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SOCIALIST

# future

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# FIGHT FOR WORKERS' POWER

The Tories have created a one-party state in Britain with plans to smash the living standards of millions of workers and destroy vital public services.

What the election has shown for all to see is that the parliamentary system is a farce and a fraud which is under the total control of the Tories.

Millions of people who accepted that a cross on a ballot paper was

the only way to change things in Britain have had a rude shock.

BY THE EDITORIAL BOARD

For the Tories have used the election to strengthen a dictatorial regime which first emerged under Thatcher. Now the Tories plan to reinforce their electoral stranglehold by rigging constituency boundaries to deprive Labour of another 20 seats.

That is how "democracy" works in Tory, capitalist Britain!

Grave dangers now confront millions of workers and young people as the dramatic world economic crisis of capitalism drives the Tory government to fascist-type "solutions". The Tories could not have succeeded in this conspiracy without the assistance of the right-wing Labour Party and trade union leaderships. ➤

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The political disintegration of the Labour Party began in the 1970s when the basis for reforming capitalism disappeared with the onset of the world economic crisis.

The response of Labour's bureaucratic leadership was to drive the party to the right, endorsing Tory individualism and rejecting trade unionists like the miners when they struck to defend jobs and wages.

Under Kinnock, Labour accepted many of Thatcher's reactionary policies, expelled socialists from the party, and suspended and threw out those who fought the Poll Tax.

This attempt to become an acceptable, electable party of image and no substance played straight into the hands of the real Tories.

### CHEAP IMITATION

While Kinnock adapted to Thatcherism, the Tories staged a coup and removed her, ditching the Poll Tax. Major was able to hijack many of Labour's policies and appear as the "man of the people".

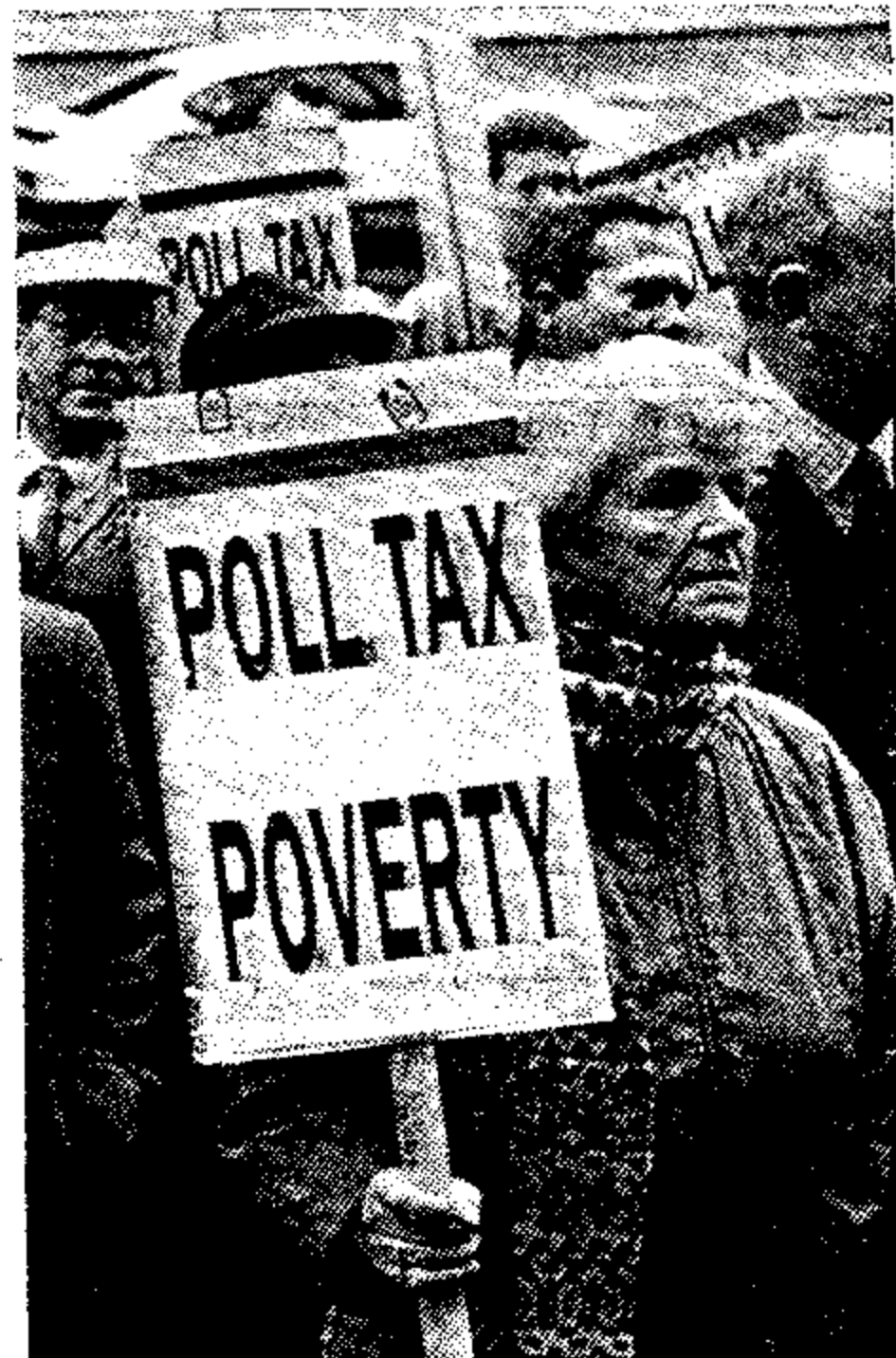
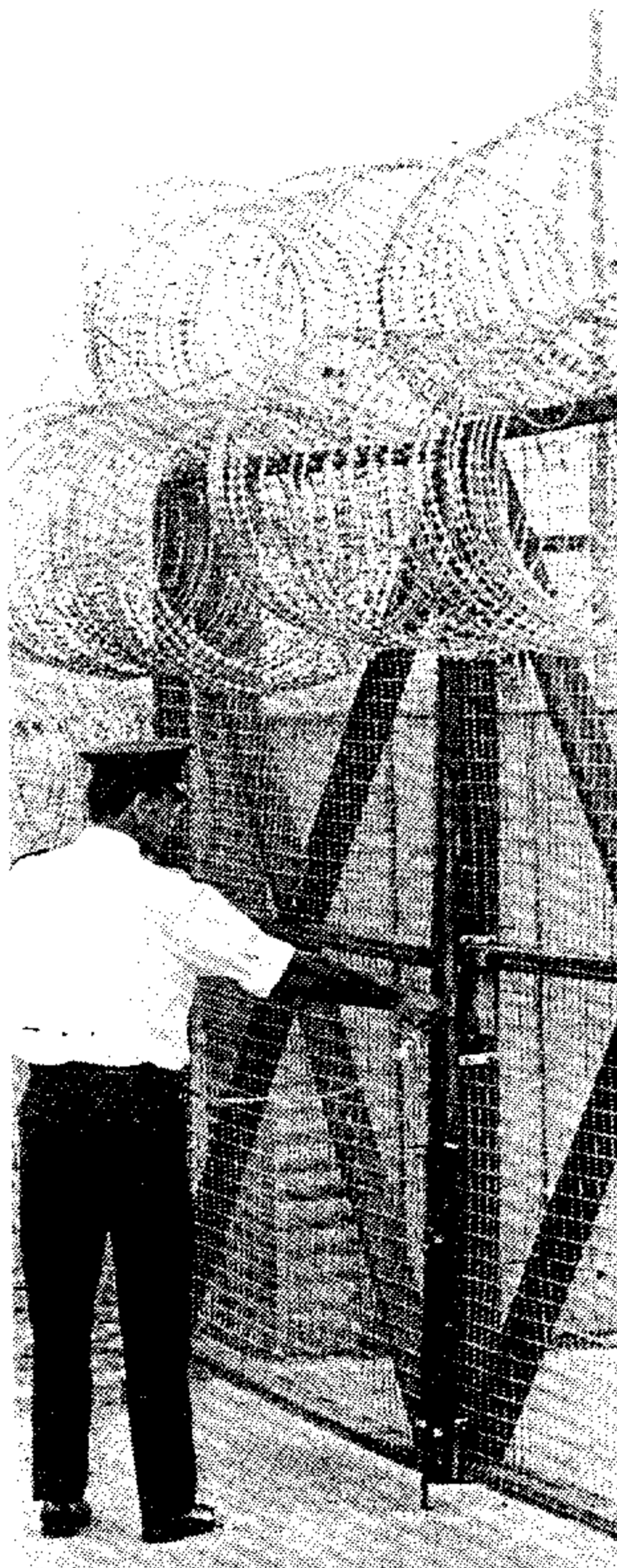
Labour began to look indistinguishable from the Tories to millions of people. Little wonder that more people preferred the real thing to a cheap imitation!

The election of shadow chancellor John Smith as the new leader will propel Labour even further to the right, towards a merger with the reactionary Liberal Democrats and a complete break from the trade unions.

Yet the Major Tory dictatorship rests on sand. Out of 44 million entitled to vote, only 14 million voted for Major. Over 10 million did not vote at all. Up to two million more were deprived of the right to vote, forced off the register by the Poll Tax.

Far from ushering in "recovery", the Tories face the most serious economic crisis in the history of world and British capitalism.

The banks are tottering under the weight of debt and millions more face the sack in the public and private sectors.



*Britain under the Tories: Razor wire at Wapping (top), pensioners protest the Poll Tax (above).*

Wages must be slashed, state benefits ended and services like schools smashed up by a government which has lost control of state finances.

The question facing millions of workers and young people is: how to defeat the Tory dictatorship and stop its plunge headlong down the road to outright fascism. It is clearly not possible to vote out the Tories and elect a Labour government again.

### BEHIND THE SCENES

That is not a reason for despair. No fundamental change can be achieved through winning general elections.

Real power has always been exercised behind the scenes in the boardrooms and banks, in the higher reaches of the civil service, by property companies and landowners.

To challenge the Tory dictatorship it is necessary to engage in a struggle for power itself. Miners, London Underground workers and teachers have already thrown down a challenge to the Tories.

Denied the right to political expression by a Tory dictatorship, workers have every right to organise independently of the state. There is now a vital need to build Councils of Action throughout Britain, in every locality, to bring together all those in the Tory firing line.

Every organisation opposed to the Tories, representing trade unionists, the unemployed, young people, ethnic groups, students and small businesses should be represented in Councils of Action.

### DEFEND AND ORGANISE

They would defend and organise health, education, housing and other services and jobs, and protect communities from racist attacks. Workers organisations would be able to fight for their policies in Councils of Action.

The Communist League's view is that such Councils should be ready to assume power itself, to destroy the Tories' dictatorship throughout Britain. ➡

## Comment

# Lift the sanctions on Libya

A campaign for the lifting of sanctions on Libya must start in the labour movement immediately.

The sanctions were imposed to punish an Arab country that will not capitulate to Bush and Major.

Ever since King Idris, an imperialist puppet, was overthrown by the Libyan masses, led by Muammar Gaddafi, in 1969, this country of only three million has steadfastly resisted the combined attacks of imperialism.

Sanctions have nothing to do with the so-called fight against terrorism. Even the Lockerbie relatives realise this. America wants to show the Middle East in particular and poor countries in general whose "New World Order" this is.

Giving sanctions the fig-leaf endorsement of the United Nations shows that this body jumps to attention whenever Washington cracks the whip.

The same United Nations Security Council dominated

by the imperialist powers does nothing when Israel tramples over the Palestinians, when Gaddafi's daughter is killed by US planes and when an Iranian airliner is shot out of the sky.

All offers of a compromise by Libya have been rejected out of hand. Bush and Major want Libya to grovel.

If they won't, then US warplanes will bomb Libya back into the Middle Ages, just as they did Iraq last year.

Libya, which has been betrayed by other Arab states, is right to reject the notion of a "fair trial" in the West.

The racist media has already pronounced the "suspects" guilty in advance. And Britain is foremost among nations which routinely frame people.

The deafening silence of the trade union and labour leaders indicates their support for Bush and Major.

Trade unionists must demand an end to sanctions and solidarity with Libyan workers.

► It is the only way forward for workers in England, Scotland and Wales. Reject the nationalists who want to divide and rule and leave the Tory enemy intact.

Class, not religion, race, nationality or gender, is the fundamental basis for the struggle for power.

Power must pass to the working class, out of the hands of the employers who sack thousands, building societies who make people homeless, and banks that wreck small businesses.

It should be the perspective of Councils of Action to transfer power from the ruling class, to break up the capitalist state and its institutions.

We are for the abolition of the judicial and police system that frames people, parliament which is a mask for dictatorship, a parasitic monarchy that, a secret service that plants *agents provocateurs* and an army that oppresses people in the north of Ireland and elsewhere.

The election result is a dangerous one for the Tories. It means that the revolutionary road is the only route now for millions of people.



Britain under the Tories – police in riot gear

# Housing nightmare

*by our own reporter*

No one can have failed to notice the striking escalation of homelessness over the last few years.

You only have to step outside your front door in any big city to be confronted with the reality of the situation.

But young people sleeping rough, though they number well into the thousands, are only the tip of the iceberg.

More than 130,000 families are surviving in bed and breakfast accommodation, and the waiting list for council houses has reached one and a quarter million.

For many of those who bought into the Thatcherist dream of home ownership, the reality of struggling to meet mortgage repayments is more of a nightmare.

Half a million families are more than three months behind with their payments and in danger of having their homes repossessed.

## REPOSSESSIONS

Last year alone, the total number of repossessions doubled - to over 75,000 or one every seven minutes. And the government's much vaunted mortgage rescue scheme, announced by Chancellor Norman Lamont last December, has failed to save one single home from repossession, according to the Council of Mortgage Lenders.

It is clear that the government has no real interest in solving this problem; mass unemployment was called "the justifiable price to pay for curing inflation" by Lamont. And mass homelessness is the inevitable price of the Tories' slavish adherence to the market as it affects the housing sector.

An Institute of Housing report says that "nothing suggests that present policies will stop the crisis from

deepening". Hundreds of thousands of homes have been removed from the public sector under "right to buy".

The building of new council houses is at its lowest level ever, partly because of the restrictions placed on councils on how they spend the money they make from the enforced sale of their properties.

So most councils are effectively banned from building new homes. Just 6,242 were built in 1990. One million homes are unfit for habitation and are not being repaired. This is at a time when 150,000 new families a year are being accepted as homeless by councils.

The only way open to many council tenants to improve their situation is to form or join a housing association and opt out of council control, something they have been actively encouraged to do by the government.

But people who have taken this step often find that their rents suddenly rise beyond their reach or, as in the case of the Trowbridge Estate, Hackney, two rival groups of tenants form associations with conflicting aims.

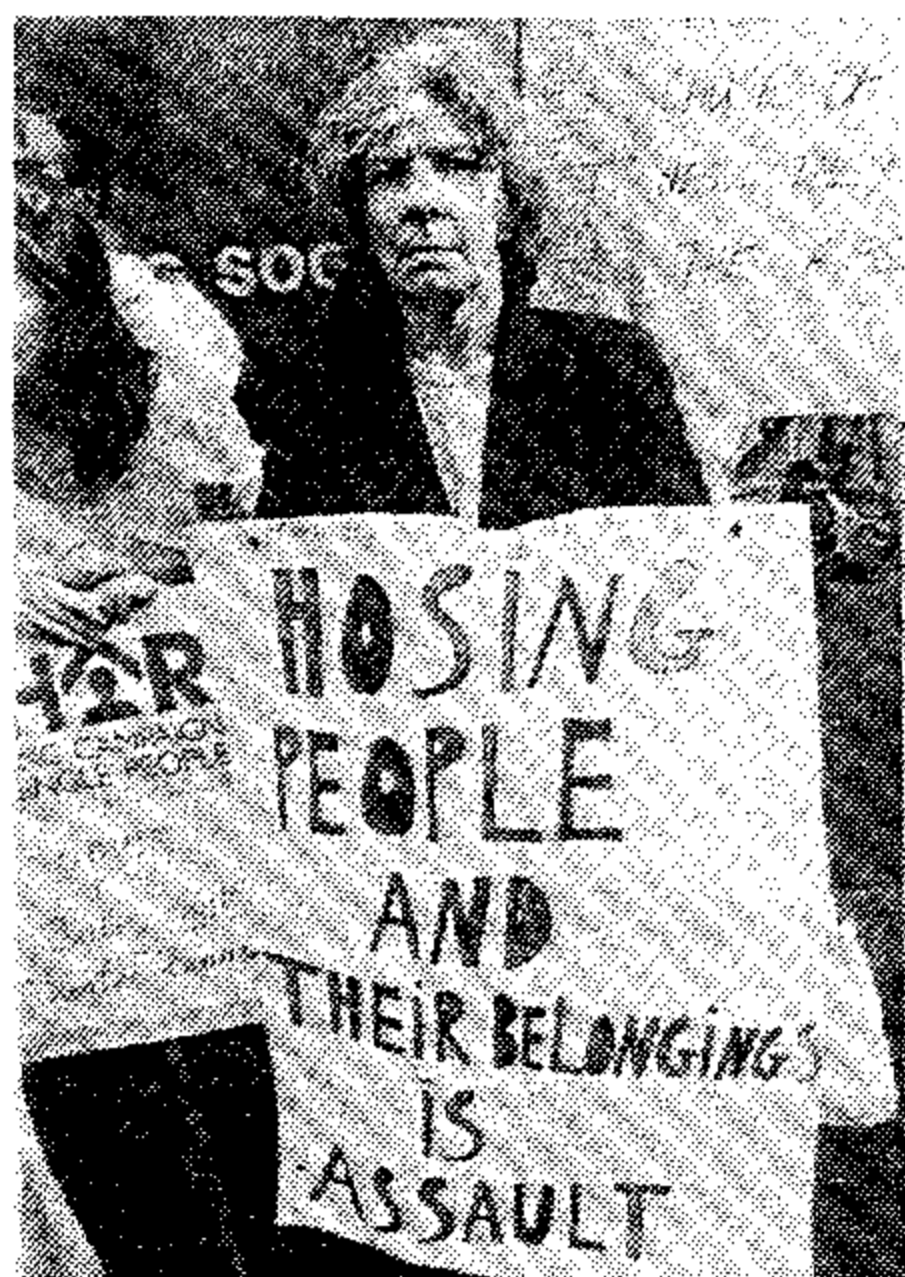
Homeless people often feel the sharp end of state aggression because they are a visible advertisement for Tory failure. Young people often start sleeping rough because their parents can't afford to pay the poll tax.

And they are forced to move on when their benefit is stopped after only a few weeks in each town. They then face being hosed off the streets by organisations like the Strand Traders Association or removed as "an eyesore that offends tourists".

Homeless people bear the brunt of the worst effects of the economic crisis.



*A homeless family in their one-room bed and breakfast accommodation*



*Protest against night attacks with water cannon on London's homeless*

The building industry slump continues to deepen. A report by the Building Employers Confederation in April talks of "job losses heading for 300,000 by the end of the year". It forecasts that the jobless total looks set to rise for the rest of 1992 and into 1993.

Once the skyline of London was dominated by tower cranes working on building sites: now they are a rarity.

Alongside the drastic reduction in employment has been a dramatic cuts in wages for those left with a job. Where wages have been maintained, it is only on sites where work is shortly to be completed and the employers want to finish without the risk of any industrial action.

On one day in February this year, 11 sites in London alone were on strike because the employer had tried to reduce the wages of bricklaying gangs.

Sooner than avoid trouble on near completed jobs, the employers agreed a minimum wage of £55 per day for bricklayers. They had wanted a lower rate. Previously the rate had been £65 per day.

At the height of the boom in the late 1980s, shuttering carpenters earned £96 per shift; now it is £75 and falling. During the recent speculative boom, on prestigious

# BUILDING WORKERS FIGHT WAGE CUTS

*By a London  
UCATT member*

sites in London, craftsmen were earning £100+ per day.

The same workers, caught in the speculative frenzy, took out large mortgages, thinking the Thatcherite money-making era would last forever. But as the dream turned into a nightmare, building workers had their houses repossessed and plunged into enormous debt as wages fell and jobs were lost. It has been noticeable on sites in London and elsewhere that it is young married men with large mortgages who have stood and fought the lowering of wages.

The vast majority of these men are the so-called self-employed. Many have joined the union UCATT and appointed shop stewards. What is at stake is the control of the industry - not just building but all industries.

On the agenda for the UCATT national conference in June this year

there is not a single resolution calling for nationalisation of the building industry, the land and banks.

But there is much pleading for the "next Labour government" to do this and that. Such were the hopes of a Labour victory in April to stimulate work and jobs.

The building employers' report, asks for seven policy measures of the government, to stave off the destruction of the industry.

The BEC at least recognises that Thatcherite free market capitalism has been a disaster for them. The state is the main provider of work in the building industry and this fact draws the union leaders into deals with the state.

The role of a revolutionary leadership is to organise in smashing the existing state and to create a new one under the control of the working class.



*Yuppie housing at Chelsea harbour*

# The "unreasonably reasonable people"

The PLO's representative in Britain, AFIF SAFIEH, talks to Socialist Future

The world was shocked by reports that Chairman Arafat was missing in the desert, and there was great celebration when he was found, alive and well, particularly in the occupied territories. Is he in good health?

Chairman Arafat is back in Tunis and has resumed his function almost immediately. The expression of joy in the occupied territories and from Palestinians everywhere showed the affection and respect felt towards him, as the organiser of our resurrection as a nation and the architect of our repositioning on the map of the Middle East.

The joyous celebrations on the West Bank seem to give the lie to recent suggestions that the PLO is no longer in the leadership of the intifada. It is suggested that it is now in the hands of Muslim fundamentalist groups, like Hamas, who are breaking with the PLO line.

Hamas were amongst the first to send their best wishes to the Chairman when he was found, and the young Hamas militants were at the forefront of the demonstrations, those remarkable celebrations that greeted news that Yassir Arafat was alive and well.

So you see, the Hamas militants also respect and recognise the PLO's role as the umbrella under which all the Palestinian groups and individuals shelter. The PLO must be pluralistic; diversity is both natural and normal, and we are proud of our

Palestinian democracy. Yet it is true that we seem condemned to have either a strategy and no unanimity or no strategy and unanimity. At this time we have a strategy and no unanimity; it is the better of the two situations.

There have been suggestions that the intifada has "petered out", has failed in its aim. Has it failed? And how would you define the aims of the intifada?

The intifada is still going strong, and it is important to understand its real goals. The intifada alone cannot end Israeli occupation; international factors outside the occupied territories are critical. But the intifada is a gradual process to exercise our sovereignty, even under military occupation. It leads nowhere else but to independence. ➔

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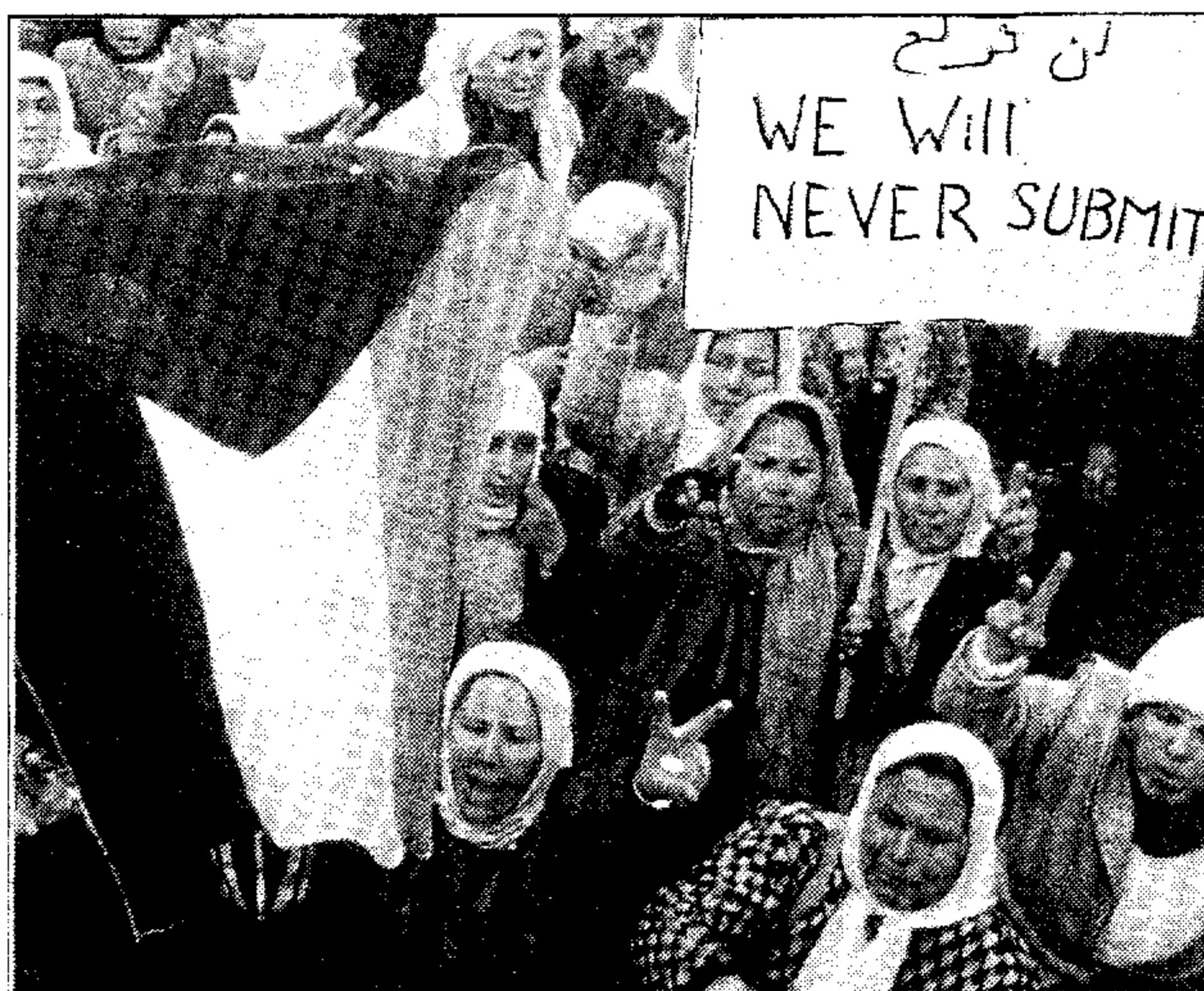
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*Women on the West Bank salute the struggle*

It is not just stone throwing but also the widespread formation of popular committees which handle every issue, from social to political needs, from education to medication, from culture to agriculture.

**As the bilateral talks enter their next phase in Washington, what is your assessment of the current position?**

So far, we must say that nothing tangible has been achieved. The event itself has proved to be more important than its content. The method used was not of our choosing.

What the Palestinians have always sought is an international conference under the auspices of the United Nations, with the five permanent members of the security council represented as well as Israel and the PLO. Such a conference would discuss implementation – implementation, not interpretation – of all UN resolutions on the Palestine question. Its brief would be to discuss immediate independence and sovereignty for the Palestinian people.

For a variety of reasons we had to

accept the talks in which we are currently engaged – to put it bluntly, they were the “only game in town”.

Diplomatic immobility is devastating for us. It means further unchecked plundering of land and water resources, further closures of schools and universities, further beatings, further demolition of homes and expulsions.

At the talks, it is we who are interested in a dynamic peace process. We have been, and continue to be, unreasonably reasonable.

**There is now a crisis in the Israeli government, with the United States refusing further credits while settlements continue to be built in the occupied territories. How do you see US/Israeli relations, and how will the Israeli election affect the peace process?**

There is a suggestion that Israel is becoming a strategic burden to the US. The end of the cold war, and the outcome of the Gulf War, mean that the US no longer feels the need to have a strategic partner, bristling with arms, in the Middle East.

At the same time pro-Israeli academics in US try to talk up a new

ideological war, with new ideological boundaries, between the Judaeo-Christian world and Islam. They want the Islamic peril to replace the yellow peril, and the red peril. This, they claim, means that a strong Israel is more important than ever.

The Israeli Labour Party's choice of the more hawkish Rabin as leader is likely to win them the election. He boasts of his violent attitude to the Palestinians, and was the architect of the so-called “iron fist” policy for the occupied territories.

If he wins he is likely to resurrect the Alon Plan, for a security zone along the Jordan river, and will also insist that Israel will only negotiate the future of the Palestinians with the King of Jordan.

I have always said that the solution to our problem is not to be found in the inner workings of Israeli political system. A political solution which is acceptable to both parties is not likely. What we need is “an elegantly imposed solution which is mutually unacceptable”.

**Palestinians in exile have suffered many additional problems in recent months, both the expulsions from Kuwait and in Lebanon. What are conditions like?**

After the expulsions from Kuwait, 300,000 Palestinians went to Jordan – a 10% increase in Jordan's population overnight. They are mainly unemployed, and they arrived in the midst of a deep recession. Some have now gone on to third countries, but the majority are still in Jordan, and their situation is grave.

In Lebanon, the camps in the South are still subject to attack from the Israelis. Lebanon is now pacified, under the hegemony of the Syrians; not an ideal situation, but at least giving some peace to people in that country. Once again, living conditions for Palestinians in the camps are terrible.

# The nature of our revolution

Many English people no doubt glance in the direction of the east, mostly towards the former Soviet Union with surprise. I am quite sure that they think that what is going on is absolutely incomprehensible!

It was the Russians, after all, who had said that the dawn of a new era had begun in October 1917, that a new society, without exploitation and oppression had been created.

Then, after the death of insane leaders, perestroika began, flourished and then Gorbachev vanished. And now those same Russians are saying once again: the whole country has collapsed, there is nearly famine, and many ethnic conflicts (there are more than 100 ethnic groups).

And you can even hear some voices saying that the Russians are eager to return to the Western style of life - capitalism, exploitation and oppression.

Is it so? Is it true that socialism was created in the Soviet Union but people rejected it? Or was Leon Trotsky right when he said that Stalin organised Thermidor?

That the Stalinist bureaucracy monopolised political power and destroyed the ideas of the October revolution? Whom shall we trust? How can we understand what is going on?

In my country, in all the countries of so-called "real" socialism - Czechoslovakia, Hungary, Poland and the others - great changes took place and some changes still continue: the anti-totalitarian, "post-communist" and democratic revolution is going on.

But what is the content of the revolution? What has changed into what? We should consider the anti-totalitarian "post-communist"

democratic revolution as a contradictory process, and not as a palace coup which was halted half way.

It is the deepest revolutionary democratic process, which has involved vast layers of the population. This process helps to overcome the alienation of every citizen from power and property.

The revolutionary process which is going on in the Soviet Union is not an ordinary "anti-totalitarian" revolution for two reasons.

First this type of revolution is going on under the conditions of specific post-communist totalitarianism. Secondly, the revolution is going on in the first "socialist country".

This is very important, because it was this country, where the Thermidorian coup took place and where, under the name of socialist changes, the entire human mechanisms of progress were destroyed.

A monstrous society was created. This society was not simply in economic crisis, as Gorbachev thought, but in socio-economic deadlock, which was much worse.

When we analyse the revolution from this point of view, we must say that objectively it is not the process of the restoration of capitalism.

Too many people are trying to turn the process in this direction, and it is quite understandable, after the Stalinist era, stagnation and the failure of perestroika.

When we want to stress the essence of the process, we must say that this is the revolution of the renewal of the mechanism of progress, a break-out of the deadlocked line of evolution.

And if this process succeeds in the




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*Dr Anatoly Butenko is well known and respected in the former USSR for his long struggle against Stalinism and support for the October Revolution. He joined the Communist Party at the front during World War II and keeps his card despite the ban on the party. He is a professor, Academy of Sciences, Moscow. Socialist Future is pleased to present this specially-written article*

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former Soviet Union, then this kind of revolution will have a deeper essence than any of the other revolutions. And the result will be truly great. But the achievement of such results is a long process. It cannot be within the framework of the current historical horizon. This process has its own stages and limits.

So what is happening today? Gorbachev's perestroika was only the introduction of this revolution, its first stage. The revolution continued. From "revolution from above", it became a real revolution.

And that is where the "adventures" began. When it started to become clear that the masses - young workers, students, intellectuals and white-collar workers really supported the revolutionary process, the political elite decided to divide the power amongst themselves, to prevent radical changes. ➤



The development and the result of the revolution depends on which political forces will rule the country, whose interests will influence the process.

It may be the workers, intellectuals or the newly-born capitalists and speculators. There are very strong attempts to bring an "elitist colouring" to the revolutionary process, to exchange one form of exploitation for another.

The abolition of former party-governmental bureaucratic layers from power brings a little more liberal rule by the "heroes of our time"<sup>1</sup>, the newly-born millionaires.

And the attempts by the wide masses to fight against poverty and the unlimited rule of the speculators are now qualified as "red-brown"<sup>2</sup> danger.

But society cannot exist only on a foundation of speculation without considering how to increase the productivity of labour.

Only productive classes and political forces which represent those classes can restore the whole human mechanisms of progress and create a type of economy which can lay "golden eggs". And they will inevitably come to power.

What classes, groups, layers will they be? Will they be farmers and small proprietors? Or will they be workers and farmers? Or some kind of coalition? Only time will tell.

A very long period of changes is quite possible, so that the new capitalists may solve the problem of the accumulation of capital.

But what if those masses, desperately poor and oppressed by the problems of primitive accumulation of capital, actively participate in the revolutionary process?

It will bring a bright, democratic-revolutionary character to the changes. And the revolution will at last overcome the alienation from power and property of every citizen.

So the new society will be that in which the free development of each individual is the condition of the free development of society.<sup>3</sup>

## *Our history*

### The day of solidarity

May Day marks three anniversaries. The first dates back to 1886 when workers in the United States were campaigning for an eight-hour day. The campaign came to end when workers were shot in Chicago. Another anniversary goes back to 1889 when the first congress of the Second International decided to mark every May 1st as a day of international workers' solidarity. And the third anniversary is traced back to 1890 when, in accordance with that decision, the first May Day celebrations were held in several countries. Socialist Future sends May Day greetings to workers everywhere!



British print workers demonstrate

#### Footnotes:

1 This is a reference to the title of Lermontov's book "A Hero of our Time". Lermontov (1814-1841) was a Russian novelist and poet

2 This refers to attempts to

discredit anti-Yeltsin forces by lumping them together with fascist elements

3 From the Communist Manifesto of 1848 by Marx and Engels

# EARTH SUMMIT

## SET TO FAIL



The Earth Summit, to be held in Rio in June, was hailed 18 months ago as the summit that would save the planet. Now the world recession has plunged it into such crisis that it is unlikely to save so much as a leaf.

Two leading scientific bodies, the American Academy of Science and the Royal Society of London have written to world leaders meeting in Rio stating that "the future of the planet is in the balance". From these generally conservative organisations this is a great admission. "Sustainable development can be achieved, but only if irreversible degradation of the environment can be halted in time. The next 30 years may be crucial," they say.

From the start summit organisers have stressed that two questions need to be resolved. First, the debt burden on the developing countries must be eased; people are starving to death while their governments continue to hand interest over to the world's banks. Second, trading terms between developed and undeveloped countries must be fairer. Countries like Brazil argue that the only way to save the rain forest is to make it economically beneficial to protect it, to make it pay. But a proposal that drug companies, for example, should pay royalties to these countries for botanical

research that results in new medicines has been vetoed in advance - by the UK and US negotiators.

The United States takes the line that the environment and trade are separate questions, and that totally free trade is the only possible system for the world. Nothing must be allowed to interfere with it. A proposal that multinationals should accept liability for damage they cause was defeated by the US, with support from the UK and Japan.

### NO COMPROMISE

After months of negotiations involving all members of the United Nations, it has become clear that the recession-ridden capitalist countries of Europe, America and Japan are offering no compromise whatsoever. America insisted there should be no reference to the military's role in polluting the environment. Iceland and Japan opposed a ban on dumping of waste in the sea. The US also demanded that a section of the summit document explaining over-consumption in the West should be deleted in advance.

A pre-summit public relations effort aimed to shift the blame for environmental damage away from the ruthless exploitation of the

planet for profit, and on to the issue of population growth. No scientist would deny that population growth is an issue - the human race increases by 100 million per year. But many western politicians, now joined by the Malthusian Prince Charles, are claiming that it is the cause of poverty and famine.

But it is ownership of wealth and resources that causes environmental degradation and famine. The developed countries have only 20% of the world's population, but use nearly 80% of the mineral and fuel resources, and have 85% of the gross national product. Only 7% of the world's scientists and engineers live and work in poorer countries.

The question of land ownership is the major problem confronting poor peasant farmers. Their own pro-capitalist governments resist land reform; indeed they could not carry it out unless they were prepared to take on the western banks and refuse to pay back high interest loans.

The International Monetary Fund, a gangster organisation which acts as enforcer for the world banks, insists that debtor nations abolish subsidised food for the poor, free education and health care as part of the terms for debt rescheduling. Big landowning farmers grow cash crops for export, and the resulting income is used to pay back western loans. Small farmers only grow food for their families.

Increasingly it is clear that capitalism is a system which cannot go on existing without robbing the poor and stripping the planet bare. No concessions are offered; no reforms are on the table at Rio.

# DINOSAURS AWAITING EXTINCTION

It may be a coincidence that this tribute to all things royal is situated next door to the dinosaurs at the Natural History Museum. But it comes at a time when more people than ever object to paying for a redundant institution.

Following closely on the heels of the television special, "Majesty", the V&A exhibition certainly seems to be aimed at convincing its visitors that what we have now is the latest manifestation of an age-old historical continuum.

The exhibition organisers have not balked at utilising the latest technology to create this ambience of tradition. In case any unwary visitor is prompted into disloyal thoughts by the sheer excess on display here, a set of headphones is firmly clamped to every person's ears as they enter, with instructions "not to break the signal".

The headphones pick up a commentary, and each new section of the exhibition automatically triggers off its own sound-track.

The first section, for example, features news broadcasts along with a working class subject (sounding suspiciously like Irene Handl) lamenting the king's death.

The exhibition has the aim of reinforcing an image of the Queen as



*The queen's jewelled coronation frock*

both "one of us" - only better - and perpetual symbol.

So photographs of the Queen with her "beloved animals" or doing useful things during the war, alternate with more isolated, spot-lit displays of the symbols of government, the coronation dress dripping with precious stones or documents containing the "royal command".

There is much emphasis on the "history" of royal occasions in sections like "Pomp and Circumstance". But the real history of this country is given a cursory treatment to say the least.

Centuries of resistance to the monarchy are squeezed into a 90 second cartoon which includes the immortal lines "The people are revolting! Yes, but they have the vote now."

Many exhibits and especially the replicas of rooms in three of her homes show that the Queen is surprisingly low brow.

In contrast to the thousands of works of art in the royal collection, the pictures that she chooses, with titles like the Queen and corgis, would not shame Woolworths.

The exhibition is sponsored by the Daily Telegraph, and newspaper publishers Reed International and Pearsons. There is much irony in the fact that while the media has every interest in propping up the monarchy, it is their daily revelations of the actual lifestyle of the royals that has proved to be the last straw for many working people.

**"Sovereign" at the Victoria and Albert, until September 13.  
Entrance £6**

## London exhibitions - large and small

### Aspects of Arab Culture

Talks on Baghdad's history. May 6 and May 13. Children's Drawings from Yemen. May 20-28. Talk about Yemen. May 22. Music and Poetry from Yemen. May 27.

All lectures start at 7p.m. Admission Free. Coming events include Paestinian Arab architecture and applied arts.

**Kufa Gallery, 26 Westbourne Grove, London, W2 5RH, Tel: 071 229 1928**

### Art Exhibition for CND

Artists for Nuclear Disarmament

**Exhibition Hall, Swiss Cottage Library, 88 Avenue Road, London NW3. Tel: 081 964 1200 or 081 883 4351. May 9 - June 13**

### Yuriko Kurimoto, Mitsuko Miwa, Philip Reilly

Cross-cultural exhibition specially conceived for Riverside studios, examining interior-exterior experience.

**Riverside Studios Crisp Road, Hammersmith, London W.6. Tel: 081 748 0336. Until June 7.**

### Kunstbrücke (Art Bridge)

5 Artists from Prenzlauer Berg, East Berlin

**Cafe Gallery. By the Pool. Southwark Park, Bermondsey, London SE16. Tel: 071 232 2170, 237 1230. May 13 - 31.**

### Rediscovering Pompeii

New discoveries at the Roman city destroyed (and preserved) by volcanic eruption in 79 AD.

**Accademia Italiana, 24 Rutland Gate, London SW7 1BB. Tickets £5, £2.50 Concessions. Tel 071 225 3474. Until June 21**

### Miles Watson

May 19 - June 6 Oil paintings and relief sculpture at a new gallery featuring abstract art.

**X-O Gallery, 165 Draycott Avenue, London, SW3. Tel: 071 584 2534**

# Property crisis rocks banks

The dramatic crisis hitting the banking system in Britain and Japan is tied up with the collapse of the property market.

Midland Bank cannot continue on its own because it is owed a large slice of the £40 billion in outstanding loans handed out to commercial developers during the 1980s.

These loans cannot be repaid because the economic slump has left many projects uncompleted and others unused. It is estimated that 20% of all office space in the City of London is vacant.

The world-wide collapse following the wild bout of speculation during the 1980s has had a devastating effect on stock markets.

In two years, the Nikkei Index - Japan's equivalent of the Financial Times Share Index has fallen by 60 per cent.

Japanese banks are allowed to count share holdings as assets, so the collapse on the stock market has raised serious questions about the viability of the main lenders.

The most spectacular property failure is that of the owners of Canary Wharf, the Canadian company Olympia and York.

This massive £3 billion construction project, part of Thatcher's dream of a new city in London's Dockland, is the largest property development in Europe. But



The 1980s building boom has turned to slump

by the middle of March, O&Y the world's biggest property developer, had run out of cash.

The bankruptcy of O&Y reverberates throughout the world economy. The scale of the company's problems - around 20 billion US dollars is owed to 100 banks - puts it in the same league as debt-ridden countries such as Peru and Chile.

The central banks of Canada and the UK, desperate to stave off immediate bankruptcy, made

standby emergency funding for O&Y and Canary Wharf.

If any of the banks decides to call in its loans - which good banking practice would indicate - the company will fail, swamping the already glutted property market.

The effects of failure on such a scale would trigger a further decline in property values world-wide, bringing down the banks themselves.

The O&Y crisis was followed immediately by the surfacing of another. Gerald Ronson, head of Heron International, Britain's second largest private company, sought to reschedule the repayment of £1.3 billion debts to its 75, mostly British, bankers.

Much of Heron's problems arise from its acquisition, in 1980, of Pima, one of the US Savings & Loan enterprises, similar to British building societies. These disintegrated at the end of the 1980s throwing tens of thousands of Americans on to the streets.

In effect, the debts in the property sector are so large, and the implications of collapse so frightening that the banks cannot allow these companies to fail. Nor can they agree a restructuring of the debts without threatening their own survival and that of the entire capitalist economy.

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