter-revolution, as the Chinese bureaucracy is currently proving. The Stalinist bureaucratic dictatorship is also a "bourgeois" *form* of rule ("not qualitatively different from that of fascism"—Trotsky). Moreover, it is this dictatorship which has atomised the proletariat and blunted and confused its class consciousness to a degree rare under capitalism in any of its state forms.

The bureaucratic state is perfectly well equipped to restore capitalism as soon as the contradictions within the bureaucracy are resolved, that is, as soon as no decisive faction clings on to the planned property in order to save its privileges. Indeed, it may yet prove a more suitable form of restoring capitalism than parliamentarism.

All the bourgeois and bureaucratic factions in Russia today use democratic slogans against one another but none of them dare measure their policies and their popularity even in the scales of formal (bourgeois) democracy. Baburin, Khasbulatov or Yeltsin are at best prepared for plebiscites where the questions are limited to one or another undemocratic and anti-working class proposal.

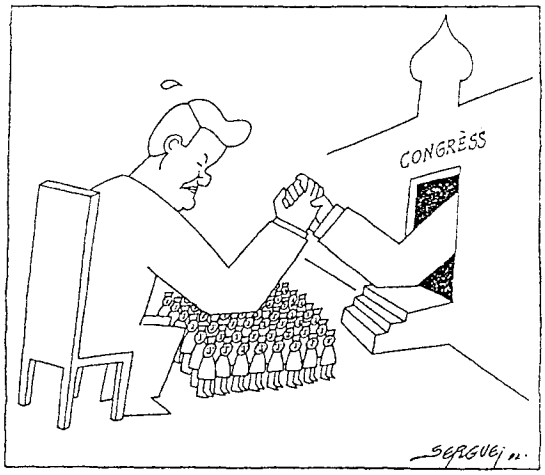
Even the most radical of the "democrats" suggested only a constituent assembly nominated equally by the parliament and the president. Revolutionaries must take up the weapon of revolutionary democratic demands and sharpen them in a class fashion against would-be bourgeois exploiters and former Stalinist tyrants alike.

Against plebiscites and referenda to rubber stamp pre-arranged constitutions or to bolster bonapartist presidents we should call, not only for an active boycott of them, but for the holding of elections to a revolutionary sovereign constituent assembly by universal, direct and equal suffrage in a secret ballot.

Russian workers should not accept any restrictions by the present bourgeois government on which parties are allowed to stand. Yeltsin or Chernomyrdin will only use such powers to hamper and restrict democracy for the working class and for opponents of their restorationist plans. We should oppose all remaining bans and restrictions on the CPSU at a national or local level.

However, Russian workers cannot allow the electoral process to be used to spread the filthy propaganda of anti-Semitism. Workers must obstruct and smash the campaigns of fascist and anti-Semitic parties and all those who advocate or organise pogroms against national minorities.

All those who work should fight to have the ballot held in the workplace and in work time. They should vote after meetings which allow workers to



question the candidates themselves and hear them explain their positions as well as be able to read their programmes.

All elected representatives must be held responsible to mass meetings of their electors, whether in the factories or in geographical constituencies. Those elected should be subject to the right of recall by such mass meetings. Only in this way can representatives be closely scrutinised as to whether they are carrying out the will of those who elected them.

Winning the workers to the basic principles of workers democracy—that of the soviets of 1917—can be achieved through these demands by experiencing, in struggle against it, the weaknesses of parliamentarism before it can become permanently entrenched and used against the Russian workers.

Workers should seek to impose their control over the media and the electoral process. There must be no buying of time on the TV or advertising in the press. The army, the police, the judiciary and the government should submit themselves absolutely and unconditionally to the authority of the constituent assembly. To ensure this, full political rights for soldiers must be granted including the election of their officers and commanders.

During the elections workers have to demand of all candidates: where do you stand on the question of opposition to privatisation and the defence of the nationalised factories and state farms; where do you stand on workers' management and democratic workers' planning to solve the economic crisis; do you back

unrestricted democratic rights and freedoms—including the rights of the national minorities and the recognition of the independence of all the other CIS states?

Do you advocate the defence and improvement of the social welfare, health, transport and public housing systems as well as the rights of women, the youth and pensioners?

Only candidates that pledge themselves to the defence of these historic and immediate gains or needs of the workers deserve the workers' votes.

Revolutionaries would fight to make any future constitution explicitly defend the socialised means of production as paramount and recognise all political power as vested in local regional and city soviets of workers' and farmers' deputies—in short it should return to the constitutional principles of Lenin and Trotsky's republic of soviets.

It should abolish the presidency and the vice-presidency and all elements of one person bonapartist rule. Last but not least, the constitution of a workers' council republic should offer free and voluntary federation to all the other CIS and Eastern European states.

These demands are vital not because the constituent assembly is an essential institution for the Russian workers. Bringing a constituent assembly into being is far from a strategy, nor is it a step towards the creation of a "democratic" bourgeois republic.

Its importance in Russia lies in the fact that its people are at present passing through a stage of conflicting semi-parliamentary and semi-bonapartist ambitions. The air is thick with threats to dissolve assemblies, impeach presidents and call plebiscites.

Workers must learn to measure parties and programmes and break their trust in bonapartist "strong men".

Democratic demands allied to class demands and militant class struggle for them can shatter existing illusions and passivity and hasten the day when once more the Russian proletariat stands at the head of a world wide proletarian movement striving for a socialist world. ●

Sendero after the capture of Guzmán

"Presidente Gonzalo" of Shining Path has fallen victim to President Fujimori. Juan Ponce of Poder Obrero (Peru) examines its effect on the guerrillas and traces the origins of this setback to Sendero's flawed perspectives.

Last September Sendero Luminoso's (SL) leader and founding father—Doctor Abimael Guzmán—was captured in the heart of upper-middle class Lima. In the following days the security police of Albert Fujimori's government detained a considerable number of the top leadership.

This was the biggest blow ever suffered by the Peruvian guerrilla group in its twelve year campaign of war against the state machine. Its outcome has strengthened the semi- bonapartist regime of Fujimori and put the SL into serious retreat.

The Peruvian left is in a parlous state. But it was not always so. Under the influence of the 1959 Cuban revolution Peru was permeated with peasant upheavals and small *foco*-ist guerrilla groups.

In the trade unions the bourgeois nationalist APRA party lost influence and the pro- Moscow Stalinists and other leftists grew to a point where they were able to launch the CP controlled union—CGTP—which soon became the most important union in Peru. In the poor peasant, teacher and student unions the Maoist groups grew to be the largest force.

In 1968 a military left-bonapartist coup by Velasco sought to put an end to the growth of the left and the spread of peasant rebellion. The regime carried out a moderate land reform and established co-operatives and nationalised certain industries. In return the pro-Moscow Stalinists and the CGTP gave their complete backing to Velasco.

On the other hand, the various Maoist parties that were repressed by the military resisted the regime and in time gained more support in the unions. By 1977 a new wave of resistance reached its high point. A general strike on 19 July paralysed the country and forced the government to convene a constituent assembly.

This only encouraged a continued development of a revolutionary situation through to 1980: popular assemblies and defence organisations even took on proto-soviet characteristics.

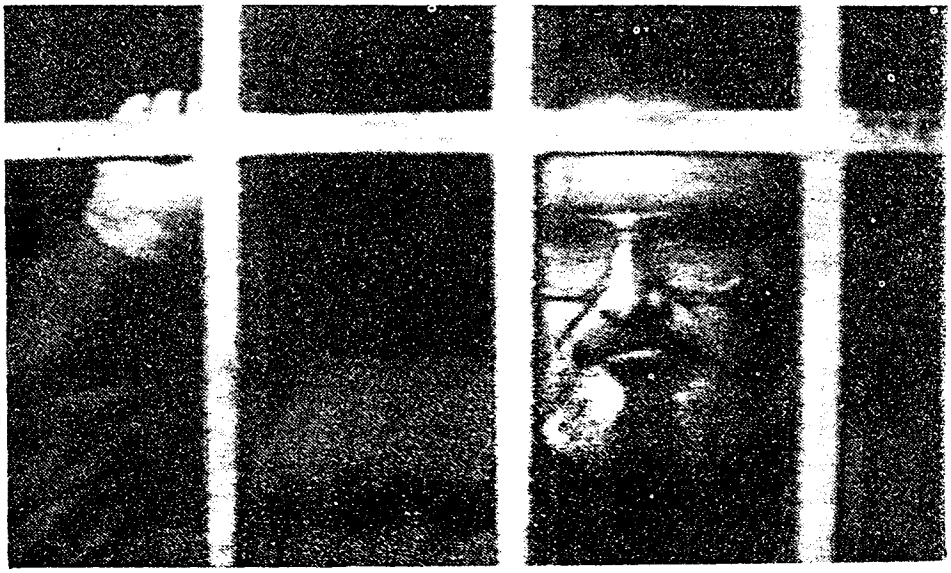
The left parties won over a quarter of the votes in the constituent assembly and a centrist Trotskyist (Hugo Blanco) became the best known and most popular symbol of anti-imperialism in the country.

But the success of the left in these elections became their undoing. Instead of developing the proto-soviet bodies and revolutionary potential of the 1977-80 period the left demobilised the mass struggle and opted for electoral cretinism.

Most of the legal left grouped together with small bourgeois parties under the name United Left (IU) in the years 1980-89, and it was the second largest electoral force in the country.

But the price paid was constant adaptation to the state and demobilisation of working class and poor peasant struggles against it.

This demoralised the workers and when they resisted the austerity attacks



of Alan García's government the IU sabotaged the general strike movement and defused the National Popular Assembly.

The IU sealed its fate when it decided to support Fujimori in the 1990 elections and agreed to join his first cabinet, a cabinet that froze wages and increased fuel prices thirty times.

It is in this context that SL's rise to prominence has to be understood. In May 1980 SL announced that it was opening a new phase of "popular war" against the government.

At the time it was a marginal left organisation that was founded and rooted in the department of Ayacucho. Under its leader, Dr Abimael Guzmán, it began life as the Regional Committee of the Peruvian Communist Party in the early 1960s which split in 1964 to support the Maoist Bandera Roja and split again in 1970 to become Sendero Luminoso (Shining Path) or PCP-SL.

The PCP-SL refused to work in the main trade union federation or the Castroite-Maoist peasant confederation (CCP). It even boycotted five general strikes launched against the central government between 1977 and 1980.

The cadre of SL were Ayacucho university trained students (often becoming provincial teachers) who went into the countryside to work with the peasants.

When SL launched its "popular war" in the early 1980s it found itself faced with a weak government. The new Belaunde regime wanted to appear as a democratic and de-militarised successor to Velasco and, moreover, felt that SL was marginalised within a very backward part of a backward region. But over the next two years SL captured police stations and the Ayacucho jail.

By the time the army went onto the counter-offensive SL was already entrenched. This turned 1983-84 into years of intense and bloody civil war in the countryside.

Thousands of peasants were tortured and murdered by the army. SL retaliated against and brutalised any peasants who refused to succumb to its ideological sway or were suspected of collaborating with the state; the weapon of criticism was replaced by the criticism of weapons.

Under the impact of the army offensive in Ayacucho SL sought to broaden its base of operations into the coca peasant villages of the Huallaga valley.

This is where 50% of all the cocaine that is consumed in the world originates. SL offered a form of protection for the peasants against the drug barons and the army in return for a huge slice of the income received for the drugs.

In 1988 and 1989 SL established "popular committees" around the Andean region, stretching from the Equadorean border in the north to the Bolivian border in the south. Around this time they established their first major foothold in the shanty towns around Lima.

So confident were SL by 1991 that they declared they were in a state of "strategic equilibrium" and in a position to prepare the strategic offensive.

This was the situation when Fujimori launched his presidential coup in April 1992. The left and the unions offered no resistance and indeed the majority of the population believed that it was SL who were responsible for the economic plight of the country; they hoped that Fujimori would act through a strong government to put an end to the economic chaos and depression.

SL launched a bombing offensive in Lima after the coup. Several times a week SL set off 1,000 pound bombs in the heart of the city. Naturally, scores of ordinary workers were sliced to pieces by this indiscriminate campaign.

Between July and September 1992 this campaign nearly caused Fujimori's backers to lose their nerve. The army doubted his ability to defeat SL. Foreign journalists suggested that SL could make a serious bid for power. Argentina's President Menem offered to send troops to shore up Peru's "democracy".

It was in the middle of this wavering that Guzmán was captured in a rich Lima neighbourhood. He was living there with no protection and offered no resistance. The capture of Guzmán was a shattering blow to SL. For twelve years SL's supporters utterly believed that Guzmán was an invincible leader.

Suddenly, he was captured easily and paraded like a caged animal in a police courtyard. This disaster was no accident; it flowed from SL's exaggerated belief in its own strength and the conception of "strategic equilibrium" that it had attained with the forces of the bourgeois state.

In truth SL had not established anything approaching dual power. SL only has around 5,000 armed fighters with which they control a few small towns in the mountains. They have automatic weapons but no helicopters, tanks, planes or any anti-aircraft weapons.

They have little by way of mass support. Most consider that SL is a murderous organisation that kills popular elected trade union and community leaders, that destroys their electricity supply, blows up what few factories they have and brings down heavy state repression upon them.

With their leader's arrest (and those important members of the central leadership captured with him) SL's logistical structures were severely weakened. They had planned a big offensive in October and November to coincide with the celebrations of 500 years since Colombus' "discovery" and to disrupt the Congress elections. In the

event nothing important happened. Guzmán conjured up an illusion that Lima was ready for the taking; but without the masses' support or sympathy all they could do was disrupt it.

In time the superior and experienced Peruvian intelligence services broke through the veil of self-deceit and paraded the Chairman like a circus novelty in front of the masses.

While the media mocked Guzmán, Fujimori took advantage of the situation to launch more measures against the labour and popular movement. In the days and weeks after the capture the shanty towns were raided and dozens of workers were lifted.

New laws were rushed through. Any prisoner suspected of "terrorism" could be held for two weeks without access to lawyers or family. Secret military tribunals were allowed to pass indefinite sentences on such detainees, who could then look forward to a single half hour visit once a month as their only contact with the outside world. An amnesty was announced for SL fighters who would collaborate with the army.

Fujimori has also tried to shore up his political support at Guzmán's expense. He has announced an all-out campaign to eliminate the other guerrilla group, the MRTA, and attacked its biggest jungle encampment. He has promised total victory against the MRTA by mid-1993 and against SL by 1995. In this way he aims to quieten the legal opposition and convince the masses to endure more pain in return for a "peace without end" if they can smash SL.

Fujimori should have little problem with the legal left. When Guzmán was captured they could not supress their delight. *La Republica*, the daily paper of the last IU President, Gutavo Mohme, trumpeted support for the military secret tribunals and the shanty town raids.

The PUM, the most radical leftist party (into which the Mandelite USFI group has completely dissolved and supports its right wing), applauded the arrest. Diez Canseco, the PUM leader congratulated the secret service and recommended its chief to the masses since he was trained in Russia!

Guzmán has some time to reassess his military strategy, isolated and deprived of visits on an island off Lima. He was the only one with the authority to arbitrate between the regional committees and between the political factions. SL was based on a decentralised structure subject directly to Guzmán's orders.

In the past Guzmán was able to resolve serious disputes between those who advocated more work in the countryside and those (like Guzmán) who wanted a turn to the cities.

Without Guzmán the provincial military leaders will probably try to restore their importance and diminish the weight of the Lima-based intellectual leadership. A clash over the distribution of the Huallaga booty cannot be excluded.

Sendero is not a proletarian force. It was not born in the workers' movement. Many of its actions are designed to intimidate or kill other leftist political opponents; they go so far as to demand the smashing of the CGTP.

It is more than possible that SL were responsible for the assassination of its leader, Pedro Huillca, in December. In January they killed the deputy mayor of Villa El Salvador, one of the shanty towns that escapes Sendero's control.

SL has no conception of legitimate political debate and contest within the workers' movement. Their ideology is a form of extreme objective idealism which insists that their is no reality or validity in any social phenomena that has not been created by the party; rival unions, parties, leaders can thus be eliminated with a clear conscience by their millenarian followers.

Where they have worked in the Lima factory unions (e.g. Ate Vitarte in the early 1980s) their success has been short-lived. Their aim is, by inviting repression, to draw away proletarian supporters from their organisations and dissolve them into the guerrilla movement.

In the last few years, especially under Fujimori the urban work of SL has been made easier by the decomposition of the stable wage earning class. The depth of economic decline in Peru has led to more than 90% of the Lima workforce being part of the "informal economy".

Millions of workers have to survive in small, semi-clandestine businesses or as street-traders. It is in this expanding milieu—small owners, unprotected workers—that SL recruits its urban members.

In the countryside they recruit both the most marginalised Andean peasants as well as the richer coca farmers in the Huallaga valley.

They now claim they are attracting to their ranks sectors of the "national bourgeoisie" and indeed they do lead the association of small and middle industrialists in Villa El Salvador.

Sendero is a petit bourgeois radical Stalinist party that pursues an armed popular frontist strategy. They are flatly against working class independence and power and favour a "popular" and "democratic" capitalist state.

Pressed between the murderous and harsh austerity policies of the government and the anti-working class actions of Sendero, the far left forces are marginalised and passing through their most difficult days.

The dangers of abstentionism, or worse, sectarianism towards SL and opportunism towards the state are ever present. The LRCI cadre resist both these tendencies.

We fight the austerity programme and reactionary laws of Fujimori and his fake Congress. We refuse to join in the chorus of hate directed by reactionaries against SL.

We stand for the unconditional release of Guzmán and all SL prisoners. It is for the workers' movement to investigate and judge the actions of the SL against their own fighting organisations.

We would join with Senderista supporters wherever they are prepared to mobilise the masses in defence of their interests and whenever we can raise our criticisms without fear of annihilation. They must cease all physical attacks on workers and leftists.

If Senderistas want to play a positive role they would have to abandon SL's guerrilla strategy and place their weapons at the disposal of popular militias of self-defence controlled by the unions and community organisations.

At present workers are forced to find arms to defend themselves against SL. The misguided SL supporters must turn their back on Stalinism and its utopian popular frontist goals and take up the fight for proletarian revolution. ●

FMLN: path to surrender

The FMLN leaders have pledged to pursue equality and social justice by constitutional means. Herman Rodriguez looks at why.

In the last days of 1992 the streets of San Salvador witnessed scenes few would have imagined possible ten years earlier.

Guerrillas of the formerly outlawed FMLN dutifully handed over their last remaining arms to United Nations observers in the presence of the ruling ARENA party. In doing so they were fulfilling to the letter their side of peace accords drawn up with ARENA's President Cristiani.

The members of the FMLN, now a legal party, are preparing for what they hope will be peaceful and democratic elections in 1994. But while FMLN militants and supporters are slowly coming out into the glare of public activity the ARENA-backed death squads and those who issued their orders are melting into the shadows unpunished, arms at the ready.

This is not a chance development. The peace settlement debacle is a direct result of the popular front politics of the now dissipating guerrilla forces. The FMLN's revolutionary violence was subordinated to the goal of introducing a form of political democracy in which they could operate without fear of death, in which the masses could find constitutional channels of protest.

Over the last twelve years the FMLN have doggedly persisted with this aim both down the open road of bourgeois legality and the rocky path of guerrilla struggle. But revolutionary violence can be used to pursue reformist goals. And for what gains the FMLN has been willing to lay down its arms, one can see how pitiful these goals were.

The social and economic injustices against the mass of people—only resolvable in such a backward country through the destruction of capitalism in agriculture and the state that defends it—were always subordinate issues for the FMLN. Now the FMLN leaders, in retreat but far from apologetic, are preparing further traps for the El Salvadorean workers, poor peasants and ex-combatants.

There were moments when the FMLN enjoyed an impressive degree of mass support. It was born out of a number of guerrilla groups which had benefited from the turmoil of the 1970s. El Salvador had, for years been dominated economically by a handful of wealthy coffee barons—the "Fourteen Families", and politically by a military firmly opposed to all reform.

For the huge majority of poor peasants land hunger was their central grievance, prompting their support for the guerrilla struggle.

A revolutionary crisis in 1979-80, precipitated by the successful Nicaraguan revolution of 1979, enabled these groups to break out of their previous isolation. In this period the workers and peasants were well-organised with close links to the guerrillas through powerful unions—built in the face of unrestrained terror—and popular protest was almost beyond the control of the Guardia Nacional.

In October 1980 the five major groups (ERP, FPL, CP, RN, MRTC) formed the Farabundo Martí Liberation Front (FMLN). But these groups—the "five fingers of one hand"—were all agreed on the need to wean the national bourgeoisie from its support for the landed oligarchy.

To placate the bourgeois reformists the FMLN refused to arm the workers or organise defence militias despite regular attacks and massacres.

Following the failure of what they termed the "final offensive" in January 1980 the guerrillas beat a hasty retreat to their rural bases to lick their wounds, their credibility seriously damaged.

By withdrawing from the city the guerrillas prepared the ground for the smashing of the mass organisations and deprived themselves of vital resources. They ended up returning to guerrillaism in its purest form, substituting adventurist kidnappings for collective workers' actions, and reorganising into classical guerrilla cells or *focos*.

The FMLN's political front, the FDR was consolidated in the spring of 1980 by the actions of the anti-conciliationist ARENA party which unleashed death squads and violated all taboos, even killing respectable figures like Archbishop Romero.

During the 1980s the FMLN and FDR veered between guerrilla offensives and the negotiating table. In 1984 (La Palma) in 1986 (San Miguel), 1987 (Venezuela), 1990 (Geneva, Costa Rica), 1991 (UN) and decisively in 1992 (Mexico) the road to compromise was sought.

At La Palma the FMLN proposed a ceasefire and the forming of a "Government of Broad Participation" of which it would be only a part.

The oligarchy refused the outstretched hand and gripped more tightly the automatic rifle with the aim of liquidating the guerrilla forces, which then numbered about 7,500. By 1988 the death toll across the country had reached over 70,000.

What then made the Mexico discussions more "fruitful" than those at La Palma? It was not the pressure of the Salvadorean army or the death squads, which never succeeded in gaining a decisive upper hand in many rural zones.

Rather, the reasons are to be sought in the collapse of world Stalinism and the associated decline of the FSLN in Nicaragua.

Support from the Sandinistas to the FMLN had been dwindling towards the end of the 1980s as the Nicaraguan regime attempted to appease the USA and its Contra puppet army. They willingly sacrificed aid to the FMLN in the vain hope of winning concessions from Washington.

Likewise, as the Gorbachev years took their toll on Soviet support for anti-imperialist struggles around the world the Moscow training schools and supplies began to disappear. The FMLN's petit bourgeois nationalist programme gradually dropped the Marxist and socialist rhetoric and tried to atune itself to the new "realities"of the neoliberal world economy.

Things came to a head over the FSLN's 1990 election disaster which drove the final nails into the coffin of the FMLN's armed struggle.

In addition, the collapse of Stalinism meant that Central America lost its geo-political centrality for the USA, it was no longer a militarised front in the Cold War. The USA "suddenly" tired of propping up one more bloody and ruthless regime. El Salvador was the biggest single recipient of US aid between 1982 and 1991.

In that time the USA spent $2.89 billion and by the late 1980s, it was providing half the national budget. It decided to become embarrassed at the shameless human rights abuses being committed on a daily basis by the ARENA government. An opportune moment for announcing a diplomatic shift was the massacre of six Jesuits by members of the army on 16 November 1990, an event which scandalised world opinion.

On 13 January 1992 the ARENA government finally agreed a schedule for demobilisation of the guerrilla forces, deactivation of some of the most blood-stained sections of the armed forces and distribution of land rights to guerrillas, peasant squatters and soldiers. An official cease-fire began on 1 February.

The months that followed were ones of delay, manoeuvre and equivocation on the part of the government. The infamous Brigada Maximiliano Hernández Martínez death squad of the early 1980s reappeared on the scene, issuing death threats to leading FMLN members. Several assassination attempts took place.

While the government consistently refused to hand out land deeds to rebels and tried to find ways of making the FMLN legally ineligible to stand in the next elections. At the same time the army piled on the pressure to ensure that members of the high command named as serious human rights offenders would not be punished in any way. Predictably, President Christiani bowed to this pressure in flat contravention of the January peace accords.

Defence Minister General Ponce has exclaimed that for him "the war is not over" and by such threats has made it clear that the top brass of the military will not allow a purge of the army. The army intends to remain a force capable of holding down the post-settlement struggles of the poor peasantry and workers.

The FMLN has dutifully met its deadlines for disarming its unbeaten forces despite repeated rescheduling of the army purge by Christiani and claims by the FMLN that the army has salted away at least 10,000 arms captured from them in the course of the fighting.

The great bulk of these killers of the Salvadorean workers and peasants are safely sheltered in the army despite an envisaged reduction from 70,000 to 30,000. Nor is there any prospect of punishment. Beside having a firm grip on the state, to protect the immunity of its members ARENA sits alongside the FMLN on the numerous UN and church-supervised commissions involved in the peace accords.

In addition the land question is still unsolved. The coffee oligarchy's vast possessions—coffee delivers 75 % of the export income—remain untouched. The deal says that any land above the limit of 245 hectares can be divided up.

Although that land is overwhelmingly idle and considered to be useless, the oligarchy puts up tremendous resistance to this. Its intransigent anti-reformism even led it to brand the White House architects of the bloody counter-insurrectionary reform as "Bolsheviks".

The FMLN, who were at one time for nationalisation without compensation, have now conceded the principle of compensation, but it is doubtful that even the deal's sell out "reform" can be carried put into practice.

But there is no doubt that the overwhelming majority of the hundred thousands of poor peasants, the 200,000 returning refugees and the squatters will remain landless.

To date there have been land settlements for 7,500 guerrillas, 15,000 soldiers and a mere 25,000 peasant squatters.

Perhaps recognising that further land redistribution will not be easily wrenched from ARENA, leading FMLN figure, Joaquin Villalobos, is directing attention towards holding on to the land in the liberated zones of the 1980s and seeking to revitalise these with EC and US grants; to build up a co-operative, non-state social sector, co-existing with the ruthless oligarchical exploitation of the land elsewhere in the country.

The shape of FMLN policy is clear: it will follow the Sandinistas down the road of "constructive opposition". Its aims are minimal and mostly self-serving: to strengthen its weight through the 1994 elections, while leaving the armed and executive power of the ruling oligarchy modified but intact; to find some foreign money for co-operative experiments on the land and create islands of petit bourgeois prosperity in a sea of dashed hopes.

For this the FMLN will utilise its reputation among the masses to demobilise armed and class struggle opposition to the neo-liberal reconstruction programmes of the El Salvadorean elite.

The guerrillas have exchanged their combat fatigues for blue jeans and FMLN baseball caps, their arms for aid. How long can it be before the FMLN *commandantes* exchange opposition for office, and take responsibility for the next stages of the IMF's pro-imperialist plans for their country ? ●

Maastricht and beyond: a capitalist United States of Europe?

1992 came and went. But did European unity go with it? Keith Harvey examines the prospects.

Can Europe become a single state?

Will armies go to war for the ECU? Will soldiers die for Europe? These were some of the many questions posed by the media as the European Community (EC) passed through the barrier of 1 January 1993, the date when all the provisions of the Single European Act were due to come into force and a new phase of European integration inaugurated.

1992 was the year of Euro-sceptism. The difficulties encountered in ratifying Maastricht in France, Denmark and Britain have added weight to the arguments of those who insist that the vision of European union is in fact a mirage. The scars of the Danish "No" and the fracturing of the ERM are still fresh. The idea that Europe can become a political entity greater than the sum of its parts seems far-fetched.

But Marxists should not tail the propagandists of the bourgeoisie through their moods of depressive pessimism any more than through their phases of exaggerated optimism. Massive mood swings have been evident over the twenty five years since the Treaty of Rome gave birth to the EEC.

During the last ten years profound changes have taken place in the European and world economy that have created the objective basis for a much higher level of pan-European integration, politically as well as economically than at one time seemed possible. What is the nature of these developments, what new contradictions do they give rise to, and what challenges do they present to Marxist theory?

The present European Community (EC)

sees itself as a phoenix born from the ashes of the world war which particularly devastated the continent. Bourgeois strategists believed that the only way to prevent either inter-imperialist war in Europe or the extension of "communism" westwards was to tie the former antagonists to one another with limited bonds of mutual dependence and co-operation. The USA supported and promoted this idea. France and Germany took the initiative for realising its initial forms.

The first tangible result was the 1951 plan for the European Coal and Steel Community (ECSC). It was empowered to levy taxes, shape investment and intervene in the market. This involved the six countries (France, Germany, Benelux and Italy) which went on in 1957 to sign the Treaty of Rome and thus inaugurate the European Economic Community (EEC).

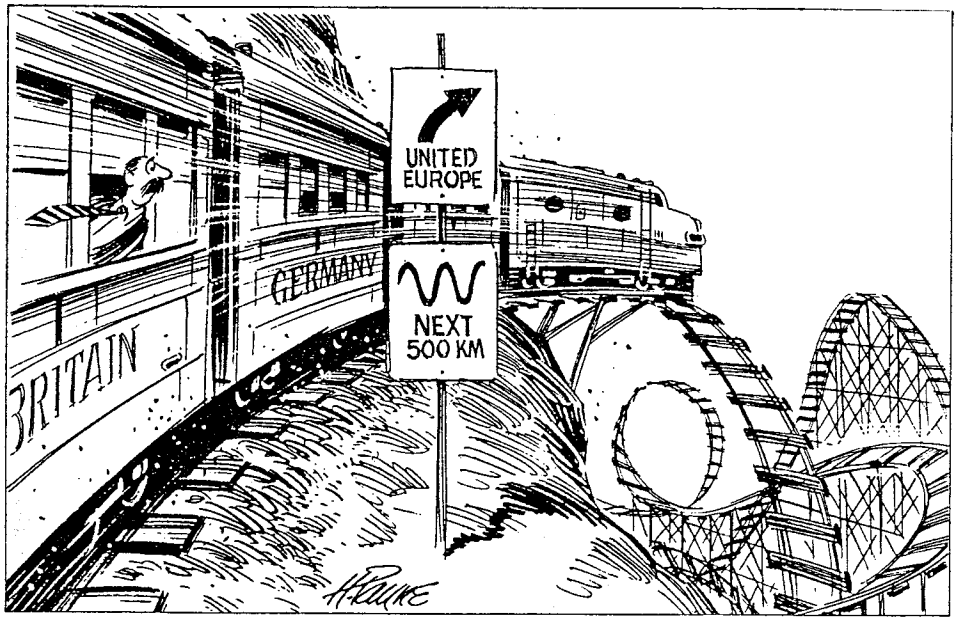
The EEC had three goals: create a tariff-free internal trading zone, erect a common external tariff and establish a Common Agricultural Policy (CAP). The latter was necessary to modernise and cushion the under-capitalised sectors of farming against the full impact of the world market. The supra-national authority—the Commission—had little legal weight outside agriculture and the EEC was a partial free trade area and little more.

Development since these beginnings has been far from smooth, and uninterrupted; it has been characterised by abrupt reverses and sudden forward lurches that necessitated periodic reformulations of the very purpose and goals of European co-operation. For most of the post-war years member states have in fact pursued their own national interests with little or no regard to the effect on further European integration.

In the 1960s France under General de Gaulle played the decisive role in obstructing both EEC enlargement (vetoing Britain's membership application in 1962) and the emergence of a supra-national interest (through the 1966 Luxembourg Compromise which allowed for national governments to exercise a veto against any proposal which they considered damaged their national interest). In the 1970s and 80s Britain took over the major role in this retarding process.

During the post-war boom years the limited character of co-operation and the prominence of national vetos all reflected the character of capital accumulation in these decades. To varying degrees all EEC members were locked into Keynesian, expansionist, consumerist strategies in which the national governments were important directing agencies in the economy.

Each government had to have complete control over the various macro-economic instruments (e.g. money supply, level of interest rates, exchange rates) if it was to manipulate



the aggregate level of demand for goods and services and trade off the level of unemployment against inflation.

This arrangement served the EEC countries well throughout the post-war boom. EEC internal trade grew from 40% of total member states' trade in 1960 to nearly 60% in 1970. Economic growth was boosted accordingly. Each nation state had as much of Europe as it wanted. But during the 1970s and early 1980s the EEC hit troubles which seemed set to break it up as the post-war boom gave way to a long period of faltering growth punctuated by severe global recessions.

Using the economic instruments and goals inherited from the post-war boom national governments resorted to crisis management strategies. As European competitiveness declined each nation's classes demanded that "their" governments use each and every weapon to gain advantage against their European rivals.

Non-tariff barriers increased within the EEC and the economic performance of each capitalism grew more and more divergent. The growth of intra-EC trade actually halted and GDP growth fell to half its 1960s levels. On the other hand the growth of CAP subsidies was seemingly uncontrolable, eating up three-quarters of the EEC budget.

Yet its manifest capitalist irrationality only helped to highlight that the EEC existed to serve very narrowly defined national interests ("support *our* farmers") and these battles deepened the divisions within the Community. The EEC became a crisis management forum.[1]

Yet shortly after the end of the 1979-82 recession the crisis of the EEC abated and gave way to a renewed momentum towards a capitalist united states of Europe. Why? In the first place it was made possible by the post-1983 global economic recovery itself. In the years 1984-90 EC GDP expanded by no less than 2.4% per annum and this lessened the antagonisms and conflicts between the European capitalist states.[2]

But this alone would have been insufficient. Longer and deeper periods of economic growth had not resulted in anything more than an enlarged tariff-free zone. Nor was renewed interest in integration the result of a Pauline conversion to the loftier Social and Christian Democratic ideals of the EC's founding fathers.

Rather, it corresponded to the deeply rooted and diverse national interests of the members of the EC at a new stage in their development. Specifically, it corresponded to the vital immediate interests of European multinational capital feeling the knife of Japanese and US competition at its throat.

The EC is the biggest trading bloc in the world market. In association with the seven EFTA countries it conducts 40% of global business. It accounts for the largest share of world imports and exports.

But beneath that impressive bulk lies the fact that the EC is structurally the weakest of the three regional economic blocs that have emerged. Its growth rates were less than the global average throughout the 1980s.[3] Its share of world trade in manufactured goods fell from 45% to 36% between 1973 and 1985.[4]

The USA and Japan were growing increasingly competitive at Europe's expense during the later 1970s and continued to do so throughout the 1980s. The Reagan years saw massive deregulation and lowering of the costs of interstate trade inside the USA.

Meanwhile, for whole sectors of industry in the EEC—power generation, railways, telecommunications, defence—there was little or no intra-EC trade and competition. This gave rise to a proliferation of firms but none of them were allowed or enabled to grow to a scale that would allow them to be competitive in a global market against US and Japanese multinational corporations (MNCs).

In order to amortise the ever larger outlays on fixed capital and spiralling research and innovation costs each national capital desperately needed a larger and larger market. Yet the existence of non-tariff barriers to trade between EC members meant that each national firm would have to produce differing products for each market well below optimal rates of output, thus raising average costs and rendering them less and less competitive in global competition.

There was a growing recognition in multinational capital that it would be in their interests to promote a removal of all national barriers to intra-EC trade, to promote competition and the concentration and centralisation of capital in the

The EC and its member states

The degree of enthusiasm with each of the twelve EC states greeted the process of European integration, which gathered pace from 1985 onwards, varied according to how it would affect their own national interests.

Each nation's ruling class differs over the tempo of integration, how much political power should be surrendered to EC institutions and what lies at the end of the road—merely a single economic space, political confederation and single currency, or a federal superstate.

Each state possesses quite different political and governmental structures. These make it more or less difficult for each bourgeoisie to take decisive steps to meet the obligations undertaken in relation to Maastricht. They have, through these structures, to reconcile the interests of distinct sectors of capital and to navigate the treacherous currents of regionalist, ecologist, trade union and other popular pressures.

This problem is particularly acute in the case of the defeated Axis powers—Italy and Germany. These states were given constitutions by the Allies that introduced checks and balances to prevent the emergence of strong centralised rivals.

The results of these relatively democratic constitutions are constant coalition governments and continual trade-offs between fractions of the bourgeoisie that make a hard confrontationist policy difficult.

It has also fostered clientelism, nepotism and even corruption These modes of political life now stand in the way of decisive actions to achieve economic and political union.

Britain, on the other hand, has had 13 years of Tory government with an uninterrupted mandate to deregulate, privatise and cripple the working class' trade union rights. In contrast to this Italy's 45 post-war governments have been coalitions of compromise, weakness and concessions.

The need to buy the support of a multiplicity of parties led to a ballooning budget deficit, a bloated and inefficient state bureaucracy, a high level of state ownership of industry and high labour costs. Further steps to convergence underline the need for major political and constitutional reforms within each nation state.

In addition, as a result of the uneven and combined development of European capitalism throughout the 1980s several countries now find it increasingly difficult to articulate one "national interest" in relation to European integration. Just as certain sectors of industry and commerce have benefited by the process of the single market so too certain regions within each nation have benefited and developed whilst others have fallen even further behind.

In Italy the northern region has enjoyed the highest rates of growth in the whole EC in the last seven years and enjoys the next highest per capita GDP in the Community.

Meanwhile, the Mezzogiorno is, after north Portugal, the most backward region in the EC. The Northern Leagues (Lega Lombarda etc) now openly call into question the unity of the Italian state in their eagerness to ensure at least their region's convergence with the Franco-German core of the EC.

In Spain a similar process of uneven and combined development has taken place since 1986 leading to growing cleavages between Catalonia in the north east and regions such as Extremadura and Murcia. Politically, this has promoted the rise of regionalist or nationalist (e.g. Catalan) parties which want to cast off the obligation to provide funds for the developments of the backward regions of their own states and seek to integrate themselves into the prosperous core of the Community.

This development clearly threatens to break up the existing bourgeois nation states and provides a developing popular force *for* European integration.

Each state has historically different economic and political objectives in the world beyond the EC. This is a crucial factor for the former colonial powers. France and Italy retain important interests in their ex-colonies or protectorates in North Africa and the Middle East; Britain retains distinct privileges in many Commonwealth states.

Even Germany, a power defeated and despoiled of its colonies and conquests in two world wars, retains or is regaining old spheres of interest in Eastern Europe, the Balkans, Turkey and Latin America.

However, the collapse of Stalinism in Eastern Europe and the USSR after 1989 posed the urgent necessity of a co-ordinated response to capitalist restoration and the eventual integration of these states into the "wider Europe".

Consequently, the Maastricht Treaty outlined a procedure and institutions that could co-ordinate a common foreign and security policy for member states.

Already bi-lateral co-operation over military matters exists with the EC especially between France and Germany. The Western European Union (WEU) has been taken out of cold storage to act first as a supplement to and maybe an eventual replacement for NATO.

Its aim is to forge a distinctly European military alliance. The cold war bond that united US and European imperialist interests is dissolving. The "new world order" will give rise to further revolts and conflicts in which Europe and America's interests will not coincide.

The steps so far taken towards a federal Europe are very limited and prone to being halted or reversed under the pressure of "national" differences and crises. The very different responses to the break up of Yugoslavia illustrate this; Britain and France were initially supportive of a Serbian-dominated Yugoslav federation whilst Germany and Italy were openly sympathetic to Slovene and Croatian secession and provided covert aid to these states, which they aim to integrate into their spheres of investment and influence. In addition, countries such as Ireland and Denmark are likely to opt out of military integration altogether.

Britain is eager to retain US involvement in European security via NATO, and is a major brake upon a independent European imperialist foreign and defence policy. The main driving force in military matters as in economic is the Franco-German alliance. But the Germans still retain serious restrictions on their military capabilities and the French have a history of refusing to subordinate French forces to foreign command.

A United States of Europe with its own armed forces is certainly not just around the corner. It will take serious intra-imperialist conflicts and internal political battles to open the road to a European super-state. ●

relatively protected environment behind EC barriers. But in the early 1980s the national non-tariff barriers such as differential taxation and differing technical specifications for products were a profound obstruction to this process of concentration and centralisation.

The most important and most costly of these barriers are protected procurement contracts and the administration costs of border controls. After the removal of all tariff barriers in 1968 the existence of the non-tariff barriers was proving more and more costly as national capital grew in scale.

Between 1983 and 1987 a group of key MNCs lobbied the EC Commission under the banner of the "Round Table of European Industrialists". They included Philips, Olivetti, Siemens, GEC, Plessey and Thompson, companies involved in high technology products such as information systems and consumer electronics.

They had internalised the fact that on their own and in competition with one other they were falling further and further behind their US and Japanese rivals.[5] They pushed for and got Commission backing for a programme of joint research.[6] They lobbied to minimise the restrictions of EC competition policy (i.e. anti-monopoly regulations) on the creation of "European champions" through mergers and acquisitions. These MNCs were the prime movers in the push for the Single Market Act.

Each of the main four imperialist powers in the EC—Germany, France, Italy and Britain—(which account for 75% of its GNP) possess key sectors of multinational capital that stood to benefit from the single market.

In Britain it was the chemical and pharmaceutical industries but above all its financial services sector; in Germany, the machine tools, automotive and households appliances sectors; in Italy, the office equipment sector, in France, the aerospace and defence sectors. During the 1980s the European bourgeoisies finally recognised that they would have to hang together if they did not want to hang separately. Thus their respective national governments one by one fell in behind the proposals for a "borderless market".

The first to give political expression to this need for change once again proved to be French and German imperialism. These two powers were most closely bound by economic and political ties. They stood to lose most by stagnation and to gain most by a new push for a higher level of economic and political union. It was Giscard and Schmidt who in 1979 pushed through the ERM and it was Mitterrand and Kohl who forced the pace of change in the mid-1980s.[7]

The EC and the "wider Europe"

The Achilles' heel of European imperialism is its relatively high labour costs in comparison with those of its main rivals. Germany's are the highest in the world. These are only partly offset by high productivity. Indeed, with productivity declining—especially in Germany—the danger of losing further competitive edge increases.

High unit labour costs are bound to remain a structural problem as long as the proportion of GDP set aside for research and product innovation remains lower than that of the USA and Japan. Japanese MNC's, are able to super-exploit extremely low paid but reasonably skilled labour in their "free trade zones" in South East Asia and the US multinationals can do likewise in Mexico and further afield in Latin America.

They can do this to a far greater extent than is possible for their European competitors—so far.

The process of European integration imposes severe limits on the ability of MNCs to increase the rate of exploitation of labour in any of its member states (such as Ireland or Spain) or the labour of any of its immigrant communities within the nation states. Integration requires to some extend the ironing out of the unevenness between them (i.e. convergence and regional aid from EC) rather than profiting by it.

In conditions of free movement of both trade and labour the complete impoverishment of a whole country by another within the EC would be dysfunctional. In contrast Mexico can be used as a vast reservoir of exploitable labour by US MNCs safe in the knowledge that the realisation of the surplus value thus generated will take place outside Mexico where higher wage and non-wage incomes exist.

European MNCs can seek to reproduce this relationship with the prospective semi-colonial states of Eastern Europe and the CIS or with the peripheral countries such as Turkey and North Africa. The break up of the degenerate workers' states also presents European capital with an opportunity to resolve some of the other barriers to its further development.

In particular the integration of Poland, Czechoslovakia and Hungary as peripheral semi-colonies could help Germany address the problem of high labour costs and increase its competitively against the USA and Japan. Some $4 billion has been invested in East Europe since 1989 and over half of this went into Hungary, the country with the most developed market infrastructure at the time of the collapse of Stalinism. Hungary has a small domestic market but a skilled and cheap labour force.

Already US and Japanese motor car MNCs and Electrolux have set up plants there for export into the EC. Smaller investments from the EC and Austria have also escalated. Daimler-Benz in Germany has taken steps in this direction, shifting production sites to Poland and Czechoslovakia where skilled, educated workforces exist but wage costs are much lower than in Germany.

In the future Poland may see more investment tied to taking advantage of its sizable domestic market. Places like Slovakia's border areas with Austria could become the *maquiladora's* of the future for EC capital, profiting from cheap labour and proximity to huge markets while being denied full EC membership.

These developments present the EC bourgeoisie with an external "reserve army of labour" with which to undermine their own workers' wage levels, social gains and trade union organisation. They will not do so without battles that will rock Europe to its capitalist foundations. ●

With Franco-German backing the EC Commission proposed the Single European Act of 1986 to resolve the accumulated problems. It set out about 300 measures of mutual standards recognition, selected harmonisation of standards and the elimination of border controls, to be fully implemented by 1 January 1993.

Various studies in the mid-1980s calculated that supply side benefits of the Single European Act would lead to short term gains of around $250 billion to EC firms. Medium term benefits to capitalism were estimated to boost EC GDP by about 4.5% and deflate prices by 6% through lower costs.

The consensus achieved within the European bourgeoisie for these measures revived the power of the Commission as a supra-national executive body, innovating and mediating between the national interests.

It quickly won the argument that the ambitious project and timetable of the single market demanded an end to the Luxembourg Compromise (national veto) and the acceptance of qualified majority decision-making for most measures. The national capitalist classes were thus willing to cede sovereignty to an unelected European bureaucracy—a voluntary, if limited, political expropriation.

At the same time the Commission also won for the EC institutions a whole new series of powers to operate in areas previously denied it: regional policy, research and development, foreign policy and the environment.

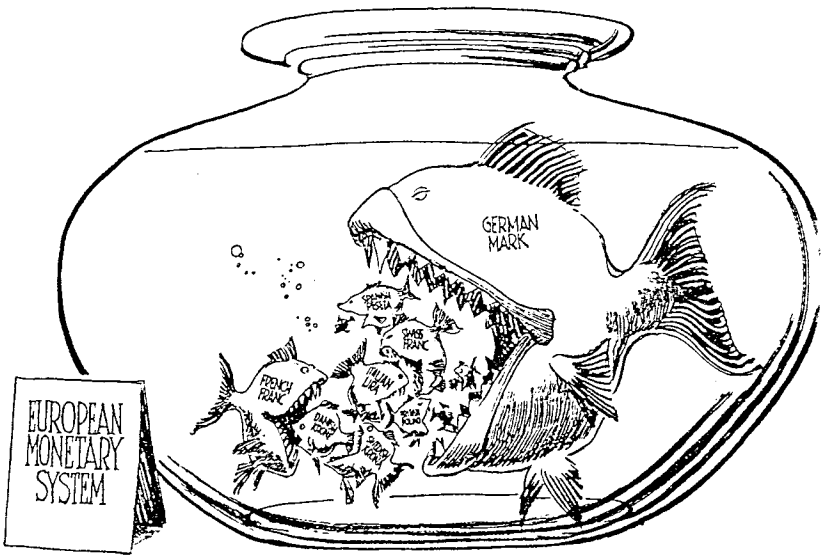
The anticipation of success in realising the aims of the Single European Act spurred a wave of investment in the EC economies. In preparation for the borderless market after 1992 many MNCs invested to increase their geographical spread, enlarge their market share and enhance their product diversification.

One effect of these investments has been to boost the concentration and centralisation of capital across existing national borders. Two types of accumulation are discernible here. The first is the creation of a pan-European market and MNCs that dominate it where before there were only national markets dominated by national monopolies. The food processing industry (the largest single industrial sector in the EC) is a clear example of this trend.[8]

In other industrial sectors (e.g. defence, pharmaceuticals and airlines) investment has been directed at reducing over-capacity, sharing research and development costs but creating fewer and stronger European MNCs that can compete in world markets with US and Japanese MNCs.

The merger between Metal Box (UK) and Carnaud (France) in 1989 which created the EC's largest and the world's third largest packaging MNC is a good example of this trend. In the second half of the 1980s there was a rapid increase in the number of cross border mergers, acquisitions and joint ventures and this trend is continuing into the 1990s.

In the 1980s most merger activity took place within nation states and led to the creation of "national champions". In the 1980s of the largest 1,000 manufacturing firms in the EC only 117 mergers were reported in 1982, but 383 in 1984 and 492 in 1988. In 1982 only 18% of these mergers were cross border ones, but this had risen to 40% in 1988.[9]



The tendency, therefore, where this merger activity involves EC MNCs is towards the creation of "European champions" capable not only of dominating the EC market but of competing effectively with the Japanese and US MNCs in their own domestic and regional markets.

The problem has been, however, that the process of creating a pan-European capital has been too slow and has not prevented Europe from falling further behind. Much of the feverish activity in capital concentration and centralisation in the last five to seven years has been a belated attempt to "catch up" with the USA and Japan in many industrial sectors: cars, computers, aviation, defence.

Meanwhile, Japanese and US MNCs have been consolidating themselves within Europe and forging ahead in new generation technology products and processes. Creating distinctly Euro-MNCs is proving painfully slow, impeded from below by the continuing clash of national interests and from above by still weak EC quasi-governmental institutions.

As the Danish and French referenda were later to demonstrate it was proving difficult to create a popular "Europeanism", anything approaching a European national consciousness. The EC central institutions are widely seen as a "monstrous bureaucracy" despite the fact that this bureaucracy is actually much smaller than any of the member states' bureaucracies. This is the legacy of each national government's struggles against Brussels over one or another question especially during the budget haggling.

Whilst intermittently complaining about the *unelected* character of the bureaucrats who took decisions, most states made sure that no pan-EC politics developed to rival the national parties and national parliaments. The European Parliament remained a bloodless and toothless creature.

The single market was a decisive step with important consequences, a catalyst in creating a distinctly European capital. But economic and political logic demanded a series of further measures without which the gains implicit in the Single European Act would unravel.

Europeanisation had been hampered by the lack of a synchronised economic cycle between all the twelve of the EC's member states. The Commission proposed that the next stage of European integration—economic and monetary

union—would create this synchronisation. The pattern of trade and investment between the Benelux countries and Germany had long merged the economic cycles of these countries. The operation of ERM since 1979 brought about a further synchronisation of macro-economic money policy between its participants. Inflation had been brought down from an average level of 11% in 1980 to 3% in 1988 for those countries within the ERM. Once France abandoned its reflationary policies in 1983 (precisely because they were incompatible with ERM membership in the medium term) the cycles of Germany and France too became closer and closer.[10]

Plans for further economic and monetary union were incorporated in the Delors Report of 1989 and formed the basis of the Maastricht Treaty discussions in 1991. The Maastricht Treaty, finally signed on 7 February 1992, set a timetable for the creation of a single currency for the single market. The European bosses set themselves a common series of economic criteria—so called "convergence" criteria—which would lay a stable basis for the single currency (EMU).

Without this the single market would become a sloping playing field, operating to the advantage of more efficient German imperialism. The major imperialist powers committed themselves to a medium term strategy (to 1996) of low infla-

Marxism, the EC

At the heart of the new Europe after 1986 was the search for a new form of handling one fundamental contradiction of our epoch; that between the internationalisation of capital and the basic political form of bourgeois rule, the nation state.

At the beginning of the twentieth century an unstable equilibrium existed on the basis of a relatively low level of internationalisation of capital *between* the major powers, as opposed to investment in colonial and semi-colonial territories and the great multiplicity of nation states inherited from the epoch of nineteenth century nation-state building.

In this period there was a relatively restricted international division of labour in production, nationally restricted banking and financial markets and limited trade between branches of the same multi-national company (MNC).

It thus appeared that a fusion between the nation state and a national monopoly capital dominating the domestic market would be the general course of development.

At the end of the twentieth century the much greater internationalisation of all forms of capital is well known. This is giving rise to new contradictions with the state forms inherited from earlier periods of the imperialist epoch.

One tendency is for MNCs that originate in one nation state to take over another nation states' capital. In some countries this is compensated by their own MNCs taking over a larger share of a rival country's industrial base. The nation state, its laws and bodies of armed men thus have to act in the service of "foreign", "international" capital.

This potential dislocation of the state from the nation is very dangerous for the bourgeoisie. It threatens to undermine the efficacy of the nation state's role in deceiving the exploited and subaltern classes into believing that when they make sacrifices to aid "our" industry they benefit the nation not simply capital.

These developments are also a stunning refutation of the theory of state capitalism which sees developments as moving inexorably to a fused state-capital.

Today the contradiction between the national character of the political state and the international nature of the economy is being shifted to a higher level. While the contradictions within and between the nation states are not removed, increasing co-operation and federation within the regions or continents produces antagonism and conflict between the rival blocs.

In 1915 the superiority of Lenin's dialectical view of imperialism was that he recognised the theoretical *possibility* of capitalism bursting through the existing national state form of its development: at the same time he recognised that such a development was impossible without revolutionary convulsions which would threaten the very life of capitalism:

"There is no doubt that the development is going in the direction of a single world trust that will swallow up all enterprises and all states without exception. But the development in this direction is proceeding under such stress, with such convulsions—not only economic but also political, national etc—that before a single world trust will be reached, before the respective national finance capitalists will have formed a world union of 'ultra-imperialism', imperialism will inevitably explode, capitalism will turn into its opposite."

Without falling into Kautsky's theory of a harmonious ultra-imperialist phase for capitalism we can now confirm Lenin's general view that *in principle* there is nothing to exclude the formation of larger states defending larger capitals.

Applying Lenin's dialectical method to the EC what can we conclude?

The *tendency* towards the development of a "world trust" is manifest in the strong trend towards the formation of regional trusts: Pacific/Japanese, North American, European. Each in turn is comprised of major and minor imperialisms and also of semi-colonies under the domination of the former.

This trend towards regional trusts is nevertheless a profoundly dialectical development. It emerges both as a point of conjunctural equilibrium reflecting the countervailing pressures of competition within a global marketplace and at the same time as a formidable obstruction to the further development of national capital on the other.

In Europe the looming reality of each nation's economic decline and remorseless falling behind its US and Japanese rivals gave rise to the impulse to cede a certain level of political state sovereignty to a European bureaucratic quasi-state structure.

Only such a structure could promote the amalgamation, restructuring and rationalisation which would enable them to transcend their competitive difficulties. Above all this required the full power of the hegemonic imperialisms (Germany and France) to drive Europe in this direction.

Up to the adoption of the Single European Act and even Maastricht the existing members of the EC could subordinate their contradiction to the goal

tion, low borrowing and low public spending in order to facilitate "convergence" with the standards set by German imperialism.

Without bringing together the economic performance levels of the EC countries a single currency is impossible. But such a currency is essential since the present system of managed exchange rates (ERM) isopen to speculation and manipulation.

Thus ERM is a transitional regime that is unstable and vulnerable to any serious divergence between the economic cycles of member states. With the onset of global recession in 1989 and its subsequent deepening and broadening, the basis was laid for a grinding of the gears of the economic cycles.

Britain fell into deep recession influenced by the USA with whose economy it is still deeply enmeshed. German unification after 1990 added to the problem of divergence. The German bourgeoisie decided, for mainly political reasons, to exchange the deutschmark with the ostmark at 1:1.8 and to move to equalisation of wage rates.

The subsequent cost of unification transference funds thus amounted to over 7% of Germany's national product and has been financed largely through borrowing rather than by raising taxes. The Bundesbank was alarmed by Kohl's

and the nation state

of wider European union.

But in the coming post-Maastricht years it may not be possible for France and Germany to to pursue their own pan-European ambitions and drag all the member states along with them.

In this case the Franco-German content that lies within the pan-European form of development will be revealed all the more openly. France and Germany will proceed in this direction and there is a li22mit to the compromises it can afford to make with Britain and those who wish to retard the process of European unity to assist their own and Japanese/US interests.

The logical destination of this road is a European state that can enforce these measures *against* the will of specific national capitals and to the general advantage of Germany's global ambitions.

The EC supervises (via competition policy etc) the emergence of stronger nationally based MNCs on the so-called level playing field, the better to take on the US and Japan.

The exact size and composition of a confederation of European states cannot be determined at this stage, although it would most likely include Germany, France and Benelux and even those like Austria who are not part of the present EC.

What we are witnessing then is an attempt to enlarge the boundaries of the nation state rather than the internationalisation of the capitalist class. Moreover, this enlarged proto-nation state of Europe exists alongside, and in conflict and co-operation with, the already established nation states of Europe and beyond.

As Lenin states, "the development in this direction is proceeding under such stress, with such convulsions". Each member state in the EC still pursues its own national interest in many areas. In addition the growing presence of US and Japanese capital within the gates of any Fortress Europe obstructs the development of single European trust.

The next stage of the contradiction is developing in the following manner: European MNCs are emerging to compete in the global market. They are protected and regulated by an underdeveloped European "state". But remaining "national" interests and the presence of US and Japanese MNCs inside the EC obstruct the European State's development lest it discriminate against them.

It is clear that the weak form of a "capitalist confederated states of Europe" that could emerge from a full application of Maastricht does not abolish the nation states of Europe, still less the separate nations.

Rather, a degree of the executive, legislative and military functions of the existing nation states will be derogated to pan-European institutions. Even under Maastricht the *decisive* levers of control over taxation and the armed forces would remain within the control of each national government.

But the paradox of European history is this: that the survival of some nation states in Europe (e.g. Italy) may well depend upon their integration into at least a confederal Europe.

Anything less may see the break up of these nation states under the impact of the unevenness of capitalist development as the more developed regions refuse to take sole responsibility for the subsidising the backward regions.

Only a new and protracted period of economic recovery in the global and European economies plus an accelerated concentration of distinctly European corporations able to compete effectively in the world market will produce a new qualitative push towards the capitalist United States of Europe.

Even this would require settling accounts with the "enemy within"—the US and Japanese MNCs and their European agents, first and foremost Britain. It would certainly mean EC nation states accepting subjection to the bonapartist decisions of pan-European political structures.

It would require their ruling classes being able to resist the inevitable backlash under nationalist banners. The European bourgeoisies face enormous difficulties and convulsions along this road.

They will seek to unload the costs of this process on their working classes and on their semi-colonial spheres of interest, provoking resistance.

But there is no alternative to pursuing this course except economic defeat and subordination to their Asian and North American rivals.

The sort of convulsions that Lenin envisaged are almost inevitable in the decade ahead. Europe is likely to be the most crisis wracked of the three blocks in these years.

Only a further slump in world trade during this cycle that massively weakened Japan and hit the USA hard could alter this scenario .

Given the historically higher level of working class organisation there compared to its rivals, mighty class battles are looming on the old continent. The European, and more specifically the German bourgeoisie, must put its proletariat on Japanese rations.

Combined with this is the deepening crisis of the restoration process in Eastern Europe and the USSR. Thus in the years ahead Europe is likely to prove the key to the international situation. ●

largesse in 1990-91 but by 1992 it restored its grip on the German state's macro-economic policy. Containing the costs demanded a tight monetary policy, exercised through high interest rates.

This forced countries like Britain to sustain their interest rates at levels pegged to the German ones. But these proved unsustainably high for a capitalism in the trough of recession. Eventually in September 1992 a ferocious speculative assault on sterling brought about the partial break up of the ERM. The lira was also forced out of the ERM and others devalued against the deutschmark whilst staying within it.

But the events of September 1992 were a serious warning not an irreversible blow to EMU. They served to highlight what failure to take the transitional system forward would cost. Its collapse could bring down with it the scarcely launched single market and mightily deepen the crisis of European capitalism. Germany and France have heeded this lesson and are putting all their efforts into to pushing forward the EMU measures of Maastricht.

Even Britain has been strong-armed into pressing ahead with ratifying Maastricht. It has however been forced into a lengthy tactical retreat before rejoining ERM. It would take prolonged stagnation or a further collapse into general slump to force the EC states to each take unilateral rescue measures incompatible with the objectives set out in the Maastricht Treaty.[11]

Even if the economic and monetary provisions in the Single European Act and Maastricht Treaty were fully realised the barriers remaining in place would leave the EC far short of a United States of Europe.

In the first place the remaining conflicts between different sectors of national capital are not inconsiderable. In the banking and financial sectors, capital remains profoundly national and few cross-border developments have taken place. Given their role in raising capital for industry this is a major national barrier to European integration.

Moreover, attempts at significant harmonisation of taxes on capital have failed and are not even envisaged in this decade. Sectors of medium and small capital, which exert a major influence on bourgeois parties, also remain far more dependent on national markets and have much to lose by ever greater integration and competition (e.g. the transport industry in Germany), or harmonisation of market standards (e.g the German brewing industry, which account for 70% of all EC brewers and was hitherto protected).

But the greatest set of contradictions in the path of European integration arise from the presence of non-European capital within the single market. At one level the acceleration of US and Japanese investment into Europe (especially after 1985 in the case of Japan)[12] to take advantage of the single market creates further material pressures to press ahead with the tearing down of national barriers to the free movement of capital and commodities within Europe.

However, this trend is cut across by an altogether different one; namely, the tendency for US and Japanese MNCs to invest inside the single market and take over a larger and larger market share of national capital. In Spain, for example, some 60% of manufacturing output today is owned by non-national capital. In the UK the trend is the same.

Much of this investment is from the USA or Japan. This cuts across the trend for a pan-European capital to emerge. Here we have a situation where the pan-European political (and diplomatic/military) machinery of a proto-state have to be deployed not simply in defence of a European capital but of US and Japanese capital.

Moreover, even EC multinationals are interested first and foremost in strategies that can ensure survival and growth in the *world* market. There is nothing per se that indicates that commercial survival dictates alliances with other EC multinationals. Cartels, mergers and corporate alliances can and do take place between EC and non-EC MNCs, the better to compete globally. When Smithkline, the giant US pharmaceutical company, merged with the UK MNC Beecham the creation of a distinctly pan-European pharmaceutical capital was thereby obstructed.

It is the fear and dread that the European MNCs may not be the biggest beneficiaries of the European single market that leads the weaker sectors to demand action against US and Japanese MNCs both in terms of discrimination within the EC and protection from outside competition.

Fiat President, Umberto Agnelli, has argued: "The single market must first offer an advantage to European countries. This is a message we must insist upon without hesitation."

It is no accident that he heads a car maker MNC. They losing out hand over fist to the Japanese and will lose out even more after 1992. Probably Rover and/or Peugeot will not survive Japan's competitive advance. Japanese microprocessors and the IBM-Macintosh alliance spells doom for some parts of the EC computer industry too.

Already protectionism is on the rise. Car imports and even the market share of Japanese firms inside the EC is restricted and likely to be more so. France is in the vanguard of anti-Japanese sentiment. The short lived premier Edith Cresson was fond of Japan baiting. She once insisted: "Japan is an adversary that doesn't play by the rules and has an absolute desire to conquer the world. You have to be blind or naive not to recognise that."[13]

This stance brings France into direct conflict not only with Japan but also with Britain, which is the destination for over 50% of Japanese direct investment in the EC. This discord further impedes European unity. But it is not the only source of protectionism between the imperialist triad.

If different rules apply inside the three different regional blocs then this will be a source of discrimination against foreign capital within them. Since US banks cannot buy the shares of US companies (and hence neither can EC banks) then US banks cannot be allowed to buy company shares inside the EC either.

The trend in this direction is already clear. As the *Financial Times* noted in April 1991: ". . . the EC has put in place a 'complex hierarchy' of preferential trading arrangements and built up a network of bi-lateral agreements with

other countries, which introduce strong elements of discrimination into multinational trading systems."[14]

Thus regionalisation creates huge contradictory pressures. Regionalisation and the inter-regional conflict that arises on this basis, is the pre-dominant tendency today. But the road towards a capitalist united states of Europe is littered with obstacles that threaten to trip up all those marching along it; namely, the multiple bourgeoisies of Europe and the non-European rivals who exacerbate these intra-European differences.

One thing is certain. The European working class will reap only defeat and demoralisation if it allows its reformist leaders to tie it to the chariot wheels of either the project of a European imperialist super-state or of a retreat into national isolation. It needs to leap over both the nationalism and the pseudo internationalism of the bourgeoisie and unite as a class across the continent and beyond.

A period of stormy struggles is approaching, caused by the deep changes taking place in world capitalism and by the opening of a new period of redivision of the worlds resources, markets and exploitable labour power.

The bourgeoisie's hired ideologists, such as Francis Fukayama, have rushed into print in order to celebrate the end of communism, socialism, the class struggles, the working class and even History itself. They are in for a rude awakening. ●

1 During this decade of crisis the development of European monetary co-operation in 1972 (the "snake") and then the ERM in 1979 were pure survival measures forced upon the EEC in the wake of the collapse of Bretton Woods in 1971.

2 It was no accident therefore that it was in these years that in addition to the single market proposal the long standing wrangle over the "British rebate" was resolved, currency realignments within the ERM ceased and Maastricht was conceived.

3 Between 1979-89 industrial growth rates in the EC averaged 2% per annum. This compared unfavourably with Japan (4.6%) and the USA (2.6%).

4 This trend continued in the second half of the 1980s and early 1990s. The EC's share of world exports for manufactured goods declined a further 6.3% in the recession of 1990-92 and the EC's trade deficit with the rest of the world shot up from $11 billion in 1988 to $71 billion in 1991.

5 In 1986 the EC had 19% of the share in the world market for telecommunications equipment compared to 38% for the USA. But both the USA and Japan's market share was growing at twice the annual rate of EC firms. The EC share of world market in high technology goods shrank from 27% in 1979 to 23% in 1989.

6 After 1985 the EC Commission has been successful, with MNCs, in promoting a qualitatively higher level of pre-competitive pooled research and development (e.g. electronics, high definition TV), to share the benefits and compete globally. ESPRIT and EUREKA are two such projects

7 That such leadership could find general political support in the EEC in the mid 1980s was due to the sea-change in bourgeois politics. Neo-liberal parties or policies triumphed on the back of discredited Keynesian crisis management. This led in turn to a series of defeats inflicted upon the working class whose earlier strength had acted as a pressure for national forms of state action to deliver reforms.

8 See "Will there be a *European* Food Processing Industry?", J Mc Gee and S Segal-Horn, in, Europe and the Multi-Nationals, (ed S Young & J Hamill) (Aldershot) 1992

9 In 1989-90 3,410 cross-border mergers took place, at a value of £63 billion. In addition to full-scale mergers or take-overs, corporate partnerships between competing firms accelerated (i.e. cross-shareholdings and joint ventures). In Q4 1989 alone 669 such partnerships were registered (e.g. GEC-Siemens, Volvo-Renault).

10 The weakest link in the chain of synchronising the economic cycles of the EC members was Britain. This was for two reasons. First, its large investments in and trade with the USA made the UK more sensitive and locked into the economic cycle of the USA than any other EC country. Secondly, sterling is a major international reserve currency and unlike the Franc or Dmark much of these reserves are held outside the EC and hence outside the control of the those states that control the ERM. Britain's membership of ERM in September 1990 was thus treated with some concern by the German Bundesbank.

11 The events of September 1992 and the warning shots delivered to EC states will lead to a renewed determination to attack the working class in each country so that convergence criteria can be met more fully and more quickly.

12 The absolute stock of Japanese investment in the EC remains small compared to the USA, amounting to $45 billion at the end of 1989. But the rate of increase in the 1980s under the impact of the Single European Act was eye-catching. In two years (1986-88) Japan's investments accounted for half its post-1951 total.

13 Quoted in "Head to Head", L Thurow (New York 1992) p81

14 Financial Times 17.4.91

A betrayal in the making; South Africa's false new dawn

In January F W de Klerk opened the "last apartheid parliament" and negotiations with the ANC on power-sharing entered their decisive phase. Lesley Day assesses the chances of making the settlement stick.

On 2 February 1990 F W de Klerk announced the end of the National Party's defence of apartheid.

How could the ruling party—the architect of grand apartheid after 1948—turn its back on its own creation? After all, the apartheid system had delivered a high standard of living to the white working class and petit bourgeoisie who formed the basis of National Party rule.

The migrant labour system ensured the super-exploitation of the majority black African population. This system, steered by state intervention and bolstered by the unique contribution of gold to the economy, led to a dramatic expansion and modernisation of the South African economy during the 1950s and 1960s.

A high degree of ownership concentration produced the big conglomerates in mining, finance, agribusiness and manufacturing; such giants as Anglo American, Gencor etc. Gold production assured a favourable balance of trade, high state revenues and astronomical profits for the big companies.

Even during the world recessionary conditions of the 1970s the counter-cyclical effect of gold trading meant that South Africa could ride out the worst relatively unscathed. South Africa's emergence as a new, if minor, imperialism naturally led to military interventions in the "Front Line States" demonstrating an appetite to exercise economic and political domination over the whole region surrounding it.

So why should De Klerk endanger all this by his February 1990 declaration? Quite simply, apartheid had become acutely dysfunctional for South African capitalism and nearly every section of the bourgeoisie was demanding its abandonment for economic reasons.

In the second half of the 1970s expansion and development faltered.[1] One important but in the end secondary factor was the stagnatory effect of the restricted domestic market in a country most of whose population live in desperate poverty. But far more debilitating was the difficulty in overcoming low labour productivity.



Chronically low levels of investment were in part a product of the very low wage levels of black workers that acted as a disincentive to their replacement by modern machinery. Apartheid also presented insurmountable barriers to creating a large stable skilled and semi-skilled labour force from amongst the black masses. In the interests of raising productivity and profit rates apartheid had to go.

There were compelling political reasons for signalling the end of apartheid too. Continued defence of apartheid in the preceding dozen years provoked ever more powerful revolutionary waves of resistance from its principal victims—the urbanised black masses.

The revolutionary period which opened in the early to mid-1980s in South Africa was fuelled by the deepening divisions within the ruling class and the evident disruption of its alliance with the white petit bourgeoisie and working class. But the main motive force was the growing class struggle of the black proletariat and the urban poor, who clearly were completely unwilling to go on living in the old way.

The 1970s and the early 1980s saw the growth of black working class trade unions and the emergence of a newly radicalised generation of black youth. The process of proletarianisation and urbanisation that flowed from the very successes of South African capitalism produced its own gravedigger. Due to the very absence of legality black workers' trade union organisation was built on exceptionally strong shop stewards' organisation and highly developed community links. The 1980s saw national and local cross-union federations develop.

Militant township and community organisations were forged in parallel with this in the struggles against the appalling conditions in the expanding shanty towns. This dual threat forced the ruling class into defence of its very existence. The Botha government met the township rebellion with mounting repression. Politicisation snowballed amongst the youth and among trade union activists. Both revolutionary nationalist and socialist ideas grew in influence.

By 1986 South Africa was in revolutionary ferment. However, the magnificent fighters of the mines, the factories and the townships did not posses a revolutionary leadership. The exiled African National Congress (ANC) and inside South Africa the United Democratic Front (UDF), together with the politically weak union leadership, pursued strategies that led to defeat.

These strategies allowed the Botha regime to impose a vicious State of Emergency and temporarily to escape from this profound crisis. The working class retreated—but not in disorder. It retained much of its workplace organisation. Yet it took much longer to rebuild community structures which remained more exposed to police repression and the dirty tricks of ethnic provocation that were to disfigure the late 1980s.

This defeat allowed three vital developments to take place. First, the so-called progressive capitalists, led by Anglo American, were able to carry forward their "normalisation" of industrial relations, secure in the knowledge that state repression had altered the balance of forces in their favour.

Secondly, influential sections of the National Party—in particular the Broederbond—had at last become convinced that they could not restore the old system and that circumstances both demanded and made possible its reform. Important developments in southern Africa had influenced their thinking here as much as domestic events.

After the defeat of the South African Defence Forces (SADF) at Cuito Cuanavale, even the South African high command became convinced that repression and conquest alone were insufficient. They too had to learn to create instruments of imperialist rule out of former leaders of national liberation movements, not simply stooges hated and despised by the masses. The Namibian settlement was thus seen by many of its participants as a "dry run" for South Africa.

Thirdly, US and British imperialism, with the active support of the Kremlin (now in full retreat under Gorbachev), set out to achieve an imperialist settlement across the whole region. Given the weight of the Communist Party inside the ANC this would have far-reaching effects.

The year 1989 was a turning point. In Eastern Europe international Stalinism entered its death agony and inside South Africa there was a renewal of mass struggle. This time the new National Party leader, F W de Klerk, responded with a radically different policy: the release of Mandela and the unbanning of the ANC and the South African Communist Party (SACP). This opened the present long and troubled period of negotiation.

While 1991 saw the repeal of most of the central pillars of apartheid—the Group Areas Act, the Population Registration Act—the key issues of one person, one vote and a majority government remain unresolved.

The ruling class is unwilling to gamble on the transfer of a real share of political power to the ANC without demanding guarantees which so far the ANC leadership has found it difficult to give. The ANC leadership is clearly willing to complete its betrayal by agreeing to a power sharing formula. But such a political settlement must still overcome a multitude of both reactionary and progressive obstacles.

Job reservation, a large state sector, high education and welfare spending, farm subsidies—these were the very bedrock of the racially defined privileges of the white working class and petit bourgeoisie.

Such privileges, the price of electoral support for National Party rule, expanded as a proportion of GNP and came to be part of the fetters preventing South African imperialism from escaping its mortal crisis. This means that the ruling class has to get rid of most of these privileges without sawing off the branch on which it is sitting.

There are now an estimated 200,000 white unemployed[2] a small fraction of the probable total of five million without work but enough to create a pool of "poor whites", a phenomenon virtually unknown in the heyday of apartheid.

By early 1992 the combination of loss of privileges and the effects of the recession was producing a serious white backlash expressed in the rise of right wing parties—both the extreme right Conservative Party and the open fascists of the AWB.

This was reflected in the National Party's loss of the Potchefstroom bye-election. De Klerk was forced to act and did so in classically bonapartist fashion by calling a referendum in March 1992 to seek a mandate for the reform process. This he won resoundingly and unsurprisingly, given the overwhelming support of the state and independent media and the financial backing of the all powerful Anglo-American.

His victory weakened the right wing parties but the majority of the white plebeian classes can have little

Can apartheid be destroyed by reforms?

The LRCI immediately recognised the real threat posed to the liberation struggle by the negotiation process. We argued that the ANC leadership would:

"... direct the whole mass movement into a strategic compromise—a multi-racial imperialist capitalism based on the super-exploitation of the black and coloured masses, and perhaps even a small section of poor whites."[1]

Our previous analysis of the development and crisis of South African *imperialism*[2] meant that we were not deceived by the pseudo-radical theory that apartheid and capitalism formed an indissoluble whole.

The de-coupling of apartheid from capitalism would seek to demolish the overt racist laws and regulations that prevent the full development of a black bourgeoisie and hinder the growth of a black middle class and a stratum of skilled workers.

These latter classes and strata, especially a black labour aristocracy, are essential to the stability of a still-capitalist and perhaps expanding imperialist South Africa.

The designation "apartheid-capitalism", popular with the left in South Africa and beyond, had an apparently revolutionary purpose: to explain that apartheid could not be removed without the destruction of capitalism.

It was absolutely correct to argue that the poverty and super-exploitation of the black popular masses could only be overthrown by revolutionary means aimed at capitalism.

This was and remains the only way to secure and guarantee real and full democratic rights for the multi-millioned majority, and an end to racial oppression.

But the idea that there was an automatic process connecting the fall of apartheid to the fall of capitalism was a cover for all kinds of confusion and opportunism.

It was not a concretisation of the theory of permanent revolution but its negation.

This false perspective certainly contributed to the failure of the left to build an independent anti-capitalist workers' party, or to fight for a *programme* which openly links revolutionary democratic to socialist tasks.

The "apartheid-capitalism" conception fosters the illusion that as long as the mass movement is fighting apartheid it is by this very fact fighting for socialism too.

It thus wittingly or unwittingly adopts a stages perspective which de-prioritises the fight for class demands, for a class programme, for working class leadership in the democratic struggle and thus for a revolutionary workers' party.

Revolutionaries who say that it *cannot* succeed are engaging in a false radicalism which hides a fatal passivity that hopes objective events will solve these tasks.

The project can succeed *if* the present leadership of the ANC/SACP is not defeated and replaced by a genuine working class alternative. ●

1 *Trotskyist International* 4 Spring 1990
2 See *Permanent Revolution* 4, London, Summer 1986

confidence in their future. Current education reform gives a glimpse of future developments. In 1991 every white child received a R4,103 state subsidy, every black child R778 at primary age and R1,560 at secondary school.[3] The level of spending on white children cannot be maintained if a substantial new layer of black children is to be educated, trained and integrated.

The government's current preferred method of achieving desegregation while keeping costs down is to force white schools to convert to being partially dependent on parental contributions.

The effect of this will be that such schools will be formally "de-racialised" and transformed instead into centres of *class* privilege. Of course, only a small minority of better off black families will be able to afford the fees but some white families will sink into being dependent on the poorer quality schools.

Far greater resources would have to be put into education and training to meet the need for skilled labour. It was still the case in the 1980s that 73% of artisans and 67% of apprentices were white.[4] To overcome this within a capitalist framework inevitably means taking resources from elsewhere and this means attacking privileges which are no longer functional for the ruling class.

In the public sector—for so long an Afrikaner bastion—all the talk is of rationalisation, of cutting back on jobs. Any calls for public works projects draw the frowns of bourgeois economists and the international financial institutions. Then there is the problem of racial pay differentials.

In the public sector as a whole in 1991, average black wages were R1,349 per month while average white wages were R3,346 per month[5]. An insignificant number of black workers are employed in higher grades.

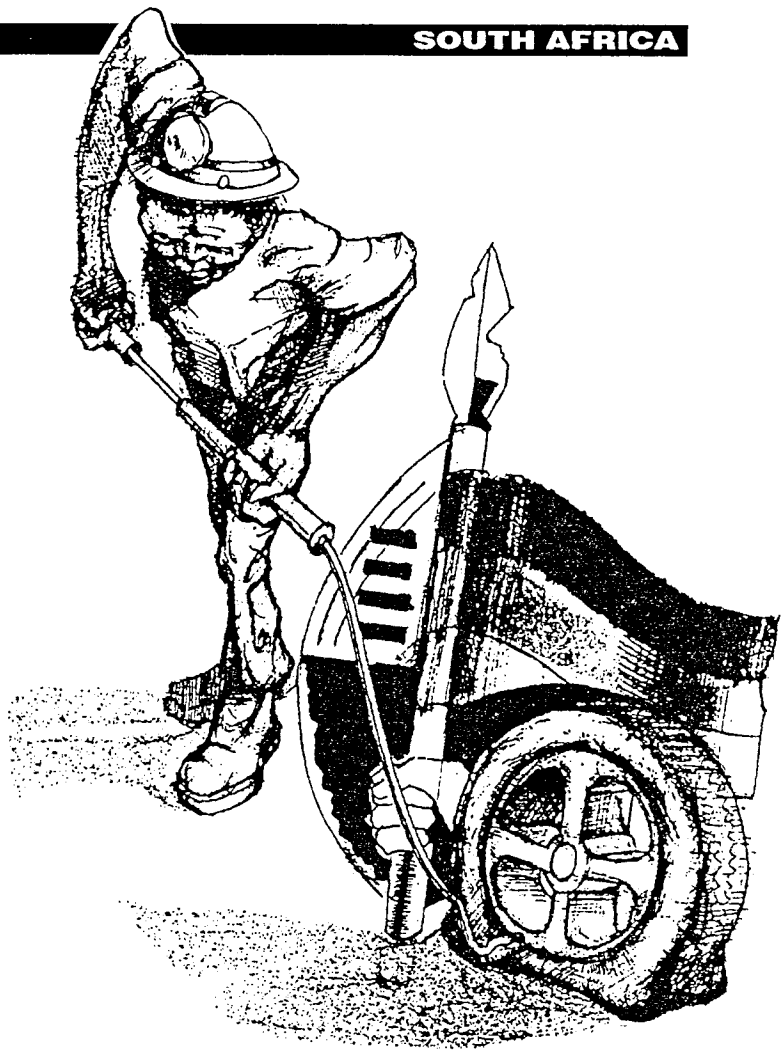
Thus the architects of a post-apartheid *capitalist* South Africa face the choice of protecting racist privilege or fuelling white opposition. Already SACP executive member, Joe Slovo, has sided with the protectors of privilege by proposing a clause in the constitution giving guarantees to the white bureaucracy as well as a "sunset clause" for compulsory power sharing.

His message is that neither the white ruling class, nor its formerly pampered social base needs to fight a desperate rearguard action. The leadership of the ANC is doing the work for them.

The ANC's betrayal of the black working class and rural poor is neither sudden nor unexpected, but it is nonetheless profound.

In a series of policy shifts and manoeuvres the ANC has divested itself of the trappings of *revolutionary* nationalism—the armed struggle, the talk of the seizure of power—and transformed itself into a suitable partner for a bourgeois government in post-apartheid South Africa.

This process was already underway by the time of Mandela's release. Mandela had begun exploratory talks for a deal while still in jail. The ANC had issued "Constitutional Guidelines" to clarify its immediate aims. In the subsequent three years, the leadership has won more room to manoeuvre for itself.



It has brought most organisations in the mass movement under its hegemony, either through making them adjuncts of Congress as with the women's organisation or, as in the case of the major unions, through the "COSATU-ANC-SACP Alliance". Most importantly, it has won its supporters to the perspective of a negotiated settlement.[6]

They have been able to declare a cease-fire and later to sign a peace accord which left communities undefended. They have joined the official constitutional planning talks, CODESA, and offered further concessions to the National Party on voting in a constituent assembly, on possible regional arrangements and on undertakings regarding future government policy.

In particular, existing private property rights will be safe with the ANC. In fact, the ANC is constructing its own "Lancaster House" settlement that will not require outside imposition nor even the clauses in the Zimbabwe settlement which provided for a ten year white veto in the legislative assembly.

None of this is to deny that the ANC leadership still has to take some account of the mass movement. It sends proposals out to its branches for "consultation" even if the inner working committee retains its grip on policy making. It is also capable of returning to mass action as it did after the breakdown of CODESA in 1992.

But as in the past it uses this mass action merely as pressure for a return to the negotiating table.

The tensions and conflicts that continue to surface inside the ANC reflect the extent to which it still retains the character of a popular front. It is as yet not a fully-fledged bourgeois party. Certainly, it already has an individual

What future for the South African economy?

The alternative strategies presented by economists of both right and left in South Africa can be broadly categorised as "growth through redistribution", or "growth then redistribution".

The latter is, of course, the preferred strategy of the IMF and the advisers of big business in South Africa.

The IMF and the banks insist that resources for the necessary social investment should come from holding down wage rises to no more than 1% per annum.

This strategy also implies little or no increase in government spending, which already runs at around 30% of GDP reflecting the legacy of state welfare and payments to white farmers.

The resources which could be freed for social spending and crucial infrastructural projects would be small since huge reductions in defence spending are ruled out.

As a former Development Bank chairman put it with admirable frankness, "We don't have the resources for the kind of welfare state we have been running for whites".[1]

In fact all that is on offer is a "trickle down model" which would benefit only a small layer of the black population—obviously the growing black bourgeoisie now able to expand businesses and buy land and a black middle class layer of professionals.

Black industrial workers in stable employment might also benefit from better social and educational provision.

There is a further problem.

The IMF model is one which projects export-led manufacturing growth. Raised productivity is crucial to any success here. Unit labour costs have risen by 600% since 1975 and productivity has risen hardly at all.[2]

Even the Economic Trends (ET) group (advisers to COSATU) agree that a growth model based simply on an expansion of demand through redistribution is "unrealistic".

Nevertheless, they believe it is possible to "achieve growth through the more extensive and rapid redistribution of wealth".[3] In the first outline of their strategy they stressed

"The simultaneous creation of employment and the expanding production of basic consumer goods", through a strategy "based on a synthesis of interests bringing together not only the employed working class and the mass of urban unemployed, but also the middle classes (black and white)."[4]

The ET group rests theoretically on the positions of the Regulation School of political economy, itself originally influenced by Maoism and Stalinism, which argues that capitalist development can be seen as a series of phases with different "regimes of accumulation".

Capitalist crises can give way to new periods of stability through changes resulting in new forms of capital accumulation using new forms of social control and changing conditions of production and realisation.

According to this view, in South Africa "racial Fordism" allowed dramatic growth for a whole period; that is, mass production of mineral wealth by super-exploited labour.

Now, the argument runs, new employment and expanding production of consumer goods could produce a new equilibrium.

This growth model was obviously attractive to the reformists of COSATU and the ANC when they were in opposition. Now they see themselves on the verge of assuming governmental responsibility their tune has begun to change.

The 1992 ANC policy guidelines dropped "growth through redistribution" as a slogan and the SACP manifesto stresses export-oriented policies:

"There is no 'royal road to growth'. Growth will depend on investment, a successful export strategy, and so on. If the slogan 'Growth through Redistribution' has been understood as implying an inward-oriented, single measure strategy, this is not what is in reality needed."[5]

The ET group itself, in its Industrial Strategy Project, lays stress on industrial restructuring and the involvement of workers and the trade unions in a "restructuring accord".

In the past the ET group and the SACP have stressed the need for anti-trust measures to reduce the power of the big corporations and greater state intervention to encourage investment.

Nationalisation all but disappeared from the agenda.

Now even anti-trust measures are going the same way in the name of realism and responsibility. Instead, debate revolves around the type of social contract that the working class should concede:

"It is only in reaching some kind of strategic accommodation between labour, the state and capital that unions will be able to extract what potential benefits the reorganisation of manufacturing production offers."[6]

Well-organised workers should agree to wage restraint in return for certain social measures to be taken by the bosses and the state.

This class collaborationist model is a reactionary utopia.

Like the British "Social Contract" of the 1970s or other similar deals between reformist parties, trade unions and the bosses, it will mean sacrifice on the part of workers without any means of enforcing the deal on the employers.

The idea of a friendly government of the ANC siding with the working class, or rather neutrally overseeing fair play between unions and management, is based on the typical false reformist understanding of the role of the state.

However independently the state can appear to act at certain junctures, it expresses the interests of the ruling class.

If a government were forced to make serious concessions to the working class at the expense of the bosses it would meet the fate of Allende in Chile—bloody overthrow at the hands of reaction. ●

1 *Financial Times*, 5 June 1992
2 *Quarterly Guide to the Economy*, Ned Bank, November 1992
3 Gelb, *South Africa's Economic Crisis*, London, 1991, p30
4 ibid.
5 SACP Economics Forum, "Redistribution and Growth" in *African Communist* Second Quarter 1992.
6 Joffe and Lewis, "A Strategy for South African Manufacturing", in SALB16/4 March/April 1992

membership structure with numerous adherents amongst the rising black bourgeoisie as well as amongst the black and white middle class.[7]

It has the support of some of the homeland leaders and their bureaucracies as well as tribal leaders. Nevertheless, apart from its "alliance" with COSATU and the SACP it also includes the entire SACP leadership and many trade union leaders within its ranks.[8]

Despite the aspirations of the ANC base the pressure of the international and domestic balance of forces means that the ANC will either subordinate the unions to itself by a tyrannical and corrupt bureaucracy (like Argentine Peronism) or will break its formal ties with the unions to represent all classes (i.e. the ruling class). In either case it will be a bourgeois party.[9]

The Stalinist majority of ANC leaders were always the major architects of ANC policy. Moreover, the overlapping of the SACP and the ANC helps the Congress leaders to keep a hold on the mass movement, able to rely on the SACP cadre to keep militant youth and trade unionists on the straight and narrow path of a negotiated settlement.

The SACP was for a long time one of the most slavish followers of the Moscow line. Yet it is a striking fact that the party was legally launched and dramatically expanded precisely in a period when the rest of the world's Stalinist parties were dropping like flies.

This paradox ought not to blind us to the fact that essentially the SACP has moved along the same road as the rest of world Stalinism towards embracing the market and social democracy. It has espoused its own version of "market socialism".

The longstanding Menshevik/Stalinist stage-ist strategy facilitated this transition. The Party's concept of the "national democratic revolution" allowed it to move to the left under the impact of the mass struggles of the 1980s and it was a major architect of the ANC's "ungovernability strategy".

In the wake of that defeat and under heavy pressure from Moscow it began a shift in policy expressed in particular by then General Secretary Joe Slovo first in "The South African Working Class and the National Democratic Revolution" [10] and then in "Has Socialism Failed?"[11]

In Slovo's earlier writings, the alliance of the working class with the progressive bourgeoisie and petit bourgeoisie to win democracy is justified on the grounds that the smashing of the apartheid state would open up the road from democracy to socialism. In the new version, there is once again "no Chinese Wall" between democracy and socialism, but the smashing of the state has got lost along the way!

Slovo, and like minded members of the SACP leadership such as Jeremy Cronin, have driven the party towards the adoption of social democratic politics, the acceptance of the mixed economy and of extremely gradual reform. Pledges for nationalisation have been replaced by calls for action against the monopolies. "Realistically", argues Cronin, "the prospects of substantial economic change in South Africa are not great".[12]

The SACP Manifesto adopted at the Eighth Congress in December 1991 spelt out a utopian vision of a gradual transformation of society through the "development of a vast network of democratic organs of popular participation in both the economy and the political system under the leadership of the working class", which would lead to "a position of dominance in all spheres".[13]

Nevertheless, the SACP remains a bourgeois workers' party, subject to the pressure of its working class membership, many of whom joined its ranks on its relaunch as a legal party, and it also contains old-style Stalinists such as Harry Gwala of the Natal region, in turn subject to the pressure of those involved in the desperate fight against Inkatha.

The Eighth Congress, while adopting a manifesto redolent of the new thinking, nevertheless voted to retain the concepts of "Marxism-Leninism" and the "vanguard party". In short, the SACP remains a Stalinist party albeit one in which a social democratisation process is now well underway.

With over a million workers organised in the main trade union federation COSATU, the black working class is one of, if not the most militant and well organised labour movements in the world. It fully retains the strength and the organisational capacity to defeat the reactionary settlement currently being negotiated.

However, in the period 1986-7 it suffered a *political* defeat from which it has not yet recovered. Despite high levels of organisation in both factory and township, it was unable to repulse the 1986 State of Emergency and ward off the attacks on township and camp committees.[14]

As the working class organisations regrouped following the 1986 defeat they fell increasingly under the hegemony of the ANC and the SACP.[15] By the time that mass action revived in 1989 the movement was no longer so democratic, with such a high degree of rank and file control.

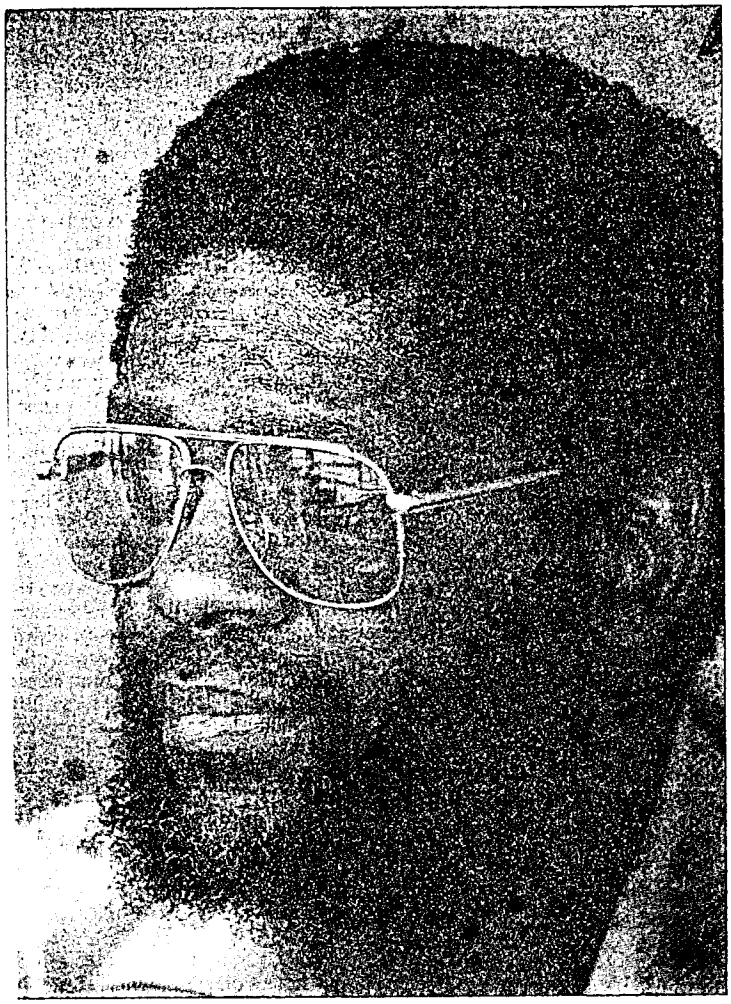
In short, it had undergone a process of bureaucratisation. Thanks to the nationalists and the Stalinists it was not the same revolutionary threat to the capitalist order that it had been in the middle of the decade.

With the legalisation of the ANC and SACP many COSATU affiliated union leaders emerged as members of one or both organisations including those from the former "workerist" and syndicalist wings. Moses Mayekiso, along with other socialist leaders in NUMSA and other unions, joined the SACP.

The politically active cross-union, rank and file shop steward organisation characteristic of the mid-1980s has given way to a greater dependence on an apparatus of full-time officials, and an increasing number of white collar experts who are answerable to the officials rather than the rank and file.

Shop steward organisation still remains strong, but even here there is an increasing tendency for them to be drawn from more educated, skilled and clerical grades and thus to be subject to pressures of promotion opportunities.[16] There are fewer base meetings, with less reporting back and an increasing number of full time stewards (i.e. with 100% facility time).

COSATU locals are also less active. Overall, "workers are losing workers' control, and it is in danger of becoming just a slogan", according to one union leader.[17] Many in the



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union leaderships, while remaining influenced by the democratic traditions they grew up in, nevertheless bow to the pressures to create a "modern", efficient machine. A common attitude is that "Today the practice of 'workers' control' has become cumbersome if not impractical".[18]

The leaderships of COSATU and many individual unions have moved towards an ever closer collaboration with the bosses. National bargaining is in the hands of the officials and in a number of crucial instances, such as the NUMSA strikes in 1991 and 1992, retreats have been ordered by the national leadership in the face of employer offensives.

In the case of the Mercedes Benz dispute in 1990, rank and file workers were forced to accept a national deal less favourable than could be enforced at local level after the intervention of national union and ANC leaders.

The following year the NUMSA auto industry agreement included, in return for a moratorium on retrenchments, a promise to prevent any "plant-specific unprocedural industrial action" which led to a decline in productivity.

Any union militant will understand the pressures to develop stable trade union structures and procedures when a period of mass struggle has abated. Sheer energy and innovation which carried individuals and sections through a pre-revolutionary ferment cannot be sustained indefinitely.

But it is important to recognise and resist the process of bureaucratisation and the political leadership that fosters it. It is important to entrench workers' democracy in preparation for a new wave of mass struggle to come.

COSATU and its affiliates have been drawn into providing a parallel settlement to the one being negotiated between the National Party and the ANC, and in fact the various agreements with the bosses are an important component of the whole process.

The majority of COSATU affiliates supported the call for COSATU to have a place within CODESA, some in the false belief that this participation would ensure greater influence for working class interests in the negotiating process. In reality, it would have tied the class even closer into the sell-out. As it was, the demand to be let into CODESA strengthened working class illusions in the negotiations.

The union leaders now for the most part accept the perspective of a capitalist South Africa as the outcome of negotiations, although the aim of eventually achieving socialism is still the subject of platform rhetoric. The officials' main concern is how to win influence for the unions in this set-up.

Thus they are offering co-operation with the bosses in "restructuring" industry and making it more competitive. COSATU advisers, Lewis and Joffe, advocate a "restructuring accord" which will trade increased productivity and flexibility for job security.[19]

Productivity deals and changed working practices hold little attraction for workers while wages are so low, unemployment is so high and conditions at home and at work so appalling.

This pressure means that union leaders and academics are looking at grander scale negotiations and agreements, further developing the National Economic Negotiating Forum. In other words, the search is on for a social contract and a framework in which productivity agreements can be negotiated.

In the last three years the perpetuation of divisions along ethnic and linguistic lines has remained the most powerful weapon in the hands of the white ruling class. These artificially inflamed conflicts weaken working class unity and strengthen every reactionary sector. Such divisions were the very basis of the apartheid state and have been carried on by the De Klerk government in its attempt to reduce the influence of the ANC and split the black majority.

South Africa's black working class and peasantry is composed of a series of different ethnic-linguistic groupings. The most important of these are the Nguni group of languages, which includes Zulu (roughly eight million), the Xhosa (approximately seven million, four million of whom are domiciled in Transkei or Ciskei) and the Sotho, totalling around 10.5 million, broadly divided into northern and southern Sotho.[20]

Since the Second World War in particular, the process of industrialisation and class formation in modern South Africa has undermined the political and cultural structures deriving from the old tribal federations and kingdoms, promoting a narrowing of cultural differences. This process is further advanced here than anywhere else in sub-Saharan Africa. At the same time the policies of "grand apartheid" deliberately tried to hold back or reverse this process. It encouraged not only the survival but the creation of collaborationist "traditional", "national" leaders in the home-

lands. The organisation of migrant labour and hostel system was also used to sharpen ethnic tension.

The most dangerous expression of reactionary nationalism and ethnic prejudice is Chief Gatsha Buthelezi's Inkatha Freedom Party, which purports to represent the interests of the Zulu people. This is a lie! No organisation is a greater threat to the Zulu speaking people. Inkatha is a tool of the racist police state and an agent for the balkanisation of South Africa.

In the 1980s trade union militants and activists from UDF affiliates in Natal and KwaZulu found themselves in a desperate struggle against Inkatha. In 1986 with the aid of covert state funding, later exposed in the Inkathagate scandal, Buthelezi launched UWUSA, a bosses' union, set up to undermine COSATU and its affiliates. Worker and community militants withstood Inkatha and state terror.

Their courage brought considerable success in preventing the emergence of the collaborationist union as a serious force and strengthened pro-ANC township and camp organisations in Natal and KwaZulu in the face of gangster terror. Nevertheless, in the period since 1990 Buthelezi's movement has proved a terrible threat to the working class and pro-ANC mass movement. Pro-Inkatha forces, especially among the hostel dwellers have been involved in terror campaigns in the townships. Buthelezi has constantly demanded a seat at negotiations, has argued that the cease fire should not apply to Zulu "traditional weapons" and now is trying to build a new reactionary pro-federal bloc with white reactionaries and other homeland leaders.[21]

The prolonged agony of the background to negotiations—violence, poverty, failure to tackle the land question— and the inability of the ANC to find a revolutionary solution to them, fuels support for Inkatha. KwaZulu, which is composed of 29 separate fragments, has 38% of the land area of Natal/KwaZulu but 55% of the population. More than a third of the population is landless. Many move in ever increasing numbers to the townships and camps.

The problem of the homelands and migrant labour cannot be solved short of an agrarian revolution involving the nationalisation of the land and the seizure and occupation of the big, productive estates. Anything less leaves the black majority fighting over tiny plots of the worst land. This will be used by every reactionary to inflame ethnic differences.

Those members of the Zulu working class and rural poor at present misled by Buthelezi can and must be won to

Revolutionaries and the national question

The response of the nationalist and working class movements to ethnic conflict in South Africa have been varied.

Very influential on the non-Stalinist left have been a number of "one nation" theories which call for the building of one non-oppressive, united nation state.

This theory was adopted by the left and black consciousness organisations in South Africa—such as AZAPO and the Cape Action League whose theorist, Neville Alexander, gave it its most sophisticated expression.

Its progressive impulse was that it reflected the desire of militants to oppose the ethnic and linguistic divisions in the working class and oppressed strata which apartheid sought to maintain.

The LRCI has argued that this theory had two enormous weaknesses. Firstly, it abandoned the Leninist principle that Marxists are fighters against all national oppression and privilege but are not nation builders.

We have no positive commitment to creating and preserving one or another national culture or national state.

We are against forcible retention within a state of a people which has democratically expressed the desire to leave it and whose exercise of this right will not result in the oppression of another people or act as a means to sabotage a great democratic or socialist struggle.

We are, in short, not nationalists, however progressive or enlightened. We are internationalists, like our class. For us, as Trotsky said, "the working class has no fatherland" is not an agitational quip but the bedrock of the proletariat's existence as a class for itself.

The core of the struggle to end racial and national oppression is the ending of the monstrous political and economic privileges of the whites. This requires first and foremost unifying the artificially divided peoples of South Africa.

It means overcoming the "tribalist" ideologies of the bantustan leaders like Buthelezi and counter the constant attempts to set the linguistic groups and communities at one another's throats.

It means also combating any manifestations of concealed favouritism or privileges for one linguistic group or another within the liberation movement.

The fears of any particular oppressed language group or community that it could become a vulnerable minority in the new state have to be put at rest. For this reason we believe that revolutionaries should include in their programme of democratic demands the recognition of the *right* of any of the oppressed ethno-linguistic groups to territorial self-determination after the racist state has been overthrown.

We should, however, argue unremittingly against any group separating, as it injures class unity, hampers the development of the productive forces, and weakens the fight against imperialism.

Socialists should fight for the maximum unity of the working class and the largest possible workers' state in the form of a federation, first of southern and then the whole of Africa.

To recognise the *right* to separate, however, is a pledge given to all those who genuinely fear the fate of minority peoples, an understandable fear given the history of Africa.

It will help win them and hold them to the united struggle against the racist state. It is not a concession to tribalism but a weapon against it. ●

a bold programme which can assure them land, jobs, wages and housing and makes them an integral part of the proletarian revolution.

A political offensive to win away Buthelezi's mass support must be combined with effective resistance to the physical threat the Inkatha thugs pose to all progressive forces. The Mandela leadership has refused to support armed defence and, indeed, in a number of instances acted to demobilise it. Shortly after his release, Mandela shocked Natal's young pro-ANC militants by calling on them to "throw their guns into the sea".

The fact is that most of the violence in the Natal region has not been the action of Zulus against other groupings but that of pro-Inkatha forces against Zulu workers. Allowing Inkatha and its gangsters free reign simply allows Buthelezi to grow stronger. Nor must there be the slightest concession to the current federalist plans of Buthelezi or sections of the Natal bourgeoisie who wish to create a reactionary bloc to genuine black majority rule.

Only when the white racist state has been smashed, only when the Inkatha murder squads have been disarmed and dispersed, only when the bantustan mini-dictatorships have been dissolved, then and only then will it be possible to discover in a democratic way if the Zulu speaking people genuinely want some form of autonomy or even independence. We firmly believe that after playing a crucial role in the class and national liberation struggles they will not want this.

It is obvious now that the principal players on both sides—the National Party and the ANC—are moving towards a settlement which, far from meeting the real political, social and economic needs of the masses, would rob them of the prize for which they have shed so much blood over many decades. This settlement would be a form of "democratic counter-revolution", aimed at isolating and crushing the militant vanguard, in the factories, the townships and in the ANC and the other organisations that have fought for freedom from apartheid.

The imposition of a reactionary settlement is now a great danger. Moreover, the peaceful democratic counter-revolution is not the only one that is possible. Battle cries are heard against a settlement and against the ANC itself from within the ranks of the military.

Talk of plots and coups, whilst receding since the referendum last year, have not disappeared. The upper and secondary levels of command in the security forces are stuffed with violently pro-apartheid figures.

While the highly bonapartist nature of the South African presidency as it was constructed in the Botha era gives De Klerk huge powers and considerable room for manoeuvre, he has not yet been able to carry through a thorough purge of the top military and security ranks. This is no surprise since his own pursuit of a settlement relies on their overt and covert operations in the townships.

The majority of top SADF and SAP officers have retained their posts and unless he envisages a more wholesale purge than the current plans for "integrating" MK[22] and South African Defence Forces and South African Police then there are few reasons for a coup.

As with the Latin American military in the 1980s, the officer caste can accept a democratisation process, but any "democratic" transition will have to be "managed", with a high degree of state repression and bonapartist governmental forms. But this militarist danger is no reason for sinking into tacit support for the settlement as a "lesser evil" or into a *de facto* popular front to bring it about. A whole series of pitfalls face De Klerk and Mandela which give conscious revolutionaries and militant fighters ample opportunity to expose and replace this leadership.

The crises that lie ahead for Mandela and De Klerk stem from the likely prospects for South African imperialism. Any new regime that emerges from the negotiation process could be crushed between the reality of a mauled economy and resurgence of popular expectations.

There is now a huge pool of unemployed urban workers and landless labourers. An estimated 5.5 million persons, or 40% of the potential labour force, is unemployed.[23] The population is young, with 50% under the age of 19, and an increasing proportion of it is black, (81% by the year 2000) and urban.[24] There is a serious housing crisis, with seven million urban dwellers in informal housing and another twelve million people expected to swell the population of the cities by 2010. In addition there are enormous transport problems resulting from the legacy of the township system.

Most estimates conclude that to make any impact on these problems would necessitate a growth rate of around 5% per annum throughout the next ten to twenty years. But none of the strategies for economic recovery on offer predict anything approaching these levels.

The difficulties are compounded by the fact that gold no longer plays the same role in world currency markets. Gold's contribution to GDP fell from 12% in 1980 to 6% in 1990.[25] In the 1991-92 fiscal year gold contributed only 1% of the state revenues compared to 9.6% in 1982-83.[26] Some 70% of gold exports are now for the jewellery trade.

It is true that South Africa is an imperialist power and this implies that it has economic reserves available that did not exist in, for example, Zimbabwe after 1979. The great South African based concerns such as Anglo, and Barlow Rand have considerable overseas investment.

They have also developed enormously diverse interests. Anglo's single biggest sector is now financial services and around a third of earnings in this sector are from non-South African interests,[27] Anglo's associate, De Beers, controls the London-based diamond Central Selling Organisation. Gold Fields of South Africa has large UK interests.

South Africa was and is able to pursue its own interests in the surrounding region. South Africa is looking to further develop its dominant role in the continent through trade and investment, although its own promotion of devastating civil wars in southern African states—together with the recent drought—suggests that they will be little more than unrewarding semi-colonies in the short term.

Life as a minor imperialist power is tough in the late twentieth century as, for instance, the cases of Australia and Sweden show. While South Africa's ruling class is under

pressure to deliver reforms to significantly improve life for the black majority, these countries are being forced to slash social reforms. The new South Africa will disappoint millions who currently believe in it.

However, it is not enough for socialists simply to warn of the bankruptcy and disaster of the reformist strategy; they have to provide a coherent revolutionary alternative to it.

How are we to address today's struggles and link them to the socialist and revolutionary goal which thousands upon thousands of militants in the South African labour movement pledged themselves to in the 1970s and 80s?

The recent turn to brazen reformism by many ANC and COSATU leaders and the postponement not only of socialism but even of significant social reform to the indefinite future opens the road that joins revolutionaries and the rank and file fighters of the mass organisations.

Socialists must argue for a programme that includes both revolutionary democratic demands and tackles the need to rapidly raise living standards: to build millions of houses, to provide good health care, to expand education massively and to slash unemployment levels.

The only real alternative to the trap of entering a social contract is for working class organisations to fight for these measures. Socialists have to point out that the resources for these measures will require making massive inroads into the capitalists' wealth and property. Expropriation and nationalisation—far from being outmoded ideas—are vital to meet the most elementary needs of the working class.

South African workers do not need a "national plan" agreed with an employers' forum, but rather an emergency plan drawn up by organisations of the working class and rural poor and carried out at the expense of the parasites who have sucked labour dry in the fields, mines and factories for a century and a half. To those who fear the future without the market as chief regulator of economic life we say: bureaucratism, corruption, inefficiency and repression are not a concomitant of socialism. Rather, in the ex-USSR and Eastern Europe they were a product of the absence of workers' democracy in setting the goals and carrying out the plan of production. The collapse of the Stalinist regimes is not the collapse of socialist planning but of bureaucratic dictatorship.

Trotskyists predicted the inevitability of this collapse. For us workers' control, a democracy of workers' councils should not be simply a method of directing mass struggles, controlling the union leaderships or even particular factories but a means of planning the whole of the economy and society.

These aims and methods of struggle must be linked together in a programme for the South African revolution which includes an immediate fight for a revolutionary sovereign constituent assembly; the building of defence units and a workers' militia to tackle the violence of the state and its Inkatha stooges; the reviving of cross union locals and workplace-township committees.

The working class vitally needs a party which breaks from the ANC leadership and its betrayals. Such a revolutionary workers' party is crucial if all the disparate and diverse sectional struggles of the South African masses are to find the necessary level of co-ordination and inter-action that can outwit, out-plan, out-manoeuvre the security forces of the state. No one trade union—or federation of them—no one broad coalition of township groups can take the place of such a party.

On their own, mass organisations of struggle—especially ones that welcome the class enemy into their ranks—cannot work to a conscious battle plan to seize political power, the very condition of further progress in South Africa. For this task a combat party of the vanguard workers is essential. To build such a revolutionary party is the duty of all who have transcended the narrow confines of one front of struggle alone and pursue working class independence and leadership in the fight to smash apartheid. ●

NOTES

1 Whereas from 1945-74, average GDP growth rates ran at 4.9%, in the late 1970s and 80s, the economy stagnated. See Gelb, "South Africa's Economic Crisis", London 1991, p4. Furthermore, the GDP per capita fell by 1.1% in the 80s. See *The Economist* 29.2.92
2 *Guardian* 14.11.92
3 *Work in Progress* (WIP), 84.
4 P Lundell and Z Kimie, "Apprentice Training and Artisan Employment", in *South African Labor Bulletin* (SALB) 16/6 July 1992
5 L Nyembe, "A new labour dispensation in the public sector", in SALB 16/7 Sept 1992
6 It has even been able to tolerate critical voices and make self-criticisms as at its Consultative conference in December 1990 and the Congress in July 1991. But it has used these manoeuvres to win endorsement for positions which allowed the process of concessions to continue.
7 Bobby Marie of NUMSA noted recently that "There are cases where organisers discover, to their great confusion, managers who are card carrying ANC members." See "Cosatu faces crisis" in SALB 16/5 May 1992
8 The popularity of these figures—whether as exiled MK cadres such as Chris Hani or as leaders of the internal fight of the 1980s—resulted in high votes for them at the ANC 1991 Congress. Thus of the ten most popular directly elected members of the executive, half were in the SACP.
9 Naturally, this excludes the ANC transforming itself into any kind of workers' party as the Marxist Workers Tendency have argued with their slogan "Build a Mass ANC with a socialist programme".
10 Joe Slovo,*The South African Working Class and the National Democratic Revolution* , London,1988
11 Joe Slovo, *Has Socialism Failed?*, London, 1990.
12 A Callinicos, *Between Apartheid and Capitalism.*, London, 1992 p87
13 SACP Manifesto, SALB,January 16/3 1992
14 The responsibility for this lies with the petty bourgeois nationalist and Stalinist leadership of the ANC and its allies and secondly with the economist and reformist alternative leadership to them which was built in the 1980s.See *Permanent Revolution* 5,(1987).
15 See *Workers Power* (London) nos 96-99 for coverage of these developments.
16 See Dot Keet, "Shop Stewards and Workers Control" SALB 16/5 May/June 1992.
17 ibid.
18 Marie, op cit.
19 Lewis and Joffe, "A strategy for South African Manufacturing", in SALB 16/4 March/April 1992
20 Figures taken from *South Africa Year Book 1989-90*
21 *Guardian* 10.12.92
22 MK is the armed wing of the ANC
23 *Financial Times* 5.6.92.
24 "Marketing in South Africa", US Department of Commerce, September 1992
25 ibid.
26 *Financial Times* , op cit.
27 "Company Report", Extel

The 1953 split in the Fourth International

Mike Evans traces the line of centrist degeneration of the FI after the war.

Forty years ago, the Fourth International (FI) was rent by a substantial political debate over perspectives and orientation. A number of important sections (Britain, France, USA) set up the "International Committee of the Fourth International" in November 1953, in opposition to the majority "International Secretariat".

The split still reverberates today. Some of the international organisations which call themselves Trotskyist can claim to be the direct descendants of one or the other side, and virtually all of them have a clear view on the split. The split has become part of the mythology of Trotskyism, presented as a principled defense of "orthodox Trotskyism" against a political deviation led by one man ("Pablo") or as a damaging split which led to the subsequent and lasting weakness of the International.

In fact, it was neither of these things. Neither side represented the continuity of Trotsky's FI for the simple reason that the whole of the International had already adopted a series of centrist positions which distorted the Marxist analysis of Stalinism, petit bourgeois nationalism and the nature of the political period.

These positions were never at issue in 1953 or afterwards. And yet they provide us with the key to understanding the nature of the split, and the reasons for the decades-long break in revolutionary continuity which has hampered the world working class so much.

When Trotsky founded the FI in 1938 it was in the clear expectation that during the revolutionary crises which would mark the coming war, the International would be able to place itself at the head of mass struggles. Trotsky considered that if capitalism survived the war it would inevitably be massively impoverished and unstable and that the Stalinist bureaucracy would collapse because of its inability to defend the USSR politically or militarily.

This perspective contained serious weaknesses, both in its methodology and in its material basis.[1] Imperialism and Stalinism both came out of the war reinforced and strengthened, whilst the International remained weak and divided. The war years had taken their toll. Some militants left the movement, overwhelmed by the enormity of the task; many more stayed at their posts and were killed by the fascists or the Stalinists.

Even before Trotsky's death the International leadership had been severely weakened by Stalinist assassination (Rudolf Klement, Leon Sedoff) and by the split of the Shachtmanites. During the war the International leadership, transferred to the USA, had very little influence on the life of the sections, most of which were in Europe and which generally came to be dominated by young and inexperienced militants who were isolated as international communications ceased.

Apart from the grave political mistakes which this led to with regard to the war (notably in France), this situation also meant that the International had to create a new leadership. As the war came to an end, the European sections built such a leadership, centred on Michel Raptis ("Pablo") and Ernest Mandel ("Germain"), with the support of the major sections, especially the SWP(US).

The twin tasks they faced were those of restabilising the International and of elaborating an understanding of the new post-war situation, in particular the expansion of Stalinism in Eastern Europe, Yugoslavia and China.

Despite their devotion, they failed both these challenges. The political positions they developed were increasingly distant from the method adopted by Trotsky, whilst the organisational methods they adopted to enforce them opened the road to bureaucratic degeneration. They strove to preserve as much of the letter of Trotsky's old perspective as possible. But in doing so, over a period of five years they gradually altered its entire spirit.



UN APPEL des trotskistes américains contre les liquidateurs de la IV^e Internationale

N. 325 — Du 20 Novembre au 3 Décembre 1953

« PROLÉTAIRES DE TOUS LES PAYS, UNISSEZ VOUS »

20 FRANCS BI-MENSUEL

LA VÉRITÉ

ORGANE DE DÉFENSE DES TRAVAILLEURS

« PARTY COMMUNISTE-INTERNATIONALISTE »

« LE TROTSKYSME C'EST LE DÉCLIN DE LA IV^e INTERNATIONALE »

ABONNEMENTS : 1 AN : 400 FR. — 6 MOIS : 200 FR.

Le trotskisme vaincra !

Le Socialist Workers Party, le parti trotskyste des Etats-Unis, qui célèbre actuellement l'anniversaire de ses vingt-cinq années de lutte révolutionnaire contre la bourgeoisie la plus puissante du monde, vient de condamner avec éclat la trahison des usurpateurs qui occupent actuellement les fonctions de secrétaires de la IV^e Internationale.

Pendant trois années, notre parti fut pratiquement seul à combattre la trahison prostalinienne de Pablo, secrétaire international, et de ses acolytes, Healy, Lambert, Bleibtreu, Hansen, Stein, Germain, Frankel, Favre, Maitan, Lesoil, Bleibtreu, notre parti a encaissé de rudes coups ; jamais il n'a désespéré de l'Internationale ; jamais il ne s'est laissé détourner du programme de Marx, d'Engels, de Lénine et de Trotsky.

C'est donc avec joie et fierté que « LA VÉRITÉ » salue le pas décisif accompli par le glorieux Socialist Workers Party sous la direction de James P. Cannon. Sa prise de position sans équivoque, son autorité éminente auprès des trotskystes du monde entier assure la proche victoire, contre la révision prostalinienne petite-bourgeoise de l'enseignement impérissable de Léon Trotsky.

FAVRE-BLEIBTREU.

Page Two THE MILITANT Monday, November 16, 1953

A Letter to Trotskyists Throughout the World

From the 25th Anniversary Plenum of the National Committee of the Socialist Workers Party

Founder of 4th International

LEON TROTSKY

The French General Strike

The Program of Trotskyism

In 1948, ten years after its foundation, the FI held its Second Congress. The documents insisted that the 1938 perspectives upon which the International was founded retained their validity and that the international collapse of capitalism was imminent.

The opposite was in fact the case. The Congress further argued that no abolition of capitalism had taken place in Eastern Europe and that none could take place unless these states were "structurally assimilated" (that is, absorbed) into the USSR, as had happened to Poland in 1939.

Although this analysis was fundamentally mistaken it enabled the FI to remain in favour of building independent revolutionary parties and of regarding Stalinism as a counter-revolutionary force. However, as the FI leadership's world view became increasingly at variance with reality, so their "orthodoxy" became ever more fragile.

All that was needed to dislodge the FI from the correct programmatic positions it held until 1948 was a sharp twist in world events.

That twist came almost immediately after the Congress. In the summer of 1948 the Tito-Stalin split was made public. The Yugoslavian Communist Party (YCP) was expelled from the Cominform and was denounced as "Trotskyist" and "fascist". Because, as the Second Congress had argued, Stalinist parties were defined as being entirely subordinate to "the diplomatic manoeuvres of the Soviet bureaucracy" in breaking with the Kremlin the YCP had *de facto* broken with Stalinism. The "crisis of Stalinism" predicted since 1938 was allegedly coming to fruition.

In fact the FI's position ignored Trotsky's 1927 prediction that, on the basis of "socialism in one country", the Comintern would "split along national lines". Stalin and Tito had no strategic political differences: both were concerned to maintain their own bureaucratic dictatorships.

But for Stalin, the very existence of a Yugoslavian degenerate workers' state imperiled his plans for "peaceful coexistence" with imperialism: hence the Kremlin's hostility to the YCP.[2]

All this was lost on the FI, which immediately made a "turn" towards the YCP. An Open Letter from the International Secretariat (IS) requesting attendance rights at the YCP Congress of July 1948 declared:

"We understand exactly the tremendous responsibility weighing upon you, and . . . we consider it our communist duty to assist you in resolving the present crisis in communism along proletarian and Leninist lines." [3]

The split prompted the IS to re-examine the case of Yugoslavia and to effectively rewrite the Congress positions which had been so recently adopted. Pablo now analysed the Yugoslav partisan war (1942-1945) as a "proletarian revolution"; by 1951 this position was accepted by the whole of the FI leadership.

The IS further argued that from the beginning the state established by this "revolution" was a workers' state. Moreover this state was held to be suffering only from bureaucratic deformations. This was no randomly chosen term. It was taken from Lenin's last writings on Russia and clearly identified Tito's Yugoslavia with the relatively healthy USSR rather than with the *degenerate* workers' state of Stalin.

The fact that there had never been any workers' and peasants' councils was of minor importance. For the FI the key question was that the YCP had "broken with Stalinism".

In this Alice in Wonderland world Tito's parasitic bureaucracy was not a counter-revolutionary factor but a centrist force which had "made a revolution" and which needed the FI's comradely advice—not its intransigent revolutionary opposition—in order to complete its democratisation by reform. As was later to happen with Cuba and Nicaragua, members of the FI participated in work brigades and delegations to "revolutionary Yugoslavia". The very idea of political revolution or of the need for a revolutionary party in Yugoslavia was never mentioned.



Supplément du 3 Juillet 1948

PROLÉTAIRES DE TOUS LES PAYS, UNISSEZ-VOUS !

LA VÉRITÉ

PARTI COMMUNISTE INTERNATIONALISTE (Section Française de la IVe Internationale)

Où va la Yougoslavie ?

ACCUSATIONS ET PROCÈDES D'UKOMINFORM

GRAND MEETING

le 8 Juillet à 20 h. 30

SALLE WAGRAM 39, av. Wagram (Métro Ternes)

TITO EST-IL TROTSKYSTE ?

This centrist capitulation by the International leadership—enthusiastically taken up by the sections—together with the oft-repeated 1938 perspectives which took on an increasingly catastrophist colouring, were to be the undoing of the FI. Over the next years they undermined and revised the key positions of the Trotskyist movement: on the counter-revolutionary nature of Stalinism, on the necessity of a revolutionary party in a revolutionary crisis, the nature of the permanent revolution in the colonial and semi-colonial countries and on the tactic of entryism.

In 1948-51, the IS, now expanded to include representatives of the SWP(US) and the French PCI, deepened their centrist errors. At the heart of their proclaimed "new Trotskyism" was a fundamental break with the Marxist method.

Using the Yugoslavian events as their guide, the leadership argued that economic and political crises spontaneously produced mass struggles which would inevitably push the leaderships to the left. The "World Revolution" appeared repeatedly in different forms, manifesting itself here as the establishment of a Stalinist dictatorship, there as an "anti-imperialist" bourgeois nationalist regime, elsewhere as the election of a left social democratic government. Spontaneous mass pressure could thus convert the most unpromising parties and leaderships into agents of the proletarian revolution.

This led inescapably to the diminution of the role of conscious revolutionary leadership—of the FI itself. Instead of its absence or presence being the decisive factor at the turning point of each revolutionary crisis, instead of the party armed with the programme of transitional demands being the essential instrument of proletarian revolution, the "process" could continue for a whole phase under its existing leaderships.

Worse still, if these existing leaderships seemed timid or reticent they could best be encouraged by abandoning revolutionary criticism and encouraging them to be more resolute. This in turn necessitated revolutionaries abandoning the old "sectarian" method of counterposing themselves to these leaderships and their mass movements.

An essential component of this analysis was a revision of the Trotskyist understanding of Stalinism, that it is invariably a counter-revolutionary force. Even where Stalinists, against their will, have found themselves obliged to overthrow the bourgeoisie and transform property relations they have inevitably done so in a counter-revolutionary fashion, preventing the working class from taking political power, and indeed crushing its independent organisations.

In the political report to the Third Congress (1951) Pablo stated that,

"the CPs are not exactly reformist parties and that under exceptional conditions *they possess the possibility of projecting a revolutionary orientation,* i.e. of seeing themselves obliged to undertake a struggle for power."[4]

This characterisation, which was a complete revision of Trotsky's characterisation of the Stalinist parties as counter-revolutionary, was intended to determine a new tactical orientation to the Stalinist parties:

". . . subordinating all organisational considerations of independence or otherwise, to real integration into the mass movement wherever it best expresses itself in each country."[5]

This "real integration" was generally to take the form of "entrism". In the 1930s Trotsky had argued for revolutionaries to enter leftward-moving reformist parties to win over centrist workers.

This tactic involved fighting openly for a revolutionary programme, was necessarily of limited duration and was entirely linked with the creation of an independent Leninist combat party. The version put forward by Pablo was very different: he himself termed it "entrism *sui generis*"—of a special kind.

The new tactic required revolutionaries to hide their programme and principles and to imitate the politics of the left wing of the "mass movement". The secret Trotskyist nucleus would eventually emerge when the historical evolution had made the time ripe for its *conscious* expression of what the mass party was doing or had already done *unconsciously* or objectively.

Intimately connected with this adaptation in the field of party building was an analysis of the world situation which argued that such was the imminence of the revolution that there was no time to build independent organisations.

In a grotesque "improvement" of Lenin's theory of imperialism as the epoch of wars and revolutions, Pablo put forward a position that was ridiculous both as an immediate perspective and as a description of a defining feature of the epoch:

"It is the conception of *Revolution-War,* of *War-Revolution* which is emerging and upon which *the perspectives and orientation of revolutionary Marxists in our epoch should rest.*"[6]

The Third Congress took this a step further, arguing that the "dominant general tendency" on a world scale would be "an international civil war".[7]

These positions were a direct consequence of the International's failure to reconsider the 1938 perspectives. Rather than seeking to re-elaborate the revolutionary programme in the light of changed events, the FI merely repeated the old "orthodoxy". The results were ludicrous, and yet *not one voice* was raised in opposition to them.

Two of the main tendencies which were to form the International Committee (IC)—the SWP(US) and the French majority—both made minor criticisms, but they accepted the fundamental basis of the IS analysis of the nature of Stalinism and of the YCP.

Thus despite wishing to reorient the perspectives towards developments in the major imperialist countries, the SWP(US) agreed entirely with the imminence of a global war and argued with regard to the CPs that:

"If such parties go along with the masses and begin to follow a revolutionary road this will inescapably lead to their break with the Kremlin and to their independent political evolution. Such parties can then no longer be considered as Stalinist, but will rather tend to be centrist in character, as has been the case with the Yugoslav CP." [8]

Bleibtreu, the leader of the French PCI, correctly argued against Pablo's division of the world into two "camps" (capitalism and Stalinism) but repeated the Second Congress "orthodoxy" that Stalinism was not a political programme (indeed that there was no such thing!), "but only . . . its leadership's subordination to orders from the Kremlin bureaucracy".[9] This led him to argue that Mao's Chinese revolution was the "negation" of Stalinism[10] and to attack the Chinese Trotskyists for not entering the Chinese CP!

The PCI leadership capitulated to what were in reality completely Stalinist parties and then—to reconcile this with an "orthodox" hostility to the Kremlin and its French stooges—insisted that the Yugoslav CP (YCP) and the Chinese CP were not Stalinist parties at all.

In explaining at the Congress why the French majority would vote against the perspectives document, Bleibtreu argued that the Chinese CP had become a "centrist party" and claimed that world war was only temporarily prevented "by the dynamic of the revolutionary movement". This was hardly a break with Pablo's method! It was further illustrated by his insistence that the war would be: ". . . a class war. From this point of view, we should reject any formula about the 'transformation of the world war into a civil war', because it would be by definition a civil war." [11]

Bolivia 1952: An acid test of the FI's centrism

Prior to and during the 1952 Bolivian revolution, the FI section, the POR, led by Guillermo Lora, had a substantial influence on the masses. Its disastrous strategy and tactics in the revolution had their own domestic roots, but they were encouraged and approved by the FI leadership.

The 9 April revolution was a mass uprising of the miners and factory workers, led in many cases by POR cadres. It brought to power the MNR, led by Victor Paz Estensorro.

His capitalist government presided over a situation of dual power, where armed workers' militias confronted a very weak police force, the army having disintegrated.

Victor Paz had to rely on the conciliatory bureaucracy of the miners' union to retain power. The question of working class power was thus directly posed.

A determined independent revolutionary policy could have won the masses to the Trotskyists and away from the MNR, in whom they certainly had illusions.

The central task was to turn the vanguard and then the masses against the bourgeois government and to fight to turn the COB (the Bolivian union confederation) into a network of workers' and peasants' soviets. With its armed militias the COB was an organ of dual power but not a developed network of workers' councils with elected and recallable delegates. Throughout the revolutionary period it remained in the hands of Juan Lechin, leader of the MNR's left wing.

The POR remained in a rotten block with Lechin and occupied key posts on the COB's national leadership and indeed in its bureaucracy, carrying out a completely different line to that of the Bolsheviks in 1917. The POR called for "worker ministers" in the capitalist government and even accepted minor ministerial portfolios!

The POR could not call for a workers' and peasants' government based on soviets and a militia, nor demand that the COB leaders break with the MNR government and take the road of struggle against it. How could they when they themselves were sitting in a bourgeois ministry?

As a centrist cover for their capitulation the POR called for a workers' and peasants' government but only as a future "natural emanation" of the left wing of the MNR and the workers' organisations. This would follow on from the present "prelude" (in other words, stage) of an MNR government.

The FI wholeheartedly supported the POR's centrism. The IS and the IEC praised their work. None of the sections voiced the slightest criticism. The SWP published regular articles explaining the POR's actions and refused to give any hearing to the small Vern-Ryan oppositional grouping which began to criticise the POR's policy.

The POR's Menshevism coincided entirely with the FI's view that Stalinists, social democrats or bourgeois nationalists could be "pushed" down the road to revolution. Whilst in most cases this centrist recipe did not leave the printed page, in Bolivia it was actually put into practice. The Bolivian masses, led down a centrist impasse, are still paying the price. ●

On none of the key questions was the voice of revolutionary Marxism heard. The Congress adopted a resolution on Yugoslavia which summed up the positions held by the IS and the IEC from mid-1948 onwards. None of the sections opposed the IS's adaptation; only the Swiss delegate voted against, because he considered that Yugoslavia, like the USSR, was state capitalist.[12]

From this point onward, the FI employed a consistently centrist method. All its sections agreed with a false analysis and perspective, and with the programmatic conclusions which flowed from that. The criticisms which were raised were partial and did not break with the common method. The failure of the whole of the International to deal with the real political and programmatic challenges of the post-war world had borne bitter fruit. The revolutionary FI had been destroyed by its own members.

The thorough-going opportunism towards the Stalinist parties which "made revolutions" and towards "anti-imperialist" bourgeois nationalism, propelled the FI rapidly along a right centrist course. In 1951 Pablo characterised the Peronist movement in Argentina as "anti-capitalist". Following hard on the heels of Bleibtreu, the IS soon claimed that the Chinese CP, like the YCP, had become a revolutionary factor. In Britain, the left reformist Aneurin Bevan became a "left centrist".

1952 was to prove a watershed as in both theory and practice, the International was proving its centrism in Bolivia [see box] and in France. France was the key testing-ground for the new regime and political line confirmed at the Congress because the issues were more sharply posed in the Stalinist-dominated French labour movement and because the IS was located in Paris.

In the months after the Congress, the leadership of the French section expressed its willingness to apply the Congress decisions, unanimously adopting a perspective which argued for a priority orientation to the French CP (PCF). However differences soon arose with the IS over trade union work.

Most of the PCI's trade unionists had been expelled from the Stalinist-led CGT union federation (many of them, like Pierre Lambert, for having applied the FI's line on Yugoslavia) and had joined the right wing split from the CGT, Force Ouvriere and publishing *l'Unité,* a joint bulletin with other forces. Unable to come to an agreement over tactical differences, the PCI leadership asked the IS to adjudicate.

They did not like the answer they got: the IS argued that the PCI's anti-communist bedfellows around *l'Unité* were preventing them from orienting correctly to the CGT's recent "left" turn and that the PCI members should fight to support the action proposals of the CGT leadership.

However, whilst many of the IS's criticisms were correct, in an accompanying letter they made clear what would happen if the PCI refused to apply the line. Under these circumstances, "the IS would raise with the IEC the question of a definitive decision on the leadership of the French section".[13] By their heavy-handed impatience, the IS managed to consolidate the PCI leadership. Bleibtreu's differences were re-raised whilst Lambert, who had previously played no part in the differences with Pablo but who led the trade union work, was thus pushed into an oppositional stance.

At the beginning of January 1952 the IS went further, instructing the PCI to carry out entry work in the PCF, whose internal regime was probably the hardest Stalinist tyranny outside a degenerate workers' state. Again, bureaucratism replaced politics as a way of convincing the majority of the organisation. Thus the IS insisted that only they could interpret the Third Congress line and that discussion within the PCI could only take place around how to apply the line, not as to its correctness. Furthermore, only the IEC was allowed to criticise the IS![14]

In February 1952 the IEC supported the IS's disciplinary actions against the PCI majority, called for a PCI conference and installed a new leadership, with Mandel having the decisive vote. Over the next few months the PCI majority campaigned against both the content of the IS's proposals and the bureaucratic manner in which they were being imposed on the section. Their pleas fell on deaf ears.

In June 1952, when the majority of the PCI rejected the IS position, the Pablo-Mandel-Frank minority acted quickly; the PCI's centre was rifled and all the equipment removed, whilst the IEC decided to expel those who voted against the IS line.

There was little response inside the International. When the French majority explained Pablo's manoeuvres to Cannon in February 1952, he replied icily:

"I think that the Third World Congress made a correct analysis of the new post-war reality in the world and the unforeseen turns this reality has taken . . . It is the unanimous opinion of the leading people that the authors of these documents have rendered a great service to the movement for which they deserve appreciation and comradely support, not distrust and denigration." [15]

Moreover, Cannon was not inclined to dispute the political questions, given his firm adherence to a "non-aggression pact" inside the International.

As to Healy, as a member of the IEC he had actually voted for the expulsion of the French majority! Politically he and John Lawrence had actually pioneered the "new" type of entrism in the Labour Party from 1947 onwards.[16] Their strategy was based on a perspective of an economic crisis which would push the left reformist movement led by Bevan into centrism.

Despite the absence of a massive crisis, by 1950 both Healy and Pablo agreed that the Bevanites were centrists. Under Bevanite leadership a mass movement had to be encouraged into eventually forcing the removal of the right reformist leaders. The task of Trotskyists was to fuse with this Bevanite left and assist in its development. To do this required the quiet shelving of the full programme of transitional demands or any mention of the need for a Leninist party. It meant abandoning any public organ for revolutionary propaganda.

This policy was put into practice by Healy before and after the collapse of the British Revolutionary Communist Party in 1949. The British section was turned into a highly secret faction—"The Club". The broader, public grouping

within the Labour Party known as the Socialist Fellowship included Labour MPs and union bureaucrats, gathered around the newspaper *Socialist Outlook*.

This organisation declared its strategic loyalty to the Labour Party with a sickening "improvement" on the famous quotation from the Communist Manifesto that they "had no interests apart from or separate to the *Labour Party*". Pablo warmly approved of this tactic and explicitly referred to it when advocating his generalisation of "entryism *sui generis*."

Given this profound political agreement between the IS and the British and American sections, how did the split come about? Quite simply because Pablo and the IS turned their attention to these sections, and set to work to orient them towards the Stalinist movements in their respective countries.

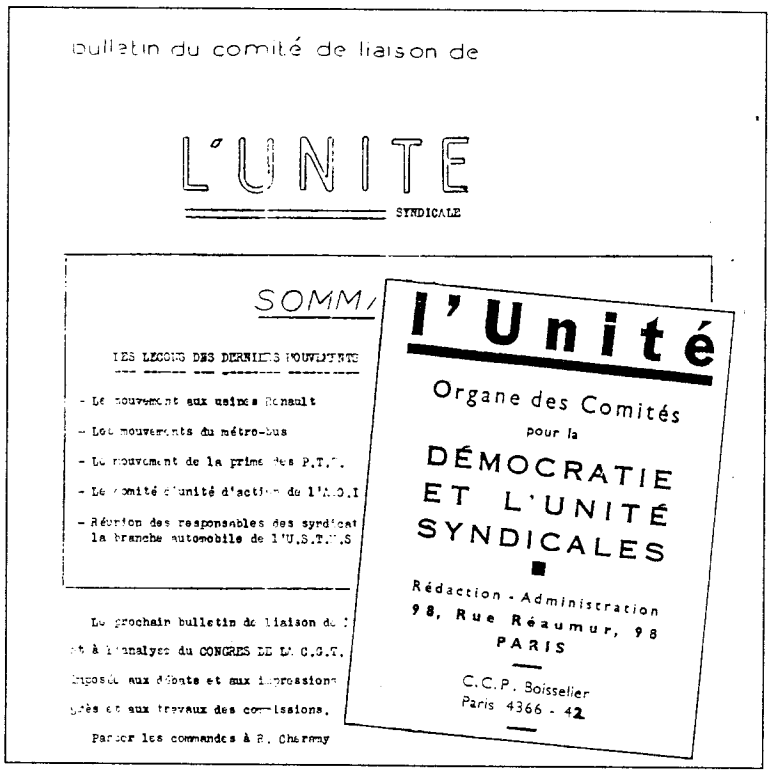
In fact, the split, announced in 1953, was not the work of the IC. It was declared by the SWP with its publication of "A Letter to Trotskyists Around the World", on the 25th anniversary of the foundation of the SWP. And whatever the mythology that has sprung up around it, the true motivation of the split was clearly a response to the IS's "interference" in the internal life of the American section through the encouragement of the Cochran-Clarke faction which wanted a preferential orientation to the American Stalinists.

Since Trotsky's death the SWP would neither take its share of responsibility for leading the FI, nor submit to the leadership or discipline of those who did. Prior to the emergence of the Cochran-Clarke faction in the SWP Cannon had believed that his long term support for Pablo ensured the SWP would never be subjected to IS intervention. That intervention had been alright for the RCP in Britain or the PCI in France. In these cases Cannon had agreed to majority leaderships being deposed or expelled. But this was not how the veterans of the SWP expected to be treated.

Cannon regarded the Cochran-Clarke faction as being directed from Paris and aimed at imposing a Pablo-loyal leadership on the SWP. Possibly, Pablo intended to make the SWP carry out entry into the beleaguered American CP. The SWP had always been somewhat Stalinophobic and preferred to orient to AFL-CIO trade unionists whose political sympathies were with the left wing of the Democratic Party. To identify any more closely with the CP at the height of the McCarthy witch-hunt would alienate their shrinking base of support in these unions.

As was his habit, Cannon criticised the faction and their degeneration from a largely sociological standpoint: the Clarke group were petit bourgeois intellectuals; the Cochran group were older and tired trade unionists in retreat because of the Cold War offensive. They were united only in seeking to liquidate the party.

All of these features were true and Cannon was right to point them out. But he was wrong to conclude that "liquidationism" in the organisational sense—especially the liquidation of the FI as an international organisation—was the key problem or the essence of "Pabloism". It meant that he failed to go to the heart of the methodological and programmatic errors of the IS and the Cochran-Clarke faction.


bulletin du comité de liaison de

L'UNITE

SYNDICALE

SOMMA

LES LEÇONS DES DERNIERS MOUVEMENTS

- Le mouvement aux usines Renault
- Les mouvements du métro-bus
- Le mouvement de la prime des P.T.T.
- Le comité d'unité d'action de l'U.G.I
- Réunion des responsables des syndicat la branche automobile de l'U.S.T.M.S

Le prochain bulletin de liaison de
et à l'analyse du CONGRES DE L'U.G.T.
consacré aux débats et aux impressions
vécus et aux travaux des commissions.

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When it became clear within a year or two of the split that Pablo had not liquidated—that is, organisationally dissolved—the FI, the road back to the Pablo-led IS was again open.

Much the same process took place in Britain. By 1953 John Lawrence, supported by the majority of the IS, was pushing for a pro-Stalinist orientation. Healy's long term orientation to the anti-communist Bevanites conflicted with this turn. In September 1953 the IS put Healy under a non-existent "IS discipline", forbidding him from opposing its line within the British section, whilst at the same time freeing the Lawrence minority from section discipline, enabling them to pursue the pro-Stalinist orientation.

Healy responded by agreeing to set up factional co-ordinating committee with the French and the Swiss, to prepare for the upcoming Fourth Congress (1954). Like Cannon, Healy had the cheek to accuse the IS of "liquidationism"! The SWP replied by announcing that they were going to publish an open letter and arguing that Healy should transform his committee into the new centre of the FI![17]

With the World Congress a few months away, the SWP were effectively running away from the fight. They explicitly ruled out the idea of a fight at the Congress, preferring to set up a new International.

The "Open Letter" contains some correct criticisms of the IS leadership but it was unable to break with the political method which lay at the heart of the centrism of the whole of the International (including of the sections of the IC) nor to provide a clear explanation of its political degeneration. It also displayed a characteristic Stalinophobia and exaggerated the scale of the IS's betrayals, especially in its treatment of the French trade union question.

The opposition in America, Britain and France that emerged in 1952-53 was subjectively committed to opposing Pablo. However, they have to be judged not by

their impulse but by their politics. Their "orthodoxy" was both sterile and based on the commonly agreed post-war centrist revision of Trotskyism.

The IC groupings had no distinct and thorough-going political alternative to Pablo-Mandel and, therefore, they remained immobilised in a position where polemical heat was a poor substitute for political light. Of course, the IC was able on occasion to make isolated valid criticisms of the IS—e.g. on East Germany 1953, or on the limits of Kruschev's "de-Stalinisation". However, such criticisms virtually never went beyond a sterile defence of "orthodoxy".

Their strongest point was their defence of the independent party organisation against the "permeation" of alien class tendencies. But in reality their much vaunted "orthodoxy" was a melange of economic catastrophism, Stalinophobia and an associated adaptation to social democracy—a mixture that Cannon, Bleibtreu-Lambert and Healy had long been practicing.

The IC refused to take the the fight to the forthcoming World Congress due to be held in 1954. Neither did they proclaim themselves the legitimate leadership of the FI and summon a world congress to restore the revolutionary programme and the democratic centralism of the FI. They acted like factionalists with a guilty conscience, uncertain whether to make a definitive split on principle or to accept the decisions of the International congress and the leading bodies it elected.

The IC also embodied the national isolationism of its three largest components, each of which only opposed Pablo's bureaucratically centralised drive to implement the perspectives of the 1951 Congress when it affected them. In the IC itself they rejected democratic centralism outright.

Moreover, by not going beyond the framework of a public faction, they refused to wage an intransigent fight against Pablo-Mandel. Thus, having denounced "Pabloite revisionism" in terms which seemed to preclude any reconciliation, within a year or two unity overtures were being made. By 1963, ten years after the split, reunification took place on the basis of a common adaptation to the Cuban revolution. Only the Healyites and the Lambertists refused to join the USFI, for different sectarian factional reasons.

We cannot view either component of the 1953 split as the "continuators" of Trotskyism. Both were centrist. The IC did not constitute a "left centrist" alternative to the IS. The IC, itself developing in a rightward direction (e.g. Healy's work in the Labour Party), was distinguished from the IS by the *pace* of its development. It recoiled from the most blatant expressions of liquidationism issuing from the IS, but not from the right centrist documents that underpinned that liquidationism.

The split of 1953 was thus both too late and too early. Politically it was too late because all the IC groups had already endorsed and re-endorsed the liquidation of the line in the period 1948-51.

The key political issues were thus obscured. It was too early in the sense that it came before any fight within the framework of the centrist FI to win a majority at the following congress. Indeed, the decision to move straight to a split aborted such a fight.

The lessons of the split and of the decades of political and organisational confusion which followed are clear. The inability to re-elaborate the political programme and perspectives of the International led to confusion, opportunism and isolation.

The political collapse of the International was masterminded by the whole of the FI's leadership; the subsequent inability of the FI and its fragments to understand the true dynamics of Stalinism and petit bourgeois nationalism, or to intersect with major sections of the working class or revolutionary youth in struggle were not due to "Pabloite revisionism" or to the split in 1953, but because of the centrist method adopted by the International in the post-war period.

The struggle for revolutionary programme is of greater importance than loyalty or sentimental attachment to any organisation or individual.

The Fourth International tragically proved itself to be unable to meet the tasks of the hour. Our challenge today is to overcome the revolutionary vacuum created by the centrist degeneration of the Fourth International and to complete the work begun so long ago for a new revolutionary International. ●

NOTES

1 See "Revolutionary Theory and Imperialism", *Permanent Revolution 8*, Spring 1989
2 For more details of our analysis of the Yugoslavian revolution see *The Degenerated Revolution*, Workers Power and Irish Workers Group (London 1982)
3 *Fourth International*, August 1948, p181
4 *Fourth International*, November-December 1951
5 ibid.
6 "Where are we going?", *International Secretariat Documents 1951-1954* (New York 1974) Vol 1 p7 (original emphasis)
7 "Theses on Orientation and Perspectives", ibid, p25
8 "Contribution to the Discussion on International Perspectives" (SWP-US), June 1951. In *International Committee Documents 1951-1954*, Vol 1, p5
9 "Where is comrade Pablo going?", Bleibtreu-Favre, June 1951. ibid., p12
10 ibid., p16
11 *Les Congrès de la Quatrième Internationale*, Vol 4, pp297-9
12 *International Information Bulletin*, December 1951
13 *Les Congrès de la Quatrième Internationale*, Vol 4, p390
14 Ibid, p406
15 *nternational Committee Documents 1951-1954*, Vol 1, pp23-24
16 For a fuller account see *Workers Power* 39 and 40, February and March1983
17 For more details, see "The SWP (US) in the 'American Century'", *Permanent Revolution* 7, Spring 1988
18 *International Committee Documents 1951-1954*, Vol 2 p124

Abortion under capitalism

Christina Duval examines why women are not allowed to control their own fertility.

In recent years women around the world have faced major attacks on their ability to control if and when to have children. In Poland, Mexico, Romania, Ireland, Germany, the USA, Britain, Spain and many other countries there have been attempts to limit women's access to safe, legal abortions.

Such attacks have serious consequences for women since abortions will continue to take place, but where it is illegal women face greater complications of incomplete abortion, infection, haemorrhage, subsequent infertility or even death.

Women will get abortions whether or not they are legal. Countries where it is illegal often have a high rate of abortion, whereas the Netherlands, which has relatively liberal abortion laws, has one of the lowest abortion rates in the world.

In Romania, abortion was completely outlawed in 1966. In the next two decades the maternal mortality rate almost doubled (from 86 to 150 maternal deaths per 100,000 births), with 86% of these due to abortion. In 1988 there were 505 recorded abortion-related deaths in Romania.

In Ireland despite abortion being completely outlawed through a constitutional amendment in 1983, 5,000 women travel to Britain each year for abortions.

Why then, given that so many women are having abortions, are states continuing to restrict or further criminalise abortion?

Abortion is not a new phenomenon. For centuries women have found ways of inducing abortion either through surgical procedures or by taking drugs (abortifacients). Regulation of abortion developed in Western Europe in the early nineteenth century as the state designed policies that shaped family, health and sexual behaviour.

Abortion became a statutory offence in Britain in 1803, with subsequent tightening of the law between 1828 to 1861. This was largely aimed at working class women who were having abortions and other forms of birth control to reduce their family size and thereby improve living conditions. The state's opposition to this was accompanied by propaganda stressing the virtues of motherhood.

Similar developments in other countries, and the expansion of colonial and imperialist interests, led to the criminalisation of abortion in most countries and cultures. This didn't halt abortions, however. In 1914, over a hundred years after abortion was made criminal in Britain, doctors estimated that 100,000 women were taking abortifacient drugs each year.

Russia was the first country to de-criminalise abortion—in the aftermath of the Bolshevik Revolution—but this advance was later reversed with Stalin's counter-revolution. Elsewhere the situation has changed during the twentieth century, and since the Second World War laws have been altered in many countries to allow limited access to abortion. However, this access has generally been restricted through time limits and the need to obtain approval from one or more doctors, or even the woman's husband or father.

Liberalisation of abortion laws in many imperialist countries (e.g. France, the USA, Britain) took place in the late 1960s and early 1970s. Industrial expansion had drawn in millions of women workers in the previous decades. Educational opportunities for women multiplied, and there were major improvements in contraceptive techniques.

This led to demands from women for more control over their fertility, including improved access to abortion. In addition, it made sense for bourgeois governments to regulate the illegal abortion trade, as this was leading to considerable suffering and deaths of women that alienated middle class and bourgeois support.

But the capitalists still refused to make abortion fully legal and controlled by women, and now we find that even these gains are constantly threatened by the re-criminalisation of abortion.

The consistent refusal to grant full abortion rights is rooted in the position of women in class society. Because

Abortion: the facts

- **150,000 abortions take place every day, leading to a total of 40-50 million each year.**
- **At least one third of these are in unsafe conditions of legal and social repression.**
- **500 women die every day as a result of complications from abortions.**
- **25% of the world's population live in 52 countries where abortion is completely illegal except where the life of the woman is in danger.**
- **A further 12 % live in 42 countries where abortion is only allowed on strict medical grounds.**

of their role in reproduction women have historically been the primary childcarers and, particularly under capitalism, the providers of free childcare and other domestic labour in the home.

Under capitalism the family plays a crucial role in reproducing the next generation of workers, and women are fundamental to this task, both through their reproductive capacity and though the domestic labour they provide at little cost to the capitalist state.

This role of women is partially undermined by the increasing participation of women in the workforce outside of the home. But since capitalism can't afford to let women stop providing this domestic labour and childcare, there is a constant pressure for women to accept their "natural" role as mothers and carers. If women gained complete control over their fertility, then this role—so crucial to capitalism—would be undermined and women would no longer be compelled to see themselves primarily as childbearers.

For women to continue to accept this role when society and science is continually offering women other options, the state has to maintain a constant ideological offensive to reinforce the idea that the primary place for woman is in the home. This is why genuine free abortion and contraception on demand do not exist in any country: it is an important way of ensuring that the link between women and the family is maintained.

This ideological offensive against women's control over their fertility explains why full abortion rights were not granted even in a period of booming capitalism. But how can we explain the recent intensification of legal, ideological and physical attacks against abortion around the world?

Is there a global campaign against abortion rights? Is the economic crisis obliging the state to try and push women back into the home in order to reduce the size of the workforce? As we shall see, things are not so simple.

It is clear that there have been—and there continue to be—a series of attacks in many different countries against abortion rights, and that these relate to the changing period of capitalism with economic crises and increasing unemployment. Some of the attacks on abortion, notably those by various far-right groups, are indeed co-ordinated on an international scale.

But these attacks on abortion are not an attempt to reverse the changes in the workforce that have taken place over the past thirty years. They do not simply represent a "women out first" policy, to drive women out of the workforce by making them have more children. They reflect the real contradiction that exists within capitalism. There has been a massive increase in the use of highly exploited cheap labour, mainly women and often with part-time jobs, in capitalism's drive to increase its mass of profits.

But capitalism also has to ensure that women meet their obligations at home. In the post war boom the expansion of health and social services in the imperialist countries freed women from some of their domestic responsibilities. Now the bosses are cutting back on these services and expecting women to take up the slack. Restrictions on women's control over their fertility help to maintain this position within the workforce, with employers denying women full pay and protection on the basis that they move in and out of work. In addition it helps to strengthen the idea that the role of mother and carer is the central, although not the only, one for women.

Restrictive laws on abortion have far greater effects on working class and poor women than on the middle classes, and even where abortion is permitted by law poor women often do not have the money to obtain safe abortions.

Women with money and contacts in the medical profession can always get relatively safe abortions, but millions of other women have no choice but to try cheap, unsafe and often illegal methods. In many countries although abortion is allowed, up to a certain time limit for example, the state will not provide facilities, and it is excluded from usual medical insurance schemes.

In the USA although abortion was legalised in 1973, there have been repeated restrictions on the access to abortions for working class women. The absence of a state health care system means that poor women find it more difficult to gain access to any care, including contraception, counselling and abortion. In 1976 state health insurance (Medicaid) was removed for abortion except for cases of rape and incest, and in 1981 this was removed completely.

In 1989 the Webster Amendment totally prohibited abortions in public hospitals, and according to the American Civil Liberties Union over 20% of women who want abortions can't get them. At the moment new restrictions are being put in place state by state, once again discriminating against those women without the resources to travel and obtain abortions in more liberal states.

Despite Clinton's recent decision to allow public hospitals to carry out abortions, they will still not be supported by Medicaid and the new President's declared intention is that there should be as few abortions as possible.

Restrictions on abortion and contraception often reflect the influence of the Catholic Church [see box]. In Ireland the church retains a significant influence in government and has ensured that liberalisation on abortion, contraception, divorce and homosexuality has been resisted. In other semi-colonies the church has opposed liberalisation of abortion laws and even obstructed campaigns against AIDS through opposition to the use of condoms.

But in some semi-colonies the strength of the Catholic Church has posed a different problem as it has formed a

The Catholic church and abortion

The Catholic Church retains its grip on the everyday lives of hundreds of millions of women around the world. The total opposition of this church to abortion and contraception means that where it has significant influence in government and state extremely reactionary policies can be adopted.

While the arguments of the church help bolster the ideas about women's primary role as mothers and their responsibilities in the home, the church can also be obstructive to the liberalisation of abortion laws when this makes sense for the bosses.

IRELAND: In February 1992 the Irish state outlawed a 14-year old rape victim's decision to travel to Britain for an abortion. Focused on one young woman—raped, pregnant and suicidal—the abortion issue was set free from the hypocritical moral strait-jacket that it had been kept in by the church.

Public indignation exploded; thousands marched in the biggest mobilisation on women's issues for more than a decade. For nine months debate raged, leading finally to a referendum in November.

This incident presented an opportunity to challenge Ireland's horrendous record on abortion rights. In 1983 the Eighth Amendment was added to the constitution guaranteeing an "equal" right of life to mother and foetus.

In practice the "rights of the unborn" took precedence over those of the woman.

"Pro-life" reactionaries led the attack: abortion information and non-directive pregnancy counselling were banned, clinics were closed down and students who defied the ban on information were hounded through the courts, whilst women's magazines containing abortion helpline numbers were censored.

The anti-women wrath of the reactionaries is not limited to abortion itself: pregnant women with breast or brain tumours are frequently denied radio- or chemotherapy in order not to put the foetus in danger. In miscarriage, treatment to stop the woman suffering pain and bleeding can be withheld for hours in order that foetal death can be definitely proved, even though it has no chance of survival. Sex education and contraceptive provision are severely restricted.

Official statistics show that 5,000 Irish women travel to Britain each year for an abortion. For the most part they do so under intolerable conditions: unable to obtain adequate information, making excuses to explain their absence and desperately finding the money for the journey. This burden of secrecy, ignorance and fear bears down on them at a time when they already have to cope with the guilt inflicted on them by the Church.

Following the outcry over the 14-year old rape victim, the ban on her travelling to England was lifted by the Supreme Court and abortion became legal where there "is a real and substantial threat to the life of the mother".

In the November referendum around 60% voted to give women the right to travel abroad for abortion and to allow information on abortion.

On the other hand 65% voted to grant the right to abortion where there might be a risk of suicide and to allow threats to "health" as distinct from "life" to be grounds for abortion.

The results represented a limited victory for women. However, both the Eighth Amendment and the 1861 Offences Against the Person Act (which criminalises abortion) remain in force.

As well as fighting for freedom of travel and unrestricted access to information, pro-choice activists must demand the repeal of Sections 58 and 59 of the 1861 Act as well as the repeal of the Eighth Amendment.

IN POLAND the role the church played in nurturing and protecting the opposition movements to Stalinism has bequeathed it considerable influence today over government policies.

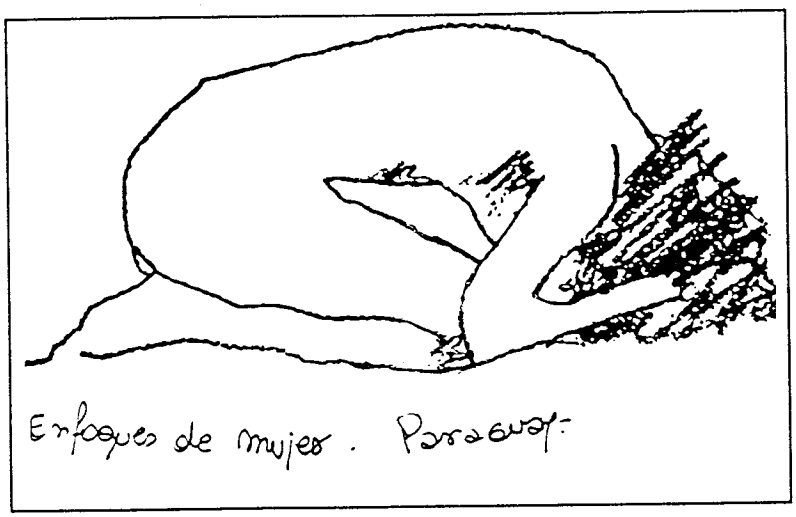
Yet although the reactionary, pro-church, pro-capitalist and anti-women parties currently in power in Poland are keen to get rid of the abortion law, which is considered as a remnant of the workers' state, it rapidly became clear that banning abortion would not be plain sailing.

In 1991, faced with massive opposition, the Polish government decided to indefinitely postpone any decision on abortion. Opinion polls showed that 60% of the population as a whole—and a higher percentage of the working class—were in favour of retaining abortion rights. The Polish proto-capitalists did not want to further alienate the working class from their restorationist plans which were already having a devastating effect on workers' living standards.

At the end of 1992 abortion hit the headlines again and a bill was presented to parliament which would ban abortion. The congress of the Democratic Union, the majority party in the governmental coalition, rejected the government proposal to ban abortion and supported the call from the Democratic Left Alliance for a referendum.

This was an open snub to right-wing coalition partners like the Christian Democrats who made the fight against abortion their battle cry in the election. It also alienated the Prime Minister, Hanna Suchocka, from her own party since she is utterly opposed to legal abortion. When the bill was finally put to the vote in December 1992, it failed to get a majority.

This open rift within the forces of restoration over abortion presents the working class with the opportunity to go on the offensive against the government on all economic and social issues affecting the daily lives of Polish workers. ●



focus of opposition to imperialist-imposed population control programmes. In the last two decades there have been concerted campaigns by international agencies to "control the population" in the semi-colonies.

Control programmes, including the provision of contraception, abortion and sterilisation, have been advocated, and often linked to the provision of loans by the IMF. These programmes, imposed from the outside, often carried out brutally and without regard to local conditions or individual rights, have included forced sterilisation, repeated abortions, and clinical trials with dangerous contraceptives.

Such measures have been used to try and limit the population of certain sections of society such as indigenous Indians in Latin America and blacks in South Africa. Because of this many women and much of the labour movement see birth control as an imperialist attempt to exert even more control over them.

The programmes have been resisted by local women, and also by the church which is opposed to contraception in principle. This has created the dangerous illusion of a radical role for the church in the eyes of many women and anti-imperialists.

In the former Stalinist states of Eastern Europe and the USSR abortion rights varied considerably. Under the rule of the Stalinists availability of abortion depended on the particular needs of the bureaucracy rather than on the needs of women.

In Romania abortion was completely illegal and severe penalties taken against women seeking or obtaining an abortion, whereas in the GDR the laws were more liberal and allowed women abortion on request in the first part of the pregnancy.

Both countries wanted to increase their populations, but the former chose the stick, the latter the carrot approach to getting women to have more children. In the USSR the unavailability of effective and safe contraception led to abortion being the major method of birth control, with four out of every five pregnancies ending in termination with obvious consequences for the health of the women.

The effect of denying women control over their fertility is that they cannot participate equally with men in production, social and political life. The burden of repeated pregnancy and many children, of uncertainty about whether or when another child will be added to the family, the restriction of sexual pleasure as a result of fear of pregnancy—all of these undermine women's ability to participate fully in social life and achieve independence and control over their lives.

The provision of free contraception and abortion on demand for all women is therefore an essential part of liberation. The choice as to when and whether to have a child gives working class and peasant women the ability to decide on their role in life and their relation to the world of work.

The argument that having children is natural, that motherhood is glorious and that family planning is a Malthusian conspiracy against the working class is ahistorical and denies the fact that at least 25% of pregnancies worldwide are unwanted by the woman.

In some societies large families are encouraged by the church and local custom. This usually relates to the level of development of productive forces, and the dominant relations of production. Where the family is a productive unit, and where mortality is high, families may "need" many children to maintain production and support for the extended family in the future.

It is generally accompanied by ideologies which reinforce the pattern—Catholicism for example. In Latin America "machismo" stresses the need of men to father many children and leads to enormous pressures on women to have children even when they cannot afford or do not want them. Many Asian cultures, both Hindu and Muslim, place stress on couples having many sons as a way to security and prosperity.

These ideologies reinforce the oppression of women and their primary association with domestic and family life, but are increasingly in contradiction with reality. More and more households in Latin America are headed by a woman who has to earn money through wage labour. Agriculture is being taken over by imperialist owned capital and family production replaced by wage labour. Manufacturing industries in Asia and Latin America are using cheap female labour.

Women's relationship to production is therefore changing, and so is their role in reproduction. In this situation control of fertility is key for women to be able to both participate in economic life, and to organise politically to resist their high level of exploitation. This is why it must be supported by revolutionaries and working class organisations.

Having children should be a fulfilling experience for women, but even in the best conditions it is not one which all women would choose. But as long as having a child means taking full responsibility in caring for and raising it, financially supporting it with little or no help from the state, then women have very limited "choice".

The limited independence which women achieve through participating in work outside the home is a fundamental part of the programme of socialists, and necessary to the success of any revolutionary struggle against capitalism. When women are isolated and stuck at home caring for children and other dependents then it is difficult for them to be drawn into the collective activity and organisation of the working class. This weakens the class by leaving half its

members un-organised, and makes the task of socialists that much harder.

That is why revolutionaries have to intervene in the struggles around the current attacks around the world on women's rights to abortion—both to defend the basic democratic rights to free and safe access to abortion, and as part of the revolutionary programme for increasing the integration of women workers in the organisations and struggles of the working class.

Just as abortion happens despite its criminalisation so struggles for abortion rights take place with or without the participation of revolutionaries. But the record of feminist and reformist leadership of pro-choice movements cries out for the active involvement of revolutionaries in these struggles.

Abortion in Latin America

Women in the semi-colonial world face extreme hardship, not least in controlling their fertility. The devastating effects of imperialism mean that the majority of women live in abject poverty, unable to obtain contraception and therefore forced to rely on abortion as one of their primary methods of birth control.

This fact is either not realised by many Latin American leftists, or it is simply rejected. A typical attitude of many (usually male) activists is that working class women don't have abortions because they love children, and that abortion is a strictly bourgeois phenomenon, a conspiracy to impose their population control upon the working class and defuse its growth and threat to capitalism.

Behind a left-sounding "class" analysis lurks a *machista* adaptation (conscious or not) to the anti-woman policies of the bourgeois and petit bourgeois nationalists.

For example, the Sandinista government in Nicaragua refused to repeal Somoza's anti-abortion law, claiming that only middle class women would be concerned and that anyway, Nicaragua needed strong youthful arms to defend the revolution . . .

The Peronists in Argentina have used the same kind of arguments, opposing not only abortion but also contraception.

Whatever male leftists may think, abortion is a terrible reality faced by hundreds of thousands of Latin American women every year. Official figures for Argentina show that in 1990 over 30% of pregnancies ended in abortion, leading to around 400,000 abortions. According to the government hundreds of women die from the consequences of abortions. The real figures are doubtless far higher.

Unlike the situation in the imperialist countries, in the semi-colonial world contraceptive availability is not simply the product of workers' struggles. In some situations women are used as guinea pigs in population control programmes where they are injected with dangerous drugs or are forcibly sterilised. Supporters of choice have to take up these issues and fight for birth control to be used in order to liberate women instead of being applied according to the dictates of the IMF and the benefit of the profit margins of the multinational drug companies.

This question has dominated the debate in Mexico over recent years. In October 1990 the parliament of the Mexican state of Chiapas voted to decriminalise abortion. President Salinas has been under pressure from the IMF to reduce the rate of increase in the country's poor population. That way it would reduce the demand for welfare on the state and releases even more funds to pay Mexico's debt to the world's banks. Legislation was passed in the Chiapas where forced sterilisation of Indian women has been taking place for some years now, along with the mass distribution of second rate IUD's and the injection of contraception hormones in massive doses, a practice that is forbidden in the west.

It is not surprising then that some women's groups and anti-imperialist groups are suspicious of birth control methods imported from the west. These fears are played upon by the Catholic Church which called on the population to demonstrate against the decision. The extreme "pro-life" group *Pro Vida* distributed the infamous anti-abortion film "The Silent Scream" and ran a virulent campaign against the pro-abortion parties in the 1991 election.

Whilst the reactions of women to the use of fertility control in Mexico are justified, this must not blind them to the facts. At the end of the 1980s an estimate one to two million women in Mexico had illegal abortions, leading to 140,000 deaths. In this context safe contraceptive methods are vital for Mexican women. The idea of choice has to be defended whilst at the same time attacking the imperialists' cynical disregard of women's health.

Some women's groups have been taking up this issue particularly during the Chiapas debate. They rightly demanded that women be able to control their own fertility, to have access to abortion, contraception, and adequate sex education, with the state providing decent child care.

They also posed the need for men to take responsibility for contraception. This is an important issue for Latin American women since *machismo* culture leads men to consider the use of condoms as undermining their masculinity.

In February 1991 the Chiapas Front for Voluntary Maternity was set up, composed of women's groups, political parties and trade unions. The name suggests it should be dealing with all these issues. But the question is, how to achieve these objectives and how to guarantee an end to the forced control of women's fertility?

It is essential that the labour movement and the left demand state funding and provision to allow women access to free abortion and contraception on demand, and also to chose sterilisations or abortions free from coercion from doctors or others.

The drug companies and health centres that are denying women these choices must be nationalised immediately and placed under the control of workers and poor peasants, with women playing a central role through community groups, mothers' groups and unions.

Sex education including information about contraception and abortion should be provided to all young girls and boys at school and college, with the church being removed from any institutional role. ●

Previous struggles for abortion rights have failed to safeguard women from attacks, because they have left these rights subject to controls by doctors, politicians and lawyers. In addition, they have refused to take up crucial economic issues connected with abortion rights that affect working class women so harshly.

Contraceptive and abortion rights are part of a democratic programme, not just a socialist one. But like all democratic rights in the epoch of imperialism, they can only be consistently defended and extended by workers' action. The capitalists may concede abortion rights for certain reasons for certain periods. But these very rights will become the target for a reactionary offensive when the economic or ideological climate changes.

That is why any campaign to defend existing rights cannot be separated from the struggle for free abortion on demand and for a working-class based campaign to win this right, including the fight for workers' control of the health system.

Women in the imperialised world are generally faced with a double enemy: they have to fight against the reactionary role of the church as well as against the imperialists and their local lackeys who dictate how women should control their fertility.

For these women, abortion is literally a life and death issue. In the semi-colonial world the fight for free, safe abortion must go hand in hand with the struggle against imperialism, including demands for employment protection and improved wages for workers, social and health services and for maternity rights for women—all things that threaten the profits of the bosses and demand answers such as renunciation of the foreign debt.

In the ex-Stalinist states, the fight for the defence and extension of abortion rights is part of the struggle against the restoration of capitalism. The "rule of the market" will not mean more freedom for women. The devastating effects of the attempts to introduce capitalism are already clear throughout Eastern Europe. Workers' living standards have been drastically reduced. Women's health and working conditions will be the most heavily affected by the new wave of austerity attacks.

The struggle for abortion rights is therefore part of a general struggle for women's rights, for employment protection and the right to maternity benefits and support for mothers, for free state-funded health care including the availability of safe contraception.

Abortion should be available whenever a woman wants it, at whatever stage of pregnancy she needs it. Abortion is not an easy choice for women, even when it is relatively easily available, and funds must be put into providing and developing good safe contraception and full sex education in schools so that young women and men understand how to avoid unwanted pregnancy.

Easier abortion methods, such as the recently developed abortion pill (RU965), should be made available where appropriate so that women avoid the traumas of a surgical procedure. But where these methods fail, or a woman is not aware of them or for whatever reason was not able to use them, she must be able to terminate the pregnancy. It is her body and her decisions about what to do with it must be respected.

In order to win such a fight for genuine abortion rights, women need to break from the cross-class alliances which have dominated the pro-choice movements. For pro-choice campaigns to succeed, they must orient to working class women, who can take the fight into the labour movement where real power lies.

But although access to abortion is a particular issue for working class women, labour movement organisations have rarely taken up the fight. In Britain in the early 1980s the Trades Union Congress (TUC) was forced through the pressure of socialists and women in the movement to call a national demonstration against a parliamentary bill aiming to restrict abortion rights. However, since that bill was defeated the TUC has done nothing to resist the cuts in abortion facilities in the health service.

Like other official union leaderships, the British TUC is male dominated and reformist, regarding issues such as abortion as outside of its interests. Other labour movement organisations, such as Solidarnosc in Poland, have been dominated by leaders with reactionary positions on abortion who obstruct pro-choice struggles. Socialists and militant women will have to break the hold of these leaders if the labour movement is to be mobilised in the struggle for abortion rights.

An effective pro-choice campaign would need to take up the interlinked issues of free contraception and childcare, low wages and control of the health service.

Working class women need to be organised to ensure that these issues are raised consistently and effectively, and that the energy of women who are mobilised in particular struggles—such as those around abortion rights—is not dissipated but is rather focussed on the final enemy.

They need a working class women's movement, committed to fight for women's liberation in all its aspects, from abortion rights to the destruction of capitalist society itself as part of the building of revolutionary parties and a new revolutionary international. ●

German capitalism: a stumbling giant

Martin Suchanek analyses the deepening problems at the heart of Europe's strongest economy.

Two and a half years after capitalist re-unification, Germany is in recession. The German bourgeoisie is faced with an escalating budget deficit, a decrease in industrial output and increasing disillusionment with Kohl's coalition government.

But these problems are not simply due to the costs of unification with the ex-DDR. The underlying causes of Germany's problems have been maturing for more than a decade as the economic and political structures adopted to stabilise West Germany in the 1940s have turned more and more into the major obstacles to the continuation of the German "economic miracle".

The 1981/82 recession alerted the German bourgeoisie to the fact that their former advantages, and the policies that went with them, could no longer be relied upon. In that year, GDP shrank by 1%, unemployment reached 7.6 %[1] and retail price inflation reached 4.4%. But it was the growth in the public sector deficit that proved decisive in forcing a change of policy direction.

The Bundesbank and the Free Democrats (FDP) came out openly against Schmidt's Keynesian policies—effectively digging a grave for the Social Democrats (SPD) for the next decade—and Kohl became chancellor in the 1982.

The "Change of Direction" announced by Kohl initiated policies similar to those of Reagan in the US: taxes were to be reduced to stimulate investment; the federal budget deficit was to be reduced by cutting expenditures and selling state industrial assets; business was to be freed from unnecessary regulations and the rigidities in the structure of pay awards and the limits on working time were to be removed.

This policy enjoyed mixed success. Taxes were reduced, and the rate of increase of the state budget deficit was cut from the mid 1980s to 1990.[2] Additionally, German exports grew strongly throughout the 1980s. The rate of growth in exports outstripped the rate of growth in national output. Throughout the 1980s, Germany's share of world trade increased. In 1988, and again in 1990, it became the single largest exporter in the world.

However, these figures obscure a most important development in Germany's foreign trade, a development that underlines the fact that her present problems are not the result simply of re-unification. In 1989, Germany had the following trade balances with other states (in billions of DM):

Partner	Exports	Imports	Balance
EC	352,668	258,660	+ 94,008
Other Europe	117,872	79,357	+ 38,515
"Socialist" States	29,306	25,143	+ 4,163
Non-European	78,421	80,694	- 2,273
United States	46,624	38,265	+ 8,359
Developing States	61,761	62,285	-0,524
OPEC-states	16,402	12,360	+4,024

German exports had grown absolutely but had become ever more concentrated within Europe, in particular the EC. Whilst German exports to other EC countries were only 39.9% of total exports in 1972, they were already 47.7% in 1985[3] and 60.8% in 1989. Moreover, this supremacy/dependency in Europe was achieved primarily by greater market access (in particular after 1986 with Spain and Portugal joining the EC) and a dramatic fall in oil prices from 1985 to 1986.[4]

Germany's export success was based on competitive advantages over other West European economies rather than over its major rivals in the world market. Hence, easy victories could be scored in Europe, but they were achieved in such a protected environment that they only postponed addressing the underlying problems of declining global competitiveness.

Compared with the US, Germany was already losing ground by the end of the 1980s. Whilst the period between 1982 and 1985 saw a significant trade surplus with the US (the main source of German trade surplus in that period), this changed in the second half of the decade.

One reason was the devaluation of the US dollar, which made German exports more expensive and US-imports cheaper, but this is not the whole story. More important were

the productivity gains of US industry in the late 1980s. One recent study concludes:
"According to OECD figures, the USA regained export market shares which they lost between 1981 and 1985 by the beginning of 1989. Accordingly the losses between 1981 and 1985 accounted for 1.8% of the US GDP, whilst the gains of market share since 1985 total 1.9%."[5]

If we look at the figures for industrial productivity then we see that, "industrial labour productivity grew stronger in the US (3.4% in average per year between 1979 and 1985) than in West Germany (3.1% in average)."[6] Furthermore, US unit labour costs are estimated to be 15% below the German level.[7] This is less the result of productivity increases than of a reduction of real wages and social benefits after 1975 and longer working hours in US industry under Reagan. All in all, the US capitalists were far more successful than the German in increasing their rate of profit by raising the rate of exploitation.

However, a relative failure with regard to productivity increases does not tell the whole story. The very structure and composition of the German economy indicates some strengths but more weaknesses compared to the USA and

The basis of the German economic miracle

Contrary to bourgeois myths, the German economy was not rebuilt "from scratch" after the war. On the contrary, despite defeat and the division of the country, the German bourgeoisie inherited two extremely important legacies from the Nazi-period.

The first of these was a newly-modernised industrial base and the second was the low wages and long hours imposed on German workers by the Nazi victory in 1933.

A surprisingly high proportion of German industry survived the war intact, "The decline in industrial output since mid 1944 was not the result of the destruction of industrial assets but of a paralysis of the transport system by air raids."[1]

Furthermore, the bulk of this industry was new because of the installation of new technology after 1942 to replace the workforce which had been drafted into the army.[2]

Equally, the low wages enforced in Nazi Germany, and the extension of the working week, were kept in place after the breakdown of the fascist regime. Wages did not reach 1938 levels again until 1956.

However, to take full advantage of this, the bourgeois regime itself had first to be secured. After the defeat in the war, the German army disintegrated and working class sentiment was strongly anti-capitalist because of the support given to the Nazis.

The hope that "socialism" could now be established was very strong among the proletarian masses and the rank and file of the Social Democratic Party (SPD) and the Communist Party (KPD). Both parties were represented within the "Anti-Fascist Commissions" and the "Factory Councils" that were spontaneously set up all over Germany as the war came to an end.[3]

In the early years after the war, the strategy of the occupying imperialist powers centred on three principle objectives, to demobilise such working class organisations, to re-establish a functioning capitalist economy and to ensure a structural limitation on the power of their former enemy, the German bourgeoise.

By 1948, of course, this led to the creation of a distinct "Western" zone, later to become the Federal Republic.

Within that zone, the success of the Allies in achieving their objectives included their utilisation of the returning bureaucrats of the labour movement. By supporting the establishment of the DGB (West German equivalent of the TUC) and the demobilisation of all radical organisations through the SPD, the Allies ensured that the immediate threat of expropriation and workers' control was removed.

At the same time, however, they also used the organised labour movement to limit the powers of the German bourgeoisie by recognising the rights of (bureaucratised) Factory Councils. Similarly, while Marshall Aid was used to re-integrate the economy, the threat of a re-emergent powerful bourgeoisie was limited by strengthening the powers of the Länder, the provincial states of Germany, as against the Federal Government itself.[4]

This balance of forces between the working class and the bourgeoisie was the background to the development of strongly class-collaborationist politics within the major parties and the trade unions. In industry, this was symbolised by the creation of the system of Mitbestimmung (Co-Determination) which gave workers' representatives a statutory role in the supervisory boards of major companies, beginning with the heavy industries of coal and steel.

By these means, relative class peace, collaboration by the factory councils and trade unions in serving the "interests of the enterprise", was achieved.

The basis for the success of this form of class collaboration being successful was a high level of capital accumulation based on the high profit rates made possible by the combination of infrastructural renewal, new investment, and the high rates of exploitation inherited from the Nazi past and later supplemented by the influx of refugees from the East. This led to a steady improvement in Germany's position on the world market until the end of the 1970's. ●

1 W. Abelshauser, *Wirtschaft in Westdeutschland 1945-48*, Stuttgart 1975, p117
2 "In this phase of the Second World War production processes like assembly line production, mass production with more standardisation and specialisation, which have been so important for the revival of capital accumulation in West Germany, were introduced."Altvater, Hoffmann, Semmler, *Vom Wirtschaftswunder zur Wirtschaftskrise*, p76
3 See J. Kuczynski, "Die Lage der Arbeiter unter dem Kapitalismus", vol 7a, Berlin (DDR), 1963, p386
4 These were artificial creations, but also reflect the belated creation of the German nation itself. Until 1928 there existed no German citizenship, but only citizenship of various states within the Republic.

Japan. In the 1980s, some 40% of the West German workforce was employed in manufacturing and construction, 5% in agriculture, energy and mining, 20% in services and 20% by the state.

The single biggest factor is thus manufacturing and construction.[8] In 1989, the industrial workforce in West Germany was concentrated in five main sectors—motor vehicles, machine building, chemicals, engineering, electronics and iron and steel.

These industries are the core of German capitalism. They are associated with large enterprises like VW, Mercedes-Benz, MAN, Bayer, BASF, Höchst, Thyssen, Siemens. All these are highly export orientated. They have to think and plan in terms of the world market.

Amongst these, the motor vehicle industry is the single biggest sector. More than half a million German workers are employed in car manufacturing directly and millions work in industries dependent on orders from Volkswagen, Opel, Mercedes and BMW. However, if we look at the state of the European and German car industries, major problems are looming on the horizon.

Whilst Germany's car industry was still the most productive at the beginning of the 1990s with France at about 91% of Germany, Italy at 74% and Britain at 61%, they were about 50% behind Japanese productivity levels.

Amongst the German car producers, Volkswagen is not only by far the biggest but usually also the most competitive. In fact, the company can be taken as a microcosm of the German economy as a whole.

The company made impressive investments in the EC and Eastern Europe in recent years (Seat and Skoda). In the 1980s, it benefited from a large and expanding European market and increased its EC market share and, after unification, it enjoyed a sales boom in East Germany.

In that period, Volkswagen's—and Germany's—structural weaknesses were hidden by favourable market conditions. However, behind VW's European success lay the closure of its last US plant in the mid-Eighties and a decline of US sales to 0.7% of the market by 1991. With the increase of Japanese competition, and a contracting market resulting from international and domestic recession, the giant became vulnerable.

High unit labour costs are only one part of the story of Volkswagen's problems. The other, equally important, one was the company's inability to match its rivals' success in cutting the turnover time of capital through the application of new production processes and in improving the efficiency of their communiciation networks.

The problem is reflected in the unusually large size of the company's plants, in particular in Wolfsburg which has a yearly output of more than 600, 000 vehicles. This plant is three times bigger than the most productive plants. Whilst other companies have reduced storage costs by "just-in-time" production, Volkswagen has not. Nor does this size of plant enable the introduction of "lean production" methods which are able to produce slightly modified models for particular market segments.

All this together results in the dilemma that Volkswagen needs to utilise around 90% of its production capacity in order to generate a profit.[9] Volkswagen's increasing problems have already led to part time work in some of its West German plants and to plans for tens of thousands of redundancies and the replacement of the long-standing General Director, O. Hahn.

Other sectors of German industry are not in a much better state. Large and important parts of the machine building industry are composed of small and middle enterprises with up to 1000 employes—owned by the German "Mittelstand", the classic petit-bourgeoisie:

"There are hundreds of smallish engineering firms run by autocratic bosses who know their business to the last millimetre and pfennig. Their goods are ultra-modern and computer-guided. They cost the earth, look beautiful, arrive on time and are impeccably serviced. The snag is competitors from Asia are making cheaper equipment almost as good."[10]

Even the giants in engineering, like Siemens, are facing increasing problems. Its semi-conductor and computer divisions are chronically loss-making. This generally reflects the relative lack of total (private and governmental) investment in research and development (R&D) in Germany throughout the 1980s.

From the standpoint of the long term interests of German capitalism, the R&D policy of the Kohl adminstration has been a catastrophe.[11] Whilst total R&D expenditure amounts to about the same percentage of GDP as in Japan or the US, it is lagging far behind in absolute terms. In 1990, the US total expenditure was estimated at DM 365 billion and Japan's at DM 144 billion, Germany only reached DM66 billion.[12]

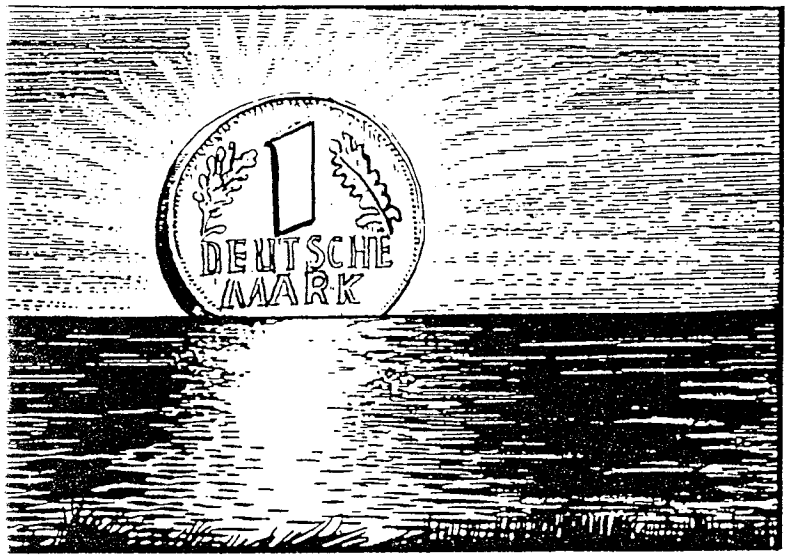
German research performed well in spheres like biotechnology and medical research and to a lesser extent in small robotic tool machinery and in electronics, but this could not compensate for the lost ground in such important areas as cellular communications, microtechnology and computers.

This is reflected in the structure of exports . As soon as we look at the export of goods where R&D amounts to more than 8.5% of costs, Germany ceases to be the world's leading exporter.

In 1989, the US led with 27.8% share of world exports (in particular because of arms exports), followed by Japan (18.3%) and only then Germany (14.4%). Moreover, Japan is still increasing its share at a rapid rate.[13]

This was the case despite the fact that the R&D expenditure of companies like Siemens, Daimler-Benz, Bayer and Höchst ranked amongst the top in European enterprises and the attempt of the German banks to stimulate R&D by issuing cheaper credit.[14]

The real obstacle for increasing German research and development has been the federal structure of Germany. Until recently, Germany did not have a national research budget at all (but only at Länder level). Even now, it is still small and the fact that every Land controls its own expenditure in this area means that plans for a nationally coordinated



R&D programme with significant resources more or less inevitably shatter on the rocks of regionall interests.

Yet the importance of state aid for research in this area is crucial today—be it the Japanese MITI or the US military expenditure which stimulates this process. Even the highly developed fusion of industrial and banking capital—German finance capital—cannot substitute for government directed programmes.[15]

Of the three major capitalist economies Germany is the most dependent upon the performance of its industrial manufacturing base. It cannot easily compensate for a decline here by the rewards reaped from a huge portfolio of overseas direct and indirect investments or the prowess of its financial sector (outside Europe).

And yet the pace of European integration is not moving fast enough to compensate for the weaknesses of its federal state structure, nor is its manufacturing base meeting the challenges thrown down by industrial developments in Asia and the USA.

German unification was in essence a political decision, one which would brook no economic doubts about its eventual impact on German capitalism.

For the sake of the strategic long term interests of German finance capital, Kohl and his government were able to force aside the more cautious and short term interests of the Bundesbank and senior government advisers and go for monetary and economic unification and, then the unification of the two German states, as rapidly as possible.

The fast track to recapitalisation and unification was clearly dictated by political considerations. Finance minister Waigel expressed this quite clearly on 13 June 1991: "In the second half of this century, the chance to achieve German unification only existed for a few weeks and months. The chance had to be taken and we took it. We have taken it by creating facts, by the currency union—against all practical and theoretical advice."[16]

Against the reformists in the SPD and the cautious members of the Bundesbank he was right. If they wanted capitalist reunification, they had to take the chance, they had to destroy the degenerated workers' state when the chance was offered and they had to do it quickly, to "create facts".

In such a situation, any second thoughts would have allowed Germany's rival imperialists and the Moscow bureaucracy to step in and obstruct the achievement of a historic goal of the bourgeoisie.

At first it even seemed that unification would be an undisguised economic blessing. Order books were full, business prospered. West German GDP grew 4% in 1989, 5% in 1990 and 3.6% in 1991.[17] Unemployment fell to 6.6% in 1990 and wages rose faster than prices. All the weaknesses of German capitalism, which were apparent by the end of the 1980s, were temporarily disguised by a consumer boom.

Nevertheless, it was not long before capitalist unification brought to the surface the structural weaknesses accumulated in the 1980s. But for all its problems German capitalism cannot go back to business as usual and must find a new way forward.

An entire change in the structure of German capital, in German political life, that is, in the balance of class forces, is necessary to overcome the weaknesses of German capitalism.

The most pressing issue is the escalating budget deficit. The "integration" of the East made the budget deficit rise dramatically. East Germany will be a tremendous financial burden throughout the decade. To date, about DM 400 bn of the federal budget has gone into the East. [18]

The rapid rate of budget growth (not yet its absolute level) causes concern for German bourgeois politicians. Total public deficit was DM 924 bn in 1989, DM 1048 Bn in 1990 and reached DM 1183 bn at the end of 1991. It is estimated to have reached DM 1311bn by the end of 1992.[19]

This huge bill for unification only emphasises that profitability and productivity has to be restored if German capitalism is to benefit from unification rather than be dragged down by it. Kohl has staked his political future (and his coalition's election hopes in 1994) on the success of a new "solidarity pact" to pay for unification.

The propaganda suggests that the cost will fall equitably upon all sectors of German society. The pact aims at cutting DM 20bn a year by 1995 from federal spending and also raising taxes.

But the ambitions of the pact do not go anywhere near solving the problems faced by German capitalism. On its own terms it will only reduce an expected DM110 bn budget deficit by DM20 bn in 1995.

What cannot be negotiated away will (in due course) have to be taken forcibly, above all, from the pockets of the working class. To reduce the burden of taxation on industry can in part be addressed by reducing welfare and lowering taxes, but it must above all else raise profitability.

In order to increase their profits they intend to raise the rate of exploitation in both absolute and relative terms, that is to say by cutting wages and lengthening the working day on the one hand, and by introducing labour-saving technology and production techniques on the other.

The bosses' new and more aggressive approach was signalled last year in the dispute that culminated in the big public sector strike led by the public sector union, ÖTV.

This strike, over pay, was symptomatic. The government had the opportunity to give the right signals to the private sector where unit labour costs are amongst the highest in the world.[20] Part of the "solidarity pact", which Kohl is working out with the unions and the opposition SPD, involves limiting nominal wage rises to about 2.5% in the next year and possibly beyond. On this front, the unions have already shown their willingness to make a deal with the bosses.

The engineering union, IG Metall, for example, has already struck a deal with the engineering and car vehicle producers to have only 3.3% wage increases for the last nine months of 1993.[21]

However, Kohl's "pact" is meeting obstacles. The unions want to stick to the agreement on wages parity between East and West by 1994. If that measure were carried out, the reduction of wages in the public sector would be more or less cancelled out. The private employers would have to be forced to stick to any such general wage settlement between unions and employers' associations.

These have been increasingly broken in the last two years, particularly in East Germany. This point is of particular importance for the union bureaucracy because, if enterprise wage deals increased significantly, this would undermine the union bureaucracy's power base.

The most important battle on the wages front, however, is the question of reduction of the "social wage". The central attack here has been on the fundamental principles of the health service and has been agreed between the government coalition and the SPD.[22]

This "reform" means that an increasing part of the cost of medicine has to be met by the patient. Equally, a larger part of the bill for hospital beds has to be paid during the first two weeks in hospital. This is intended to save

German finance capital

The major German companies are closely interconnected with the banks, in particular with the "big three": Deutsche Bank, Dresdner Bank and Kommerzbank. A look at the shares that these banks hold in the major German enterprises illustrates this:

This alone makes the economic power of the major banks obvious. Their senior managers and directors are usually on the supervisory boards of the major industrial groups—just as many of the leading industrialists are on the leading bodies of the banks and insurance companies. Nevertheless, such a concentrated and highly centralised command structure for imperialist capital could not prevent the accumulation process from developing and deepening its contradictions.

As Marx explains in Capital, capitalist development, the accumulation of capital, leads to a tendential fall in the rate of profit. Whilst it is difficult to translate bourgeois statistics into this category, approximations are possible so that we can get an indicator for this. If we look at the literature on this subject in the last decades, ie authors who try to analyse the German economy in Marxist terms, we can clearly see that virtually all of them observe the same trend: the rate of profit is falling.[2]

For example, Mandel and Wolf calculate that it fell from an average 10.5% between 1960-1971 to around 3.7% at the beginning of the 1980s and remained around that level.

Mandel and Wolf demonstrate that the main reason for the fall in profit rate has been the increase in investment. Gross investment has approximately doubled in the course of the 1980s and net investment by about 80%. But due to the falling productivity of this investment the profit rate has stagnated. Indeed, it has caused the big multinationals to to triple the size of their speculative investments in the money markets, rather than in manufacturing or services.[3]

Furthermore, this declining investment seems to be a feature of all branches of German industry. Generally, the rate of capital return is bigger in the smaller companies. In the 1980s, enterprises with 50 to 99 employees performed best with a rate of return of 10%, companies with between 100 and 999 employees had between 8 and 8.8%, whilst enterprises with more than 1000 employees only achieved some 5%.

This, however, did not lead to higher rates of capital investment in the smaller companies because, while rates of return were higher, the absolute sums involved remained inadequate.

From the standpoint of the biggest capitalists, the problem was concisely put by Siemens' Chief Executive, "We earn too little; a 2.5% return on sales is too little."[4] The problem of a low rate of return, which already existed in the period of expansion of the economy, is a hundred times more burning for the capitalists in periods of recession. ●

Firm	Major Bank Voting Shares	All Bank 1 Voting Shares
Siemens	32.5%	79.8%
Daimler-Benz	61.7%	69.3%
Volkswagen	8.0%	19.5%
Bayer	54.5%	95.8%
BASF	51.7%	96.6%
Höchst	63.5%	98.3%
Thyssen	32.6%	59.1%
Average (with 24 other firms)	45.4%	82.7%

1 W R Smyser, "The Economy of United Germany" London 1992, p86
2 For various studies which reach the same conclusion see, Mandel and Wolf, "Cash, Crash & Crisis", Hamburg 1989; Bischoff/Menard, "Weltmacht Deutschland", Stefan Krüger, "Die EG in der Weltwirtschaft", in *Sozialismus* 5/91; Altvater et al, "Vom Wirtschaftswunder zur Wirtschaftskrise".
3 See "Monatsberichte der Deutschen Bundesbank", 5/1992, S.16/19
4 Siemens' Chief Executive, Heinrich von Pierer, in an interview with the Financial Times.

Destruction of a workers' state

Between 1990 and 1992 two thirds of East German industry was destroyed under the supervision of the state agency set up to oversee privatisation—the Treuhand:

"East German industry has now been to a large extent destroyed and cannot be rebuilt. . . If the workers were now to conduct a belated but successful struggle they could perhaps save about a third of the previously existing plant. Only 750, 000 people are working full time in industry and trade; a quarter of the number two years ago."[1]

Agricultural production too shrank to nearly half the 1989 level by mid-1992. In 1989, about 9.6 million were employed in the East German economy. Only three years later 4 million are unemployed, not fully employed or no longer appear on the East German labour market (pensioners, migrants to the West, women forced to become housewives).

All in all, the active workforce shrank by about 40% over these years. Whilst living standards on average are still above the GDR level, they are rapidly deteriorating because of reductions in subsidies and higher levels of inflation (14% in the East, 4% in the West).

The scale of this destruction is explained by the nature and result of the currency and monetary unification. On 1 July 1989, the Ost-Mark was exchanged at an average level of 1.8 : 1 against the D-Mark.[2]

Nevertheless, this meant that East German enterprises were still heavily indebted. The "German Institute for Economic Research" (DWI) calculates that a total debt burden of 170 billion Ost-Marks of all East German enterprises had been valued at DM 85 billion.

The debt burden of the East German enterprises had already been high compared to western enterprises because of the costs of social welfare provision which had been borne by the enterprises.

Furthermore, in a planned economy, debts of enterprises did not lead to closures and, because of the integrated character of the economy, there was no clear separation of state and enterprise.

Therefore, parts of the enterprises' debts would have been calculated as state debt in a capitalist economy. With the currency and economic union, this link was effectively broken and the whole of the debt was thrown onto the enterprises themselves.

East German companies' fixed property also had to be valued in D-Marks after unification. This valuation was made by reference to the West German property market which meant that the fixed assets of companies were massively devalued when expressed in D Marks.

Here the DWI estimates that a total value of 940 bn Ost-Mark was translated into only DM 230 bn. Naturally, the rate of debt to assets shot up as a consequence from 18% (the same rate as in the BRD) to 37%.[3]

The high indebtedness of the East German companies ensured that they were virtually unsellable—as long as the state (via the Treuhand) did not take over the debts, a measure which had been initially rejected as being at odds with a "market economy".

Secondly, investment in the means of production, replacement of worn out machinery, only took place at a very low level, because the enterprises had to spend most of their profits (if they made any) in paying back the debt. In the end it was the Treuhand which paid the debts. [4]

The government's initial plan, to cover the costs of restructuring the East German economy mainly by income from privatisation, is obviously not worth the paper it was written on. In order to sell enterprises, debt write offs—supposedly alien to every market economy—proved necessary. The Treuhand had to take over. So far about 4,000 out of 8,000 companies have been sold.

However, there are still some 6,000 to 9,000 to sell because, parallel to privatisation, enterprises were divided into parts so that at least the more attractive could be sold.

This means that basically the "best cuts", the most advanced and profitable firms, were handed over to private capital whilst the others remain in the hands of the state.

As yet, there is no light at the end of the tunnel for the economy of the eastern territories now it has firmly embraced the logic of the market. Investment in East German industry—be it in the old stock or in new plants—remains low.

Apart from some exceptions—like Opel and Volkswagen which bought the Trabant and Wartburg plants respectively—there is very little.

Often takeovers by West German capital are subsidised by the "free market state": DM3.5 Bn for Carl Zeiss to take over Carl Zeiss Jena, DM6.2 Bn for the Western shipbuilders like Vulkan in Bremen to take over the East German shipyards—and, in that case, cut the workforce from 34,500 to 7,600.[5]

However, investment in the East has not picked up. About 60% is provided by the state and is mainly for infrastructure.

West German capital still plays a secondary role: "In 1991, DM 25 bn came from this source and DM 43.5 bn this year, only DM 8 bn and DM 18 bn respectively was invested in industry, creating some 70,000 jobs."[6]

Furthermore, major companies like Mercedes Benz have reduced, or even cancelled, their investment plans in the East.

There are several reasons for the lack of investment: firstly, the still unresolved question of property rights; secondly, the question whether East Germany is the best place for capital investment at all (as compared with Eastern Europe); thirdly, the low level of productivity in East Germany (about 50% of Western levels), fourthly, a lack of a modern communications infrastructure. ●

1 Hans Jürgen Schulz, "The unification disaster", in International Viewpoint 236, October 1992, p14
2 Small savings were exchanged at 1:1, larger sums and debts at 1:2.
3 Altvater, "Elmar, Die deutsche Währungsunion von 1990", in Schulz and Volmer, 1992, p6.
4 Out of the DM 20.2 bn, that the Treuhand spent in 1991, DM 11.3 bn was spent on the interest of indebted enterprises. See ibid, p17
5 Lufthansa could take over the Checking-in System at the East Berlin Airport, Schönefeld, despite an alternative plan worked out by the factory council and the trade union which would have saved more jobs and nevertheless made a profit for the state. But it's Lufthansa who—coincidentally—has a representative on the supervisory board of the Treuhand!
6 H. Jürgen Schulz, "The unification disaster", op cit, p. 14

between DM2 and DM 4 bn in 1993. About DM9 bn is to be "saved" by reduction in spending on new equipment. For the hospitals there will be guidelines on how much patients with certain illnesses should cost.

Hospitals which are not able to meet these targets will simply make losses and, if unable to minimise them would face bankruptcy. By this measure, another DM5 to DM9 bn is to be "saved".

Additionally, some employers are also demanding that the whole of the contribution that they make to the health service should be cancelled—which would effectively knock out the foundations of the German social insurance system which has been in force since the days of Bismarck.

The length of the working day is set to be a source of renewed conflict too. In a series of strikes in the mid-1980s the unions enforced the lowering of the average working week in West Germany to 37 and in some cases 35 hours. In the former GDR, the working week is already 40 hours.

Now, Western employers are also demanding an increase in the working week throughout the country—without wage increases, of course. At the same time, raising of the retirement age has been suggested repeatedly.

Whilst reductions in total working class income and extensions of the working day or week will be vital components of any overall strategy for the West German bosses, they are unlikely to be enough to close the gap between German productivity and that of its main rivals.

More important will be a systematic restructuring of the workforce and production methods. In the immediate future, this will take the form of the introduction of Japanese work practices such as production teams. These increase the average skill-level of the workforce and, therefore, the value produced in a given period of production.

We can also expect a change in the overall structure of the workforce including a sharp reduction in "white-collar" jobs both as a result of technological changes and because production teams are expected to require less supervision. Alongside such changes in work practices, there will also have to be technological changes, especially the introduction of flexible computerisation to reduce storage costs and speed up the turnover of capital.

The first affects of this capitalist offensive will take the form of mass redundancies. In the public sector, these will be intended to cut the budget deficit, which is causing high interest rates, and to release funds for capital investment. In the private sector, nearly all major companies are planning redundancies. The Association of German Motor Vehicle Producers has announced 200,000 job losses in the next few years—about a third of the total number of employed in this sector.[23]

Mercedes-Benz will reduce its workforce by 25,000 in this year alone. Here, most of the job losses will be amongst salaried staff as the company cuts its large administrative staff and rationalises its sales and distribution system. In the steel industry, at least 25,000 jobs will go within the next few years. Likewise, in shipbuilding, mining and chemical industries.

The reduction of subsidies in agriculture will also mean the end for many farmers and, thereby, add to the army of unemployed from that side. In the state sector, nearly 100,000 sackings have been announced for the rail. The postal service also intends to reduce its workforce by between 20,000 and 30,000.

Given that many of these redundancies will lead to further job losses in related sectors, it is clear that what is planned is a major restructuring of German capital itself and, therefore, of the German working class. Such a transformation could not be carried through without a dramatic shift in the balance of forces within German society towards the bourgeoisie.

That is why the central features of the post-war compromise between the classes are now under attack. At the heart of the system lies the institution of *Mitbestimmung* (Co-Determination), which gives half the seats on the supervisory boards of major companies to representatives of the workforces.

The Factory Councils, from which these representatives are drawn, are very distant indeed from the militant, even revolutionary, organisations from which they are descended. By law, they cannot call strikes or take any action prejudicial to the company's interests but, equally enshrined in law, they can veto decisions and they are under pressure from the workers who elect them.

Such bodies cannot possibly continue "business as usual" in the face of the drastic paring down of entire industries which German capital needs. Similarly, the German trade unions, industrial unions which bring together the workforces of each of the industrial sectors in a single union, despite their ingrained pro-capitalist attitudes, remain very well-organised obstacles to any plans to bring wages and working conditions down to the level of, say, the USA.

Having witnessed the social conflicts caused in Britain by the Tory offensive, and having also seen that even the victories gained at such a cost have not solved British capital's fundamental problems, the German bourgeoisie is having difficulty adopting an effective and unified strategy and this finds expression in the political indecision that has characterised the Bonn government for a year and more.

The fact that the "solidarity pact" has not pleased any sector of business and finds its most ardent supporter in the head of the IG Metal trade union federation speaks volumes for this growing crisis of leadership within the German bourgeoisie. German capital has not had to generate the kind of determined leadership, in either the political or the economic sphere, that can impose the will of the dominant sectors of capital on the weaker ones.

The leading bourgeois parties, the Christian Democrats, the Christian Social Union and the Free Democrats[24] have built themselves as "People's Parties" and, although obviously dominated by the big bourgeois interests, are not well-suited ideologically to leading fierce attacks either on the great masses of the industrial working class or, indeed,

on the interests of their smaller and provincial petty-bourgeois members. The CSU, for example, could not survive as a serious political force if it allowed a significant reduction in the subsidies paid to small-scale Bavarian farmers.

During the recent crises of the European Exchange Rate Mechanism, much has been made of the centrality and steadfastness of the German Bundesbank. Yet this institution, too, is a part of German capital's problems.

Established when fear of the development of a strong and centralised German state was a major determinant of policy, the Bundesbank is controlled by a Central Council of eighteeen directors. Eleven of these are appointed by the Laender governments, only the minority of seven are appointed by the Federal government.

Consequently, the famous conservatism of its monetary policy owes at least as much to its inward and provincial orientation as to any theoretical considerations. The bank was opposed to rapid German re-unification and has consistently opposed initiatives such as the European Monetary Union, and central elements of the Maastricht Treaty, which have reflected the concerns of the more externally oriented central government and big industry.

The hostility of the Bundesbank to European integration and the opening up of the East European markets is a further indication of its potential for obstructing the plans of the biggest industrial companies, and their friends in the banks.

At the present time, although the high interest rates imposed by the Bundesbank are a spur to firms and the public sector to cut costs, they are also an important limitation on investment and economic stimulation, not only within Germany but, very importantly for the big exporters, right across the length and breadth of Europe as a whole.

German capital's inability to continue to prosper within the straitjacket imposed on it by the Allies after the war is also visible in the constitutional sphere. Having finally rid itself of the Allies' controls over Berlin and, for example, their limitations on over-flying rights, the German bourgeoisie has turned its attention to the restrictions on its military sovereignty written into its state constitution. "Humanitarian" interventions in Cambodia and Somalia, perhaps to be followed by Bosnia, Serbia, Montenegro, have been the chosen means of establishing precedents for "out of area" military expeditions.

But there can be little doubt that more directly war-like exercises are already on the agenda as Germany prepares to "shoulder her responsibilities" in policing the world. The now operative Franco-German army corps[25] is another way in which German imperialism approaches by stealth and behind protective cover its new imperial responsibilities and ambitions.

However, the German capitalist class will only succeed in its aims if it succeeds in creating a leadership capable and willing to push through such a policy consciously, to overcome the divisions within the bourgeois camp. Most importantly, however, such a policy will face one of the biggest and best organised proletariats in the world.

And in this battleground of class struggle, where the fate of German imperialism will be decided, the German bourgeoisie will rouse a sleeping giant: the German proletariat. ●

NOTES

1 Unemployment was 5.3% in 1981 and 3.7 % in 1980
2 By the end of the decade West Germany's gross debt ratio accounted for some 42.7% of nominal GDP, lower than any other G-7 nation apart from Britain. See W R Smyser, "The Economy of United Germany", London 1992, p120
3 "The export share of total GDP grew from 32.4% at the beginning of the 80s to 34.8% in 1989 and the trade surplus share of GDP grew from 2.3% to 6.3% in the same period." See Bischoff and Menard, "Weltmacht Deutschland?", Hamburg 1992, p106
4 Smyser, op cit, p197
5 See: A.S. Markovits and S Reich, "Deutschlands neues Gesicht: Über deutsche Hegemonie in Europa", in Leviathan 1/92, p17
6 Bischoff and Menard, op cit, p61
7 ibid, p65
8 The percentage of the workforce employed in this sector is very high. In the US it only amounts to about 20%, in Britain, France, Italy and Spain to about 30%.
9 Financial Times "Survey of Germany", 26 October 1992, p8
10 Economist Survey Germany, 23 May 1992, p14
11 The SPD ideologue Glotz offered German social-democracy as the better servant of capital's strategic interests by putting a "coordinated research and development policy" at the top of his six point list "of demands on the CDU/CSU" for making a greater SPD-led coalition after the next elections. See, Glotz, "Die Krise des Parteienstaates", in Frankfurter Hefte Nr. 6/1992, p510
12 Manager Magazin, September 1990, S166
13 Hans Jürgen Schulz, "Ihr Feld ist die Welt", in Avanti Dec. 1992, p16
14 Smyser, op cit, p109
15 Nor has this been compensated by an adequate European research programme which could really take on the challenge of the US and Japan. See article in this issue on Europe.
16 Quoted from Bischoff and Menard, op cit, p15
17 Likewise, industrial production grew 4.9%, 5.3% and 3.0% respectively.
18 Approximately two thirds of the East's GDP is now made up of Western grants, about DM 130 bn in 1991.
19 Michael Heine, "Alles im Griff?", p73 in Werner Schulz, Ludger Volmer (Editors), *Entwickeln statt Abwickeln*, Berlin 1992 These figures include Federal, Länder, community and "German Unity Fund" deficits.
20 They run at about $17 an hour in Germany compared to $13 an hour in the USA.
21 In 1992 the IG Metall struck a wage settlement which led to a wage increase of about 5.5 % for one year, but also included a settlement for the rest of 1993 which was presented as a victory achieved by "responsible, but hard negotiations".
22 This is also called the "Lahnsteincompromise". After this deal between SPD and government, the SPD roled Länder and the DGB leadership also agreed to the reform, leaving the ÖTV alone in its opposition.
23 Financial Times, 28.10.92, p2
24 This is the small Liberal Party that traditionally holds the balance of power in coalitions.
25 This will be fully operational and up to strength (35, 000) by 1995 and is the embryo of any future EC army.

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