Mines, Rail, Councils, Post Office, Health, Civil Service – FIGHT NOW!

Public sector Strike together!

KICK THE TORIES OUT!
Butchering the coal industry

By Dave Osler

THE 1988 Conservative Party conference heard energy secretary Cecil Parkinson herald 'the ultimate privatisation: British Coal. Last week's announcement that 31 pits are to shut at the cost of 30,000 mining jobs – and £4 billion in the rest of the economy – is part of the pre-sale softening-up process.

Of course, there is the element of revenge against the workers that preceded the Tories in 1974. As Parkinson himself, rather tactfully put it, explicit only noted last week: 'Don't forget, in this great surge of sympathy, that the miners brought down a government and abused economic power many times.'

But at bottom, the decision remains a triumph of the government's never-ending quest for a privatisation last seen. It is the 20th century's equivalent of the large-closure programme.

A leaked report from the government's pits privatisation advisors, N.M. Rothschild merchant bankers, made one point brutally last Autumn: 'In all market-based scenarios, a substantial further pit closure programme is required.'

As many expert energy economists point out, the closures are madness in anything but the short term, even from a rational capitalist standpoint.

More than £1 billion will have to be spent on redundancy programmes; perhaps £2 billion will be added to the balance of payments deficits; 90,000 more dole cheques will have to be sent out every week, while direct and indirect taxation revenue is lost. All this before they count the cost in human misery.

On nationalisation in 1947, British Coal owned 1,400 pits. Before the year-long strike of 1984-85, there were still 170, employing 180,000 miners. As of last week there were just 53,000 in 50 mines. On Rothschild's worst-case projection, numbers could go down to just 10,000 in 12 pits by 1995.

Privatisation

Who will buy what's left?

THE REMAINING coal mines could prove gold mines for new private capitalist owners ready to push through measures that would never have been tolerated before - the abolition of national wage bargaining, introduction of 12-hour shifts and a generalised six-day week.

Two British-owned multinationals, RTZ, which operates coal mines in Australia, Indonesia and New Guinea, and asset-stripping kings, Season Trust, which owns the world's largest private coal mining company. Everybody in the USA, have indicated interest.

Another possible contender is Anglo American Corporation of South Africa. British Coal chairman Neil Clarke is a former Anglo director, who spent ten years with the company.

Coalite smokeless fuel producers Anglo United have withdrawn from the race because the severity of pit cuts has left the operation too small to be of interest.

Ryan group, the largest player in Britain's private coal mining sector, which includes 144 underground mines and 72 opencast (surface mining) sites, has already said it wants to take over at least one of the Welsh pits. Smaller companies such as Bridge Mining and Young group may also be in the market if British Coal is carved up.

At one stage, management-employee buy-out centred on the strike-breaking Union of Democratic Mineworkers looked a strong possibility.

It would have had strong political appeal to the government as a massive boost to new realism in the labour movement. But the depth of the attack against even UDM pits announced last week now seems to rule this option out.

Competition

A rigged market run by monopolies

THE TORIES justifying the closures with the argument that British Coal's output is not competitive. In truth, its worth depends on such volatile factors as world prices for coal and oil, and as those are traded in dollars, the strength of the pound. Devaluation of sterling since Black Wednesday has immaterially strengthened British Coal's position.

The real reason British Coal cannot shift its product is the effective blackmail. It suffers at the hands of its two chief customers, PowerGen and National Power, the two electricity generation companies artificially born of the division of the Central Electricity Generating Board on privatisation in 1990.

The two companies currently buy fully 75 per cent of Britain's coal output under a three-year contract which expires in on 31 March 1990. They are now threatening to cut their current order of 65 million tonnes a year to between 30-40 million, turning to other fuels or imported coal instead.

This way PowerGen and National Power can, in Rothschild's words, 'purchase coal at below the market price that would have been arisen in a competitive market. This would increase generator profits (which would not be passed to electricity consumers) at the expense of coal industry profits and production.'

This is in the government's short-term interests. It still holds 40 per cent of the shares in the generators, which it wishes to sell for as much as possible on the basis of guaranteed easy profits.

But PowerGen and National Power in turn are under pressure from around 30 new gas-fired power stations planned or under construction by the 12 regional electricity supply companies, out to lessen their reliance on the generators.

While these plants are quick and cheap to build, their electricity is 20 per cent more than electricity from coal. No problem for the supply companies. As local monopolies, they can simply pass on extra costs to customers.

The crazy situation is the inevitable result of Tory attempts to build a market in a sector that remains nationalised almost everywhere else in the world, allowing governments to plan sensible energy policies.

British Coal is already the most efficient producer in Europe, with operating costs down 33 per cent in six years. Last year it produced 60 million tonnes, recovering a profit (E1 billion) for the first time in 13 years in 1991 and a 1992 profit of E1.7 billion. British Coal has exploitation rights for the 45,000 million tonnes of recoverable reserves, enough to last 500 years.
Unite the struggles!

Finish off the Tories!

AS SOCIALIST OUTLOOK went to press on Monday, it seems just possible that the so-called 'concessions' over the timing of pit closures will be enough to scrape the government through the crucial Commissions vote on the issue on Wednesday. But not even that much is certain.

In any case, the changes don't alter anything fundamental; it is slow motion destruction of the coal industry instead of sudden death. The fight to stop the closures continues.

Even if it manages to be an Houdini-style parliamentary act, Major's government is now wounded - possibly mortally. The political loss of face inflicted by even this limited backdown will be immense.

Split

The government's latest problems come on top of the Conservatives' deep split on Maastricht, with its recent conference revealing a party on the brink of open warfare; its economic credibility has disintegrated in the wake of Black Wednesday; even the Mellor affair has made it an object of popular ridicule.

Having won April's election, the Tories now face all the horrendous consequences of Thatcherism and its destruction Britain's industrial base.

This, combined with world recession and the crisis over European unity, is devastating the British economy. More than four million unemployed are paying the price.

But it is not just those faced with redundancy, wage freeze or public spending cuts that are in revolt. Huge sections of the Tories' base amongst small business people and other sections of the middle class are also being savaged by Major's recessionary policies.

Fatal blow

While this revolt has crystallised around pit closures, concessions on this issue cannot be allowed to let the Tories off the hook; a real possibility exist now to deal the government a fatal blow.

Numerous groups of workers are in the firing line. Throughout this summer groups of local government workers have been striking against cutbacks and redundancies. Health workers face mass redundancies through hospital closures and other cutbacks. Privatisation of the Royal Mail and British Rail are just round the corner. Teachers face compulsory redundancies for the first time. Now is the time to forge a powerful public sector alliance against the Tory attacks.

An effective alliance however can only be based on industrial action, and the best basis for that will be created by a 'yes' vote for strike action by miners.

But beyond the miners, industrial action must be conducted against the cascade of redundancies - whether declared already or in the pipe line through privatisation. In the present climate redundancy payments and restraining packages are useless. Workers sacked face virtually zero chance of getting another job.

Strike action

Redundancies can only be fought by strike action and occupations. Job sharing with no loss of pay must be the solution popularised throughout the labour movement.

Fighting for industrial action against job losses, fighting to unite the struggles, fighting for no let up in support for the miners - this is just a start. Also vital is that the TUC and Labour leaders continue the fight and do more than the rock-bottom minimum they have already announced.

Next Sunday's demonstration called by the TUC may well be massive, but the Tories and the employers will not be shifted by even a monster turnout on a Sunday.

The TUC must call a national day of strike action to support the miners. This is the vital next step, a central focus to follow up Sunday's protest. It will of course mean defying the anti-union laws.

But never was there an issue on which the chances of getting mass stoppages was greater; and on which the possibility of effectively using the law against mass stoppages less.

Useless Labour

The response of the Labour leadership, a national petition campaign, has been predictably useless; and given the weight of public opinion, the actions of the TUC the absolute minimum they could get away with.

The real danger now is that given the minimal 'concessions' by the government the TUC and Labour leaders will let the government off the hook.

If the government is not defeated in the Commons we now face the prospect of a long drawn-out battle to defend the miners' jobs. The building of miners support groups nationwide is a first priority. The networks which were created during the miners' strike must be reactivated.

A new political situation has been created by the outcry over pit closures. That outcry did not arise simply because of public sympathy with the miners, huge though that has been. It arose because the pit closures, signalling the virtual end of the coal industry, symbolised the regime of mass unemployment and industrial vandalism which threatens the livelihood of millions. It is a expression of deep-seated anger from those on the receiving end of the crisis of British capitalism.

The opportunity exists in this new situation to impose devastating defeats on the Tories and drive them from office - if we strike together.

Tories in Crisis - European Capitalism in Crisis

Ernest Mandel

(Fourth International)

Alan Thornett

(editorial board Socialist Outlook)

Ann Conway

(Peoples Democracy - Ireland)

Speakers from the National Union of Mineworkers

Kingsway College,
Sidmouth St., off Gray's Inn Rd., London WC1 (Kings Cross Tube)
7.30pm Friday 23 October
Public sector: Strike now together to defeat Tories!

By Celia Murphy

With the Tory government on the run over pit closures and privatisation, it is the time for workers in the public sector to join forces to defeat Tory plans for pay freezes, cuts and privatisation.

The fighthawks going on in local government, the NHS, education and other public services need to be co-ordinated and given mutual support. This is the best way to turn militancy that is starting to emerge into a wave of action capable of halting Tory plans to demolish the public sector.

Council workers

Council workers in authorities up and down the country from Sheffield to Islington are striking to save jobs and defend services from savage cuts. But co-ordinated action is needed in response to the growing national problem of cash-starved local authorities hacking back vital services. The Department of the Environment is expected to be the biggest loser in the government’s next round of public spending cuts – meaning millions more jobs will be axed by the end of next year’s council budgets.

Council tax capping will prevent councils raising more finance from the tax so the inevitable result will be services slashed and thousands more jobs axed.

Health workers

In the NHS, workers are bracing themselves for further cuts as more hospitals opt out and the Tomlinson report into London’s health service is published.

A further 128 hospitals and health units are to become self-governing trusts next April. With 121 more applying to be included in the fourth wave, this will bring the total to be phased out by April 1996 to more than 500. 95% of hospitals and community services’ managers’ new first and second wave trusts are already slashing jobs and services.

Self-governing status and the introduction of a market system for health care have wrought havoc on patient care. For health workers it has meant job losses and increased workloads and demoralisation for those who have remained.

While front-line NHS staff lose their jobs and see conditions attacked, which was once the cheapest and most efficient health care system in the world, it is now a supermarket and expensive bureaucracy with the payroll for the growing layer of NHS managers and administrators rising by 90% in the last five years.

The Tomlinson report, due in the next few weeks, is set to recommend closure of some of London’s prestigious teaching hospitals – axing thousands of jobs whilst waiting lists in the capital continue to grow.

Health unions have already taken strike action over jobs: this must be stepped up.

Nursing a grievance: health workers need to revive the spirit of 1988

A new government white paper threatens to remove education permanently from the control of elected local authorities with mass opt-out of schools and a new quango to administer their funds. Teaching unions have said schools would have to compete for pupils and scarce resources leading to a two-tier system with children in less well off areas being denied full access to the national curriculum.

Even further education is facing the squeeze as it is forced to compete for students and run services with less funding.

Rail workers

Rail workers are also facing a bleak future under government plans for pit closures and rail privatisation are reversed. Trailing Coal, virtually the only profitable part of BR’s operations is under threat.

Its business depends on the movement of coal from pits to power stations and the pit closure programme threatens the jobs of its 7,250 employees.

Meanwhile rail privatisation is expected to cost up to 40,000 jobs and, according to a government-funded report by accountants Coopers and Lybrand Deloitte, will mean travellers facing fare rises totaling 6% above inflation over the next 14 years.

At the same time services will be slashed as private operators inevitably opt to run only the most profitable routes.

Civil servants

No area of the public sector is safe from the chaos wrought by Tory cuts and privatisation.

The civil service, once unrivalled in its professional standards, is being dismantled and hived off to the private sector. Only two

Step up class struggle: time for teachers to fight

weeks ago, the government paid Tarmac £50 million to take over the Property Services Agency with the loss of 900 jobs.

The Royal Mail faces privatisation, and postal workers have already staged a demonstration outside the Tory Party conference.

Fighting the pay freeze

With the pay round now in full swing, the government is threatening to freeze or impose a wage-cutting two percent limit on public sector pay – well below current inflation.

NALGO and NUPE have publicly declared their rejection of such a pay limit; now is their chance to make a real fight of it.

Already claims submitted for nurses and hospital ancillary workers, teachers, university lecturers, firefighters and postal workers are stuck in the pipeline; there will not be a more favourable time to take action.

If they are not challenged, the Tories are likely to repeat their refusal to award the pay recently agreed for university lecturers.

Only concerted action by public sector workers can defend wages and conditions, save jobs and halt the madness of privatisation.

With massive cuts in local government, hospital closures and the prospect of a public sector wage freeze, now is the time to fight back.

This day can be used to launch a national campaign to defend public services and jobs. In the limited time still available, all stop must be put to building this demo among public sector workers and users of public services.

London Against The Cuts: demonstration called by NALGO, Assemble Geraldine Margery, Hamsworth Park, Southwark, Jubilee Line, 8.30pm on 4 November.

Some colleges may strike on pay on 4th with NALGO – no other union has backed action at a national level.

NUPE has banned its London region from even sending a banner.

This charge of heart is almost certainly attributable to pressure from Walsworth Road, with the Labour Party nationally opposed to the action. It is even alleged that Labour have tried to persuade NALGO to call it off.

However, many trade unions have responded warmly to local level, particularly the NUPE teachers’ union at London’s NUPE and COHSE members in hospitals.

NALGO’s executive has insisted, for the first time, that branches must back it if they want to take strike action on the day. Several branches are at last doing so, with others set to call for strikes at branch meetings as support for the protest grows at rank and file level.

Most NALGO local government branches will at least send delegations. A coach is even coming from cuts-hit Sheffield. NALGO members in universities and colleges may even choose November 4 for a one-day strike in support of their pay claim.

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Birmingham Conference

Major’s Maastricht misery

LAST FRIDAY the whole of Europe’s bourgeois political leadership arrived in Birmingham to deal with the Maastricht crisis caused by the semi-collapse of the Exchange Rate Mechanism.

In the British media the conference was completely buried by the pits crisis. John Major used the post-conference press conference almost exclusively to defend the government line on pit closures. But the reality was that the conference itself was at best a public relations exercise, at worst a farce.

Dilemma

Capitalist Europe has found no way out of the Maastricht crisis, and the Tory government has found no solution to its ‘in or out’ dilemma.

The conference declaration talked about ‘making the EC more open’ so that the citizens of the various countries can ‘understand’ it and respect the history culture and rights of individual nations.

But the Maastricht crisis doesn’t stem from a lack of understanding; it arises directly from the irreconcilable contradictions between Britain (supported by Denmark) and the rest of the EC.

The Single Europe Act creates, literally, a single market and freedom for the movement of labour and capital in the EC. But Maastricht goes much further — towards building a single political entity in Western Europe.

Economic union and a single defence and foreign policy are keystones of the Maastricht treaty. That’s why the collapse of the ERM would signal the complete defeat of the Maastricht process, and why Britain’s withdrawal from the ERM is such a blow to the Maastricht timetable.

The Birmingham conference of course did nothing to resolve this tangle. Britain and Denmark both demand a wide extension of ‘subsidiarity’, an arcane notion which means in short the return of decision-making on key issues from the EC to the member states.

Thwarted

But despite all the pretence, ‘subsidiarity’ can only go so far. The core six nations of the EC (Germany, France, Italy and the Benelux countries) will not allow the move towards monetary and foreign policy union to be thwarted by the ‘subsidiarity’ con. Which leaves Denmark and Britain in a complete fix.

Denmark is in a fix because without a considerable reworking of Maastricht there is no chance of getting the treaty through a second referendum.

And the Tories are in a fix because with the Maastricht treaty they can neither afford to be in, or out, of the process of European union. To be on the left means to bow down to the deflationary dikts of the Bundesbank, further worsening Britain’s economic collapse; to be on the outside means to undermine equal access to Britain’s main export market.

While the pits crisis hogs the headlines, Major’s Europe crisis is just beginning.

Italy strikes against austerity

TEN MILLION Italian workers took part in a general strike last week in protest at government austerity measures which will mean huge public spending cuts and tax increases.

Transport workers were at the forefront of the four-hour walk-out at car plants, industries and services on the day when parliament approved the next year’s budget. The government of Giuliano Amato is proposing to cut about 57% billion from the public sector borrowing requirement, effectively dismantling the country’s welfare state.

This follows a $18 billion package of cuts and tax increases that was passed through parliament a few days earlier.

But workers criticised the response of union leaders, saying the four-hour general strike, which excluded many public sector workers, was an empty gesture. They also rejected an agreement on agreement to end wage indexation between the unions and the government in July. Angeles spilled over into confrontations in some areas. At a rally of 8,000 workers in Milan, Sergio D’Antoni, general secretary of Italy’s second largest union CSI, was met with a hail of missiles when he rose to speak.

Amato’s government is just three months old and many believe a radical response from the workers movement could put paid to its austerity measures.

Chesterfield Conference

Rallying behind miners

by Bill Sutcliffe

THE CONFERENCE of the Left held in Chesterfield last Saturday — effectively the fifth Socialist Movement conference in three years — attracted around 600 people from a wide range of organisations.

This was clearly militant with a clear understanding that the most important task for socialists today is to organise full support for the miners.

The gathering culminated in a march to a 10,000-strong rally at the Northern General Hospital in Chesterfield's market square, addressed by the Labour MP Tony Benn and Dennis Skinner, National Union of Mineworkers president Arthur Scargill and Betty Heathfield of Women Against Pit Closures.

Unfortunately the conference organisers had earlier refused to take a resolution from Labour Party Socialists — a Socialist Movement sector — calling for the relaunch of the Mineworkers Defence Campaign.

Socialist Outlook sponsored two well-attended fringe meetings. A meeting on Maastricht, addressed by Francois Vercammen, editor of Belgian Fourth International weekly La Gauche, attracted over 50 people. Others had to be turned away because of the small size of the venue.

Vercammen stressed the need for a working class fightback against the treaty and its associated austerity packages, pointing to the examples of Italy and Greece.

He later joined a plenary on left organisation alongside Campaign Group MP Jeremy Corbyn and speakers from Democratic Left, the Scottish National Party and the Socialist Society.

Outlook students also held a meeting on organising the student left.

Help Build Socialist Outlook

Militant for the land of the living

Q: WHO’S THE odd one out between Margaret Beckett, Reggie Kray and Socialist Outlook?
A: Margaret Beckett. The other two have got convictions.

But in order to put our convictions into practice, we need £5,000 of your money — fast. The next few months could well prove the best chance in years for the working class to even up the score with the bosses and their government.

Unfortunately the labour movement is going into battle under the most clueless, right-wing leadership in its entire history. The ideas we need to win aren’t going to come from official quarters, who will do everything they can to stop the fight against the Tories ‘getting out of hand’.

Demands on genuine Socialists and their organisations in the coming period are likely to be immense. But Socialist Outlook is being seriously hamstrung by its decrpt publishing and printing.

This not only hampers publication of this newspaper, it makes it more difficult to produce the leaflets, broadsheets and pamphlets needed to put over the revolutionary marxist message of the Fourth International in Britain.

While Outlook remains a fortnightly, the sheer quality of its coverage is superior to anything else produced by the far left. Anyone who has to plough their way through Militant every week can vouch for that — thank God they haven’t managed to turn it into a daily yet.

We want to make Outlook even better. So send your cash to PO Box 1109, London N4 2LU, take a monthly flutter on our 300 club (details on page 13) or get a bundle of Outlooks to sell to your friends, workmates and comrades.
The fall and fall of British capitalism

By Paul Clarke

BRITAIN, in terms of Gross National Product per head, ranks 22nd in the world economic league. Yet 80 years ago Britain appeared to be the world’s most powerful capitalist power, and just 30 years ago easily one of the big five. What happened? Why has the British ruling class allowed its industrial base to be progressively wiped out? As everyone knows Britain was the first industrial power and in the 18th and 19th centuries became, through the combination of industrialisation, sea power and the slave trade, the world’s major imperialist power.

Such was Britain’s domination that the world economy and the outcome of the empire, that by 1860 British produced 53 per cent of the world’s iron, 50 per cent of its coal and consumed half of the world’s cotton output.

Industry

With 2 per cent of world population Britain had about 45 per cent of the world’s industry, and nearly 60 per cent of that in Europe. British ships brought raw materials from all over the globe to its giant ports of London, Liverpool and Glasgow, and exported back British manufactures.

Yet already by 1860 Britain’s dominance was under threat. The fruits of being the first could only last so long; and in the mid-19th century the ruling class made a fateful strategic decision which would hasten its historic decline.

The battle over the Corn Laws was the entree-piece of the fight between the champions of free trade and the partisans of ‘protection’ and ‘imperial preference’. Free traders believed that Britain’s industry was so strong that a world regime without substantial import tariffs would benefit British industry everywhere.

The free traders won and the Corn Laws were abolished. The net result was that while Britain championed the free trade approach, countries like the United States and Germany built up their industries behind high barriers.

By the late 19th century, it was obvious that Britain’s industrial supremacy was under siege. And the conflict between the major imperialist powers led directly to the first world war, where Britain made the historic decision to ally with the United States against Germany. The cost of two world wars finished off Britain’s empire.

But the legacy of the empire and growing industrial decline produced a very particular type of capitalism, and a very particular type of ruling class. Because of the size of the empire and because of Britain’s sea power, London became the financial and trading centre of the world.

Thus already in the late 19th century British capital had developed a much wider spread of international investments than any other capitalist state. It was linked internationally, with a much greater weight of commercial and financial interests, as opposed to industrial manufacturing interests.

The second world war dealt the final death blow to empire. Britain paid for the war via Lend Lease, in effect huge subsidies from the United States. But US president Roosevelt drove a hard bargain. The empire was sold off to American domination.

Paradox

The post war economic boom continued to disguise the extent of Britain’s decline. The paradox was that while British capitalism, continued to decline relative to the US, Germany, Japan and France, in absolute terms of course the economy expanded as it did in every major capitalist power.

This disguised the real extent of the impending crisis. Its scope started to become apparent when the pound was devalued by Chancellor Roy Jenkins in 1967, and especially after the onset of world recession in 1974-5.

Every world economic crisis involves a new allocation of labour between the major capitalist powers. In the crisis since 1974-5 the United States and Britain have been losing out to Germany and Japan. The major story in historical terms is the decline of the US post-war dominance. But in absolute terms Britain’s decline has been worse.

In part this has been because of objective factors which the capitalist class has been helpless to stop. The wreaking structures of British manufacturing have been no match for the rebuilt post-war industry of Japan and Germany. But consistently government policies and the dominant orientation of the ruling class have worsened the crisis.

The fundamental reason for this has been the relative strength of commercial and financial interests in the British bourgeoisie. Finance capital constantly strives to maximise short term gains on investment: the ‘long term health of British capitalism’ is a category which doesn’t make sense to the individual capitalist deciding where to invest.

Thus instead of systematic investment in British industry huge amounts of capital have gone abroad, and as non-British industry has gained in strength, into financial and commercial operations.

The Thatcher era only worsened this process. By deregulating exchange controls and unleashing privatisation mania, financial speculation was let rip. The weight of commercial and financial interests in the government was strengthened.

Why does all this matter for British capitalism? Why does it matter that British industry is declining, so long as profits come back from British investment overseas, and from domestic service industries? What’s so special about manufacturing industry?

For the individual capitalist it doesn’t matter a hoot where the profit on investment comes from. But for the overall strength of a particular capitalism it does. In the end profits only come from surplus value, the creation of new value in the labour process. Most financial operations and many service industries just re-allocate surplus value already created.

Profits generated abroad may make individual capitalists wealthy, but in general profits are re-invested abroad and not in Britain. Declining manufacturing reduces the size both of the service sector, and the surplus value available for investment in any kind of enterprise.

Compared with most international capitalism Britain is uniquely vulnerable to recession in the world economy. Today world depression and domestic slump fuel one another. Britain may be the first to fully experience de-industrialisation.

The decline of British capitalism is in the end a spectacular example of the anarchy and irrationality of capitalist production. The search for profit in the end begins to undermine the foundations of capitalist production itself. This major tendency inherent in capitalism has been reinforced by a ruling class steeped in the arrogance of empire, sure of its world role, unable to grasp that a major reorientation was needed to secure even its own long-term future.

As Marx remarked, a ship of fools can sink simply because its captain and crew refuse to believe it possible, or take any steps to avoid it.
The shadow of 1931
How Ramsay MacDonald ushered in 15 years of Tory rule

By Paul Clarke
THE CRISIS of the last few weeks has been full of eerie reminders of the crisis of August 1931. Then, as now, the attempt to defend the value of the pound against a fixed exchange rate caused financial havoc. Then as now, a major government financial crisis was met by savage attacks on the working class, including cutbacks in social security spending and unemployment pay, and attacks on public sector wages. And then as now, working class resistance was hampered by the right wing leaders of the labour movement, although in 1931 they were the government rather than the opposition.

Minority
Ramsay MacDonald's government had been elected in 1929, although not with an overall majority. Labour had 287 seats, the Tories 269 and the Liberals 99.

MacDonald in his first Commons speech wondered aloud to the Tories and Liberals how far it possible, without in any way abandoning our party positions... to consider ourselves more as a Council of State and less as arrayed regiments facing each other in battle. The cynical mental chuckles of the Tories and Liberals at this open profession of class collaborationist intent were almost audible. The background to the 1931 crisis was of course the 1929 stock market crash and the ensuing world slump. When the Labour government came to power there were well over one million insured workers on the dole. The numbers rapidly increased.

Standard
Labour had pledged either work or maintenance – 'either a job or unemployment benefit at a level to support a reasonable standard of living.' In 1936 the TUC and Labour Party had jointly demanded 20 shillings a week. But when the Unemployment Insurance Bill was brought forward by Labour in November 1932, the dole was left at 17 shillings, plus two shillings for each child.

A small minority of the 110 Independent Labour Party MPs (about 20 of them, led by James Maxton) rebelled against the government. They were to be the core of the eventual split to form the ILP as a short-lived independent party. By December 1930 the official unemployment figure was 2.5 million; by July 1931 it was 2.8 million. Huge dole payments were putting pressure on the Treasury.

Drastic
Labour Chancellor Philip Snowden told the House in February 1931 that the national position is so grave that drastic and disagreeable measures will have to be taken if Budget equilibrium is to be maintained and industrial progress made...

Snowden promised 'temporary sacrifices' only, and those best able to bear them would have to make the largest sacrifices. Parliament appointed the all-party May Committee charged with 'effecting all practical and legitimate reductions in national expenditure consistent with efficiency of services'.

Attacking
The May Committee, which had been proposed by the Liberals and only opposed by the ILP rebels, was in fact aimed simply at attacking working class benefits and wages. Snowden and MacDonald eagerly accepted the proposal.

At the end of July 1931 the May Committee reported. It proposed a 20 per cent cut in unemployment benefit, steeply increased unemployment contributions and the introduction of the notorious Means Test.

In addition it proposed cuts in the pay of teachers, the police and armed forces, as well as huge cutsbacks in public works expenditure. The proposals caused a political storm.

Crisis
When the May Report appeared, there was already a developing international financial crisis with a series of bank failures in Germany and eastern Europe. The report itself increased the panic, and a run on gold destabilised the pound sterling.

Depreciation of Britain's international reserves meant that the government turned to foreign bankers to secure a major loan. But the US banking syndicate was JP Morgan, demanded major expenditure cutsbacks before 'confidence' could be 'restored' and the loan granted.

Confidence
On August 19 Ramsay MacDonald decided to restore Mr Morgan's confidence by cutting unemployment pay by £65.5 million, teachers salaries by £13.8 million, service wages by £9.9 million, and the police by half. The proportions of course were significant for every pound lost by the police the unemployed lost £90.

But the Labour cabinet was split on the issue, but made an initial agreement on £56 million worth of cuts, despite the opposition of a minority. However, the issue immediately arose as to whether the opposition Tories and Liberals would support the government, or would they demand deeper, more savage cuts?

Within three days the answer was clear; the Tories would support a proposal for £76 million worth of cuts, but no less. This was too much for the majority of the cabinet and even the leadership of the TUC.

MacDonald could only get the economic cuts package through parliament with the support of the Tories and Liberals. By constructing this alliance he effectively sank the Labour government.

Two days later he had handed his resignation to the King; on the same day after discussion with Stanley Baldwin and the Liberals he was re-installed as leader of the National Government. Only 13 Labour MPs supported the new government.

Gold Standard
On 21 September the National Government took Britain off the Gold Standard, to avoid further drain on foreign currency reserves. In effect, the pound was let to float, rather than have a fixed parity with gold. But the cuts in government expenditure to finance defence of the Gold Standard had already been made.

Prisoner
MacDonald's political coup against the labour movement made him the prisoner of the Tory party. They now demanded a general election. Formally held between the 'National Government' and the Labour position, it was in fact between the Tories and Labour. The Tories won 471 out of 615 seats, and government supporters had won 556 seats, including 17 'National Labour'.

Ramsay MacDonald was now unceremoniously dumped, and Stanley Baldwin enthroned as the new prime minister of the 'National' (Tory) government.

By splitting the labour movement and subjugating it to the dictats of international capital MacDonald had delivered the working class its most decisive defeat since the General Strike.

This ensured that the dreadful 1930s would see the Tories permanently in power, until a new coalition was established during the Second World War.

The ILP, convinced that Labour was finished as the party of the working class, split and affiliated from the party.

Carried away by the delusion that a period of defeat could create the conditions for the building of a stronger mass party of the working class, within a couple of years the ILP had disappeared as a significant political force.
Equality for women workers?...

By Gill Lee

TWENTY FIVE years after strikes for equal pay by women machinists at Ford, which eventually lead to the equal pay legislation of the 1970s, women still earn just two-thirds of men's pay.

Why are women still doing worse jobs for worse wages and in worse conditions than men?

The main reason for the lack of equality is women's subordination in the family and their responsibility for housework and childcare. But there are additional, related causes.

Historically, women have been excluded from certain jobs and concentrated in others. For example today women still make up less than 5% of Ford's total workforce.

In the nineteenth and early twentieth centuries many male trade unions wanted to keep women out of certain trades, fearing that their cheaper labour would bring lower wages.

Organise

It was to take many decades of struggle before many male trade unions understood that the way to prevent women being used as cheap labour was not to exclude them but to organise them and fight for equal pay.

Women became integrated into the workforce in masse for the first time during the Second World War, working in munitions factories and doing many of the jobs left by men. But after the war women were pushed out of industry as mobilised soldiers returned to claim 'their' jobs.

Women were again drawn into the workforce in large numbers with the huge expansion of the welfare state after the war.

Many women from the former colonies came to Britain for service sector jobs to escape the poverty and lack of opportunity caused by Britain's underdevelopment of their own countries.

Many black families were separated as women and men travelled thousands of miles for work, only to find discrimination and segregation into the worst jobs at the worst pay with no possibility of acquiring the necessary qualifications frequently not recognised or valued.

Yet much 'women's work' in the service sector mirrors their work at home - cooking, cleaning, serving 'caring'.

Between 1959-64 women were unionised at twice the rate they joined the workforce. Unions were quick to recruit women but slow to deliver action on equal pay and conditions.

The ideas of the emerging women's movement in the United States began to spread across the Atlantic and the first women's groups were formed. In 1966 women machinists at Ford's Dagenham plant held a one-day stoppage, followed by a three-week strike, in support of their claim for upgrading.

In 1968, after a series of meetings, lobbies and demonstrations organised by the National Joint Campaign Committee for Women's Equal Rights, every trade union passed resolutions supporting equal pay and it was the main topic at that year's TUC.

In the autumn, Barbara Castle introduced her Equal Pay Bill, which became law in 1970. For all its loopholes it was a milestone - the first major legislation on women's rights since the 1920s.

Sex discrimination

In the following decade the equal pay legislation was updated and expanded and the Sex Discrimination Act was introduced. In 1986 Jo Richardson's proposal for a Ministry for Women's Rights was rejected by Labour's left.

Richardson proposed new equality legislation, a minimum wage, free childcare for all and four year olds, an end to discrimination in social security benefits, abolition of the married man's tax allowance, reduction of the male retirement age to 60 and a more flexible working week with shorter working days and better parental leave.

Full implementation of this policy would have required a radical economic policy involving huge investment in pensions, benefits and nursery services.

The document was greeted with scepticism in many Labour Party women's sections. Women criticised the lack of commitment to labour and trade union policies on maternity control and abortion rights - without which there could be no equality in the labour market.

Positive action

Also missing was a commitment to a positive action programme on employment and education which would have addressed women's historical exclusion from certain jobs and from higher education.

Others drew attention to the demand of the women's liberation movement for 24 hour day nurseries so the responsibility for the reproduction of the labour force would be shifted onto society as a whole.

Of course the real problem with the proposal was not omissions in the document itself but the absence of a class struggle perspective.

Women have continued to be a major part of the workforce. A few have done quite well under Thatcherism, but the majority are still confined to low paid service jobs, often temporary and increasingly, flexible.

But flexibility has been introduced on the employers' terms not women's meaning a lack of employment protection and rights such as sick pay or maternity pay.

Women's work continues to be conditioned by women's supposed relation to the family. Tory cuts mean even less state provision of care for children, the elderly and the sick.

Instead women have to find jobs which fit round 'their'

responsibilities in the home. Male manual workers are working more overtime than they did in the 1970s, reinforcing women's responsibility for childcare and housework.

And now the Tories are proposing to worsen women's position by raising their retirement age, like men's, to 65.

New generation

Their continuing mass participation in the workforce, and the equality legislation of the 1970s have resulted in a generation of women who firmly believe in women's equal rights at work, but this requires a radical transformation of society.

As a starting point for any socialist programme on women's responsibilities for childcare and housework would have to be socialised, abortion and contraception made freely available and quotas for education and employment introduced.

Tories delighted by Labour's wet Blunkett

By Harry Sloan

IF YOU thought Labour's campaign on the NHS was crap during the general election, just look at what they are up to now.

At a time when the Tory government's credibility had plummeted to new depths with their pit closure announcement, it took the special skills of Labour's David Blunkett to give their wretched NHS policies an unexpected boost.

The announcement that Labour would accept the closure of London teaching hospitals - in exchange for vague promises of more GP services - will have delighted the government and dismayed health workers and patients in the capital.

Health Secretary Virginia Bottomley had been getting her teeth in preparation for a storm of protest when she unveils the postponed report of the Tomlinson Inquiry, due for October 28.

Closures

According to leaks in The Daily Telegraph the report will propose closing Charity Cross, the Midland and Bart's hospitals, the merger of Guy's and St Thomas's and, and forcing London's Special Health Authorities - such as Great Ormond Street and Moorfields Eye Hospital - into the NHS 'internal market' by withdrawing central government funding.

Blunkett however decided to ignore the angry response of many London MPs and health workers - notably COHSE - who had lobbied strenuously during Labour Party conference for him to take a strong line against these closures, which represent a massive cut in health services in the capital.

Instead he insisted upon holding a press conference on October 15 in which he revealed himself to be one of a tiny band of MP's in Britain who believe that the Tomlinson Inquiry was an independent exercise rather than a government fig-leaf for closures.

His statement notably insisted that:

The Tomlinson Inquiry must not be used as a way of dealing with the disastrous effects of the inter-
Council tax: here comes another Heseltine cock-up

By Joe Pass

THE POLL TAX has less than six months to live. Its replacement - council tax - promises yet more big problems for the Tories. Former local government minister Sir Rhodes Boyson, Tory MP for Brent North, told The Independent last month: 'It will blow up like a time bomb. The council tax will be the disaster as the poll tax. But this time it will hit voters in the Tory heartlands. It will spell electoral disaster.'

Council tax is, like the old domestic rates system, essentially a property tax. Every home in Britain has been valued at £1,000 to £2,000,000 - is taken as the average, with taxation on other bands set pro rata. Those in houses band A, B and C are charged less; those in the four higher bands pay more.

In an attempt to remove some of the more obviously objectionable features of the poll tax, 100 per cent rebates - effectively, exemption - will be available to some categories of people; such as income support claimants and students; a sliding scale of further rebates will be available to those on lower incomes; those living alone get a 25 per cent discount; and there will be 'transitional relief' to cushion the impact of its introduction.

The above is a gross simplification. Legislation governing the tax are extremely complex and some of the rules and regulations have yet to be announced. But some major drawbacks are already apparent. Projected revenue from the new tax - initially £9,000 million - is almost certainly an overestimate. Millions of homes turned out to be in lower bands than anticipated, with discrepancies of up to 22 per cent in inner city areas, according to the Association of London Authorities.

The Tories claimed the band D average would be £400. The Chartered Institute of Public Finance calculates that to meet the target, the government will have to find an extra £2,300 million at a time when public expenditure is being dramatically cut back.

Valuation work was put out to tenders and mainly undertaken by estate agents, charging as little as 20p a home, resulting in what an Association of Metropolitan Authorities specialist called 'Mickey Mouse valuations by cowboy operators.' Millions will certainly appeal. Any that succeed will reduce revenue derived from the tax still further.

With the collapse in property values and the fact that families in identical accommodation in Wrexham and Wembley will pay widely differing amounts, the new tax's unfairness will be widely perceived.

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Communist Party Congress

 Tanks push China down capitalist road

By Steve Kaczynski

THE FIRST Congress of the Communist Party of China (CCP) since the collapse of the Stalinist systems in the USSR and Eastern Europe met on October 12. There were many fewer foreign delegations and solidarity messages from abroad than in the past.

The gathering was notable for its absence of ideologicalélite, real disintegration. The CCP has a membership of about 50 million (growth there has been no population explosion). If the absence of delegations and Chinese comments for the first time go by, the CCP is numerically the largest pro-market entity in the world.

On the opening day of the Congress, Reuters reported that the CCP General Secretary Jiang Zemin "gave a believable economic reforms which will butt the role of state planning." The CCP and the Chinese state apparatus are so heavily involved in the market that a rally by the Chinese stock exchange on the 12th was attributed to the CCP Congress, which had provided a shot in the arm for nervous investors.

It would, however, be true to say that the Congress and China's ruling bureau today all have unified feelings about the market. Market forces are particularly strong in southern China, near Hong Kong and Canton, where there is particular access to the outside world and a particular fondness for economic reforms.

But northern China has far more state-owned enterprises, which employ vast numbers of people but do not provide a surplus. Since Tiananmen, the Chinese authorities have been in mortal fear that social and economic discontent might lead to uncontrollable explosions.

Though less explicitly fragmented than the Soviet Union was, China is a far from homogeneous country and there is concern that it might break apart into different bits. The CCP has done at least periods in its long history so social and economic issues have proved too strong.

The Congress has seen the announcement of a vaguer, defined concept called the "socialist market economy." This concept, associated with the 98-year-old Deng Xioping, is supposed to be a compromise between a "market economy" pure and simple and a planned socialist market economy" advocated by those cadres and bureaucrats most concerned about the role of state enterprises.

The future is highly uncertain. China is not immune against the collapse of Stalinism in other parts of the world and many leading CCP cadres and state bureaucrats are not all that much younger than Deng.

This has resulted in a number of questions elsewhere the CCP has been appointed to positions in the CCP, undoubtedly as a means of training up replacements. However, this is not been as common a practice as some rumours in Hong Kong newspapers had alleged—probably because charges of nepotism can be used as political weapons.

A symptom of the uncertain state of the CCP bureaucracy as the been the repression of dissent on the September 1st edition of the Hong Kong paper Ming Pao reported crackdowns on a number of dissident organisations including the China Free workers' trade union and the China Social Democratic Party, the Free Workers Union, is reported to have distributed leaflets earlier this year drawing attention to the fact that the living standards of ordinary workers in China were lower than the official economic development would suggest, and was apparently suppressed by the authorities as it was preparing to mark the anniversary of Tiananmen, The Social Democratic Party was apparently founded in 1899 by people involved in the 1899 movement and support promised "democratic socialism and the Socialist International. This network too was rolled up by the police.

Both examples show that workers and students repelled by Stalinism can, in the absence of a clear revolutionary alternative, be attracted to the solid banner and bankrupt politics of social democracy.

Why US workers need their own mass party

by Dave Osler

GEORGE BUSH is almost certainly on the way out of the White House, with Democrat challenger Bill Clinton to become the 42nd president of the United States of America. Should November 3 be that snugly settled? If course, it's always gratifying to see right-wing politicians lose elections; in the case of former CIA chief Bush it will be a real pleasure. If you want to see the real Bush, then good luck, it's look no further than the Oval Office.

Three Republican governments since Ronald Reagan took office in 1980 have openly operated in the interests of capital, from Pennsylvania to Panama, by armed if if necessary.

Cutting edge

Reaganism constituted the cutting edge of the international new right ideologically and militarily, just as Thatcherism did economically. In this respect, gentler America, Bush kept up the bad work. For him to be definitively, even by the far from radical Clinton challenge -- will strengthen morale and could hope to counteract among many working-class people fighting back in the USA and elsewhere.

Republicans have lost their way. Their last Party convention fell under the thrall of hardline anti-gay, anti-abortion Christian fundamentalists, with Bush sitting in on the prayer breakfast.

Vice president Dan Quayle, meanwhile, has become a worldwide running joke, proof positive that the bourgeoisie doesn't make it to the top on brains or talent. In contrast to the so-called Grand Old Party, the Democrats have traditionally been the party of American workers as the lesser evil. While not a European-style mass working-class party, the Democrats are perhaps as close as can be organised labour and black people and at least they seem to listen to the concerns of women, lesbians and gay men.

Yet as the American slump continues, neither party offers answers to the concerns of working people. A pseudo-liberalism, urged on China - in a truly remarkable state of the CCP bureaucracy as it has been the repression of dissent on the September 1st edition of the Hong Kong paper Ming Pao reported crackdowns on a number of dissident organisations including the China Free workers' trade union and the China Social Democratic Party, the Free Workers Union, is reported to have distributed leaflets earlier this year drawing attention to the fact that the living standards of ordinary workers in China were lower than the official economic development would suggest, and was apparently suppressed by the authorities as it was preparing to mark the anniversary of Tiananmen, The Social Democratic Party was apparently founded in 1899 by people involved in the 1899 movement and support promised "democratic socialism and the Socialist International. This network too was rolled up by the police.

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They shall not pass!

Jeff Lowe
ON NOVEMBER 8th the fascist National Front are holding their annual 'Remembrance Sunday' parade at the Cenotaph in Whitehall.

November 8th is also the anniversary of Krystallnacht when the Nazis murdered Jews and smashed up their homes, shops and synagogues. Today their followers attack refugee hostels in Germany. Attacks on foreigners are now so common place they are no longer deemed news-worthy.

Throughout Europe anti-fascist and anti-racist organisations are holding demonstrations and rallies to mark the anniversary of Krystallnacht in order to expose the rise of fascism in Europe.

In Britain the fascists are using the despair of unemployed workers to spread their influence. In Nottinghamshire the fascist 'outlaw' has been turned into a寄托 in the towns threatened by picket closures.

At the 'Justice for Mineworkers' fringe meeting at Labour Party conference Arthur Scargill warned of the dangers of the spread of fascism throughout Europe. In the successful struggle by the miners would massively reduce the ability of the fascists to spread their poison. A defeat would allow them to grow.

Part of the fight against the fascists has to be to ensure the miners win. But we also have to confront the Nazis on the streets.

Compared to some of the European fascist parties the National Front (and the British National Party) are very small. We have to ensure they don't get the chance to grow.

The NF suffered severe setbacks in the 1970s because we were unable to pin the Nazi label on them - and because thousands turned out to stop them every time they tried to parade on the streets. We need to do the same today.

The 'They Shall Not Pass Committee' supported by the main anti-fascist and anti-racist organisations - has called a demonstration to stop the National Front from marching.

On the anniversary of 'Krystallnacht' we must ensure that the anti-fascists slogan of the '30s - 'They Shall Not Pass' - becomes a reality.

For further information contact the 'They Shall Not Pass Committee' at 111, Xenon Drive, Kingsland High Road, London E8. Or telephone on 071 377 0817.

Demonstrate!
Assemble: Westminster City Hall, Victoria Street, London WC1
Sunday 8th November, 1pm sharp

National backing for Burnsall’s strikers

STRIKERS AT Burnsall electricplating works in Smethwick - predominantly Pakistani women - have been given strong backing by the Trade Union Congress and the National Front. On the anniversary of 'Krystallnacht' we must ensure that the anti-fascists slogan of the '30s - 'They Shall Not Pass' - becomes a reality.

For further information contact the 'They Shall Not Pass Committee' at 111, Xenon Drive, Kingsland High Road, London E8. Or telephone on 071 377 0817.

Burnsall’s owners, the O’Neill family, have been condemned by their own Irish community and are finding it increasingly difficult to hang on to their present scrapyard.

While about 40 strikers have been recruited since the start of the dispute 20 weeks ago, only 18 are going into the plant at present.

Those that do cross the picket line are getting £15 a week - substantially more than the old starting wage of £80. Sadly, the lower figure is not uncommon for the area.

Despite the Health and Safety Executive ordering installation of extractors and other safety improvements, conditions are still extremely unpleasant. The compulsory seven-day, 65 hour, week continues.

Many scabs - obviously desperate people - cannot stand the place for more than a couple of weeks. Production is a shambles because of the lack of continuity of operators and assemblers.

Some workers, sent from the dole office, have actually joined the picket line after being told what awaited them inside. Similarly, workers from nearby plants have told the strikers they suffer from similar conditions and are even joining the protest themselves at the end of their shifts.

GMB and TGWU now intend to mount a recruitment drive. Equal pay and victimisation tribunals will be heard shortly.

Unfortunately, local police are still harassing strikers, forcing them to move their strike caravans (donated by victorious Alcan Booth strikers) and stopping use of their coke brazers.

Donations, messages of support, inquiries about transport to the rally from Burnsall Strike Fund, GMB, Mill Tower House, 2 Birmingham Road, Halesowen, B63 3HP. Tel: 021 550 4888.
Humiliated Heseltine sticks to closures

Slow motion death for pits

MICHAEL HESELTINE’S Monday statement made clear what his new plan for the miners is – slow motion death for the coal industry rather than instant death. Ten pits will close after a perfunctory ‘review’ and the others will be subject to a further enquiry. The chances of any of the pits escaping closure are minimal.

At one level the government’s new statement amounts to a political climbdown and embarrassment. But government discomfort will not save the pits. The reason for the changes in the closdown plans are obvious; Heseltine is attempting to do the minimum amount necessary to scrape a majority in the Commons.

Heseltine says that the redundancy payments for sacked miners – up to £37,000 – are generous when tens of thousands of other workers are losing their jobs without nearly so much compensation. But in today’s conditions redundancy payments, for many just a few thousand pounds, will be useless when another job is impossible to find.

And Heseltine didn’t see the irony in admitting that tens of thousands are being thrown on the scrapheap by Tory policies.

Heseltine and Major say that ‘there is no economic alternative’ to the closure of the pits. But no one who knows the real cost of the investment needed to change to gas-fired power stations believes the so-called ‘economic’ argument.

It is absolutely obvious that coal mined in Britain is amongst the cheapest deep-mine coal in the world, and that the Tories have been determined to destroy the coal industry in order to smash the organised strength of the miners.

Immediate reaction to Heseltine’s statement in the coalfields was unanimous; there was no euphoria at the pits that had been ‘saved’ among miners or their families. Everyone knows that any reprieve is temporary and the Tories are determined to crush the industry.

If Heseltine’s statement partially defuses backbench Tory revolt, it must not be allowed to defuse the mass campaign against pit closures.

That campaign will continue; it can be the springboard for uniting the struggles of tens of thousands of workers threatened with the sack – if the labour movement seizes this opportunity to turn the Tories’ tactical retreat into a rout.