

Socialist

Action

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EMERGENCY
ARBITRATION NOT
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**The wages
offensive**

- *The Embryo Bill* and abortion
- The rise of world poverty
- Imperialism's plans for *Eastern Europe*
- Deepening crisis in *Latin America*

Comment

Shifts within imperialism

There is deep logic in the realignments taking place in the international capitalist economy as it prepares to attempt its greatest offensive since the Second World War — the reconquest of Eastern Europe for capitalism. The country which stands to gain most from this, West Germany, is undergoing rapid economic strengthening. The two imperialist countries which will lose relative to Germany, Japan and the United States, are, to different degrees, suffering economic strain.

The most obvious symptoms of economic problems are in the US. Wall Street fell 10 per cent during January at the same time as the Frankfurt exchange was soaring. Wall Street's jitters reflected fears of rising international interest rates, but behind these lay the US's relations with Japan and West Germany.

Current tremors on Wall Street were triggered in Japan at the end of 1989. For seven years the US has been held up by capital flows from Japan — flows made possible by the Japanese trade surplus. However that trade surplus cuts into US markets. The Japanese trade surplus, indeed, has largely become a question of its surplus with the US — the EEC keeps down its deficit with Japan by protectionism.

As the US economy felt the squeeze from Japan it put pressure on for Japan to cut its surplus — both by restricting exports to the US and by opening its domestic markets to United States exports. Japan, as usual, complied with US pressure and its trade surplus has shrunk.

But the United States was sawing off the branch on which it was sitting. The US simultaneously demanded that Japan limit its trade surplus and maintain the same level of capital exports to the United States. That combination is impossible. The only way Japan can finance large capital outflows is to run a trade surplus. The US demands that Japan continues to subsidise the United States at its previous rate while systematically reducing its ability to do so.

Japan's attempt to comply with US demands led its economy into significant problems by the end of 1989. The combination of capital outflows and a falling trade surplus led to devaluation of the yen and a rise in inflation. Low interest rates, necessary to allow capital to flow out to the US, fed rapid growth in Japan's money supply and a dramatic rise in property prices. Together with other problems caused by opening Japanese markets to US imports, which affected Japanese farmers and retailers, this underlay the unpopularity of the ruling Liberal Democrats.

By the end of 1989 the situation had become intolerable and Japan's central bank was forced to raise interest rates — making Japanese interest rates more attractive compared to the US and reducing the flow of capital across the Pacific. Wall Street immediately fell. When Japanese interest rates go up again after its general election in February, and this is inevitable, the pressure will increase further.

Meanwhile, across the United States Atlantic frontier, West German capitalism is gearing up for its drive into Eastern Europe — commencing with reunification of Germany itself. Germany is acting as a magnet for the inflow of capital necessary to finance its new expansion. The West German stockmarket has boomed and the Deutschmark soared with strong pressure on the Bundesbank to increase interest rates to attract yet more capital.

The flow of capital into West Germany combines with the slowdown of Japanese capital exports to produce deepening problems for the US economy. The United States is faced either with devaluation of the dollar, because the capital flows to maintain its present level no longer exist — and which threaten increased inflation and political instability in the United States — or raising its interest rates to maintain capital inflows but pushing the economy into a deeper recession.

The capitalist advances in Eastern Europe are therefore shifting the relation between the imperialist powers and deepening contradictions between them. The first step is increased economic competition. The final logic would be a nuclear arms race between the United States, Japan, and West Germany.

Anyone who believes that capitalism in Eastern Europe will make the world a safer place should think over that prospect rather carefully.

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Gorbachev reaps a carnival of reaction



The creation by Gorbachev of the conditions for Germany's reunification into a single united imperialist state sets the seal on the catastrophic course on which he has led the international working class movement. When Gorbachev came to power in the USSR a large section of the left in Britain and Europe believed that this would create big openings for socialists in Europe. Books by Tariq Ali, Anthony Barnett, and others spelt this out.

Such a view was theoretically absurd. Imperialism by its very nature is an expansionist and aggressive system. Any accommodation to it, or weakness, leads not to peace, stability, and advance for the left but to greater aggression by imperialism and strengthening of reactionary forces. The only thing which leads imperialism to pursue 'peaceful' policies is when it suffers defeats. This is confirmed not merely by elementary Marxist theory but by the entire experience of the class struggle.

To take merely the post-World War II period, it was China's successful entry into the Korean war which ended US military aggression in the Korean peninsula, stopped direct military threats against China, and brought about the defeat of McCarthy, MacArthur and the most aggressive currents in US politics. It was the USSR and China's perceived guarantee of North

Vietnam against US invasion which at all limited US aggression against that country. It was defeat in Vietnam which led the US to turn to the policies of detente in the mid-1970s.

Victories by imperialism lead to it becoming more violent and aggressive. The crushing of the German working class by fascism inaugurated World War II. The victory of military coups and reactionary interventions in the early 1960s — Zaire, Brazil, and Indonesia — were the preconditions for the US to launch the Vietnam war. The turn of the Chinese bureaucracy to direct collaboration with US imperialism in the 1970s created the economic and political conditions for the rebuilding of the United States aggressive machine under Reagan.

Gorbachev's policy from the beginning was a turn to a closer collaboration with imperialism. It was completely ridiculous, nothing to do with Marxism, to tear one aspect of this, the letting up of the worst excesses of Brezhnev's repression, out of context — let alone to engage in a stupid debate of the type 'is Gorbachev, is Gorbachev not, a Stalinist' on the basis of how complete that democratisation was.

Any shift in the Soviet Union in a leftward direction would involve a rapid expansion of democracy. But it is absurd to believe such democratisation is itself a left wing shift because it can occur for quite different reasons. If, say, Gorbachev had accompanied democratisation in the USSR with stepped up aid to Cuba and Nicaragua, or the launching of a deeper international campaign against apartheid we would have been dealing with a left wing development.

But Gorbachev did the opposite. From the beginning he coupled democratisation in the USSR, moves in the direction of a parliamentary system of government, with reduction in aid to struggles against imperialism and more direct collaboration with the capitalist states in dealing with 're-

gional conflicts'. In that context Gorbachev's policies on democratisation were part of a profound shift to the right, towards imperialism. This accommodation to imperialism has naturally, therefore, strengthened reactionary trends both within imperialism and internationally.

First they have emboldened imperialism, and in the first place US imperialism, to launch a new and more aggressive policy internationally. The US invasion of Panama, and its military support to Aquino in the Philippines, were directly aided by its view that it is now free from any serious reaction to its actions from the USSR. The US's reactionary drive will intensify against Nicaragua and Cuba.

Second events in Eastern Europe will directly cut off aid to liberation struggles. Indeed representatives of the most reactionary states in the world are today circulating around East European capitals — Pisk Botha in Budapest and Simon Peres in Prague.

Third the developments in Eastern Europe will lead to a stepping up of the imperialist economic offensive against the third world as what little capital is put into aid to semi-colonial countries is instead diverted into Eastern Europe. The result will be a rising tide of misery and poverty in the third world.

Fourth Gorbachev has begun to unleash a process shifting politics to the right in Europe. The first country in which this will start will be Germany. Less than a year ago Kohl was floundering in the polls in West Germany with talk of a Red-Green coalition. The next West German election will now be dominated by the attempt to integrate East Germany into the Bundesrepublik with the SPD moving to coalition with right wing parties under a reactionary banner on reunification — and with the CDU attempting to outflank it on a reactionary nationalist line.

Fifth Gorbachev has unleashed completely reactionary forces inside Eastern Europe itself. There is a rapid

rise of anti-semitic bourgeois currents in Poland, Romania and minority extreme right wing forces in East Germany. In the USSR itself the Azerbaijani attacks on Armenians were wholly reactionary.

Sixth Gorbachev's policies are leading to the creation of a nuclear imperialist superstate in the centre of Europe. Talk of 'neutrality' or 'demilitarisation' would not be worth the paper it was written on. If Germany reunites, creating the greatest imperialist power in Europe, nothing will prevent it eventually gaining nuclear weapons.

Seventh, if imperialism were able to roll back Soviet troops to the USSR's borders, while maintaining US troops in Europe and creating a united Germany, the entire military relation of forces in the world would move in favour of imperialism. Recalculations on the possibility of 'prevailing' in war with the USSR — to use Caspar Weinberger's notorious phrase — would be reassessed.

Indeed this is the irony of Gorbachev's policies. Gorbachev started off by wanting to lighten the armaments burden on the USSR. If an imperialist encirclement of the USSR is tightened the USSR would have to devote a far greater burden of its economy to military spending than ever. If Gorbachev were to succeed in his policies there is no doubt that by the late 1990s the military strain on the USSR would be greater than today.

It is not a question of simply contemplating these developments. Imperialism has major problems — in particular whether it can hold together its world economy and whether it has the resources to simultaneously advance into Eastern Europe, mount an intensified attack on the semi-colonial countries, and contain the consequences of the worsening of the position of the West European working class this will create.

But one thing is clear. Gorbachev has not shifted politics to the left. He has strengthened the hand of reaction.

Panama — first step to Nicaragua



The invasion of Panama and the arrest of Noriega has tightened the noose around the Nicaraguan revolution.

The goal of the US intervention was straightforward, to eliminate any obstacles to imposing US policy throughout Central America, with Nicaragua as its final target. The talk of democracy and a war against drugs was simply to justify imposing its will on Panama.

The US initially had no difficulty with Noriega as head of the Panamanian Defence Forces. Problems started in 1985, when Noriega refused to bow to US pressures to renegotiate the Panama Canal treaty, which gives Panama itself control of the Canal and Canal Zone from 1999. His opposition to the US over the

Canal brought him into an uneasy alliance with Nicaragua, enraging Reagan, and then Bush still more. When Noriega withdrew support from the contra war against Nicaragua, the US set its sights on a more acquiescent regime.

When military threats, economic sanctions, assassination plots and funding domestic opposition all failed, the US embarked on a vicious international campaign to create conditions for military intervention.

On 20 December Guillermo Endara was sworn in as the new President of Panama by US officials at a secret ceremony at the Fort Clayton US base in the canal zone. 26,000 thousand US troops went on the rampage — the PDF was only 7,000 strong — bombing

Panama City's working class neighbourhoods; over 1,000 Panamanians are estimated murdered and by 28 December 5,000 Panamanians were in detention. Tens of thousands have been made homeless. The total cost of Panamanian losses is estimated at \$2 bn — the US have just offered a tenth of that sum (\$2 Million) in extra aid.

The failure of the USSR to make a sharp intervention against the US action bodes ill for the support that Nicaragua can expect in the future. The imperialists well understand the aid Gorbachev de facto extends to them: '...the scope for this type of intervention has vastly increased in the six years since Grenada, for Mr. Gorbachev's Soviet Union is going to make even less fuss than Mr. Andropov's.' (*The Economist*, 6-12 January, 1990).

The direction of US policy is deadly clear. Panama was a tactical action in a broader strategy — to prepare for further US military action to secure its backyard in Central America. Everyone knows that its chief target is Nicaragua.

Javier Mendez

Whitty unveils plans for party conference

Neil Kinnock has told the press that he is planning to ditch the mandatory re-selection of MPs, and with it the trade union vote in parliamentary selections.

This proposal dovetails with other proposals to radically reduce the rights of CLPs and party members. At a meeting organised by the London region Labour Party on 23 January, Larry Whitty, party general secretary, outlined the proposals likely to come forward from the NEC for the future of party conference.

What Whitty called 'tinkering amendments', basically already agreed by the right wing, include: ending the right of CLPs and affiliates to submit amendments; ending the right of conference to discuss constitutional issues — these will be dealt with at a three or four yearly rules conference; and ending the sys-

Black Section decides tactics

At the 1988 Black Sections conference in Manchester, decisions were taken which were to return the Black Sections to the centre of labour movement politics. After a period in the doldrums, a series of initiatives had radically changed the debate over black representation in the party.

Firstly, Bill Morris, Deputy General Secretary of the TGWU, and Tony Clarke, a member of Labour's NEC, both proposed formulas for moving towards a resolution of the dispute. Then in dramatic fashion, Bernie Grant rose from the floor of the Manchester conference to announce that he had had communications from Neil Kinnock's office, proposing discussions around finding

a solution that would be acceptable to the party.

Of course, these moves had only gained currency because of the leadership's inability to silence the protests of black people. Nevertheless it was crucial that the Black Sections should influence the negotiations as much as possible. In the event two decisions were taken; to participate in the negotiations; and to recall conference to discuss any concrete proposal which might emerge.

The Black Section's negotiating position was broadly reflected in a paper presented to the NEC in July last year — for a unitary black socialist society, with black only membership, and the prospect of NEC representation. This the NEC event-

ually rejected in favour of Neil Kinnock's 'Black and White Minstrel Society'.

This ridiculous and racist proposal was roundly rejected by the party in October, while the original July proposal failed by just 600,000 votes to win favour.

Thus, the belated recall conference proposed at Manchester convened on 7 January to decide whether to continue to seek support for the July proposal.

It is not surprising that strong views were aired on both sides about the tactic of participating in consultations and negotiations. In the end however, the recall conference decided that the July proposals have taken the Black Section closer to getting a concrete formula passed by party conference

than ever before; and that despite the decision to reject all the proposals in 1989, the July proposals are not dead.

Indeed, while it no longer looks as if the multiple affiliation option which threatened to rear its head via GMBTU will now be resurrected, it is certainly the case that a variant of the July proposals will appear on the agendas of party, and some trade union, bodies before this year's annual conference.

The decision of the recall conference to continue to seek support for the July formula therefore certainly means that a form of black self-organisation with automatic representation is now an immediate, practical possibility.

Mike Wongsam



iates will not be allowed to amend.

The motivation for these proposals was made explicit by Whitty. He explained that previously there

had been conflict between the party conference and Labour governments — with the government ignoring conference decisions and the conference criticising the government. There are two ways this can be dealt with. In the early eighties, after the disastrously right wing performance of the Callaghan government, the party adopted reforms to increase the pressure on a Labour government to carry out conference policy. Now the right wing is preparing to force through proposals to make party conference totally subservient to the party leadership by removing the rights of CLPs and party members.

Then there are a series of what Whitty called 'radical proposals', which included: looking into direct representation of the PLP at party conference; an intermediate body between the NEC and conference with representation from regions, local government, the PLP and the NEC, affiliated organisations and 'hopefully representation of ethnic minorities' — CLPs would not be directly represented; a two yearly cycle of discussion at annual conference; a rolling programme.

The 'tinkering amendments' certainly, and possibly others, will be taken by the NEC to this year's annual conference, in a document which CLPs and affil-

had been conflict between the party conference and Labour governments — with the government ignoring conference decisions and the conference criticising the government. There are two ways this can be dealt with. In the early eighties, after the disastrously right wing performance of the Callaghan government, the party adopted reforms to increase the pressure on a Labour government to carry out conference policy. Now the right wing is preparing to force through proposals to make party conference totally subservient to the party leadership by removing the rights of CLPs and party members.

The right wing are preparing a sea change in the balance of power in the Labour Party. The left has to make sure that every single ward, CLP and trade union understands what is at stake and organises against it.

NOLS chooses right-winger

The National Organisation of Labour Students has elected Stephen Twigg, long-standing member of the LCC and loyal Kinnoch supporter, as its candidate for NUS president.

At the New Directions caucus — the new name for the old Democratic Left current in NOLS — two candidates stood. Twigg was chosen as the caucus candidate against Sarah Adams by only 91 to 87.

Sarah Adams would have been a far stronger candidate, as she is to the left of Twigg.

The decision to field Twigg, who the entire New Directions caucus voted for in full NOLS conference, is disastrous in the light of the rise of the right wing in NUS. At the December NUS conference, NOLS suffered its first ever election defeat at the hands of the SLD.

The right's main protagonist, Cosmo Hawkes, currently National Secretary of NUS, has announced his intention to stand for NUS president, and to be its 'last president'. NOLS' more right wing candidates fare very badly in NUS elections in comparison with their left wing.

Twigg was in the forefront in condemning 'student violence' on the 1988 demonstration against loans, when students were charged by police on horseback and a number seriously injured.

The only gain is the inclusion of a black candidate on the slate, Martin Lindsay, for the first time in 11 years. This was due to a year's activity by the Black Sections demanding representation for black students.

Polly Vittorini

ANC rejects concessions to apartheid

South Africa is witnessing a sharp upturn in mass struggle, with the regime in retreat, but coupled with increasing collusion by the USSR in the USA's project for the region.

The fall of Botha was followed by an offensive, led by Thatcher, to bring the apartheid regime in from the cold and isolate the opposition internationally.

The regime proposed cosmetic reforms, dangling the prospect of release of political prisoners, unbanning organisations, and ending the state of emergency as the outcome of negotiations in which the ANC would abandon the armed struggle and de facto recognise the regime.

A massive international campaign has attempted to force the ANC to accept these terms. In particular, the USSR has been applying its pressure. The visit of Pik Botha to Hungary threatens the ANC's aid from Eastern Europe.

However, so far the ANC is not bowing to this international pressure. Even the regime's initial claims that Nelson Mandela, whose release is once more subject to delays, represents a conciliatory wing of the ANC is proving to be totally false.

Mandela has reiterated an uncompromising position: 'White South Africa must accept the plain fact that the ANC will not suspend, to say nothing of abandoning, the armed struggle until the government shows its willingness to surrender the monopoly of political power... A government which used violence against blacks many years before we took up arms, has no right whatsoever to call on us to lay down arms.' He re-asserts that 'majority rule and internal peace are like the two sides of a single coin, and white South Africa simply has to accept that there will never be peace and stability in this country until the principle is fully applied.'

The ANC's Harare declaration of August outlined its position on negotiations with the regime, which have been

adopted by the Mass Democratic Movement within South Africa. This insists negotiations are on the basis of a transfer of power, and for a unitary state with one person one vote. Moreover it demands the lifting of the state of emergency, the unbanning of banned organisations, and the release of all political prisoners as the precondition for talks.

However the pressure on the ANC is very powerful. The intervention of the Soviet Union in the front-line states, to force agreement to the exclusion of ANC bases, has had a major impact on its military operations in South Africa.

This whole campaign is particularly despicable when the truth is the apartheid regime is on the defensive, following a major recovery of the mass movement in the last year, deepening economic problems in South Africa, and a major setback for the ruling National Party in the September elections which got its lowest vote since 1953.

The imperialists are casting around for any aid to the regime, and the Soviet Union have been its strongest support.

The response in Britain has to be renewed pressure for international sanctions, with the whole labour movement behind the AAM's national demonstration on 25 March.

Paul Atkin



Wages offensive begins

The dominant issue in the British economy and politics has become the wages offensive by the working class — its first overall offensive struggle since 1979. This wave of struggle began last year, when real wages were defended against rising interest rates and inflation, and is continuing with settlements like that at Ford in the private sector, and struggles like that of the ambulance workers in the public sector. 'The worst problem we have at the moment', was how Margaret Thatcher accurately described this pay offensive in the *Daily Telegraph* on 11 January. SYLVIA ASHBY outlines the tasks of the left.

The reason wages have now become the obsessive concern of capital, and the focus of the class struggle, is not any acceleration in the rate of real wage increases — on the contrary the rate of increase in real wages has fallen to its lowest level for eight years. The problem for capital is that the working class is so far successfully refusing to bear the burden of overcoming what are now quite open signs of overstrain in Britain's imperialist economy.

The two decisive signs of that overstrain are the balance of payments deficit of 4 to 5 per cent of GDP and the biggest ever deficit in company finances — figures from the Central Statistical Office reveal that the corporate sector deficit rose from £3.6 billion to £6.5 billion in the third quarter of 1989, also equivalent to almost 5 per cent of GDP for the quarter. The net borrowing requirement of companies doubled between the second and third quarters of 1989 to £24 billion.

This overstrain results from the combination of Thatcher's election oriented consumer boom, which the current high interest rates are aimed at bringing to an end, together with a level of military spending higher than any of its European competitors, a massive export of longterm capital (direct and portfolio investment), running at a rate of 6 per cent of GDP in the first six months of 1989, and enormous pressure to increase the rate of domestic investment to the level of the other major European states in order to overcome the worsening lack of competitiveness of the British economy. Rising dividend payments, increasing from £1 billion to £5 billion in the third-quarter of 1989, equivalent to around 4 per cent of GDP, complete the picture of an economy rapidly moving out of control.

In this situation something has got to give. As Thatcher refuses to cut either overseas investment or defence spending the government's fear is that the pressure on company cash flow will lead to drastic cuts in domestic investment — which would inaugurate a full blown recession and, over the medium term, undermine still further the economy's ability to compete internationally.

Capital's response to this is therefore to seek a way out by forcing the working class to bear yet a further burden to pay for these policies. The only divisions within capital are over how this should be achieved.

One fraction of the bourgeoisie favours further cowing the working class through throwing the economy more

deeply into recession through a further increase in interest rates and holding down wages by these means. The *Financial Times* on 22 January openly called for such a course in its editorial, concluding: 'the annual growth of earnings will have to be lowered, probably by some 4-5 percentage points. There is no chance that this can be done without a marked rise in unemployment.' Nigel Lawson's policy of moving rapidly to membership of the EMS, with the higher interest rates necessary to defend the pound's parity within it, would have produced the same result. By this course wages would be hammered down openly through the weight of rising unemployment.

Thatcher however, fearing the political consequences of such a course, has chosen the alternative of devaluation — which, through rising import costs, aims to drive down real wages through inflation. This course has been pursued de facto for one year, and relatively openly since Lawson's resignation in the Autumn. The pound has devalued by 12 per cent since the beginning of 1989. The stabilisation of the pound in January was merely a temporary phenomenon as the Japanese central bank held down interest rates before February's general election and will be reversed as soon as Japanese interest rates are increased after the poll.

The success of such a strategy depends on two variables. The first is that there should be a continuing expansion of the world economy over the next two years — a matter over which Thatcher has no control as it depends entirely on the success of Japan, the United States, and West Germany in expanding their economies. The international dimension of the strategy is to devalue sterling, hold down British domestic demand, and thereby shift resources into exports. As the US economy is already entering a recession, and Britain has been historically unable to compete in the EEC, the premises for such a strategy are highly doubtful.

However as even if there were a continuing expansion of the international capitalist economy British capitalism would be unable to take advantage of it if investment collapses or, above all, if British real wages are successfully defended against the inflationary consequences of the devaluation, and because she cannot, in any case, influence the US, West Germany or Japan, Thatcher is concentrating the government's efforts on holding down working class wages and living stand-



ards. Objectively she is attempting to increase investment at the expense of wages while refusing to cut back military spending or overseas investment.

It is vital to explain this real chain of events, because the first, and all too familiar, response of the bourgeoisie is to attempt to blame inflation on the working class itself — that is, on its wage increases. In reality as Jack Adams, chair of the Ford manual workers unions, correctly stated, his members are 'the victims of inflation, not the cause of it'.

It is capitalism's extravagant policies of militarism and imperialism which are the cause of the inflation, not wage increases. It is these policies, not wages, which should be cut.

In this situation socialists have three tasks. *First* and foremost to defend working class living standards and conditions, by building solidarity with the struggles that take place, and fighting for the labour movement as a whole to come behind them. *Second* to show that the obstruction by capital of all attempts to solve the economic situation at their expense means that the thorough-going reorientation of priorities for government spending and investment can only be achieved through socialist control and planning of the economy. *Third* to fight for precise steps that can be taken in the present situation which strengthen the position of the working class and weaken that of capital.

Taking first the most immediate questions. The Tory government's attack on working class living standards has two aspects, firstly to hold down wages, and secondly to cutback the

working class's indirect income through stringent controls and cuts in public sector spending. This may well also be deepened in the budget through measures such as not fully indexing tax thresholds.

In this overall context the Ford pay offer of 10.2 per cent, initially rejected by the trade unions, is a sharp setback for the Thatcher government's strategy. As Ford tends to set the going rate across manufacturing industry, this already sets the pay target for other workers at a level unacceptable to the government. This is why Thatcher and other government ministers, echoed by the bourgeois press, have made clear their sharply hostile attitude to the Ford offer.

What is now taking place is a ratchet effect. Despite initial offers of around 6 to 6.5 per cent last year successful struggles, most notably on rail and in local government, forced final settlements of well over 8 per cent. The government's attempts to keep wages below last year's levels already look futile as Ford's comes after a wave of similar settlements.

Nissan set the ball rolling with a 10.2 per cent deal at the end of last year. Sharp in North Wales has just awarded production workers 10.2 per cent. Vauxhall and Boots have agreed deals at just below 10 per cent. According to Income Data Services most current pay settlements are between 7.5 and 10 per cent with a clustering around 9 per cent. Ford sends the rate up still further even without more being extracted through a strike. Ford is almost certainly the final nail in the coffin of any attempt by the government to keep wages down in private industry. The biggest clash is therefore going to come in the public sector — which is why the government has held out so ferociously against the ambulance workers.

Defeating the ambulance workers struggle is considered of 'over-riding' importance by Cabinet ministers for both economic and political reasons. Economically an ambulance workers victory would open the door for a flood of public sector disputes. Politically the government would either have to increase the cash limits on health spending, which would be a major sign of weakness, or engage in a still harsher round of cuts as the *Sunday Times* accurately pointed out on 14 January: Clarke 'dreads an NHS pay scramble eroding his cash-limited health budget and leading to vote-losing hospital cutbacks and closures long after the ambulance dispute has been forgotten.'

The arithmetic now facing the government in the public sector is ex-

tremely clear. The Autumn Statement, setting public sector cash limits for the coming year, already laid down government policy for the next year. The Autumn Statement allowed for a 7 per cent increase in cash limits in the public sector. These figures were worked out on a government estimate of 5.75 per cent inflation. On this basis the government claimed it was expanding public sector spending by 1.25 per cent. However inflation is already running at 7.7 per cent, and most projections see it continuing at this rate for the coming year. Therefore rather than any expansion in public spending, projections are that the Autumn Statement already means a fall in public spending of around 2 per cent. Fear of a wages explosion in the public sector if the government's pay 'norm' of around 7.5 per cent is breached for any group of workers is why the government has already spent far more fighting the dispute than the costs of meeting the ambulance workers claim.

Such fear is amply justified. A new pay demand for health ancillary workers is about to be tabled; NALGO have put in a claim for a flat rate increase of £1500 amounting to 7 per cent to 20 per cent for lower paid workers; rail unions, which won 8.8 per cent last summer, are putting in a new claim imminently; BBC staff have put in for 10 per cent plus a £500 flat rate payment. Their pay review body has just recommended that GPs and dentists receive over 8 per cent — which the government clearly finds a problem in the context of other public sector pay claims following it. The civil service unions will also be submitting a claim, following a comparability study on pay in the lower grades, in a sector where incomes are known to have been substantially eroded and led to staffing problems.

It is clear that even before any new round of battles that the first victories in the pay battle that opened last year have gone to the working class, with knock-on political effects, and significantly altering the class relationship of forces.

The rail and local government struggles last summer, the ambulance dispute, the Ford strike, and the engineering workers struggle for a reduction in hours, were the first really offensive struggles that the British working class has engaged in on a national level for 10 years.

The deep recession of 1979 to 1981, with spiralling mass unemployment, allowed the Thatcher government to deal blows against the organised labour movement, while dramatically driving down living standards of the

'The first victories in the current pay battle which opened last year have gone to the working class.'

lowest paid workers and creating a deep pool of unemployment. For the majority of those in work the oil boom then meant that substantial wage increases were granted without struggle.

As a result of this economic situation all major struggles which erupted in 1979-88 were fundamentally defensive in character — even if, as with the miners strike, they acquired huge proportions and were waged with great militancy. The national disputes under Thatcher in addition to the miners — the steel strike of 1980, the rail workshop struggles against closure, the rail disputes against flexible rostering, the print struggles against Eddie Shah in Warrington and Murdoch at Wapping — were all struggles against redundancy, closure, de-skilling, flexibility, and derecognition and in a context where the ability to grant overall economic concessions allowed Thatcher to pursue a policy of divide and rule. The current wave of struggle has a qualitatively different character and takes place under conditions where the government has no such room for economic manoeuvre.

It is for this reason, also, that the government has been forced to make a further turn to tightening its trade union laws. The government calculates that this has brought it real successes — playing a clear role in the ambulance dispute where the outlawing of sympathy and solidarity action has undoubtedly held back the massive public support being expressed through support action — although whether this will continue 30 January will show.

The immediate tightening of the screw is, of course, to outlaw unofficial action completely, to free the bosses hands for victimisation of militants, and to eliminate the closed shop. A further step, before which the government is still hesitating, is the banning of strikes in so-called 'essential services'. However given that Thatcher fears the electoral consequences of a combination of sharp rises in unemployment and high interests rates which would be created by a deep recession, and given that she rejects incomes policy, she has no option but to increase the emphasis on anti-trade union laws.

It is therefore particularly damaging, and has to be fiercely fought by socialists, that the Labour front bench has decided now is the moment to capitulate further to the government on trade union law. Tony Blair's statement in November that Labour was abandoning the closed shop entirely,



supporting the right of workers not to join a trade union, and basing his policy, as Labour's employment spokesperson, on 'individual rights' was a gift from heaven for the government. Such a policy has to be totally opposed and a key task of the left in the Labour Party in the coming year, especially in the context of the new wages offensive, must be to demand a reversal of this policy and a pledge that Labour commit itself to the repeal of all trade union legislation adopted since 1979.

After the direct attack on trade union rights the second aspect of the Tories' attack which socialists have to confront, and again one on which no response will come from Labour's front bench, is the argument that wage rises cause inflation, create unemployment, threaten public services, create recession and are probably responsible for the destruction of the ozone layer!

The truth is that inflation has risen in the economy because of devaluation, overstrain of company finances through foreign investment, and relatively firm commodity prices. The working class is defending itself against that inflation, not creating it. Further inflation will be caused by the government's refusal to cut back military spending or foreign investment — thereby leading to further devaluation and higher import prices. Wage increases are a response to inflation not its cause.

However far from attacking the idea that wage increases cause inflation the front bench is in fact opening the door to this. In particular incomes policy is

beginning to raise its head again. John Smith interviewed in the *Independent* on 19 January stated: 'I don't think that in the present circumstances that you could institute a [pay] norm in the private sector.' (our emphasis). This naturally leaves open the question that 'circumstances' could change — notably if a Labour government came to office. Opposition to incomes policy has therefore to move up the agenda of Labour's left alongside opposition to the present moves on trade union law.

When it comes to direct economic policy itself the left is making progress in assembling an alternative. The first step in this was the passing of Composite 47 on cutting defence spending at Labour Party conference last year. This began to lay out an alternative strategy for Labour on economic policy, by cutting arms expenditure in the British economy at least to level of other European countries. Britain spends 1.8 per cent of GDP above the West European average on defence.

Such a cut would free up resources for expansion of investment and expansion of the welfare state as well as policies such as a national minimum wage. However the Labour leadership and its advisors have resisted accepting such a policy. International developments however have had such an impact that sections of the 'soft left' — Clare Short, John Prescott, David Blunkett and others — have moved in to identify with the policy of arms cutting. Even Denis Healey, on the ex-

'Labour must commit itself to repeal all trade union law passed since 1979.'

treme atlanticist right of the party, has stated that 'defence cuts could be the oil money of the '90s' — which is ironic coming from someone who personifies the cold war in the Labour Party.

Indeed the Labour leadership is dragging dangerously behind the opportunistic sections of the ruling class on this matter — with Douglas Hurd making a key-note speech on Saturday 20 January saying that arm cuts were the 'enormous prize' to be expected from changed East-West relations and the American press obsessed with the 'peace dividend'.

Undoubtedly some arms cuts are on the agenda across Europe and the front bench will go along with these. But the Labour leadership fears that any concessions to the left on defence cuts policy may unleash a movement going beyond those proposed by NATO. Therefore they are not prepared to countenance the type of cuts that would actually make a substantial difference to the economy — notably reduction of defence spending to the European level. It is therefore probable that the Labour leadership will seek to defuse the left's victory at conference last year by putting forward a fudge to this year's conference, supporting a defence review, or arms cuts with no figures and no deadlines.

However while substantial military spending cuts are being rejected by the Labour leadership plans for slashing consumer spending and holding down wages are abounding. Wynne Godley, erstwhile guru of the left and architect of the *Alternative Economic Strategy*, explained in a letter to the *Financial Times* on 27 November that: '...as it is undesirable to reduce either the share of investment or (I would hope) Government consumption, it would appear that a very large cut specifically in personal consumption is now a necessary condition for sustained improvement in the external balance.'

In other words he proposes, no cuts in military spending, and maintaining government spending on both the welfare state and defence through an even more stringent attack on direct income that the Tories presently propose.

The official embodiment of this in current Labour policy is of course credit controls — which would bear down on working class incomes. However not merely are such policies to be opposed in themselves but they are also totally impractical. Direct consumer credit now amounts to only 15 per cent of all credit, with mortgages and bank loans accounting for the other 85 per cent. Credit controls to be effective would have to attack also

bank lending and, in particular, working class mortgages — which would not only be anti-working class but electorally suicidal. Credit controls are simply the thin end of the wedge to prepare the way for more radical anti-working class measures.

In reality the choices are simple. Either government spending and overseas investment is cut or working class incomes have to be cut. As the Labour leadership has so far rejected basing their economic policy on a radical cut in arms expenditure, and refusing to introduce exchange controls to block overseas investment, the only alternative will be punitive taxation and/or wage controls.

The final development which is beginning to take place is an offensive of the Labour Left around issues of the control of capital — starting with exchange controls. This directly collides with the entire imperialist thrust of the British economy which has been reinforced under Thatcher.

In order to understand this it should be understood that British capital *does not* flow to the 'third world'. It flows into the other imperialist states — above all into the United States. Indeed without the huge capital flows into the US from Japan, Britain, and West Germany Reagan and Bush could never have financed the United States' gigantic arms build up in the last ten years. Britain's outflow of long term capital, at 6 per cent of GDP, is actually larger than its trade deficit. Such capital flows are entirely financed by the working class.

The consequences of this radical strengthening of the imperialist character of the British economy was clarified in a polemic between left Labour MPs Ken Livingstone and Diane Abbott on the one hand, and Terence Burns, the government's chief economic adviser, and Samuel Brittan, chief economics correspondent on the *Financial Times*, on the other. This took place in the rather arcane contexts of the House of Commons Treasury Committee and the letters column of the *Financial Times* but they dealt with matters which are going to become crucial for the left's economic policy.

The exchange started with Burns and Brittan attempting to claim that the huge imperialist export of capital was irrelevant. Diane Abbott very nicely took this apart in the *Financial Times* on 20 December: 'The outflow of portfolio capital at a rate equivalent to 6 per cent of GDP in the first half of 1989 requires (to avoid devaluation under conditions of a current account deficit) a counterbalancing capital inflow

equivalent to 6 per cent of GDP... The portfolio outflow, reflected in the basic balance [trade balance plus long term capital balance in the balance of payments] therefore puts upward pressure on interest rates.'

Or as Ken Livingstone put it in a question in the House of Commons on 18 January: 'the deficit on the long-term capital flow out of Britain... is the basic reason why the government need[s] to keep short-term interest rates so high to attract short-term capital into the country... Does the Minister really think that... anybody in Britain values the freedom to carry on paying vast mortgage rates simply to allow British finance capital to flow abroad at the rate of a £30 billion deficit this year?'

This question of the export of capital, that is in policy terms the question of exchange controls, is going to become the second key issue around which the left's economic campaign is going to develop. It is one which, in addition to its consequences for Britain, points right at the jugular of the international imperialist system — the huge capital inflows into the United States now necessary to keep its economy stable.

In short the current offensive on pay, and the underlying problems of the British economy with all its political consequences for the Thatcher government, pose clear priorities for the left in the coming year.

●Most immediately, the working class in engaged in an offensive on wages which both aims to defend its existing standard of living and win a redistribution of the social product in its favour. These struggles must be defended and solidarity built on the widest possible basis in the labour movement.

●The Tories attempts to step up the use of trade union law must be resisted, in particular by fighting for the Labour Party to defend the closed shop, for repeal of all trade union law adopted since 1979, and rejection of incomes policy.

●To begin to put forward propaganda for precise policies which would strengthen the position of the working class and weaken the position of capital both in Britain and internationally. Most immediately these are the defence and extension of Composite 47 for the reduction of military spending to the level of Western Europe and the introduction of exchange controls. Naturally this list is not exhaustive, but is the backbone of the most immediate campaigns which have to be waged in the labour movement.

'We can expect a "fudge" on defence spending at this year's party conference.'

Women's Rights

Abortion and the Embryo Bill

6 *the various techniques for assisted reproduction offer not only a remedy for infertility, but also offer the fertile single woman or lesbian couple the chance of parenthood without the direct involvement of a male partner.* 9

Question of Life - The Warnock Report, Mary Warnock, 1985.

6 *All science, in greater or lesser degree, unquestionably reflects the tendencies of the ruling class. The more closely science attaches itself to the practical tasks of conquering nature... the greater is its nonclass and human contribution. ... But it would be naive to think that the proletariat must revamp critically all science inherited from the bourgeoisie before applying it to socialist reconstruction. ... The proletariat rejects what is clearly unnecessary, false and reactionary, and in the various fields of its reconstruction makes use of the methods and conclusions of present-day science, taking them necessarily with the percentage of reactionary class-alloy which is contained in them.* 9

Literature and Revolution, Trotsky.

The reproductive technologies — the subject of the Human Fertilisation and Embryology Bill — are revolutionary in their potential to expand women's reproductive choices, and in consequence all aspects of women's lives. But the content of the embryo bill, the likely amendments to it — especially concerning abortion and donor insemination — and the debates around it, are informed by growing tension between the advance of scientific knowledge, sought by scientists and the government with specific intentions, and the dramatic changes in the social structure with regard to 'families' and particularly women in the last 30 years, which these scientific advances promise to make even more acute. An accurate response to the bill requires looking at the balance of these competing and counterposed interests.

The potential of the issues covered by the bill, and their effect on wider social trends, has not been lost on those who framed the legislation, and least of all on MPs like Ann Widdecombe and Ann Winterton waiting in the wings with amendments.

The bill deals with a complex of issues concerning the new reproductive technologies, their use and implementation. These include donor insemination, used as a treatment for infertility, where the sperm of a donor is used to bring about a pregnancy; in vitro fertilisation, where sperm and egg are fertilised outside the woman's body and then replaced in the woman, used when a woman has a condition meaning donor insemination would be inadequate. As the Warnock report commented, donor insemination can also be used to bring about pregnancy without 'the direct involvement of a male partner'.

The bill also deals with the legal controls on embryo research. This research is the key to advances in knowledge and treatment of congenital and inheritable disease, of infertility, and into safer forms of contraception. The recent discovery of the gene which causes cystic fibrosis depended on embryo research. Continued research holds enormous potential for improving the quality of human life.

The bill also deals with surrogacy, where it strengthens existing prohibitions on commercial surrogacy, by proposing that no legal contracts are enforceable, and prohibits mixing human gametes (eggs or sperm) with those of other species — the creation of hybrids.

For obvious reasons the scientific concern to see that these areas of treatment and research continue is colossal. For the government however, the ques-

tion is how to have these developments without paying the price of creating greater reproductive choice for women, and without weakening — through allowing research on embryos — the anti-abortion, 'life begins at conception' lobby, precipitating further unwelcome progressive social change.

There are parallels in this, for instance, with the development of the contraceptive pill, or the abortion drug RU486. While the contraceptive pill was researched, produced and marketed within the priorities of bourgeois science — with no concern for its side-effects, with women used as guinea pigs — it brought an unprecedented expansion in reproductive control for women.

RU486, while attractive to doctors and, for obvious reasons, its manufacturers, is meeting a mixed response because it is will make abortion easier, more acceptable, and more of a choice for women. In this country anti-abortionists are threatening a boycott of the drug's manufacturers, Roussel-Uclaf, if the drug is marketed here.

The embryo bill is the product of this struggle of interests. That is, an attempt to satisfy the scientific lobby and gain from continued research, but at the same time limit the benefit to women and the effects on an at least shaky family system. It is typical of the conflicting interests the bourgeoisie is negotiating in relation to women and families. It reflects the values and assumptions of bourgeois science, while its final shape is influenced by the political concerns of this government. But this alone cannot inform our attitude to it.

To look at it purely as the latest aspect of a coordinated bourgeois attack on women is not to understand the conflicts of interest involved in its final form. Moreover, even the way in which the attacks which are coming under the embryo bill are framed reflect how ground has shifted to women's advantage in the last decade.

In 1985 we were defending ourselves against Enoch Powell's bill to criminalise embryo research. Today a government bill has been drafted which, under the formality of presenting two options, in fact promotes embryo research, although with controls and a restrictive time limit. This is a shift in favour of women, fundamentally arising from a change in social relations, not just 'scientific interest' or some set of abstract ideas.

At the core of this change in social relations — and what gives coherence to the opposition to embryo research,

the anticipated amendments, and to the new Tory 'family crusade' — are the dramatic changes in the 'family' in the last 30 years.

Fuelled by the demand of capitalism for women's labour power in the post war period, the 1960s and 1970s saw enormous changes in women's access to higher education, the availability of childcare, the introduction of more liberal social legislation on abortion and divorce, all of which combined to precipitate a revolution in patterns of families and households.

In the period between 1961 and 1987 the number of one person households jumped from 1 in 8 to 1 in 4. The proportion of one parent families has doubled in the same time, from 2.5 per cent to 5 per cent of all households. The proportion of children living in single parent families rose from 8 per cent in 1972 to 14 per cent in 1986. The number of people who never marry and the level of cohabitation has risen steadily since 1971, along with the divorce rate and the proportion of divorce decrees granted to women — 73 per cent in 1987. In the last 30 years births outside marriage, in the context of a sharply falling birth rate, have risen dramatically — 23 per cent of all births by 1987.

The material pressures at the root of these changes look set to sharpen through this decade, hence the bourgeoisie is concerned to restrict additional factors which will weaken the family system — by lifting the lid on the oppressions normally hidden within it, strengthening alternative options, and in the process putting a material burden on the state.

The fundamental factor, which cannot be avoided, is that at least into the mid-1990s women are going to be needed in increasing numbers in the workforce — the number of 16 to 25 year olds is expected to fall by 1.4 million between 1987 and 2000. Women, currently 40 per cent of the workforce, are expected to be 44 per cent by the year 2000. This trend made the social gains of women in the post war period possible.

It is this social context into which the embryo bill is inserted. The embryo bill is a compromise between the interests of science, which in the specific matters concerned the bill largely coincide with the interests of women, and the concerns of the government, anti-abortionists and anti-lesbian, pro-family fanatics like Ann Winterton. In this compromise the interests of protecting scientific research have essentially won out, hence the strident opposition of the anti-abortion lobby.



The militant anti-abortion campaign 'Rescue' has been responsible for fire-bombing clinics in the US.

This trend also gives sense to the Tories' new moral crusade, launched by Thatcher on 17 January, with its stated concern for a situation whereby 'too many children were today denied a secure and affectionate family ... with children, in danger of seeing life without fathers not as the exception, but the rule'. This campaign is being motivated in both ideological and financial terms, attempting to reinforce dependence on the family system by punitive economic measures. The 'family crusade' of 'tracing absent fathers and making the recovery of maintenance more effective', in other words removing welfare support from single mothers, has some rationale for the bourgeoisie when £1 billion a year is being spent on 425,000 mothers whom they believe could be receiving maintenance.

A less blatantly savage case is that of childcare, where the need for a female workforce has brought pressure for expansion of childcare provision. The government's concern is that the burden of payment is not placed on the state. Payment by the consumer is preferred, but at the very least the burden has to be borne by private industry and individual employers.

In these attacks the government has a twin interest: desperate to cut back on public spending and able to go only so far in assaulting the health service, education and so on, these policies aim to create big financial incentives to rely on a traditional family network, or substantial disincentives to break with it.

In promoting her views on restricting donor insemination for lesbians and single women, Ann Winterton MP has also stressed both the supposed moral and parental irresponsibility of women who bring children into the

world without a 'father figure' and the financial burden she claims this is likely to be on society.

This is the context in which the embryo bill has appeared, and in light of which its proposals must be judged.

Firstly the bill contains two options on research, that it is not permitted or that it is permitted under definite controls, the primary one would be a 14 day limit on research, in clinics licensed for the purpose by a specially established Statutory Licensing Authority. The latter proposal is believed to have enough support to get through parliament.

Scientists are concerned to establish a legal right to carry out embryo research, as this research and IVF techniques have been the target of anti-abortion attack, most spectacularly in the US.

An issue which has immediately come up therefore is should the 14 day limit on research be opposed — either on scientific grounds or because it reinforces notions of 'foetal rights' and hence threatens abortion rights? Socialist Outlook and the Revolutionary Communist Party for instance say yes, and therefore argue campaigning must be on the basis of opposition to the entire bill.

The Warnock Report, which led to this bill, admits that 'biologically there is no single identifiable stage in the development of the embryo [defined as the first six weeks after fertilisation] beyond which the in vitro embryo should not be kept alive'. The committee received differing medical views as to a limit on research, but conceded that in drawing a line their concern was to 'allay public anxiety'. In other words to placate anti-abortionists to some degree.

However, the clear choice was to permit research or not permit it, and on this there could be no fudge. There was the most almighty campaign by anti-abortionists against allowing research. But this was *defeated*, and the anti-abortionists are in no confusion about it. The 14 day limit is not one which would ideally be drawn, and attempts to improve it should be supported, but in allowing research at all it actually undermines the 'life begins at conception' argument.

Some of the points made by Warnock shed an interesting light on the logic which guided the committee at least. The Report rejected the view put to the committee that 'the use of human embryos for research is morally wrong because of the very fact that they are human'. However they also rejected the argument that only human

'The bill reflects a compromise on embryo research in favour of women.'

persons, not embryos should have respect in law.

While concluding that 'the embryo of the human species should be afforded some protection in law' the committee rejected the analogy drawn by anti-abortionists between the embryo and the human child or adult. Stating that the 'human embryo is entitled to some added measure of respect beyond that accorded to other animal subjects', they considered that 'respect cannot be absolute and may be weighed against the benefits arising from research'. The principle that human life begins at conception is explicitly rejected in the report, and by the provision for research in the bill.

There is a direct link between this argument and the legal conditions under which abortion takes place at present in this country. Some assumptions on the left, typically by Socialist Outlook, as to present rights to abortion are quite false. The 1967 Abortion Act is quite clear — that abortion was an unfortunate, necessary *evil*, the banning of which resulted in large numbers of deaths and damage done to women.

Abortion was introduced under the control of doctors, and permissible if the alternatives would be more damaging to the individual women, or alternatively to the potential child in the case of damage to the foetus. Women have not yet won the *right* to abortion in this country, although the 'social grounds' in the original act created a situation where nearly all women could get a legal abortion — if they could afford it. This is why anti-abortionists have focussed part of their attack on back door changes to reaffirm abortion is not a right but a 'lesser evil', by tightening up on the so-called 'social grounds' for abortion.

The 'lesser evil' notion, which structured the 1967 Act, is the same as that involved in framing the time limit on embryo research. Both are governed by these utilitarian concepts. The Warnock Report leaves the door open to breaching these limits where there is a more important benefit. The embryo bill, as framed at present, leaves the situation on abortion law as it stands. The bill in itself does not threaten abortion rights.

For sections of the left to attempt to campaign on the basis that it does simply limit the ability to stop the real attacks which are coming in amendments to this bill.

The regulations governing donor insemination proposed in the bill reflect similar concerns to control access and limit the benefits to women.

While the Warnock Report detailed how donor insemination could be used by lesbian couples or single women, thereby offering 'the chance of parenthood without the direct involvement of a male partner', it concluded, obviously omitting any factual substantiation, that 'as a general rule it is better for children to be born into a two parent family, with both father and mother'.

With reference to donor insemination and IVF treatment specifically for infertility, the report defines 'couple' not to mean a married couple, but a 'heterosexual couple living together in a stable relationship'. The meaning of 'stable' is a matter of interpretation, leaving the bill open, for example, to racist manipulation on this score, where black 'couples' could quite conceivably be judged, by a white medical profession and standards, as inherently 'unstable'.

The bill as it stands, however, is inexplicit on these points. The proposals contain the potential to restrict the access of lesbians, black women, women with disabilities, single women, and black heterosexual couples, for instance, to donor insemination and IVF. This potential is in clauses covering the regulation of licensed clinics.

The bill proposes to establish a Statutory Licensing Authority, appointed by and accountable to the Secretary of State, which will license clinics — treatment and research will have to take place in licensed premises. The SLA can determine what information is recorded — covering any details it decides are necessary on those for whom services are provided, any resulting children, donors and so on. The SLA will have the power to establish a Code of Practice, breaches of which will be relevant to the continuation of licensed status. Information on donors will be kept, which a person born as a result of donor insemination will have the right to consult on reaching the age of 18.

The possibility for attacks on access to donor insemination which this opens are clear, but they are not made explicit. This level of ambiguity is unacceptable to people such as Ann Winterton, who signalled her aim of banning access to donor insemination by lesbians and single women through an Early Day Motion in October last year, entitled the 'Impregnation of Lesbian Women'. Supplementary amendments, or future conditions written into the Code of Practice or other requirements demanded by the SLA, would certainly be needed for this to become a serious attack on access to DI.

The basis of campaigning must be

'Ann Winterton's aim of restricted access to donor insemination is not ambiguous.'

opposition to such amendments which will come up to say that certain categories of women — those not in stable, heterosexual relationships — are ineligible for donor insemination.

Finally, and most significantly, a serious attempt is to be made to use the bill to drive through a substantial attack on abortion rights. In contrast with previous parliamentary attacks through private members' bills which could be defeated by parliamentary tactics such as 'talking the bill out', in conjunction with mass campaigns, abortion amendments to this bill would be sure of coming to a vote.

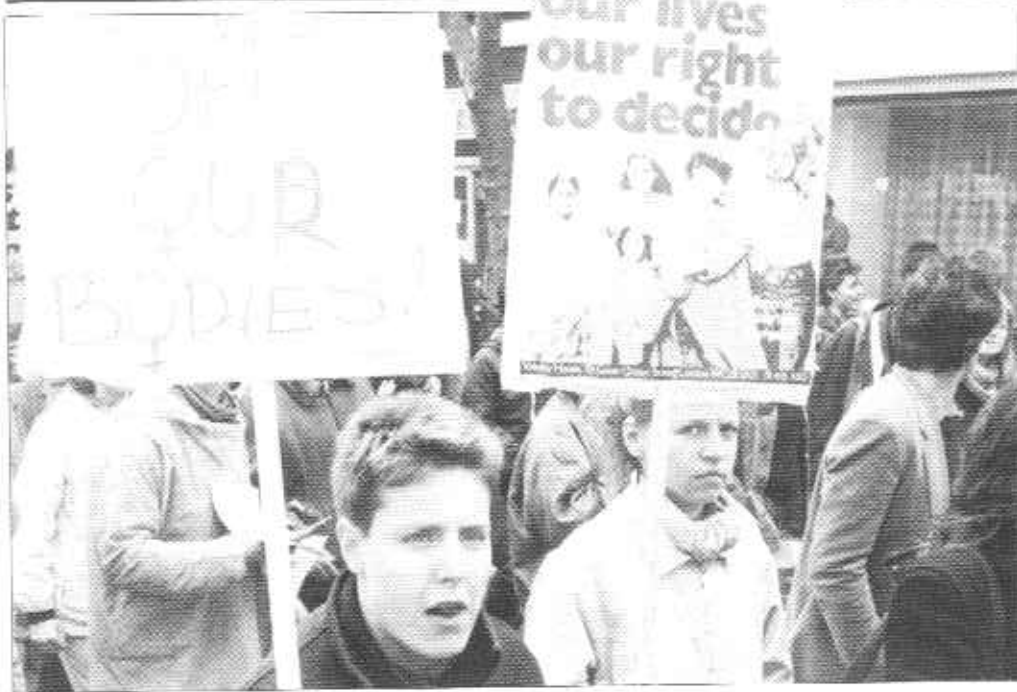
As a government bill, if amendments are called by the Speaker, they will be subject to debate and vote. The direct intervention of Thatcher ensured that the 'long title' of the bill, which sets out its areas of concern, would allow the introduction of abortion amendments, because the content of the bill is not connected, except in the most abstract sense, with abortion, and certainly not late abortion.

It is for good reason that abortion is the most consistent and concentrated focus of attacks on women. The ability to choose not to be subordinate to our reproductive capabilities strikes at the heart of women's oppressed position in our society. To be able to decide, albeit at present under laws and in conflict with ideas which encourage guilt and shame, to put one's self above another potential life is the most extreme expression of this.

The right to a self and identity separate from and not at the mercy of reproduction, through the gain of legal abortion, has had the most profound affect on the status, confidence and material position of women. Moreover the view that women do have a right to choose abortion is now firmly and widely held.

The sheer numbers of women who benefit from it explains the unparalleled social significance of abortion. The rate of abortion has risen steadily since the passing of the 1967 Act — with peaks, as the National Abortion Campaign points out, every time there is a major parliamentary attack on the bill. In 1971, there were 101,000 legal abortions on women resident in Britain, in 1981 there were 139,000 and in 1987 166,000.

Access to legal abortion combined with the availability of efficient contraception has allowed women in Britain and other advanced capitalist countries unprecedented control over when, whether and how many children to have. This led to the sharp fall in the



birth rate in the late 1960s and 1970s which has resulted in the problem now for the bourgeoisie of a significant fall in the number of young people entering the labour market. This in turn is the driving force behind the need to draw even more women into work, which will turn the screw on the family another notch. In these conditions a concern to see some restriction in abortion rights has been widened from the obsession of small bands of religious fundamentalists to the concern of a section of the bourgeoisie.

Rolling back these rights, beginning with the assault on late abortion, would not only have brutal consequences for large numbers of some of the most vulnerable women, it would also hit back at the entire advance registered by women in the last period.

The notion, shamefully given some currency by a few on the left, that abortion is something of concern only or primarily to heterosexual women, ignores the reality of women's lives and sexual existence — any woman can find herself unwillingly pregnant arising from rape and sexual abuse or casual sexual encounters, which themselves may take place under many different pressures and circumstances, or simply resulting from the inadequacy of contraception and contraceptive advice.

Moreover, it should not need saying that, in light of the heterosexual norms by which we are all formed and dominated, many lesbians spend years in heterosexual relationships. Many, especially working class women and lesbians who become aware of their sexuality later in their lives, may remain married or in relationships with men

for a number of reasons. Many women may know that they prefer emotional and sexual relations with women but find themselves in relationships with men at some time in their lives. Abortion is of the utmost practical as well as political significance to all these women.

There is no iron curtain between the right of women to control our bodies in the form of abortion and the ability to experience and express one's sexuality. On the contrary, there is the strongest connection possible. This destructive and unworthy line of argument ignores the social and political significance of the right to abortion for the status of all women.

This brings us to tactics in campaigning against these attacks.

Firstly, while, especially when the bill reaches the Commons, attention should be directed at positively amending its proposals on time limits on embryo research and donor insemination, it would be damaging to make campaigning at present based on opposition to the bill as a whole.

On embryo research our view should be that a 14 day limit is not a defeat for abortion rights.

On donor insemination the focus of campaigning must be the amendments which will come to draw out the bill's implications for lesbians and single women.

In relation to campaigning to stop the amendments to lower the upper time limits on abortion, the first issue to be stressed is that this has nothing to do with the issues around embryo research and neither area will receive proper discussion if they are muddled together. As seen in press coverage for instance, this is a strong argument. It is

also the first reason why a specific campaign, contrary to the first line of argument of Socialist Outlook, was required on abortion.

The second is that the way to maximise the breadth of support on both issues is to organise, in the well-tested manner, single issue, separate campaigns on the attacks on abortion and on donor insemination. It is by no means the case that people holding progressive views on one of these issues will do so on the other. The most contradictory opinions are held by individuals on the area of reproductive choice.

It is essential that those wishing to defend women however work out how to ensure that as many, not as few, voices are heard on both issues. The proposal to lump these two issues together in one campaign, in particular when an obvious initial argument is that abortion should not be mixed up with this bill, is a recipe for bringing about the most minimal expression of support.

In the labour movement for instance many organisations will have policies in defence of the 1967 Act, but none at all on donor insemination. Affiliations and other expressions of opposition to an attack on abortion can be won to a campaign established on a single issue, defensive basis. Is this harmful to the campaign for access to donor insemination? Would it help the chances of retaining and improving equal access to DI if abortion and donor insemination, and possibly opposition to the embryo bill as a whole, were linked together and much less support was expressed than if the two issues were campaigned on separately? Clearly not.

Abortion and access to donor insemination, and other issues raised under the embryo bill, are linked as elements in the reproductive rights of women. Our campaigning has to be focused on maximising our support. The formation of two campaigns, the Stop the Amendment Campaign and the Campaign for Access to Donor Insemination, separate but related, acknowledges this. Our efforts now should be directed to building up these mutually supportive campaigns.

But with a backdrop of recent anti-abortion successes in the US, the emergence of Operation Rescue in this country, and the deliberate manipulation of this bill by the government to attach abortion to it, we should be in no doubt as to the central and determined bourgeois offensive now underway to secure some restriction in women's abortion rights.

ANNE KANE

'A determined bourgeois offensive is underway to restrict abortion rights.'

Castro and Cuba

Following its invasion of Panama, and emboldened by its successes in Eastern Europe, the United States government is intensifying its attacks on the Cuban revolution. A worldwide slander campaign paints Fidel Castro as 'the last communist dictator' and claims Cuba is a centre of drug running. An editorial in the *Wall Street Journal* on 8 January this year suggested the trial of Panama's Manuel Noriega be used to get 'a bigger piranha' Noriega's 'unindicted co-conspirator, Fidel Castro.' The editorial concludes: 'It's not clear whether the best response is to indict him [Castro] or start shooting down his MIGs.'

The real position of the Cuban government is clear. When it was discovered that four top military officers were smuggling cocaine, and thereby gravely endangering the Cuban revolution, they were tried and executed.

Washington is perfectly aware of this. Its tissue of lies is a transparent pretext for stepping up efforts to overthrow the Cuban revolution.

Washington's hostility to Castro and the Cuban revolution has nothing to do with drugs. It is because of the example and moral authority Cuba has earned amongst millions of people in Africa and Latin America by its material support for struggles against imperialism and its creation of a society with the best health care, literacy and education in Latin America, in spite of a ruthless US blockade.

Nowhere was this more clearly shown than in Cuba's aid to Angola which finally led to the defeat of South Africa's forces at Cuito Cuanavale and their withdrawal from Angola and Namibia.

We reproduce extracts from Fidel Castro's speech, at the end of last year, honoring those who died: 'The final stage of the war in Angola was the most difficult. It demanded all of our country's determination, tenacity and fighting spirit in support of our Angolan brothers.'

'In fulfilling this duty of solidarity, not only to Angola but also to our own troops fighting under difficult conditions there, the revolution did not hesitate in risking everything. At a time when the imperialist threats against our own country were very serious, we did not hesitate in sending a large part of our most modern and sophisticated military equipment to the southern front of the People's Republic of Angola. Over 50,000 Cuban troops were in that sister nation — a truly impressive figure, in view of the distance and our country's size and resources... Such chapters of selflessness and international solidarity have seldom

been equalled...

'On their return they found their country engaged in a tremendous struggle for development as it continues to confront the criminal imperialist blockade with exemplary dignity. This is in addition to the current crisis in the socialist camp, from which we can expect only negative economic consequences for our country.'

'People in most of those countries aren't talking about the anti-imperialist struggle or the principles of internationalism. Those words aren't even mentioned in their press. Such concepts have been virtually removed from political dictionaries there. Meanwhile capitalist values have gained almost unheard of strength in those societies.'

'Capitalism means unequal terms of trade with the peoples of the third world, the exacerbation of individual selfishness and national chauvinism, the reign of irrationality and chaos in investment and production, the ruthless sacrifice of the peoples on behalf of blind economic laws, the survival of the fittest, the exploitation of man by man, a situation of everybody for himself.'

'In the social sphere, capitalism implies many more things: prostitution; drugs; gambling; begging; unemployment; abysmal inequalities among citizens; the depletion of natural resources; the poisoning of the air, seas, rivers, and forests; and especially the plundering of the underdeveloped nations by the industrialised capitalist countries...'

'Capitalism, its market economy, its values, its categories and its methods, can never pull socialism out of its present difficulties or rectify whatever mistakes have been made...'

'It is a well known fact that a large part of the developed capitalist world's wealth comes from the unequal terms of trade it maintains with the third world countries. For centuries those nations were plundered as colonies. Millions of their sons and daughters were enslaved; their gold, silver and other mineral resources were exhausted; they were pitilessly exploited; and underdevelopment was imposed on them. Underdevelopment was the most direct and clearest consequence of colonialism.'

'Now those nations are being squeezed dry by means of interest payments on an endless and unpayable debt. And while ridiculously low prices are paid for their commodities, they are forced to pay ever higher prices for the industrial goods they

import...'

'Today, imperialism is inviting the European socialist countries to join in this colossal plunder — an invitation that seems not to displease the theoreticians of capitalist reforms...'

'Right now the United States and the other capitalist powers are much more interested in investing in Eastern Europe than in any other part of the world. What resources can the third world — in which billions of people live in subhuman conditions — expect from such developments.'

'They speak to us of peace, but what kind of peace? Of peace between the major powers, while imperialism reserves the right to overtly intervene in and attack third world countries. There are many examples of this...'

'Only a few days ago US air force planes insolently intervened in the internal conflict in the Philippines... It is an accurate reflection of the current world situation, showing that the United States has taken upon itself the role of gendarme, not only in Latin America — a region it has always considered its private reserve — but also in any other third world country...'

'If these developments continue on their present course and the United States isn't forced to renounce these concepts, what new way of thinking can we speak of? Following this course, the bipolar world that emerged in the postwar period will inexorably become a unipolar world under US domination...'

'The US imperialists think that Cuba won't be able to hold out and that the new situation in the socialist community will inexorably help them to bring our revolution to its knees. Cuba is not a country in which socialism came in the wake of the victorious divisions of the Red Army. In Cuba our people created our socialist society in the course of a legitimate, heroic struggle. The 30 years in which we have stood firm against the most powerful empire on earth, which sought to destroy our revolution, bear witness to our political and moral strength...'

'We owe everything we are today to the revolution and socialism. If Cuba was ever to return to capitalism, our independence and sovereignty would be lost forever we would be a mere appendage of US imperialism...'

'We Cuban communists and the millions of our peoples' revolutionary soldiers will carry out the role assigned to us in history, not only as the first socialist state in the western hemisphere, but also as staunch front-line defenders of the noble cause of the destitute and exploited of the world...'

Eastern Europe

The imperialist offensive in Eastern Europe

The events in Eastern Europe pose, in the final analysis, a simple dynamic. It is not possible for two modes of production to exist in a single continent. One must overthrow the other. Either the working class would extend the development of the proletarian revolution, which commenced in Russia in 1917, into the whole of Europe, or the bourgeoisie would overthrow its non-capitalist rival first in Eastern Europe and then in the Soviet Union. The decisive focus of this, as always has become Germany. Directly linked to this however lies another clash. The productive forces have outgrown the nation state — a truth nowhere more immediately true than in Europe. Only a class capable of organising an international economy will triumph. The immense crisis now gripping Eastern Europe has therefore become inseparably connected with the relations between the imperialist powers, the EEC, Comecon and the organisation of a European economy. *GEOFFREY OWEN* analyses the fundamental dynamics of the events now unfolding in Eastern Europe.

The fact that it is impossible for two modes of production to co-exist in two halves of a continent, the reality of the situation that has existed in Europe since 1945, was for three decades obscured because the more powerful of the two social systems, the imperialist, was itself not in crisis. A temporary balance could exist. But as the imperialist system passed into crisis, starting in the 1970s, the historic truth began to become an immediate one.

The dynamic of the current events in Eastern Europe is clear. Capital, utilising the disgust of the masses with Stalinism — created by the economic, social and political consequences of the utopian reactionary attempt to build socialism in one country — is driving to restore capitalism. The Soviet bureaucracy, true to the doctrine of socialism in one country which expresses its social nature, is, under imperialist assault, prepared to concede Eastern Europe to capitalism, provided its own rule in the USSR is not touched — it lives in the utopian hope that it can arrive at an 'historic compromise' with imperialism on that basis. Only in the case of East Germany, where the Kremlin understands that a united imperialist German state would totally undermine the Soviet Union's military position in Europe, does the Soviet bureaucracy hesitate — but here it has almost certainly lost control of events.

This class dynamic, in turn, is inseparably linked to another development — the fact that the productive forces have outgrown the nation state. This historic truth operates more immediately in the European continent, with its huge development of the productive forces and petty balkanised states, than anywhere else in the world. It directly poses the question as to which class, which mode of production, will prove capable of organising an international economy both in the world and in Europe. Whichever class is oriented to, and eventually creates, an international system of production, will inevitably be victorious over the other.

Capitalism since World War II has succeeded in creating and maintaining a world economy — albeit one wracked by internal contradictions and with a question mark as to whether it can survive. But the bureaucracy oriented not in this international direction but instead to draw the productive forces backwards into the framework of a nation state — into the utopian reactionary framework of attempting to develop socialism in one country. Such an orientation was politically reactionary and economically incapable of catching up with, let alone overtak-

ing, as Khrushchev boasted, the development of the productive forces achieved by capitalism.

In Europe that process has become immediate. The bourgeoisie was forced to create its own supranational economic and political organisation — the EEC. This was weak, wracked by contradictions and scarcely even a half state. Yet, coupled with its links in a world economy to the United States, it allowed the productive forces in Western Europe to develop on an international basis. Socialism in one country in Eastern Europe, on the contrary, resulted in an 'international' economy more primitive than in the west. Socialism in one country produced grotesque priorities — not the attempt to develop as the supreme goal the economic, social and cultural position of the working class, but instead its brutalisation and suppression in a utopian attempt to build self-contained socialist societies. The total lack of developed consumer goods or service industries, the superfluity of steel mills and grotesquely polluting heavy industry, was the result.

When, in the early 1960s, Comecon did attempt to produce some international development of the Eastern European economies, not merely did it do so on the basis of distorted economic priorities, but added to this was the arbitrary bureaucratic fiat of the Soviet leadership which assigned entire nations, notably Romania, to remain agricultural — the revolt against this further fracturing the East European bloc and producing the hideous tyranny of Ceausescu.

Comecon slid backwards — even towards the level of a barter economy in its international trade. The only functioning international entity in Europe remained the EEC — which not only gave the Western bourgeoisie an immense advantage in the development of the productive forces, but would inevitably finally prove an irresistible magnet to the economic chaos developing in the east. The Stalinist bureaucracy from the beginning oriented Eastern Europe into a complete impasse that has become more and more open, and into that capitalism has stepped.

However even more significant than the economic orientation of socialism in one country was its political consequences. It is these which made Reagan's offensive of the 1980s possible.

The United States arms build up of the 1980s, which was used not only to attack the working class but as an economic nutcracker against the So-

viet Union, could only be financed by a vast inflow of capital into the US from Asia — first from Japan and then from the Asian NICs. This in turn was only possible on the basis of the spectacular expansion of these economies in the seventies and eighties — they are the only part of the world capitalist economy whose growth actually accelerated in these decades.

The political precondition for the Asian 'economic miracle' was the derailing of the class struggle in Asia, in particular in South East Asia, by the policies of socialism in one country pursued by the Soviet and Chinese bureaucracies. This created unprecedented possibilities for capitalist political stability in these countries.

The original responsibility for this development lay squarely with the Soviet bureaucracy — in 1960 Khrushchev withdrew all Soviet technicians from China. By 1967 the Soviet Union had stationed nearly 100,000 soldiers on its Eastern border and supplied its Far Eastern Forces with nuclear warheads directed at China. The Sino-Soviet split was carried into the CPs around the world through the sixties with devastating effect in Asia. China sought to escape from this Soviet stranglehold first through a 'left' turn under Mao and then through rapprochement with the United States.

A second wave of disorientation and destruction of the Asian workers movement began in the seventies with the drastic right turn in Chinese foreign policy. This finally culminated in the Chinese invasion of Vietnam in 1979.

The net effect of this policy was to completely break the momentum unleashed by the victory of the Vietnamese revolution in Asia, help the US isolate it, and stabilise the situation for imperialism throughout South East Asia. The Chinese bureaucracy even directly demobilised the Communist Parties in countries where they had considerable support — for example Thailand. The political stability for the bourgeoisie thereby gained, coupled with a rapid inflow of imperialist capital, laid the basis for rapid growth of the South East Asian economies. Its culmination was the huge flow of capital back into the United States which sustained the economics of Reagan.

On the political front the change in Asia, for the first time, allowed the United States to concentrate its forces against the workers states in Europe. In the period from 1945 until the end of the Vietnam war the United States had permanently been tied down in struggle against the Asian workers and

peasants — first by the Chinese revolution, then the Korean war and then the Vietnamese revolution. After the rapprochement with China, which helped the US to overcome the defeat of Vietnam far more rapidly than would otherwise have been possible, the United States was able to concentrate its attention against the USSR in a gigantic escalation of the arms race. It is for this reason that even now Bush will not risk a split with China.

By allowing imperialism to gain an enormous source of new profits in the expansion of the Asian capitalist economies, by allowing imperialism to concentrate its resources against the USSR in Europe, the Soviet bureaucracy created the conditions for imperialism to marshal its economic and military reserves. After the defeat of the West European anti-missiles movement, a defeat made easier because imperialism did not face any challenge in Asia, the Soviet bureaucracy confronted unprecedented imperialist military and economic pressure in Europe. The bureaucracy responded by further concessions to imperialism embodied in Gorbachev's policies. It is this which imperialism uses to attempt to bring about what is its class goal, the restoration of capitalist rule in Eastern Europe, and which is a process which is now launched.

Capitalism's first step in the process of restoration is to secure the penetration of capitalist social relations and the creation of capitalist political parties which can secure its rule. This is the beginning of the creation of elements of dual power in Eastern Europe. These would, if carried to their conclusion, culminate in the overthrow of the workers' states themselves. In the initial period this must inevitably take place under a democratic facade although in the long run it is most improbable that any systematic form of bourgeois democracy could exist in most of the countries of Eastern Europe. The democratic phase would be an interlude before the creation of more authoritarian forms of capitalist rule — on the basis of economies that were more akin to those of Latin America than those of Western Europe. As the Stalinist bureaucracy in the Eastern European states is incapable of preventing this process — it is on the contrary actively participating in it while simultaneously disintegrating — the issue is whether the working class is capable of preventing it.

These basic class dynamics are in fact well understood by the main actors in the situation, including the interna-

tional bourgeoisie and the Kremlin, and misunderstood only by those on the left who insist on starting not from the relations between the working class and capital, that is from the relations between the fundamental classes in society, but from the relations between the working class and the bureaucracy. They fail to see that the Stalinist bureaucracy is opposed not only by the working class to its left but also by capital to its right and fail to understand what is going on. Thus for example, Ernest Mandel wrote: 'Contrary to what a superficial glance might indicate, the European bourgeoisie does not look favourably on this destabilisation. It has no hope of recovering Eastern Europe for capitalism.' (*International Viewpoint* 3.4.89).

This is completely false. Far from having 'no hope' of recovering Eastern Europe for capitalism, the bourgeoisie is at present organising to achieve this and has every hope of doing so — whether that expectation will turn out to be justified, of course, depends not just on their actions. Furthermore these are not idle dreams, or subjective intentions, but a concrete series of economic, social and political acts. Not working class struggle for a democratic socialism but an imperialist offensive today has the upper hand in Eastern Europe. Failure to see this results from starting from relations between the working class and bureaucracy, not from the relations between the working class and the bourgeoisie, and therefore failing to see the unfolding events.

The chief facts are clear. In Poland the Solidarity led government is applying a drastic economic programme, approved by the International Monetary Fund, seeking to lay the basis for a capitalist economy. In Hungary a similar IMF-inspired economic programme has been adopted. And Czechoslovakia's new president, Vaclav Havel, has a clear programme for 'free elections and free markets'. There are no mass working class currents in Eastern Europe with an alternative perspective — that of the creation of a democratic socialist society.

However the centre of this struggle is Germany — where we are now witnessing the unfolding of the most important class struggle waged in Europe since the Second World War. Here the goal of the West German bourgeoisie is totally clear. It is to destroy the East German workers state and integrate its territory into a new united German imperialist state. At present it is well ahead in this struggle.

Furthermore this has nothing to do

"The political precondition for the Asian 'economic miracle' was the derailing of the class struggle in South East Asia by the Soviet and Chinese bureaucracy"



with a 'neutral', 'pacifist' Germany but with the creation of an imperialist Germany as an integral part of the 'Western Alliance'

This indeed has been the position of German imperialism since World War II. It has always said 'NATO (that is the Western Alliance) first, reunification second'. The Soviet Union proposed several times during the 1950s the unification of Germany on the basis of a neutral German state. This always was, and continues to be, totally rejected by German capital.

This position was reiterated by Helmut Kohl, the West German Chancellor, in his ten point plan for the reunification of Germany, free elections and a 'market reform'. This involves no change in West Germany's international links. It is a proposal for the absorption of East Germany into West Germany by peaceful means — because if there is a market reform, and a country with a GDP almost ten times bigger with open borders and equal citizenship rights and the development between the two is allowed to proceed for even a short time, nothing will stop the reunification of Germany on a capitalist basis. Indeed the East German state is today visibly disintegrating.

Far from having 'no hope' of securing the integration of East Germany into German imperialism, that is capitalist restoration, Kohl is not soft-

pedalling on the question of the reunification at all.

So vital is this class goal that the West German bourgeoisie is quite prepared to threaten those who attempt to stand in its way. As it was put by Herhausen, the chair of West Germany's Deutsche Bank, in his last speech before being assassinated: 'The reunification of Germany is coming much more rapidly than people think, and those who fear the power of Germany should of course immediately propose the division of Japan.' Or as the *Frankfurter Allgemeine Zeitung* put it: 'The attempt to prevent unification would be seen as an attempt to impose a new Treaty of Versailles. The response would be a wave of nationalism.'

The reason the West German bourgeoisie feels called upon to make threats is that wishes to ensure that no attempt is made to obstruct its path by other imperialist powers. West German capital understands perfectly well that a united German economy would immediately have a GDP of \$1,400 billion and, with its links to the states of the EEC, it would be the most powerful imperialist country in the world after the United States. It would completely dominate Europe — overturning all relations created since World War II. It is precisely for that reason that the West German stock-market soared, and the deutschemark rapidly appreciated in value, in light of the events in East Germany. Contrary to the more misguided views on the left, this is obviously not the typical reaction of international capital to the fear of events radically moving against it!

It is true that the reunification of Germany raises certain contradictory matters for the other imperialist powers. A reunified Germany would totally dominate the EEC — making it an organisation of Germany and its subordinate economies.

For the French bourgeoisie, for example, the EEC was a matter of gaining some equilibrium against West German industrial muscle. It was tied to, for example, depriving Germany of nuclear weapons.

But nothing would be able to stand against the economic power of a united Germany. Further there is no power on earth that could stop a reunified Germany eventually securing nuclear weapons. There would only be one dominant country in Europe. This is why the French bourgeoisie is somewhat equivocal on German reunification. Its interests as a class and the particular interests of French imperialism do not quite coincide.

The same applies to Thatcher who

is back-peddling on the question of German reunification, and wants to place it some considerable distance into the future. The USA for its part wants Germany to remain within NATO, and US troops to stay in Germany, amongst other reasons precisely to control a reunited Germany.

German capital however aims to smash through any hesitations and secure the reunification of Germany. It is prepared simply to make tactical compromises in securing this goal.

What, therefore, are the obstacles to these goals of capitalist restoration in Eastern Europe and imperialist reunification of Germany?

The first is the resistance offered by the East European working classes to the capitalist austerity programmes. Here the means necessarily used by imperialism in a number of countries — with the exception of East Germany and possibly Czechoslovakia — was well summed up in the headline of the *International Herald Tribune* on 30 November 1989: 'Outlook for East Europeans — Years of hardship and risk — Rebuilding likely to bring soup kitchens and beggars'.

The IMF inspired economic programmes of the Polish and Hungarian governments require radical reduction in real wages, the creation of mass unemployment, and the selling off of national assets. Jeffrey Sachs, economic adviser to the Polish government, and specialist in reducing millions of people to abject poverty in Latin America, spells this out: 'Poland's goal is to establish the economic, legal and institutional basis for a private-sector market economy in just one year.' This will involve reducing real wages by at least 20 per cent in 1990 and rapidly rising unemployment. As Sachs delicately puts it: 'Western observers should not over-dramatise layoffs and bankruptcies. Poland, like the rest of Eastern Europe, now has too little unemployment not too much.' (*Economist* 13.1.90) Old age pensioners crying in desperation because they cannot afford food in shops, and people hunting dogs and cats for food in Warsaw are developments now taking place in Poland.

This also involves political consequences. All regimes in Eastern Europe prior to World War II, except Czechoslovakia, were dictatorships. The restoration of capitalism in Eastern Europe would not bring a West European model of capitalism. It would be the domination of Eastern Europe by Western imperialist trusts, with political regimes corresponding to this. The extreme right wing is al-

ready emerging in anti-semitic parties and groups — from Cardinal Glemp's support for nuns occupying the site of the Auschwitz concentration camp in Poland to the emergence of the anti-semitic National Peasant Party as a main opposition group in Romania. We have yet to see how the East European working class will respond to both these economic and political developments.

In Poland opposition has been shown with the first miners' strikes against the new government decisions, at the beginning of this year, to freeze wages whilst food and fuel prices rocket. At one of the mines, Czerwone Zagłębie, Solidarity officials issued a protest against being locked out of their office by the strikers, who a day earlier had refused to let the local Solidarity mining leaders into the pit. According to the *Financial Times* in one pit, the Czerwone Zagłębie, in the industrial centre of Katowice, the initiative has passed to the official Stalinist unions which are leading the stoppage. But given the united front of Stalinists and pro-bourgeois forces in Eastern Europe formidable obstacles are arrayed against such fightbacks.

Second the penetration of imperialist capital and social relations into Eastern Europe will directly affect the working class in Western Europe in undermining its economic position and, in certain countries, the stability of bourgeois democratic rights.

West European capital has a completely explicit model. It sees Eastern Europe as its potential 'South Korea' — a low wage economy in which it can establish major manufacturing and component plants, or as Lech Walesa put it speaking to the CBI: 'Poland has advantages that no firm could ignore, the cheapest well-educated workforce on earth — and desperate to work hard and improve their lot.'

This development has already started. Volkswagen is planning big investment in East Germany. Daihatsu Motor, the Japanese car maker linked to Toyota, has announced plans to set up a car assembly plant in Poland. Suzuki has announced a joint venture to build a major car plant in Hungary.

In other sectors the American General Electric Company is acquiring a controlling stake in Tungsram of Hungary, which employs 18,000, in the largest postwar investment in Hungary by a western company. As Paolo Fresco, General Electric's representative put it: 'The East-West division is becoming blurred. It does not matter that we are in the eastern part of

Why imperialism changed



Within weeks of the overthrow of Ceausescu's monstrous regime in Romania the international capitalist press have launched a vitriolic campaign against the National Salvation Front government which emerged from the revolution. This started with claims that in fact no revolution had taken place (eg 'Hint of master plan for Romania uprising' in *The Times*); that in reality there had been a carefully prepared putsch organised by dissident communists and army commanders in conjunction with Moscow; that the National Salvation Front

was in fact dominated by former communists and therefore had no legitimacy.

The campaign against the Front intensified when the revived, anti-semitic National Peasants' Party was refused permission to join the Front. It reached a crescendo when the Front announced that it would stand as a party in the forthcoming elections, with *The Times*, for example, editorialising: 'A revolution betrayed?'

Now the imperialists are supporting the campaign of the reactionary alliance of the National Peasants Party, the

National Liberal Party and the Social Democratic Party for a new interim government composed of themselves. The Peasants' Party calls for the nation's 'moral rehabilitation on a christian and peasant foundation, which for 2,000 years proved to be the Romanian nation's backbone' and reportedly accuses the Front of having too many jews and communists in it. The Liberal Party has been quoted as supporting the return of the monarchy in Romania.

Imperialism would no doubt prefer more palatable pro-capitalist instruments to these ultra-reactionary parties — but these are what exists in Romania and therefore have to be prettified.

What lies behind imperialism's campaign against the National Salvation Front is precisely that to date it has shown no sign of moving in the direction of the restoration of capitalism. The Front clearly rests on sections of the

Europe. It gives us a strong foothold in Europe.' The Swedish-Swiss company Asca Brown Boveri explained their plan to take over Zemech, the Polish turbine and generator maker, saying: 'If we did not do this we would feel that we were not supporting our target of becoming the world's lowest cost producer.' A process of creating Eastern Europe as a low cost base for exporting into Western Europe has begun.

This will have particularly direct consequences for Southern Europe. The rapid economic expansion of Spain, and the stability of the Gonzalez government, has been based on large inflows of capital. If this is diverted into Eastern Europe attacks on the working class in Southern Europe will intensify and the parties of the bourgeois right be encouraged to weaken bourgeois democracy.

Capitalism in Eastern Europe, therefore, will mean not only falling living standards for the East European working class, but also undermine the labour movement in Western Europe. Even more directly capitalist penetration of Eastern Europe will mean more impoverishment of the third world as material aid from East European states to liberation struggles is eliminated and Western capital is diverted to Eastern Europe. This is already increasingly understood both by the third world workers movement and by the semi-

colonial bourgeois regimes.

Confronted with this overall situation the Stalinist apparatuses in the Kremlin's satellite states is rapidly disintegrating. Here again misunderstanding can exist on the left because, with the exception of Yugoslavia, Albania, and, for different reasons, Romania, the East European states are not independent. Unlike the Chinese bureaucracy, East Germany, Hungary, Czechoslovakia, or Poland have no independence from Moscow. It was the Kremlin, Gorbachev, which gave the green light to the developments in Poland and Hungary and intervened directly into East Germany, Czechoslovakia and Bulgaria. The Stalinist bureaucracies in these states are totally dependent on the Soviet Union and have no forces to resist Gorbachev's line even if it involves their own destruction.

Indeed as the process of market reform, and dismantling the Stalinist apparatus is started, it takes on dynamics of its own, with the local Stalinist parties disintegrating. This is extremely advanced in Hungary where the CP has lost the majority of its members. In Czechoslovakia, it is also proceeding rapidly. CP ministers are leaving the party but staying in the government. The Prime Minister, Marian Calfa, resigned from the party in January. This followed the resignations from the party of the first deputy Prime Minister

'Capitalist penetration of Eastern Europe will mean more poverty for the Third World'

tack on Romania

Romanian state apparatus, principally the army, opposed to Ceausescu, but not for capitalism. Army officers hold the key ministries of the Interior, Defence and the Economy in the Front. Military commanders have been placed in charge of Timisoara and Bucharest.

The first measures of the new government, specifically designed to gain support for the revolution, included the release of food stocks to the population and ending food exports till mid-1990, giving priority to production of consumer goods and food and fuel imports, ending Ceausescu's program of forced collectivisation and forced assimilation of the Hungarian minority, increasing the size of peasants' private plots, establishing closer relations with the Soviet Union, legalising abortion and contraception and ending the death penalty.

Romania illustrates a point made by Trotsky, that

the state apparatus of a bureaucratized workers' state, if it is independent, will defend itself against capitalist restoration. The difference between Romania and Hungary, Czechoslovakia, East Germany or Poland was precisely its independence of the Soviet bureaucracy.

The Romanian state apparatus broke away from Soviet control when the Kremlin tried to impose an agricultural economy on Romania within Comecon in the early 1960s. It wished to pursue its own variant of socialism in one country and the Ceausescu regime was the result. Imperialism at that time, contrary to their hypocrisy and anti-Romanian racism now, assiduously wooed Ceausescu because of his anti-Soviet line — only ceasing to do so when Gorbachev offered bigger opportunities for intervention into Eastern Europe.

But by a strange dialectic, precisely the independence

of the Romanian bureaucracy from Moscow meant it has not adopted the suicidal course imposed by Gorbachev on Eastern Europe. It defended the workers state, through a genuine revolution, against a regime which was both despicable and intolerable. Furthermore it should be clearly understood the overthrow of Ceausescu could not have been successful if the Romanian army had not gone over to the people.

What is now unfolding in Romania is the polarisation between reform communists and the army, controlling the National Salvation Front, who are at present defending the non-capitalist character of the workers state, and an alliance of ultra-reactionary capitalist parties, supported by imperialism, which wish to overthrow the workers' state and restore capitalism. Socialists are clearly on the side of the National Salvation Front in that struggle.

and another minister in December last year.

The most complete disintegration is however in East Germany — involving the disintegration of the state itself. In January, Wolfgang Berghofer, the mayor of Dresden and the deputy chair of the SED, published a letter of resignation from the party and indicated his subsequent intention to join the Social Democrats. Half the party membership has left. The economic infrastructure of East Germany is collapsing.

There is, furthermore no rationale whatever for two capitalist Germanies. If East Germany became a capitalist state there would be one united Germany. The only way to prevent the imperialist reunification of Germany is to maintain the non-capitalist character of East Germany. This is the contradiction that the Soviet bureaucracy finds itself in, and which initially gave more scope for manoeuvre by the left in East Germany than in other countries. But opposition to reunification into an imperialist Germany is disintegrating under the pressure from West Germany.

Finally what is the imperialist policy in this situation?

Starting with the most powerful imperialists, the United States, George Bush has stated the US will not take 'unfair' advantage of the situation in

Eastern Europe. As being 'unfair' is precisely what US imperialism is in business for, what Bush is really concerned about is that Gorbachev, whose policies have made this situation possible, remain in power in the USSR. The US is combining strong diplomatic support to Gorbachev with pressure for the restoration of capitalism in Eastern Europe. The goal of keeping Gorbachev in power affects the pace but not the goals of US policy.

As regards Germany Bush is concerned to ensure, as much as possible, that Germany remain under the US thumb, or as he put it in October last year: 'I don't share the concern that some European countries have about a re-unified Germany, because I think Germany's commitment to and recognition of the importance of the NATO alliance is unshakable.'

The medium term goal of the imperialists is also clear: the withdrawal of Soviet troops to the USSR's frontiers while maintaining Western Europe as an armed camp with the continuing presence of US troops.

This would of course open the second wave of the imperialist operation — agitation for the break up of the USSR itself. It will be discovered that fascist oppression exists in the Baltic states, or the Ukraine (although such oppression naturally does not exist in Chile or El Salvador!). That type of campaign obviously takes us much

closer to a world war than anything seen in the last forty years.

Meanwhile into the gap opening up in Eastern Europe not merely the big imperialists but also their fleas are flocking. Some of the East European capitals are becoming visiting places for the most reactionary regimes in the world — Pék Botha visiting Budapest to discuss diplomatic recognition for and trade with South Africa and Simon Peres visiting Prague to discuss diplomatic recognition and Czechoslovakia ceasing supplying arms to the Arab states and Palestinians.

Finally imperialism is using its successes in Eastern Europe to prepare the way for a far reaching assault on the colonial revolution — starting with Nicaragua and Cuba.

The political forces which stand against this orientation in Eastern Europe are small. But they are decisively important for the future and have potential for expansion — as the reality of capitalism and the market is brought home to East European workers. The Polish Socialist Party (Democratic Revolution), which emerged out of Solidarity, the East German United Left which opposes German unification and Boris Kagarlitsky's group in the Soviet Union which opposes cutting aid to the third world — are the most well known at present.

They are also much more advanced than the West European left on this. While the left in Western Europe is going on about the 'renewal of socialism' in Eastern Europe, or 'the beginning of political revolution' the PPS(DR), or Kagarlitsky in the USSR, are quite clear that what they are facing are strongly pro-capitalist currents. They also understand the rapid development of ultra-right wing capitalist forces in Eastern Europe. They radically oppose Stalinism, and indeed are engaged in a real, and not purely verbal, fight against it. But they have no illusions as to what is taking place.

Such forces, which have a far clearer vision than the West European left, deserve the strongest possible support.

'The goal of keeping Gorbachev in power effects the pace but not the goals of US policy'

Finally socialists in western Europe have six tasks. The first is to explain coherently and logically what is taking place. That this is not a dramatic movement for socialist democracy, or the beginning of the political revolution, but a drive to restore capitalism in Eastern Europe. That socialist forces are completely minoritised amid this imperialist drive.

Second to explain that it was *Stalinism* which led Eastern Europe and the

Soviet Union into this impasse. That the core of Stalinism is the reactionary utopian attempt to build socialism in one country — which props up imperialism politically and economically and which led Eastern Europe and the USSR into an economic cul de sac. To explain what are the totally different economic priorities which flow from the attempt to expand the socialist revolution internationally.

Third to develop international solidarity against the immense onslaught on regressive developments in the third world which are going to develop out of the events in Eastern Europe. Nicaragua, Cuba, and those fighting imperialism have rarely been more threatened than today. The suffering and poverty that will develop in the third world out of the events in Eastern Europe will constitute a new and hideous chapter in the history of imperialism.

Fourth, to fight against the intensified attacks on the living conditions and democratic rights of workers in Western Europe that will flow out of the events in Eastern Europe. The opening up of Eastern Europe to capital will drive down the wages and working conditions of workers in Western Europe. West European workers will find themselves underpriced by imports from Eastern Europe. Capital will be switched out of Western Europe into the East, raising the rate of unemployment. This offensive will start with West Germany, whose workers wages and social benefits will be reduced by the effects of reunification, will particularly affect Southern Europe as alternative magnets for capital are created, and will spread throughout the EEC.

Fifth to develop maximum solidarity with the workers in Eastern Europe. This has two aspects. Immediately, unprecedented poverty faces large sections of the working class in Eastern Europe against which fight backs will take place. They however maintain democratic rights as long as a 'dual power' situation exists — that is, in class terms, as long as Jaruzelski can no longer suppress Głemp, but Głemp has not yet fully overthrown Jaruzelski. However both Stalinists and capitalists direct their repression against the left wing of the workers movement. The definitive restoration of capitalism in Eastern Europe, or in certain countries, the possibility of a full re-assertion of Stalinist control, would lead to massive repression directed against the workers movement. In those circumstances making known the views of East European socialists, and finally fighting for their demo-

cratic right to exist, is absolutely fundamental.

Finally the struggle against militarism becomes even more fundamental. The 'peace dividend', that is the reduction in armaments and military tension in Europe is purely temporary whatever the outcome of the events in Eastern Europe. If imperialism is defeated in its drive to re-establish capitalism in Eastern Europe it will respond by a new and even higher armaments drive. If it is successful that will pose both the military development, and finally the nuclear arming, of Germany and the move towards imperialism's next goal — the destruction of the USSR.

Development of work against militarism, starting with the question of reduction of defence expenditure, becomes more important than ever.

Behind this lies another question. *'Not for several decades have Cuba, Nicaragua or those fighting imperialism been more threatened than today'* Will the imperialists succeed in keeping their world economy together? For today it is more strained than at any point in its post-war history. Any change on that front would alter the world situation totally.

But the precondition for all else is that the left does not engage in fantasies. The events in Eastern Europe represent a massive offensive by imperialism — even if the occasion of that offensive is the complete bankruptcy and crimes of Stalinism. They will not lead to the strengthening of socialism but to an immense offensive of imperialism in all sectors of the world revolution. Fighting that offensive, under conditions where the world capitalist economy is itself unstable, is what the working class must prepare itself for in the 1990s.

Polish socialists hold congress

The first Congress of the Polish Socialist Party (Democratic Revolution) took place in Wrocław on 9-10 December 1989.

Thirty one delegates attended, representing branches in Warsaw, Krakow, Białystok, Katowice, Wrocław. A document, the *Self-Managing Alternative*, mainly written by Peter Ikonowicz, was chosen as a basis for detailed discussion and amendment for the new party programme.

Workers' self-management remains at the centre of the party's programme, as a means of 'enriching' parliamentary forms and rendering the working population sovereign over economic life. This is conceived as both horizontal and vertical, up to a second parliamentary chamber of workers' self-management.

The alliance between the elite leaders of Solidarity and the bureaucracy is seen as a preface, to either a recomposition of the ruling layer of Polish society into a representation of western capital, or more probably, as a transitory phase, before further Stalinist reaction of the type seen under martial law. Which road Polish politics takes depends on whether the bureaucracy will accept the liquidation of the present basis of its rule in return for privileged conditions of access to a new capitalist class.

It was announced during the congress that documents submitted by Pinior and Wrocław members would constitute the basis of a future

tendency in the organisation. This tendency is likely to be revolutionary marxist. It shares a broad consensus with the majority on the nature of the present political situation, but is much more critical of the market.

The views of the majority are closer to libertarianism. For example, the document proposes the radical decentralisation of the state and in some passages is studiously unclear on the relationship of plan and market. Peter Ikonowicz, the leading advocate of the draft programme, characterised it as centrist.

A number of successful amendments were put to the document by more left wing delegates and the document on ecology was incorporated into the text of the programme en bloc.

For example, in the section on *The Market Economy and Planning* the original draft read:

'The key to these transformations is workers' self-management and the break-up of the state sector into many sectors, including a private one, which will create conditions for the operation of the laws of supply and demand and so for a measure of equivalence of exchange in the framework of the social division of labour.'

The amended text reads:

'The key to these transformations is workers' self-management and the break-up of the state sector into many sectors, including a private one. A market controlled from below by institutionalised mechan-

isms of social control will make possible equivalent exchange within the framework of a social division of labour.'

The Congress also adopted a new party statute, which guarantees right of tendency and faction, and elected a ten person collegial leading National Committee.

The press conference following the congress, was covered by most of the main newspapers in Poland, including the *Solidarity* daily and by Polish television.

To a western reader there are glaring omissions in the programme (no analysis of the world situation, very little discussion on the rest of Eastern Europe, nothing on the emancipation of women, and it has not yet occurred to anybody in Poland that sexual orientation is a suitable subject for political debate).

Nevertheless, it is the most developed position yet worked out by any of the new socialist currents emerging in Eastern Europe and therefore represents an important step forward.

The Congress documents are available from PSP(DR) International Office, The Basement, 92 Ladbroke Grove, W11, in two Special Supplements to the information bulletin Socialist Messenger. Subscription to Socialist Messenger costs £5 for individuals and £10 for organisations. Cheques payable to 'Polish Socialist Party Appeal'.

DAVID HOLLAND

Latin American labyrinths

JAVIER MENDEZ reviews Gerald Martin's excellent book on Latin American fiction which traces the evolution of Latin American narrative since the end of the 19th century, focusing on the 1920s, through the magical realist boom of the 1960s, right up to the 1980s.

Journeys Through The Labyrinth Latin American fiction in the Twentieth Century. By Gerald Martin, Verso, 1989

The book unravels the myths reflected in the continent's narrative — mainly novels — which in the final analysis are expressions of the sharp contradictions which have beset Latin America since its forcible incorporation into the capitalist world economy in the 16th century.

The labyrinthine character of Latin American literary myths seek to explain capitalism's extreme unevenness in a continent which could not escape Western European 'progress'. The literary discourse of Latin American fiction is therefore both a 'historic quest for cultural identity', and about the struggles arising from its fateful encounter with modernity in order to overcome its social, cultural, economic and political consequences.

These two elements of reality provide the material of the Latin American myth which is Romantic in origin, Surrealist in focus, rebellious in orientation. The myth 'is essentially about the relation of the New World to the Old'.

The blend of millenarian native cultures; Spanish and Portuguese retrograd ideological, political and economic forms; British 'modern' forms of imperialist exploitation; 19th century independence; emergence of a weak Creole ruling class which, having come to power by wielding the political ideas of the Enlightenment and the French Revolution, was/is based on a backward, undynamic

socio-economic formation; the painful and humiliating transformation into the US backyard; plus slavery, which brought with it the extraordinary influence of Africa; are all elements making Latin American reality. This kaleidoscope determines both the content and form of the continent's literature, stereotyped exotic by some Eurocentric specialists.

Such parameters make Latin American novels highly political; nowhere else in the world has literature been so closely correlated to the class struggle. Martin explains: 'It is not coincidental that the first moment [of the worldwide celebrated magical realist New Novel of the 60s] follows the Mexican Revolution of 1910-17, whilst the second follows the Cuban Revolution of 1954-59'.

Martin's book follows the itinerary of the Latin American novel. Its starting point is *Facundo* (1845), where Sarmiento, his author, posits a Europeanist manichean dichotomy between civilization and barbarism posed by the liberation from Spain and Portugal.

Journeys covers comprehensively the novel's trajectory. First, the novels about the rediscovery of Latin America, which discuss peoples' attachment to, and influence on them of, the land, where the genre is the epic and the content social realist. The titles are suggestive: *The Underdogs* (Mariano Azuela, 1915) and *The Land* (1932) by Gregorio Lopez y Fuentes both about the Mexican Revolution; *The Vortex* (1924) by Jose Eustasio Rivera about capitalist penetration in the Colombian jungle; Ricardo Guiraldes' *Don Segundo*

Sombra (1926) about the decline of gaucho culture in the Argentinian countryside; and Romulo Gallegos' *Dona Barbara* (1929).

On the other hand, *Barren Lives* (1938) by Graciliano Ramos; Jorge Icaza's *Huasipungo* (1934), Ciro Alegria's *The Hungry Dogs* (1938) and *Broad and Alien is the World* (1941), Jose Maria Arguedas' *Yawar Fiesta* (1941) and Miguel Angel Asturias' *Son of Man* (1960), depict the savage impoverishment of the peasants who are forced to defend themselves and when defeated migrate to the cities.

From the 1930s onwards the elimination of significant sections of the Indian and mestizo peasantry qua peasantry, went hand in hand with massive urbanization. The novel of the 40s, 50s and 60s deals with what Martin calls the 'dialectic between town and country', where 'that relation of course is one of power'.

The novel then starts to replicate the urban-rural tension and undergoes a critical transformation: by the 1960s, Latin American narrative has increasingly urban settings. Thus, novelists like Cortazar, Fuentes, Vargas Llosa and Puig are unmistakably urban in background and orientation. The focus in the 50s and 60s is also on the alienating and nightmarish effect of the city which it seemed had become a trap for all those who live in it.

While recognising the importance of the previous period, Martin rightly places emphasis on the Magical Realist New Novel, which he considers the most accomplished from a literary standpoint i.e. the most Joycean/Ulyssean: 'History, Stephen said, is a nightmare from which I am trying to awake' (Joyce, *Ulysses*, quoted by Martin, p.295). Magical Realism is well known in Europe and the Anglo Saxon world. Those who prepared the ground for the rise of this genre were what Martin calls the ABC of Magical Realism, namely,



the Guatemalan Miguel Angel Asturias (*The President*, 1948) winner of the Nobel Prize of Literature in 1967; the Argentinian Jorge Luis Borges (*Labyrinths*, 1962; and *Fictions*, 1944); and the Cuban Alejo Carpentier (*The Kingdom of this World*, 1949; and *Explosion in the Cathedral*, 1962).

The boom represents the culmination of the New Novel in the works of Cortazar, Marquez, Vargas Llosa, Fuentes and others. The birth of the boom was Cortazar's *Hopscotch* (1963), 'a sensational new novel [which] specifically and unforgettably juxtaposed Paris itself (symbolizing Europe) and Buenos Aires (symbolizing Latin America) in a fashion which has been widely recognized as paradigmatic'.

Other representative novels of the boom are the Mexican Fuentes' retrospective novel *The Death of Artemio Cruz* (1962) 'which effectively puts an end to the cycle of novels of the [Mexican] Revolution' and Mario Vargas Llosa's *The Green House* (1966) 'one the three or four greatest novels ever written in Latin America'.

And of course, Garcia Marquez' *One Hundred Years of Solitude* (1967), the most magical of the Magical Realist novels in the popular mind, but which is not about some undifferentiated fusing of history-and-myth, but about the myths of history and their demystification.

(Continued overleaf)

An offshoot has been novels about dictators, that horrific Latin American phenomenon, in the works of the Paraguayan Augusto Roa Bastos (*I, The Supreme*, 1974), the Cuban Alejo Carpentier (*Reasons of State*, 1975), and the Colombian Garcia Marquez (*The Autumn of the Patriarch*, 1975). By then the 'boom' was over, inaugurating the 'post-boom' novel in a period dominated by dictatorship, death squads, repression, torture and savage attacks on living standards. The best known of the post-boom novels is Manuel Puig's *The Kiss of the Spider Woman* (1976).

An extremely interesting development of Latin American narrative, in the 70s as part of the post-boom but having its own independent literary edge, has been the emergence of women writers such as the Mexican Elena Poniatowska (*Massacre in Mexico*, 1988), the Brazilian Clarice Lispector (*The Hour of the Star*, 1977), the Argentinian Luisa Valenzuela (*The Lizard's Tail*, 1983) and many others.

Of course they descend from a long but largely unrecognised lineage of Latin American female writers (the Chilean poetress Gabriela Mistral was the first Latin American writer to win the Nobel Prize for Literature in 1945). The best known post-boom writer in the world is undoubtedly the Chilean Isabel Allende who, with *The House of the Spirits* (1982) has acquired an international reputation unsurpassed by any of her Latin American peers. Their novels are sophisticated and accomplished, but more significantly they are written from a woman's viewpoint and where the main protagonists are women.

The breadth of Martin's *Journeys* makes it invaluable. It will furnish the committed reader with a better understanding of the multifaceted tragedy of Latin America, beautifully but poignantly reflected in its narrative.

A Dry White Season

JAYNE FISHER reviews *A Dry White Season*, the latest in a series of films about South Africa. However, although centering on a white character, is a step forward from previous films due to its uncompromising portrayal of the brutality of apartheid.

The film is directed by Hollywood's first black woman director, Euzhan Palcy, and, based on Andre Brink's novel, tells how a naive Afrikaaner history teacher, Ben Du Toit (Donald Sutherland), becomes aware of the reality of apartheid when his gardener Gordon Ngubane (Ntshona) is murdered by the apartheid state. But the film is not simply a portrayal of the awakening of white man's conscience to the horrors of the regime.

Its depiction of state violence is shocking and totally uncompromising. The first scenes show the school students' march in Soweto being brutally broken up, and children and teenagers being gunned down by South African police.

Perhaps the most shocking scene is Gordon himself being tortured, after he is detained by police. He is eventually murdered and the police claim he committed

suicide'.

The mutilation of his body proves otherwise. The images of the barbaric methods of torture used by the state in order to terrorise and repress the black majority stand out above all others.

Du Toit, on discovering Gordon's murder, believes he can get justice through the South African courts. He is mocked by the lawyer (Marlon Brando) who he asks to take up the case, who asks him where he's 'lived for the past fifty years?' and explains that 'Justice and law can be best described as distant cousins and here in South Africa they're not on speaking terms at all'.

In the courtroom photographs of Gordons' maimed body are passed round. These are real photographs of the bodies of black people tortured in South Africa, reinforcing the realism of the film.

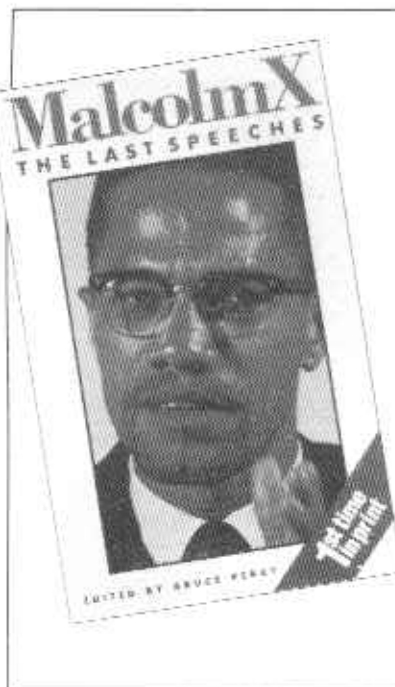
The film constantly contrasts the difference between white and black



South Africa, comparing the luxury and privilege of one to the poverty and repression of the other. It dispels any illusion that apartheid is reformable, and its final message clear and uncompromising.

The main characters in the film are not all white, which is a welcome change from other similar films, (with the exception of *Mapantsula*), and it features excellent black actors, such as Zakes Mokae. However, it would be an even bigger step forward to have a film about South Africa, on this scale, which had a black character as its central role.

Overall, this is an excellent film, which strengths lie in the totally upfront way in which it brings home the violent truth about the South African state. The film ends by stating how many have died fighting apartheid, and how many were and are held in detention without trial.



'Now, up to now there have been Black people in France, divided. Black people in England, divided. Black people here in America, divided. What divided us? Our lack of pride our lack of racial identity. Our lack of racial pride. Our lack of cultural roots. We had nothing in common

'But as the African nation got its independence and changed its image we became proud of it. And to the same degree that we became proud of it we began to have something in common to that same degree. So, whereas formerly it was difficult to unite Black people, today it is easier to unite Black people...

'And when the West Indian community, which is an Afro-American community in England, begins to unite also with the African community in England and reach out and get the Asian community, it's trouble for old John Bull.'

Malcolm X, Audubon Ballroom, New York City, 15 February 1965

From *Malcolm X — The Last Speeches*, £5.75, Pathfinder.

This new collection of previously unpublished material by Malcolm X was published at the end of last year. It can be ordered from Other Books, PO Box 50, London N1 2XP, enclosing cheque or PO plus 50p postage.

The latest stage in world capitalist development

It is almost impossible to describe adequately the scale of imperialism's economic offensive, and its consequences, launched since the 1970s — in particular since the adoption of 'Reaganism' in the United States. So extensive is the scope of that assault and so carefully is it screened from the consciousness of the population of the imperialist countries. A small corner of the veil for a wider audience was lifted by Susan George's excellent *A Fate Worse than Debt* but this presented only a tiny fraction of what is really taking place. What we attempt here is to present a systematic picture of the latest stage of capitalist development.

The chief features of the development of world capitalism in the last three decades are summarised in Figure 1. This shows the growth of GDP per capita (that is GDP divided by population) for the world capitalist economies taken as a whole, for the imperialist (OECD) economies, and for Africa, Asia, the Middle East and the 'Western Hemisphere' excluding the United States and Canada. Unfortunately the IMF data for Asia from which they are calculated include China, which improves the figures for that continent as China had the fastest rate of growth for any major country in the last decade. However comparative comparable data for Asia excluding China do not exist.

Taking the different sectors of the

As imperialism has deepened its offensive since the mid-1970s it has claimed to represent both economic success and liberal values. In reality what is developing is a new barbarism — a scale of poverty, starvation and death unprecedented since the 1930s. What is taking place is the impoverishment of entire continents and the death, without exaggeration, of millions of people not simply, or even primarily, through wars and repression but through the direct workings of capitalism. Capital, which in the 1930s exterminated Jews in Poland and Germany, today kills peasants in the third world instead. That economic system, in a different form, is about to be unleashed on its latest target — the workers of Eastern Europe. This will not only involve a direct offensive against the East European workers but a deepening of the attack on the third world. To indicate the trends, *PETER DREW* draws together the data on the latest stage of capitalist development.

world capitalist economy in turn the chief feature of the development over the last three decades is the progressive slowing down of the growth of GDP per capita. The annual average growth of GDP per capita for the world capitalist economy declined from 2.6 per cent in 1960-70, to 1.6 per cent in 1970-80, to 1.3 per cent in 1980-87 — the latest year for which aggregate figures are available. Over the last thirty years the growth of GDP per capita in the world capitalist economy has halved. This slowdown has affected all sectors except Asia.

It is immediately apparent that this slowdown is completely differentiated. Growth of GDP per capita in Asia has not slowed but accelerated — a point we will consider below. The annual rate of growth of GDP per capita in the imperialist economies declined from 3.6 per cent in 1960-70, to 2.3 per cent in 1970-80, to 2.1 per cent in 1980-87 — a 42 per cent fall over three decades.

But most striking is that since 1980 the rate of growth of GDP per capita in Africa, the Middle East, and Latin America has become *negative*. That is per capita GDP, the best index of overall living standards, is *declining* for these continents — a process of absolute impoverishment has set in. These annual average negative growth rates were -1.0 per cent for Latin America and the Caribbean, -2.2 per cent for Africa and -2.7 per cent for the Middle

East in the period to 1985 — which is the latest for which figures are available. These represent absolute falls in per capita GDP of 14 per cent in Africa, 10 per cent in the Middle East and 7 per cent in Latin America and the Caribbean.

These are, however, average figures. Nicaragua, since the revolution and under the assault of the contras, has suffered a decline in per capita GDP of more than 50 per cent. Uganda, Liberia, and Zambia have suffered declines of over 40 per cent. Bolivia suffered a decline of over 30 per cent — and these are merely a few examples. These trends for continents are also shown in Figure 2 — which shows clearly the way in which Africa, Latin America and the Middle East have been thrown backwards.

In the 1960s — earlier figures for the 1950s, where these are available, show the same pattern — all sectors of the world capitalist economy were growing, if at an uneven rate. In the period from the 1950s until the beginning of the 1970s capital could legitimately be claiming to develop the entire world capitalist economy — even if no rational person would accept the consequences of that particular type of 'development'.

From the 1970s onwards that is no longer true. Entire continents are being 'undeveloped'. The world capitalist economy is no longer developing

'Since 1980 the rates of growth of GDP per capita in Africa, the Middle East and Latin America has become negative.'

as an organic whole but has become sliced into two sections — the industrialised countries and Asia on one side, which continued to enjoy growth in per capita GDP, and Africa, the Middle East, and Latin America on the other which experienced declining GDP per capita.

Furthermore in reality the first two groups, the OECD countries and Asia, tend to form a single whole as the rapid growth of a few Asian Newly Industrialising Countries (NICs) — South Korea, Taiwan, Singapore and Hong Kong — was due to the colossal flows of capital, up to 50 per cent of their total investment, from the imperialist countries. Such a method of growth is not available to the vast majority of the world's population as even imperialism could not afford the sums involved — it is not by accident that all the NICs are *small* countries.

The pattern of decline which has set in in large parts of the world is clear. Most important it is *cumulative* not cyclical, that is the circle of impoverishment keeps expanding. A continent once struck down does not recover nor, for reasons outlined later, is it capable of doing so.

Taking this development in its chronological order the first continent to experience declining GDP per capita, absolute impoverishment, was Africa. Growth in per capita GDP ceased in Africa in 1974, stagnated until 1977, and declined thereafter — as the figures here include South Africa the data for sub-Saharan black Africa alone would be worse. By 1987 per capita GDP in Africa had fallen by 15 per cent and was back to its level of 1969 — the African continent had been rolled back almost two decades in terms of economic development.

Growth in per capita GDP in the Middle East ceased in 1977 and declined thereafter. By 1985 per capita GDP had declined by 10 per cent and was back to its level of 1971. A decade and a half of economic development had been lost.

GDP per capita in the Western Hemisphere — Central America and the Caribbean, reached its peak in 1980 and then fell back by 10 percentage points. Subsequent recovery made up only 4 percentage points before the onset of the new wave of austerity programmes in Argentina, Peru, Venezuela and other countries in 1988-89 — leaving GDP per capita in 1987 6 per cent lower than that of 1980, back at the level of 1977, and with a decade of development lost.

To assess further the impact of these changes we will shift from considering

'The world capitalist economy is no longer developing as an organic whole but has become sliced into two.'



the trends of development of the continents to their absolute position. This raises a number of problems of measurement — notably the effect of currency devaluations/revaluations and that of different price levels in different countries in distorting comparisons. Nevertheless with only a few exceptions, the data all give the same result and therefore leave no doubt as to the process which is taking place.

The most comprehensive and reliable studies of relative economic positions are those using Parity Purchasing Powers (PPPs) — that is calculations taking into account the effect of different price levels. Unfortunately comparable data are not available for Africa and the Middle East based on PPPs over a prolonged period. However Angus Maddison was able to calculate aggregate data for the OECD countries, Asia, Latin America, and, for comparison, the USSR, commencing with PPP data and basing the calculations on the most important countries in these continents. His data may be considered a reliable guide as they comprise 32 countries together accounting for 85 per cent of world GDP and 76 per cent of world population.

Taking first the gap in absolute GDP per capita this is shown in Figure 3. Starting with the comparison

of Latin America and the OECD countries, the average GDP per capita of Latin America in 1900 was 41.8 per cent that of the OECD countries, in 1913 it was 44.9 per cent, in 1929 44.7 per cent, in 1950 45.3 per cent, in 1973 35.1 per cent, and in 1987 29.7 per cent. In other words Latin America narrowed the gap in per capita GDP between itself and the OECD countries between 1900 and 1913, maintained or slightly improved its position between 1913 and 1950, and then began to fall further and further behind after 1950.

Average GDP per capita in Asia was 26.7 per cent that of the OECD countries in 1900, 24.2 per cent in 1913, 22.0 per cent in 1929, 14.2 per cent in 1950, 13.5 per cent in 1973, and 19.1 per cent in 1987. Asia's relative position compared to the OECD countries thus progressively deteriorated from 1900 to 1950 — including a major absolute decline across the 1930s and 1940s — stagnated or marginally declined between 1950 and 1973, and then improved after 1973. However this improvement still left Asia relatively far further behind the industrialised countries in 1987 than it had been in 1900-29 — in 1900 average GDP per capita in the major Asian states was one quarter of that in the OECD states, by 1987 it was one fifth. The recent recovery of Asia is substantial but has not made up the ground lost

in relative position earlier in the century.

The only major country to have significantly reduced the gap in its per capita GDP compared to the industrial countries is the USSR. Soviet GDP per capita was 38.3 per cent that of the industrialised countries in 1929. By 1950 this had risen to 63.8 per cent, despite the destruction in the war, and it then rose marginally to 64.5 per cent by 1973. The subsequent stagnation and crisis of the Soviet economy is clear as its GDP per capita fell to 58.6 per cent of that of the OECD countries between 1973 and 1987.

Turning from the absolute gap in GDP per capita to growth rates these are shown in Figure 4 — the graph uses a logarithmic scale to visually illustrate not the absolute gaps in GDP but the relative rates of growth of the different continents. As may be seen the rate of growth of the industrialised countries was slow in 1900 to 1950, accelerated sharply from 1950 to 1973, and then declined again, although not to its previous level, in 1973-87.

Latin America's rate of growth of GDP per capita exceeded that of the industrialised countries in 1900-50, failed to match the acceleration of the industrialised countries after 1950 — despite a (slower) acceleration in its own growth — and then fell even more sharply than the industrialised countries after 1973. Asian growth was extremely slow from 1900 to 1929, fell absolutely from 1929-50, accelerated sharply after 1950, and speeded up further, overtaking the growth rate of the industrialised countries, after 1973.

The growth rate of GDP per capita in the USSR/Russia was in line with that of the industrialised countries in 1900 to 1913, stagnated from 1913 to 1929, greatly exceeded that of the industrialised countries in 1929-50, ceased to catch up significantly in 1950-73 (due to an acceleration in the industrialised countries and not a slowing in the USSR) and after 1973 the USSR's growth rate slowed down drastically.

If we wish to look at the situation of entire continents, comprising all the countries within them, then PPP figures are not available over a long period. It is therefore necessary to use currency, that is dollar, terms. This creates distortions due to devaluations/revaluations and different price structures. However the results, with the exception of Asia — which is economically the most diverse continent — indicate a good correlation as far as trends are concerned between current price (dollar), constant price and PPP

	Population of OECD states ^a	Population of countries gaining in per GDP capita on the OECD states	Population of countries falling further behind in per capita GDP compared to the OECD states ^b	Population of countries suffering a decline in per capita GDP
	millions	millions	millions	millions
1976-70	662	530 ^c	979 ^c	60
1970-80	717	604	1192	189
1980-87	743	167	1492	774

a. As categorised by the IMF
 b. Excluding those suffering a fall in per capita GDP
 c. 1967-70
 Source: Population and GDP per capita calculated from IMF International Financial Statistics
 Relative GDP per capita calculated from World Bank World Tables 1989

calculations. The trends of direction remain the same with only the absolute magnitudes shifted — the currency data therefore clarifies the overall trend and shows we are not dealing with isolated exceptions.

The fundamental trends are illustrated in Figure 5 — which shows the World Bank's figures for GDP per capita in dollar terms for continents relative to that of the OECD countries for 1967-87. This data shows, in line with all other methods of measuring, that the continent of which the relative position deteriorated most substantially from the 1970s was Africa. The worsening of Latin America's position was not relatively as great as Africa's but was larger in absolute terms. The Middle East's peak relative position in per capita GDP in dollar terms was achieved in 1982, this then deteriorated by one fifth by 1987.

Asia presents, as noted earlier, a sharply differentiated picture and the current price data and the studies of Maddison considered earlier diverge. On current price data South Asia's relative GDP per capita declined significantly relatively to the industrialised countries — whereas on Maddison's study it maintained its position.

In dollar terms East Asia, including China's, position remained relatively constant. Maddison's PPP studies, and constant price data show a clear improvement in position of East Asia — a considerable part of the difference is undoubtedly due to the policy pursued by a number of the most important East Asian economies, up to the end of the 1980s of deliberately keeping the exchange rate of their currencies very low against the dollar. Maddison's studies, based on PPP data, should clearly be taken as superior for both South and East Asia.

The dollar figures, with the one exception of Asia, therefore confirm the results arrived at by other measures. Major economic catastrophe has hit Africa and Latin America and a sharp

deterioration of the position of the Middle East has commenced. A maximum difference in turning point of four years, coupled with agreement on the trends for all continents except Asia, means there is no disagreement by any major measures regarding the fundamental trends.

The fact we are not dealing with a cyclical process but a cumulative one can be made clearer if we consider investment — for investment is the motor of growth. It is not possible for countries, or continents, to develop or recover without a high level of investment.

The prevailing levels of investment, expressed as a percentage of GDP are shown in Figure 6. As may be seen, investment in Africa and Latin America (gross fixed capital formation) has collapsed even more dramatically than GDP per capita.

African gross fixed capital formation fell as a percentage of GDP from 31 per cent in 1977 to 19 per cent in 1987 — a fall of 40 per cent. Gross fixed capital formation as a percentage of GDP in the Western Hemisphere fell from 25 per cent in 1974 to 18 per cent in 1987 — a fall of over 30 per cent. Aggregated figures for the Middle East are only available up to 1985, but already show a fall from a peak of 31 per cent of GDP in 1983 to 26 per cent in 1985 — a decline of 14 per cent. Data for individual countries in the Middle East indicate that the fall after 1985 was still more substantial.

The proportion of Asian GDP allocated to gross fixed capital formation at the beginning of the 1960s was the lowest for any continent — the 1950s figures are even lower, reflecting Asia's previous impoverishment. However in the 1970s investment as a percentage of GDP grew sharply — reaching a peak of 28 per cent in 1981 and still at 25 per cent in 1986, a fall of only a tenth.

These investment figures show clearly the cumulative process and not cyclical process. The collapse of in-

The collapse of investment makes it impossible for countries or continents to recover.

vestment makes it impossible for continents or countries to recover.

If we now turn to summarise these developments in terms of their effects on the world population ideally this would take in not only GDP per capita but also income distribution within countries. Income distribution in a number of third world countries, Brazil is a notorious example, is so unequal that the development of poverty is greater than stated by per capita GDP calculations. However in practice such a study would be impossibly complicated and GDP per capita figures must be taken as a guide. They however *understate* the situation to some degree.

Making calculations for countries, not continents, reveals three main trends of capitalist development.

First, by the end of the 1980s international economic inequality had reached its highest point in human history.

Second, the number of countries catching up the industrialised states, in terms of GDP per capita fell by three quarters in the 1980s.

Third, the number of countries suffering absolute declines in their GDP per capita has quadrupled since the 1960s and the population involved in countries suffering a decline in GDP per capita has increased from 60 million to 774 million since the 1960s — a number more than twice the population of Western Europe.

We will establish these points in order.

Regarding the long term development of economic inequality Madison's is the most thorough study using the best data. He concluded: 'The average OECD (industrialised countries) level (of GDP per capita) was nearly five times that in Asia and three times the Latin American level in 1900. The regional gaps have widened since... In 1987 the gap between the poorest country and the richest was 36:1; in 1900, the spread was much smaller at 8:1.'

The situation for the very poorest countries, for which systematic data do not exist for such a ninety year period, are even more extreme. Surveying the most recent period the United Nations, in its World Economic Survey 1989, concluded: 'the gap between them (the poorest countries) and the richest countries was widening. Average per capita income in the industrial countries is about fifty times that of the least developed countries.'

Studies by the World Bank for the post-war period in dollar terms found

Figure 1

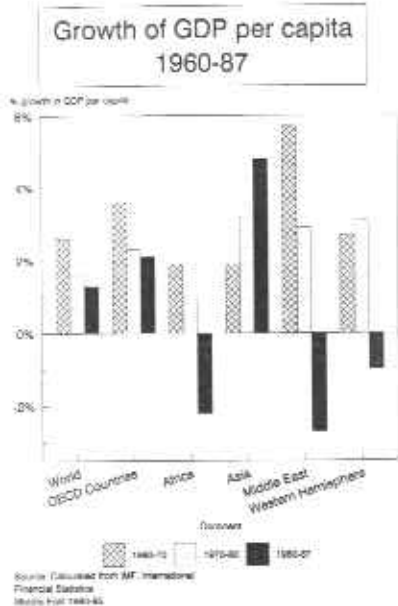


Figure 2

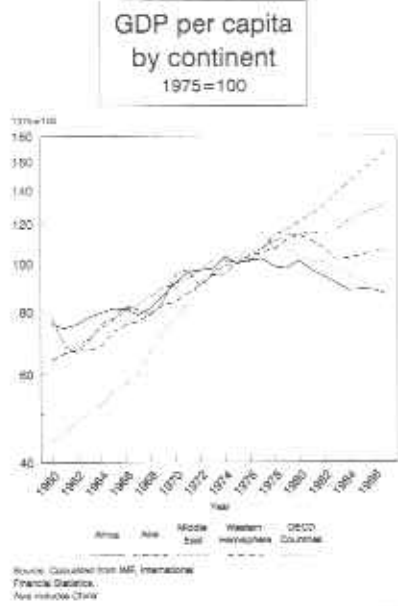


Figure 3

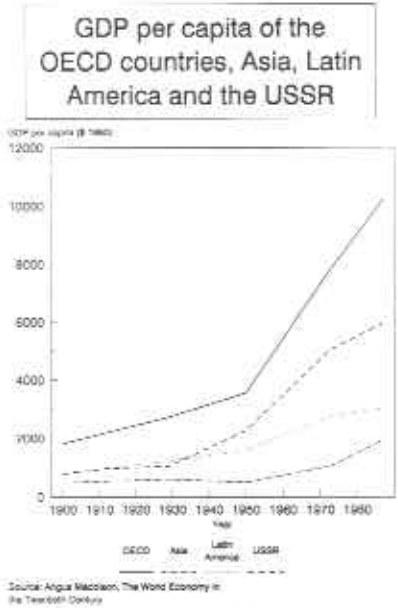


Figure 4

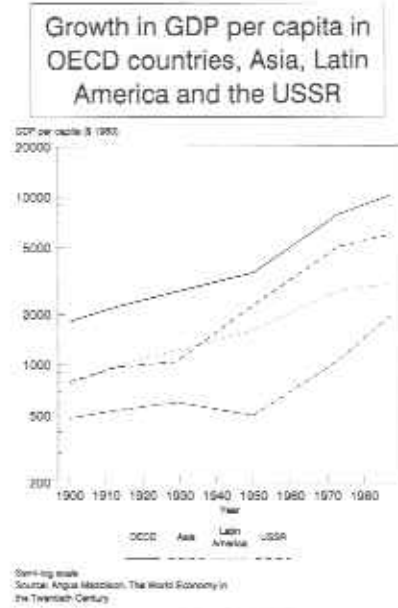


Figure 5

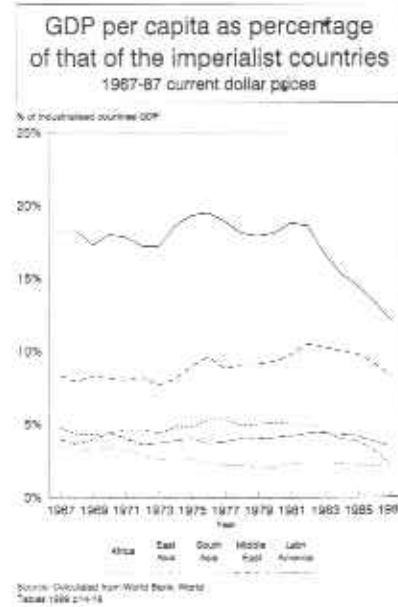
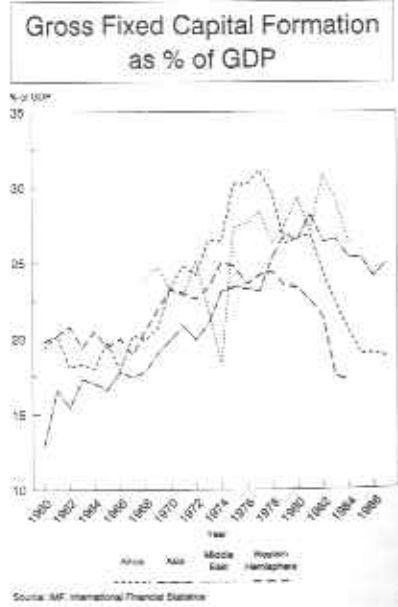


Figure 6



that in 1967 the gap in GDP per capita between the richest country, the United States, and the poorest, then Rwanda, was 82:1. By 1987 the gap between the richest country, the US, and the poorest, Ethiopia, had widened to 130:1.

Turning from the absolute range of developing inequality to whether the overall situation is improving or worsening the number of countries catching up in GDP per capita on the industrialised countries, in dollar terms, was 24 in 1967-70, rose to 35 in 1970-80 and collapsed back to 14 in 1980-87. The population represented by such countries shifted even more sharply — rising from 530 million in 1967-70 to 604 million in 1970-80 and plummeting by almost three quarters to 167 million in 1980-87.

In short the NICs, which are gaining in relative terms of the industrialised countries, do not show a generalised way forward but stand out because they are so much the exception to the rule. Apart from the East Asian 'miracle' economies the number of countries improving their relative economic position compared to the industrialised states has fallen dramatically and chiefly comprises a few states receiving massive foreign aid, (Egypt), recovering from economic catastrophe, (Somalia), or with small and extremely specialised economies (Bahamas, Barbados, Seychelles, Oman, St Vincent).

Finally it may be argued that it is not relative position that counts but absolute living standards. Even if this were true, which it is not, such an argument refutes the views of those who make it. Because not only is relative impoverishment, that is further falling behind in terms of living standards compared to the industrialised countries, increasing but so is absolute impoverishment — that is falling living standards in absolute terms.

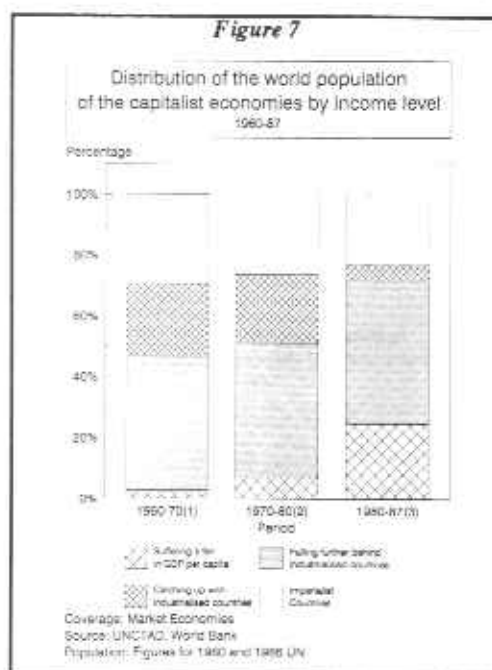
Taking the data collected by the United Nations Organisation for Co-operation, Trade and Development (UNCTAD) for its 1989 survey reveals the following situation. In 1960-70 13 countries, with a combined population of 60 million, constituting 2.7 per cent of the population of the capitalist economies, were suffering falls in GDP per head (Table 1 and Figure 7). In 1970-80 this increased to 26 countries, with a total population of 189 million, constituting 7.0 per cent of the population of the capitalist countries. In 1980-87 this increased to 59 countries, with a total population of 774 million, comprising 24.4 per cent of the population

of the capitalist countries. The number of those suffering declines in real living standards increased from 1 in 37 of the population of the capitalist countries to 1 in 4.

This allows us to synthesise the situation of the world capitalist economy since the beginning of the 1980s as it affects the living standards of the population of the capitalist countries. Its chief feature is the huge rise, doubling, of the proportion of those who are either falling further behind the living standards of the imperialist countries or who are suffering absolute falls in their living standards. These two categories together increased from 47 per cent of the population of the capitalist world in 1967-70 to 71 per cent in 1980-87. The most drastic fall was in the proportion of those catching up the imperialist countries in terms of living standards — these declined from 24 per cent of the population of the capitalist countries in 1967-70 to 5 per cent in 1980-87. The most devastating statistics however are for those suffering absolute declines in living standards — which rose from 3 per cent of the population of the capitalist countries in 1960-70 to 24 per cent in 1980-87, from 167 million to 774 million. These are concentrated in the poorest countries in the world.

The pattern of the latest phase of capitalist development is clear. Far from entering a new progressive phase of liberalism and progress capitalism has developed its most barbaric tendencies since the period of 1930-40. It has ceased to take forward the world economy as a relatively organic whole and commenced an unprecedented assault on Africa, Latin America and the Middle East with a widening wave of relative impoverishment and, for the first time since 1945, a huge development of absolute impoverishment.

The significance of the integration of Eastern Europe into that process is clear. Having successively attacked Africa, the Middle East, and Latin America, capital is now seeking a new source of profits, potentially super-profits, in Eastern Europe. While Eastern Europe is sustained temporarily by capital flows designed to buy acquiescence of the working class to the restoration of capitalism in these countries — an operation made possible by their working classes being repelled from socialism by the experience of Stalinist rule — this is merely the initial phase. Having successfully re-established capitalist rule the East European working classes will be subject to a new and more ruthless form of capitalist domination through the destruction of what exists of welfare states in these coun-



tries, the creation of unemployment, and the radical reduction of real wages.

Indeed the two phases are not separated in time because the initial IMF austerity plans for Poland and Hungary already call for major reductions in real wages and the creation of unemployment. Contrary to the expectation of the workers of Eastern Europe, and the illusions of various economic 'reformers', the capitalism in store for Eastern Europe is not the wealth and stability of the imperialist countries but far closer to that of Latin America or the Third World. It is also capitalism which, over the longer period, is most unlikely to sustain bourgeois democracy.

Furthermore to the degree that imperialism does attempt to maintain bourgeois democracy in Eastern Europe, and soften the blow of its economic assault, it will do so only at the expense of still greater attacks on the third world. The 'aid' schemes for Eastern Europe are all at the expense of diverting what little resources are still going into third world countries — Japan's \$2 billion aid package being the latest example as it consists entirely of existing aid diverted away from Asia. The result will be still greater starvation, poverty, and economic ruin in the third world countries.

Nothing could be further from the truth that what we are seeing developing is a new wave of liberal capitalism. What is developing is the greatest wave of capitalist offensive and impoverishment since World War II. Having rolled over three continents capital is now turning its sights on Eastern Europe. What is developing has nothing to do with 'liberalism'. It is more akin to a new barbarism.

'Those suffering declines in living standards rose from 3 per cent of the population of the capitalist countries to 24 per cent'

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