nothing is actually said.

When one reads between the lines, A New Partnership must be seen as evacuating many of the more ambitious policy positions taken by the movement in recent years. But, of course, the pressures for such adjustments are very real. The example of France shows that the continuing international crisis tightly constrains national strategies for high economic growth. Politically, many of the most far-reaching demands of the alternative economic strategy never found a popular response, but remained the exclusive property of labour movement activists. Some accommodation of policies was necessary. What must be regretted is the purely electoral, 'pragmatic' spirit in which policy is being changed and the backward-looking nature of the changes. The demand management exercises which collapsed so completely in the 70s continue to exert a gravitational pull on the thinking of the labour movement's leadership. For example, the only policy on which A New Partnership is explicit is a programme of public investment in infrastructure. Nothing at all wrong with that – such a programme is necessary – but it is a policy safely shared with the SDP-Liberal Alliance, the Tory wets and the CBI, and it can't do much more than dent the unemployment figures.

The continuing preoccupation with a Keynesian demand expansion is in spite of the fact that Labour Party economists recognise that it would fail to even cut by half existing unemployment and that the international financial situation has never been so unfavourable to such measures. Nevertheless A New Partnership does have some strengths. One is a sharp critique and rejection of existing policies. A second is the central priority given to job creation and raising the lowest incomes. What is missing is a longer term strategic perspective. In spite of the phrase 'A New Britain', there is no focused picture of the British economy in the future, nor of the new productive systems we should be aiming to build. On this key political and economic theme, the national leadership of the labour movement is still far from matching the imagination and analytical reach shown, at a local level, in the industrial strategy of the GLC.

John Grahl

UGANDA'S TORMENT

The palace coup which removed Milton Obote from power in Uganda last month has cracked the bankrupt pattern of post-independence neo-colonial Uganda politics. The implications of the power struggle are continent-wide.

The two Obote regimes, like Amin's, were characterised by deep dependence on foreign support from the west of the country throughout 1984/5 for 'turbmoil without change' as its leader Yoweri Museveni recently put it.

The July coup by Okello's soldiers too place against the background of the inceasingly successful guerrilla war by the NRA. The guerrillas held the Luwero triangle north of Kampala and a significant area in the west of the country throughout 1984/5. The government army (UNLA) was in ceasingly reluctant to engage them. The NRA took the western town of Fort Portal with no resistance in the last week of July. Fo

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If you read about Johnson Matthey Bankers last year, when the saga began, the story was straightforward. A small, fast growing bank with inexperienced management incurred large losses and had to be rescued by the Bank of England when no private buyer could be found and the bank's major shareholder, Charter Consolidated, decided to walk away from the mess. In the wake of the collapse of Continental Illinois in the United States, the Bank of England was left with no alternative to nationalisation, firstly, because of the paramount importance of maintaining the integrity of the banking system and secondly, because Johnson Matthey was also a member of the gold market and no-one wanted that to migrate to Switzerland.

Move forward a couple of months and the complacent belief in the innate superiority of Britain's system of banking supervision, and its much vaunted capacity for quick thinking and quick action, had changed; and the story with it. The banks, merchant banks and members of the gold market had put up most of the money for the rescue. They quickly became unhappy with the (in their view) disproportionate burdens they were being asked to shoulder compared to those of the shareholders and the Bank of England. Once they learnt that the Bank had had, or should have had, its suspicions aroused some months previously, they felt rather more strongly about being asked to accept responsibility for other people's incompetence. So they spoke to David Owen and thus transformed the story from a City horror to a Whitehall soap opera which has now gathered a walk-on cast of hit-men, 'businessmen' and libel lawyers.

Johnson Matthey Bankers (JMB) was a small bank. Its loan book was barely 1% of the size of, say, Barclay's. Its status was that of a bank, rather than one of the second class institutions that are merely licensed to take deposits. As a bank it was assumed to be asked to shoulder compared to those of the shareholders and the Bank of England. Yet with the best will in the world it would be difficult to exonerate the Bank. Its 'definitive' version of events is contained in its annual report. There, it said, it found no evidence of fraud, merely a high degree of incompetence: by JMB for concentrating its efforts on the wrong targets and by the Bank for failing to notice that JMB's exposure to these loans was underestimated by a half; and by the Bank of England's supervision department.

The myth that tribal rivalries lay behind Obote's failure to reconcile the country after the overthrow of Amin is convenient for those who want business as usual restored in a nation that has existed between Africa and foreign interests from the fifteenth century. While other people are exploring space the majority of the African people are going with bare feet, are under-fed, malnourished, victims of easily curable diseases, live in poor housing, have no clean water, have got the highest infant mortality rate etc... These are man-made problems which could be rectified if there was a competent authority to instigate the corrective process. The democratic revolution must tackle the problem of under-development if it is to have any meaning. To end under-development we must first and foremost end dependence in politics and the economy.

Great pressures have been brought on Museveni by neighbouring countries to join the Muwanga/Okello government in the hope of a swift end to the civil war and to regional instability. The NRA made a big concession to this pressure by agreeing to meet UNLA leader Lt-General Bazilio Okello ahead of the junta appointing a cabinet. But the public record of the junta's lack of good faith during these early contacts has swung some African leaders' sympathy for NRA's principled populists' stand. Whatever the immediate outcome of the NRA/UNLA contacts, the nationalist politics of the NRA is back on the Uganda agenda. And, as in neighbouring Sudan where a similar pre-eminent palace coup took place against Nimeiry in April under the pressure of Colonel John Garang's southern guerrilla army, it is only possible for the West to stem the rise of African nationalism against neo-colonialism for a limited period.

Victoria Brittain