

The Socialist Correspondent

Issue Number 3

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Discussion, debate and authors' opinions

To encourage the broadest possible discussion and debate around the aims of exposing capitalism and promoting socialism, we hope our readers appreciate that not all the opinions expressed by individual authors are necessarily those of The Socialist Correspondent.

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The Putney Debates and the English Revolution**HELEN CHRISTOPHER**

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Russia surrounded

When Poland signed the agreement with the USA to allow it to be used as a military base as part of the so-called “defence shield” is it any wonder that Russia felt threatened?

Parts of the former Soviet Union, eg Ukraine and Georgia, and some countries of the former socialist Eastern Europe, are members or are applying to become members of NATO. (1) The port of Sevastopol, used by the Russian navy, and before that the Soviet navy, is in the Ukraine. Russia has a 20 year lease on the port which expires in 2017

Russia is being surrounded. It is not a figment of their imagination nor paranoia.

Saashkavili, the Georgian President and US proxy, with his recent military adventure in South Ossetia and the Russians reaction to it showed how dangerous things could get.

Now, Russia is not the Soviet Union. But, it is fast becoming again a Great Power – but, not a socialist power. The world wars in the 20th century all started with disputes between the Great (capitalist) Powers.

Colour Revolutions

Part 2 of Greg Kaser’s “What are we to make of the ‘Colour Revolutions?’” continues in this issue.

The article includes among its examples the “Rose Revolution” in Georgia in which Shevardnadze was overthrown to be replaced by Saashkavili. Kaser points out that Saashkavili was supported for the presidency of Georgia by the Georgian media mogul, Badri Patarkatsishvili, one of Boris Berezovsky’s partners. The ‘oligarch’, Berezovsky, a friend of Lady Thatcher, and now living in London also claims to have “underwritten” the Orange Revolution in the Ukraine.

The Georgian (and South Ossetian) people have paid a price for Saashkavili’s arrogance and slavish obedience to his US masters. Since his military adventure he has had a succession of western leaders visiting him and promising accession to NATO, including the Tory leader, David Cameron, whose recent state-

Commentary

ments may mean that we have to expect even more bellicose language if, and when, he becomes Prime Minister. And then there is McCain...he is most at ease when he is talking about war.

The timing of the siting of missiles in Poland suggests that Bush is ratcheting up the spat with Russia before leaving the White House and paving the way to a McCain presidency.

It is appropriate then that we include an article by Simon Korner on the “Arms industry” as part of our continuing series on “What, and where is, the working-class in Britain?” This industry is huge and very profitable. And, its market is war.

Credit Crunch

Capitalism thrives on war and when it is in a downturn it is even more dangerous.

Les Masters in his piece looks at the causes of the credit crunch and draws attention to the weaknesses and contradictions inherent in capitalism. War has often been a get-out for capitalism in crisis.

Salvador Allende

Regime change is not a new strategy for US imperialism. In 1973 the CIA engineered the coup in Chile which brought down the Allende Popular Unity government leading to decades of fascism in that country.

This year is the 100th anniversary of Salvador Allende’s birth and Dan Morgan looks back at that period of Chilean history to assess what Popular Unity might have done differently.

It is also a time to salute Salvador Allende’s bravery and to be reminded of how ruthless and brutal imperialism is when it gets the opportunity for counter-revolution.

Zimbabwe

Alex Davidson traces the history of Zimbabwe from the founding of the colonial state of Rhodesia in 1890 through to the current situation.

Imperialism would prefer that history was ignored, re-written or treated as an irrelevance. This is neither surprising nor new.

The current situation in Zimbabwe is largely a consequence of colonialism in that country and how independence

was ceded. The constitution of an independent Zimbabwe was drafted at the Lancaster House talks in 1979 under the chairmanship of Britain.

Written into the constitution were safeguards defending white privilege and power, including, most importantly, the denial of land re-distribution for many years thereafter.

Following independence, imperialism manipulated Zimbabwe’s development through the agencies of the International Monetary Fund (IMF) and the World Bank. Robert Mugabe, having been denounced as a “Marxist guerilla fighter” in the 1970s was increasingly feted as a sensible, pragmatic statesman in the 1980s and 1990s.

His use of tribalism was encouraged and his marginalisation and defeat of ZAPU supported. And, then he outlived his usefulness. He has since been demonised by the West. Unfortunately his regime has also alienated millions of Zimbabweans and the country is now deeply divided.

New Labour and England’s Revolutionaries

Prime Minister Brown was at the front of the queue denouncing Mugabe and African efforts to solve Zimbabwe’s problems.

It didn’t appear to help his ratings at home. James Thomson looks at the state of Labour and asks, is it saveable? New Labour is a long way, and not just chronologically, from its roots, which include that of the 17th century Levellers.

Helen Christopher looks at “England’s Revolutionaries” in an article commemorating the Putney debates of 1647. As she writes: the record of the Proceedings of the Army Council shows “how an anti-monarchist, democratic, radical and secular party came close to the seat of power in England”. A new permanent exhibition in St Mary’s Church, Putney, London, the site of the debates, opened in October 2007 and is well worth a visit.

FOOTNOTE:

(1) Members of NATO include Bulgaria, Czech Republic, Estonia, GDR (now part of Germany), Hungary, Latvia, Lithuania, Poland, Rumania, Slovakia and Slovenia.

Over production of credit is causing the crunch

The roots of the present “credit crunch” lie in capitalism itself. Credit is subject to the usual laws of the market, such as the “law” of supply and demand.

LESLIE MASTERS continues our analysis of the causes of the financial crisis sweeping the world today and argues there is more to come.

Like any commodity, credit may be overproduced – the cause of the real inflation that currently afflicts capitalist economies, and has done since World War II. I say “real”, because what governments represent as inflation in “retail price indices” and the like is often nothing more than short-term price changes resulting from the interplay of supply and demand.

With most commodities, the signal to cut back production is received when prices go through the roof, people stop buying a commodity, and the producers are left with unsold stocks. In the case of credit, that signal is broadcast when whole categories of debtors start defaulting and the suppliers of credit start withholding their product.

The price doesn’t start to come down; rather, in a “free” market, it would go up as the financiers sought to cushion themselves against higher probabilities of defaulting with higher interest rates. Indeed, in a general crisis, the demand for credit actually increases, since that is precisely the time when manufacturers and merchants most need ready money.

In a market regulated by central banks, the price of credit usually starts to drop when those banks intervene and cut their base lending rates, explicitly to ease the flow of credit once more – the central (state) banks are effectively underwriting the financiers by making their own credit easier for them to obtain.

The current “credit crunch” is no different from previous financial crises. In this case, too many big financial concerns rushed into the “sub-prime” mortgage market. They lent money, or underwrote the lending of money, to home-buyers whose ability to repay was marginal at best, and at rates which narrowed that margin still further. In 2006, sub-prime mortgages accounted for 20% (\$600 billion) of the value of all mortgages issued in the US.



Between 2004 and 2006, they accounted for 21% of the number of mortgages issued in the States, up from 9% between 1996 and 2004.

By February of this year, financial institutions around the world had reported losses of at least \$170 billion due directly to the crisis in the sub-prime mortgage market.

Thus far, the biggest “victims” (of their own greed) here have been Northern Rock – nationalised (by a government with a severe aversion to such practices) because none of the prospective private buyers could offer adequate guarantees to the Rock’s creditors – and the Alliance & Leicester, which has just sold itself cheaply to Santander – the only suitor.

Other, bigger, financial institutions have reported losses, or big reductions in profits. There is more to come: the Royal Bank of Scotland (RBS) has a particularly large exposure to the US housing market.

In the US, several companies have gone into melt down and been bailed out by the government (to the tune of many billions of dollars). An unsecured Federal Reserve loan of \$29 billion to the investment bank Bear Stearns failed to prevent its eventual takeover by J. P. Morgan at \$10 per share.

This was more than the \$2 per share originally offered, but still considerably less than the \$93 per share at which the company had still been trading in February of this year. The Federal Reserve is also currently attempting to justify to Congress its multi-billion dollar bail-out of the mortgage financiers Fannie Mae and Freddie Mac.

These two companies were once state owned (their names derive from their original, “Federal” names), subsequently privatised, and currently provide finance for around \$5.3 trillion of mortgages (about half the US market). These two companies are at the heart of the credit crunch: they are two of the biggest providers of the mortgage-based “securities” (see below) that have helped to generate so much instability.

The problem has been exacerbated by creeping globalisation. A major step forward in this process was the Bretton Woods settlement after World War II, which sought to regulate international monetary affairs in the interests of US capital. This arrangement made possible the unfettered penetration of US finance capital not only into the West European states, but into their empires as well, which they had hitherto jealously guarded.

This breaking-down of the barriers preventing the penetration of “foreign” capitals into much of what is now the Third World itself engendered greater risks in the export of capital, destabilising the entire global financial system.

Finance capital was already globalised; but, as far as the colonies were concerned, the export of even the most speculative capital was largely conduct-

ed by and through institutions which, based in the heart of the empire in question, “knew” their territory (though to no greater an extent than any monopoly does).

Furthermore, the operations being invested in – mining, railways, and the like, were also effectively monopolies, at least locally. “National” capitals were protected from competition. Bretton Woods knocked out this protection, and brought with it all the consequences of unfettered competition.

Another part of the current problem lies in the evolution of bank and finance capital. The profits on loaned capital have always derived from the profits of commodity production, and, ultimately, still do. But finance capital itself has evolved since the time when Lenin could partially define it as the merger of industrial and bank capital.

Today, financial operations are often very far removed from the commodity production which provides their profits – many financial concerns subsist entirely on financing (and speculating in) the operations of other financial concerns

Speculation is, of course, at the heart of the matter, just as it is at the heart of capitalism as a whole. It is speculation – investment in the expectation of making a profit – that transformed commodity production into capitalist production.

But there are different levels of speculation. Investing in the bricks and mortar of a factory, mine or mill was certainly “speculative”, but it was not a speculation the capitalist could walk away from relatively unscathed when things went wrong.

But the evolution of capitalism gradually produced many means of mobilising capital, allowing it to be shifted from one sphere to another, mostly in the hope of reaping greater profits; sometimes, just to avoid catastrophe when it hit a particular sphere. The speculation became “purer”, more abstract, increasingly distant from the ultimate sources of its profits.

At the same time, the financier also evolved. The old moneylender, lending out the gold and silver in his possession could only loan the money he actually had. The development of various forms of credit money weakened the links between what could be loaned and the money actually available. The opportunities for speculation increased: when loans were made in the form of paper (or, today, in the form of electronic transactions), the banker could lend far more money than he had in his vaults.

He could speculate, firstly, that his

creditors were not all going to withdraw their deposits at the same time; and, secondly, that his debtors would continue to repay their debts.

It became, and still is, common practice for banks to reckon among their “assets” not only money deposited with them by others for the purpose of loaning at interest, but the various pieces of paper in their vaults that entitled the banks to the money of others, whether these represented loans per se, or shares in various companies, government bonds, and so on. Globalisation increased the speculative element, particularly where the paper was concerned.



After the US penetration of Western Europe and its empires, the banks found a whole new arena for speculation – the US economy. In the aftermath of the war, the apparently unquenchable strength of this economy made the dollar a highly prized target for private investors, at the same time as the Bretton Woods settlement was forcing it down the throats of the governments. It became the most important currency on the foreign exchange markets, while the US government itself issued dollar bills by the shipload and distributed them in the form of Marshall “Aid” loans and others; later, they became the means to pay for the Vietnam War.

The activities of the US government introduced immediate instability and volatility into international financial operations. One of the planks of the Bretton Woods system was that the major currencies returned to the gold standard, abandoned during the war.

But, when currencies are convertible into gold (i.e., when the words “I

promise to pay the bearer on demand the sum of five pounds” actually meant something), one of the cardinal rules is that the amount of paper circulating in place of gold should not exceed the gold it has replaced. Any excess of paper over gold devalues the former, since no matter how much paper is issued, it still represents only the amount of gold in the vaults.

The US broke this in spades, issuing dollar bills to a face value far in excess of the gold in the vaults of the Federal Reserve (at an exchange rate of \$35 per troy ounce of gold). (Somebody, writing in Wikipedia cited figures showing that the estimated total value of gold ever mined is about half the total cash circulating or on deposit in the States alone.)

The result was rampant inflation directly afflicting much of the world. Country after country, originally forced by the US (through Bretton Woods) to return to convertibility, were forced to renounce it once more. They had based their economies more and more directly on the dollar, and the value of their own currencies against it, rather than the exchange rate with gold.

The real devaluation of the dollar in turn devalued their own currencies; central banks practically emptied their vaults of gold trying to maintain their own exchange rates, and that of the all-important dollar; and any significant attempt by the owners of banknotes to convert them into gold would have finished the job.

Eventually, the Americans themselves were forced to renounce convertibility, in the early 1970s. At the time, their exchange rate was still officially \$35/ounce. The market price of gold today, 36 years later, is around \$1,000/ounce – a 30-fold devaluation of the dollar, a major source of the continuing inflation in that time.

But the governments were by no means the sole culprits in the growth of instability in money markets, or the continued ramping-up of inflation. The banks and finance houses, by making credit more readily available, to higher-risk clients, and in quantities far in excess of the assets that support it, have the same effect.

The instability arises, in part, from the granting of credit to increasingly less creditworthy clients, in part from basing the issuing of credit on “assets” which are nothing more than pre-existing debts to the banks. The inflationary pressure derives from the fact that the real value of the credit issued will

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African solution is best for Zimbabwe

ALEX DAVIDSON reflects on Zimbabwe's colonial past and argues that Britain and the West are still trying to intervene in the former British colony.

“I am tired of this mapping out of Africa at Berlin; without occupation, without development ... the gist of the South African Question lies in the extension of the Cape Colony to the Zambezi” (1)
(Cecil Rhodes in the Cape Colony House of Assembly, 1888)

The colonisation of the land between the Limpopo and the Zambezi rivers was carried out during the ‘Scramble for Africa’ at the end of the 19th century.

Cecil Rhodes, the gold and diamond magnate and Prime Minister of the Cape Colony, sent a Pioneer column



beyond the Boer Republic of the Transvaal, past Matabeleland into Mashonaland in 1890. The mission had been confirmed by the royal charter from Queen Victoria for Rhodes' newly established company, the British South Africa Company.

They would use the mechanism of a British public company empowered by royal charter to conquer, govern and develop the territory in the name of the Queen. In order to get the charter Rhodes had wheedled a concession out of King Lobengula, the Ndebele King of Matabeleland who claimed sovereignty over Mashonaland.

This concession gave a monopoly of mining rights (but not the land) in exchange for a monthly fee, 1000 rifles and ammunition. This concession was gained by duping King Lobengula, who was well aware that no matter the bravery of his Ndebele warriors their assegais were no match for the modern rifles, machine guns and artillery of the Europeans.

The 200 Pioneers were promised 3000 acres of farm land and fifteen gold claims in return for cutting the road to Mount Hampden (just beyond what became Salisbury (2)).

They were supported by 500 men of the newly formed Charter Company's police. To actually cut the road were 350 Ngwato labourers. The column had 200 oxen pulling 117 wagons with hundreds of other Africans to do the menial tasks.

After the establishment of the colony in Mashonaland it was not long (1893) before the Ndebele were attacked and defeated and Matabeleland became part of Southern Rhodesia.

The Tory government in 1923, with Labour acquiescence, established the anomaly of a so-called 'self-governing colony' in Southern Rhodesia.

Under the terms of the Land Apportionment Act of 1930, 48 million acres of prime agricultural land were granted to the colony's 220,000 settlers, while 2.5 million Africans had to make do with 39 million acres of less fertile land.

And, it was the Tory government in 1953 which, again with Labour acquiescence, imposed the arbitrary, indefensible and unworkable 'Central African Federation' to hand over what were then the colonies of Northern Rhodesia and Nyasaland to the settlers of the 'self-governing colony' of Southern Rhodesia against the overwhelming and outspoken opposition of the Africans in all three territories.

When the Central African Federation broke down, and independence had to



be conceded to Zambia (Northern Rhodesia), led by Kenneth Kaunda, and Malawi (Nyasaland), led by Hastings Banda, in 1964, it was the Tory government which began negotiations with the 'self-governing colony' of Rhodesia.

The negotiations continued with the Wilson Labour government after it took office in October 1964. Then, having had plenty of time to prepare, the Smith white settler regime in Rhodesia declared UDI (Unilateral Declaration of Independence) in 1965.

Britain made strong verbal noises, called it 'treason', but made it very clear in advance of the Declaration that it would not take military action. Over the next number of years it collaborated in the breaching of United Nations sanctions, notably that of oil.

Nationalist movement

The nationalist movement in Zimbabwe, which developed in the late 1950s and 1960s, grew out of three major currents of struggle.

First, the trade unions, which were based in the small working-class (c150,000) in the south of the country around the main mines and factories.

This was a tribal, Ndebele speaking part of the country. Second, the youth movement, which tended towards Pan-African Congress-type policies, and was led mainly by young intellectuals in Salisbury, in the Shona-speaking part of the country.

Third, the peasant land struggles after World War 2, which spread throughout the whole of Southern Rhodesia in the 1950's.

Another element was the return of the first generation of post-graduate black intellectuals, most of whom had left for civil service jobs in Ghana or Tanzania, early independent African countries.

These intellectuals had no active experience of the key struggles of 1959-61, such as the general strike. They arrived when there was an expect-

tation that the British might give way to a black government, and assumed leadership positions.

The mass nationalist movement existed for only 4 years. Effectively it began in 1957, with the formation of the ANC, which was banned 18 months later, to be immediately replaced by the National Democratic Party, which was banned 15 months later, to be immediately replaced by ZAPU, which in turn was banned a year after that. Joshua Nkomo was President of all three organizations.

A faction split away from ZAPU in 1963 to form the Zimbabwean African National Union (ZANU), with Ndabaningi Sithole as President and Robert Mugabe as Secretary-General, a move which isolated them from the trade union movement and socialist ideas.

ZANU was based on peasant support and influenced by Christian socialism. It was racially exclusive. By contrast, ZAPU, led by Joshua Nkomo, was a racially non-exclusive movement based on the trade union movement.

Armed struggle

During the period of armed struggle from 1963-79, the major influence of socialist ideas came from the socialist countries' support for the liberation movement.

Particularly with ZAPU, links with the Soviet Union, GDR, Cuba and Ethiopia were very influential. The ANC/ZAPU military alliance of 1967-8 was also an important influence. ZIPRA, along with the ANC's armed wing, Umkhonto we Sizwe, mounted joint operations in Southern Rhodesia.

The nine months of joint fighting and the long periods between battles were fertile times for discussion. Chris Hani, the assassinated General Secretary of the South African Communist Party, who fought in the Wankie campaign, and many other communists brought in socialist ideology.

ZANU, on the other hand, had only Chinese socialist influence until the late 1970s, when it formed some links with the GDR and Cuba, but these were only at a leadership level.

"One of the reasons for ZANU's spectacular success was the emphasis on commissars moving into the countryside and preparing the ground through political work. ZANU's military commander, Tongogara (3), fully imbibed Mao Tse Tung's analogy of the 'fish in water' for the guerilla and the people, and after training in China returned to Africa preaching the need for political commissars to 'mass

mobilise' amongst the people, particularly in the countryside." (4)

After attacks on ZAPU soldiers based in Tanzania by ZANLA soldiers and Chinese instructors, ZIPRA became concentrated in Zambia and ZANLA in Mozambique.

This geographical split had grave political consequences. Zambia was a hard base from which to operate. The frontier is along the valley of the Zambezi river, swelled from the early 1960s by the creation of Lake Kariba behind its huge dam.

The river valley was a strong line of defence for the Rhodesian forces. South of the river lie ravines and high bare hills, then a wide expanse of open bush with semi-desert set with a maze of landmines.

On the other hand, the Mozambican border is mostly forest and mountains with good cover from the air-excellent guerilla country. ZANLA now based in Mozambique had relatively easy access to Rhodesia and easy targets in the form of isolated white-owned farms. These tactical realities led to different behavior by the two armies.

The increasing effectiveness of the freedom fighters, the defeat of Portuguese fascism and the winning of independence in its colonies of Mozambique and Angola as well as Rhodesia's increased isolation in the world put the white settler regime under more pressure.

Following the failure of all efforts (5) to talk constructively with Ian Smith, the Front-Line presidents decided to give full backing to the military preparations.

They considered that the nationalist cause would be better served by a unified army command responding to a political leadership. It was agreed that President Nyrere as chairman of the Front-Line states, should call a meeting to help bring this about.

This led to the formation of the Patriotic Front, an alliance of ZAPU and ZANU, with Nkomo and Mugabe as the respective leaders.

Endgame

Militarily Smith was losing ground as the nationalist forces penetrated deeper into the country.

Even his South African backers were urging him to settle. Politically Smith tried to set up an internal deal which would preserve the power of the white minority but give his friends in the outside world some justification for claiming that Rhodesia was now multiracial and could therefore be recognized.

Smith's chosen allies for the so-called

'internal settlement' were Bishop Abel Muzorewa and Ndabaningi Sithole, who was bitter as he had been ousted from the ZANU leadership.

An election was held in April 1979. The Patriotic Front boycotted the election. Under a reign of terror it was claimed that there had been a 64% turnout. Muzorewa won a huge majority under the new constitution, which kept the real power in white hands.

The new Tory government in Britain received reports that the election was free and fair and made soundings about recognising 'Zimbabwe-Rhodesia' as it was to be known.

However the Commonwealth Heads summit in July in Lusaka did not accept the sham elections in Zimbabwe and insisted that Britain had a constitutional responsibility.

ZIPRA (Zimbabwe People's Revolutionary Army), the armed wing of ZAPU, had an airforce - its MIG fighter planes were stationed in Angola - artillery, and 8000 men in regular army units. It shot down some 30 Rhodesian planes in the course of the war. It also had a strategy for an uprising and military offensive in 1979.

British intelligence may well have learned of these plans.

The Lancaster House talks (September-December 1979) called by Prime Minister Thatcher pre-empted ZIPRA's planned military offensive.

Lancaster House Agreement

The Lancaster House Agreement brought about a ceasefire, the dissolution of the 'puppet government' of Muzorewa, and elections supervised by the British Governor, Lord Soames.

The election returned 57 ZANU MPs, 20 ZAPU and 3 for Muzorewa's party.(6) In addition to these MPs the Agreement had guaranteed 20 seats for whites.

Zimbabwe became independent in April 1980.

The Lancaster House Agreement meant that most of the country's wealth remained in white hands and the conditions of the Agreement severely constrained the scope for land reform.

It had to be on a "willing seller-willing buyer" basis. The talks would have



broken down, according to Sonny Ramphal, Commonwealth secretary-general, if he had not brokered a private arrangement with Britain and the USA guaranteeing funding for land distribution. (Britain did contribute some £35m towards this but funding soon dried up).

After the Lancaster House Agreement, ZANU-PF abandoned the Patriotic Alliance and sought to impose one-party hegemony, adopting a position of tribal domination.

The trade union movement leadership was removed by the new government, for being too close to ZAPU. ZANU-PF's open hostility to the socialist countries, except China, lasted until it finally established diplomatic relations with the Soviet Union 15 months after Zimbabwean independence, although it had maintained relations with Britain and the USA from the start.

ZANU, a peasant-based party, led by petty-bourgeois intellectuals with militaristic tendencies set out to destroy ZAPU's influence and this destructive policy led to the massacre of some 20,000 ZAPU supporters in Mataberland. In 1987 ZAPU was swallowed up by ZANU. ZAPU'S aim, in surrendering, was to maintain national unity and to try and save Zimbabwe as an independent state.

The ZANU-PF government was inhibited from embarking on a programme of land redistribution for 20 years following independence as a consequence of the Lancaster House Agreement - a disastrous delay for Zimbabwean development.

World Bank

In a weakened state and tribally divided, Zimbabwe was a soft target for the International Monetary Fund and the structural adjustment programme of the World Bank.

The ZANU-PF government's attempts to initiate social reforms to raise living standards could only be financed by borrowing. By the end of Zimbabwe's first decade of independence the public sector debt stood at 90% of GDP.

By 2000 Zimbabwe was suffering mass unemployment and food shortages. The country's leadership lost much support and facing widespread opposition Mugabe commenced a programme of expropriation of white settlers' farms but it was badly flawed and largely based on a tribal patronage system. The genuine land struggle was sublimated to the aim of creating a black landowning class.

On the positive side there was the growth of a new re-organised trade union movement during the 1990s, which led to the establishment of the Zimbabwe Congress of Trade Unions (ZCTU).

Mugabe called a referendum on a new Constitution in 2000 but the proposed changes, which would have further increased the powers of the President, were rejected by the electorate.

Later that same year the newly formed Movement for Democratic Change (MDC) narrowly failed to win a parliamentary majority.

The MDC's origins lie in the trade union movement and it very soon became a gathering point for many opposition groups and individuals, including white farmers. In recent years the trade unions and the ZTUC have somewhat distanced themselves from the MDC. The calls from the trade unions for civil society to be included in the mediation process reflect this.

Mediation

In 2002 Mugabe won a new six year term as President. The economy of the country continued to deteriorate and the opposition continued to grow despite harassment and intimidation.

It is estimated that some 3 million Zimbabweans have left the country as refugees.

When Britain and the west criticised and demonised Mugabe the deep-seated anti-colonial sentiments of the Zimbabwean people along with Mugabe's liberation movement credentials made it easier for him to put the blame for all the problems on Imperialism and to remain in power. Mugabe remained an anti-colonial hero for millions of Africans well beyond the borders of Zimbabwe.

The truth is ZANU-PF is not all bad and the MDC is not all good. ZANU-

PF is not monolithic. It includes the military, which is very powerful and is still being paid; the war veterans and well-organised youth groups. Among the Shona are many sub-tribes, with their own rivalries, which has been a long-standing issue.

The MDC is not without its problems. It is different now from its early more radical, trade union origins.

ZANU-PF were defeated in the 29 March 2008 Parliamentary election with Tsvangarai's MDC winning a majority of seats. There was then a long delay in counting the votes in the Presidential election before it was finally announced that Tsvangarai had won but with just less than 50% of the votes cast. There had to be a run-off election. In the next few weeks harassment and intimidation increased and eventually Tsvangarai withdrew from the contest. The election went ahead and Mugabe as the only candidate was duly returned as President.

The situation for most Zimbabweans is not good. Rampant inflation and food shortages are causing severe social problems. Some 3 million refugees have left the country and this is bringing a lot of pressure to bear on Zimbabwe's neighbours. The growth in incidences of xenophobia in South Africa and Botswana are an expression of this.

The ZANU-PF regime was now under considerable pressure from the African Union (AU) and the Southern African Development Community (SADC) to form a government of National Unity. President Thabo Mbeki had been appointed mediator for SADC some time previously and his 'quiet diplomacy' had come in for considerable criticism from the West.

However, much to the surprise of the



Robert Mugabe, South African mediator Thabo Mbeki, and Morgan Tsvangarai agree to create a power-sharing arrangement in Zimbabwe.

West, Mugabe, Tsvangarai and Mutumbara (leader of a section of MDC) came together under the auspices of the SADC mediator, Mbeki, to

sign an agreement to work together to create a 'power-sharing' arrangement.

The BBC had to use Al Jazeera, the western vilified Arab news channel to report the news. And it wasn't just because the BBC is banned from Zimbabwe. The news blackout on the secret talks had been very effective. Africans were solving their own problems as Africans without the West's interference.

It was during this period that Prime Minister Brown had led the populist rhetoric (for western audiences) denouncing President Mbeki's 'quiet diplomacy' and shouting for sanctions with support from Berlusconi, Sarkozy, Merkel and Bush – those 'champions of human rights' around the globe.

Whatever the results produced by mediation, the West is preparing to intervene. If there is no agreement then the calls for increased sanctions will be renewed. The economic situation will further deteriorate and there will be a grave danger of mass blood-letting.

The better prospect is an African solution to the political problem but even that will allow the West to play a major role through the provision of "aid", which will not be without strings. (Britain now denies that it ever signed up to financially assisting with land redistribution).

Meanwhile, in preparation for all outcomes in its old colony, the British government continues to build its new large embassy in Harare at a cost of £1.5 million.

FOOTNOTES:

- (1) Berlin refers to the conference held in 1884, hosted by Bismarck, which attempted to set the rules for the 'Scramble for Africa'.
- (2) Salisbury was named after the British Prime Minister of the day, Lord Salisbury. It was renamed Harare after independence.
- (3) Josiah Tongogara was the member of the ZANU Central Committee for military affairs. He was regarded as a major force for unity between ZANU and ZAPU, and especially between ZANLA and ZIPRA. On leaving the Lancaster House talks he returned immediately to Mozambique to visit his soldiers. On the road from Maputo to Chimoio, the ZANLA HQ, he was killed in a car crash.
- (4) Kasrils, R., "Armed and Dangerous", Heinemann, 1993, p194.
- (5) There were several abortive talks including those convened by President Kaunda of Zambia and the Apartheid regime and Britain and the USA.
- (6) There were severe doubts about the 'free and fair' nature of the election due to the widespread intimidation mainly caused by ZANU.

Is 'Old' Labour the way ahead for New Labour?

New Labour's and Gordon Brown's travails continue unabated and the crisis they both face has come into sharpest relief in Scotland.

JAMES THOMSON questions whether 'New' Labour or a return to 'Old' Labour can help the party's fortunes.

Since our last issue went to print three months ago, Labour's Leader in the Scottish Parliament, Wendy Alexander was forced to resign after her long-running leadership campaign donations scandal.

Alexander's 'dodgy donations' departure was a serious blow to Brown. Next to her brother, Douglas Alexander MP who is Secretary of State for International Development, Ms Alexander was Brown's closest ally north of the border. At the time of writing the party is in the midst of an election for Alexander's successor and Brown is using what influence he has left - largely with Scottish MPs - to ensure Alexander's successor will be the one who is the most compliant when he comes calling.

Of the three runners in the Labour Scottish Parliament leadership race, Iain Gray is the favourite in the I'll-do-what-Gordon-tells-me stakes. Next is Cathy Jamieson and last is Andy Kerr who is by far the least likely to do what Gordon tells him. Indeed Kerr has made "beefing up" the job of Scottish Parliament leader the key internal demand of his election campaign.

That Scottish leadership election, most notable for the vacuous platforms of all three candidates, was postponed for a month because of the by-election on 25 July in Labour's third safest Scottish seat, Glasgow East.

Something of a political earthquake happened that day: the Scottish National Party defeated Labour by 365 votes, overturning a huge Labour majority of 13,507 with a huge swing of 22.54%.

But as seismologists know, earthquakes are the result of much more fundamental geological movements. The fundamental reality is that the tectonic plates of Scottish politics have been shifting slowly but surely since the end of World War II and the culmination of Scotland's junior role in that 300



year old joint venture of foreign conquest and exploitation: the British Empire.

In the forthcoming issue (No. 4) The Socialist Correspondent will explore the rise of Scottish nationalism, Scotland's political and economic union with the rest of the UK and the many issues surrounding this such as Nationalism and Separatism; Devolution and Independence; and Federalism.

Back at Glasgow East, the nationalists polled 11,277 vote, the Tories were third with 1,639 and the Liberals, with 915 votes, came fourth. The SNP candidate John Mason said the victory was "off the Richter scale".

Labour's Glasgow East 'heartland' earthquake followed a similar shock at Crewe and Nantwich in England where a 17.6% swing to the Tories resulted in the loss of this seat for the first time since the war.

To make matters worse for Brown and Labour, if that's possible, the death of Glenrothes Labour MP John McDougall will force another Scottish by-election in the Fife Labour heartlands of the Prime Minister.

The wounds of Labour's loss of Dunfermline West to the Liberals in the February 2006 by-election are still raw and weeping. Brown was Chancellor of the Exchequer back then but much of the blame for the loss of Dunfermline West was heaped on him as the MP for

neighbouring Dunfermline East.

So much is now riding on the outcome at Glenrothes for the Prime Minister. His premiership, so runs the Labour gossip-mill, now hangs on his success in his own backyard of Fife.

The timing of the by-election is now being seen as crucial by Brown and his closest advisors. It seems that it will be delayed for as long as possible to give Brown time to:

- bask fully in the glory of Britain's best Olympics for 100 years;
- hold out the promise of greater national as well as Olympic glory in London in 2012;
- roll-out, at the Labour Party conference in Manchester on 20 September, his much vaunted UK economic stimulation plan; and,
- re-launch and re-cast himself as the best man to lead Britain in these most difficult and trying of economic times.

But if Glenrothes in October or November goes the same way as Dunfermline West, Crewe and Nantwich and Glasgow East - Olympic Glories, economic stimulation plans and re-casts or not - the rumour being spread by those inside the party who are actively plotting his downfall, is that Brown will go before 2008 has ended. Whether he will fall on his own sword or by a plotter's dagger to his heart who can say. One thing Gordon Brown must most certainly do is beware the ides of Glenrothes.

It is obviously in the plotters' interest to create the impression that Brown is the lamest duck Labour has ever had and that he should go for the sake of the party's and the country future fortunes.

That "wrong man with the right policies" analysis is deeply shallow and lacks substance or coherence. I suspect most Labour Party members believe that it is not just Gordon Brown that is to blame for Labour's travails but that after a decade and more of New Labour, it is the very New Labour project that has run its course and run completely out of steam.

When Brown's supporters were trying their damndest to push Tony Blair out of Number 10, they spread

around the notion that a Brown Premiership would be less right wing and that Gordon was more of a "socialist" than Tony. They even hinted that one of the first things he'd do is get British troops out of Iraq.

After a year and more we are still waiting for Gordon the "socialist" of the '70s to emerge, or is it re-emerge, and for the troops to come home from the UK's fraudulent imperial joint venture with the US in Iraq.

What people forget is that there were three chief architects of New Labour - Blair, Mandelson and Brown - and the heaviest weight of all of them at the time of John Smith's death in May 1994 was Gordon Brown. He was the primus inter pares of New Labour who believed his destiny was to be the occupant of No. 10 Downing Street.

He wrote the script for New Labour which is why he is still running the project - check the website - under the rubric of 'New Labour for New Britain'.

New Labour was Brown's biggest ever big idea and he has nothing else to offer other than more of the same.

For Britain's capitalist and imperialist ruling classes, New Labour has been just fine: it did a great job under Blair and Brown of ripping the last vestige of socialist politics out of the Labour Party.

The country's capitalists are now spoilt for choice - they have three main parties that are presently totally committed to their system of production, exchange and exploitation.

As for Britain's ruling and capitalist classes, you get a sense today that now that New Labour has done its job of de-gutting the Labour Party they'd like their ball back and they'd like their "own" side, the Conservatives, back in to run their business of capitalism as it should be run. Up until now their "own" side has been pretty demoralised, divided and inept.

But now that they have a photogenic Old Etonian leader who believes in the free-market and who can act as if he really does care about the things most people care about, they are now pushing hard to get Labour out and the Tories back in. Who better than your "own" side, your own captain at the helm, when the waters are rough and the next few years could get very choppy indeed for British finance and industrial capital.

They'll be feeling pretty satisfied that their job is half done as Labour, 21 points behind the Tories according to a UK-wide poll in the Independent on Sunday (24 August 2008), seem inca-

pable of making any kind of a comeback soon.

For Labour MPs, who will be the decisive force when it comes to tipping the scales over whether Gordon goes or Gordon stays, to force him out and appoint another Prime Minister without a General Election could very well lead the party to fall even further behind.

In such circumstances, with the Tory and right-wing media and tabloids in full flight and high dudgeon, a General Election could be irresistible. Plotting and bringing about Brown's downfall could therefore mean bringing about a General Election and Labour's downfall sooner rather than later. That's an outcome that the forces of Conservatism in Britain would today welcome and has their full and united support.

In the current climate how many Labour MPs will vote for a new PM knowing that it could precipitate a General Election in which their party is trailing 21 points behind the Tories? I would suggest very few and therefore the likelihood of a seriously wounded Prime Minister hobbling along until he has to go to the country in 2010 is just as likely as a plotter's dagger piercing him in the heart at Christmas.

The reality is that the Labour Party, the party of the British working class, which began its life in 1900 as the Labour Representation Committee of the Trades Union Congress and whose purpose was to represent working people in parliament and so end the age-old practice where organised labour was represented by Liberals, is pretty much dead and gone. Even the trades unions who founded it are a mere shadow of their former selves and are naturally more concerned about improving their own fortunes never mind the Labour Party's.

But who knows what may develop in this period of crisis. With its continued links to Britain's trades unions it may just be possible that the Labour Party could become something other than what it has become today - a thoroughly capitalist party.

Whether it can find a new and progressive direction is one of the major questions of British politics today and one which The Socialist Correspondent wishes to explore and debate.

The Labour Party will change of that there is no doubt.

The question is: in whose interests and in which direction will it go?

When Brown and Blair began changing the Labour Party in the mid-1990s, creating New Labour in the process, they produced the most electorally successful Labour Party there has ever

been.

It was out with the 'old' and unsuccessful rhetoric of nationalising the 'commanding heights of the economy' and 'shifting the balance of wealth and power' in favour of working people. Every party member over 40, will still recall the massacre of 1983 and the 'longest suicide note' in political history (the '83 Labour Manifesto); the dishevelled Michael Foot; and the depressing and seeming certainty of being forever in opposition.

But then it was in with the 'new' Labour rhetoric of being "business friendly" a euphemism for pro-capitalism, a one member one vote party that was rid once and for all of its 'socialist' Clause 4, its Trotskyite entryists and trades union influence.

As one electoral success followed another, the New Labour winning formula became even further entrenched - nothing succeeds like success - so much so that it is today almost an article of faith within the party that it must - never again - return to its old and unsuccessful past.

But going forward, with New Labour, after over 10 years in power, is also looking like a most unsuccessful option: Brown and New Labour are 21 points behind and falling fast.

For the voters, including Labour voters, there is a palpable mood - Glasgow East is the latest signal - that New Labour is finished and that it is time for change.

New Labour, Gordon Brown, the Labour Party and the whole British Labour and trades union movement is currently stuck firmly on the horns of this dilemma: none of us want the Tories back, but Labour can't win by going back to 'old' Labour ways and it can't win anymore with 'new' Labour ways. The paradox is that the Labour Party's future is embedded in its past and in its founding *raison d'être* - to represent working people in Parliament.

How else can we explain the current fashion inside the party for a 'return' to Labour Values. Everyone of the Labour Scottish Parliament leadership candidates talk about the need for the party to change and to re-connect with the people and "to get back to Labour Values."

One of them, Andy Kerr, lists what he believes these 'Labour Values' are: Fairness, Equality, Opportunity.

These are classless values: fairness, equality and opportunity for whom? Mr Kerr and his colleagues know full well that Labour Values, if they ever

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The Putney Debates and the English Revolution

A new permanent exhibition opened at St Mary's Church, Putney, in October 2007, marking the 350th anniversary of the famous Army Council debates which took place there from 28th October-11th November 1647.

HELEN CHRISTOPHER details *The Levellers* important role in the English Revolution and their contribution to democratic and radical thought.

This was the highpoint of the Levellers' challenge for power in the English Civil War. With Thomas Rainbourn's ringing words (see page 14) emblazoned across the balcony of the church, the exhibition puts the debates in the context of the Civil War and contains written and spoken extracts from the debates.

The execution of the King was emblematic of the radicalism of the revolution, with Parliament rejecting the divine right of monarchy to rule and declaring the king to be a traitor, trying and executing him. Yet it was at Putney that the revolution advanced furthest in expressing the demands of the poorest strata in English society for democratic change.

It is difficult to comprehend in a Britain which seems to have been steeped in centuries of hierarchical traditions and which still to this day enshrines the powers of monarchy, aristocracy and privilege the nature of the meeting of the Army Council in Putney and its significance.

The New Model Army created by Oliver Cromwell was essential to

Parliament's success and the defeat of the Royalist forces, but that success came at a cost. The revolution against the King was sparked by the frustration of the developing and powerful capitalists of England who were disenfranchised and heavily taxed to support the King and his policies.

They rebelled but could only succeed by enrolling many others who were dispossessed and had grievances against the existing system. Recruited into the New Model Army, these were men fighting for their rights and freedom. They sacrificed much and were not content, with the defeat of the King, to leave power in the hands of a Parliament which did not represent their interests.

It was a time of social, religious and political upheaval, with many radical groups coming into being, but the one that challenged most forcefully the Grandees of the Army and Parliament to carry through the logic of the revolution was the Leveller party.

By 1647 they were massively powerful within the Army, with a civilian party structure across England and

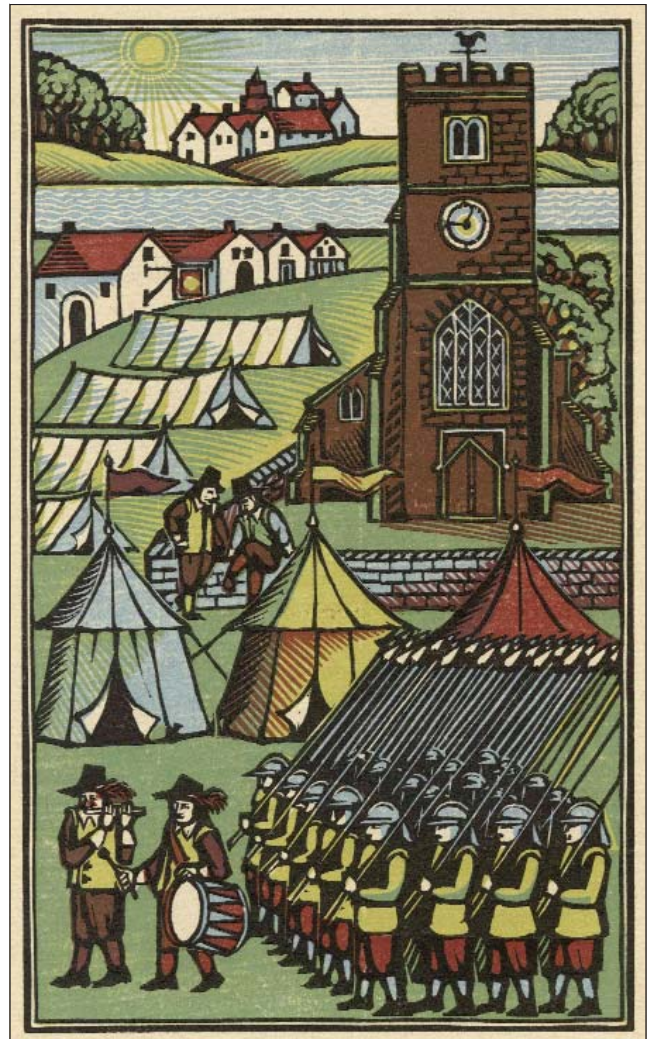
dedicated, eloquent leaders. The Levellers drew support from small individual producers, craftsmen, peasants and apprentices. Many of these also formed a nascent working-class as individuals were forced to become wage labourers from time to time.

As well as unpaid arrears of wages and the threat of disbandment soldiers in the army were dissatisfied with a parliament that did not represent them with most MPs being wealthy merchants and landowners. They believed that their demands would not be met unless Parliament itself became truly accountable to the people of England.

By March 1647 the soldiers of the cavalry regiments took the step of voting for "agitators", to directly represent them, forming themselves into a Council. This move was soon followed by regiments of foot. By the end of April they openly protested their case to the leadership, including Cromwell and the Lieutenant General of the Army, Sir Thomas Fairfax.

Parliament pressed ahead with its attempt to disband the army as being the most expedient way to deal with

Illustration by Clare Melinsky - www.putneydebates.com



Letter to Kentish Levellers (1)

From a Declaration of Some Proceedings of Lt. Col. John Lilburn and his Associates (February 1648)

Worthy Gentlemen, and dear Friends, OUR BOWELS are troubled, and our hearts pained within us, to behold the Divisions, Distractions, heart-burnings, and contentions which abound in this distressed Nation, and we are confounded in our selves upon the foresight of the confusion and desolation, which will be the certain consequence of such division, if they should be but for a little time longer continued; there are now clouds of bloud over our heads again, and the very rumours and fears of Warre hath so wasted Trading, and enhaused the price of all food and cloathing, that Famine is even entring into your gates; and doubtlesse, neither pen nor tongue can expresse the misery, which will ensue immediately upon the beginning of another Warre; Why therefore O our Country men, should we not every man say each to other, as Abraham to Lot, or Moses to the Israelites, Why should we contend each with other, seeing we are brethren? O that our advice might be acceptable to you, that you would every man expostulate each with other, and now while you have an opportunity, consider together wherefore the contention hath been these six or seven years! Hath is not been for freedome and Justice? O then propound each to other the chief principles of your freedome, and the foundation of Justice, and common Right, and questionlesse, when you shall understand the desires each of other, you will unite together inviolably to pursue them.

Now truly in our apprehensions, this work is prepared to your hands in the Petition, which we herewith send to you; certainly, if you shall joyne together to follow resolutely, and unweariedly, after the things contained in that Petition, the bloud and confusion which now threaten us may be prevented, and the sweet streames of Justice will run into your bosomes freely without obstruction; O that the Lord may be so propitious to this tottering Nation, as to give you to understand these things which belong to your Peace and welfare!

Many honest people are resolved already to unite together in that Petition, & to prosecute the obtaining it with all their strength; they are determined, that now after seven years waiting for Justice, Peace, and Freedome, they will

receive no deniall in these requests which are so essentiall to their Peace and Freedome; and for the more effectuall proceedings in this businesse, there is a Method and Order setled in all the Wards in London, and the out Parishes and Suburbs; they have appointed severall active men in every Ward and Division, to be a committee, to take the speciall care of the businesse, and to appoint active men in every Parish to read the Petition at set meetings for that purpose, and to take Subscriptions, and to move as many as can possible, to goe in person when the day of delivering it shall be appointed; and they intend to give notice of that time to all the adjacent Counties, that as many of them as possibly can, may also joyne with them the same day; and the like orderly way of proceeding is commended to severall Counties, to whom the Petition is sent, as to Hartfordshire, Buckingham, Oxford, Cambridge, Rutlandshire, &c. And we cannot but propound to you the same method, as the best expedient for your Peace and Freedome, therefore in brief we desire,

1. That you would appoint meetings in every Division of your County, and there select faithfull men of publick spirits, to take care that the Petition be sent to the hands of the most active men in every Town, to unite the Town in those desires of common right, and to take their subscriptions..

2. That you would appoint as many as can with convenience, to meet at Dartford, the 23. of this present January, being Lords day, and we shall conferre with you about Matters that concerne your Peace, and common good and Freedome.

Wee shall at present adde no more but this, that to serve you, and our whole countrey in whatsoever concerns its common peace and welfare, is, and alwayes shall be, the desire and joy of

Your most Faithfull Friends and Servants which came from London from many other friends upon this Service,

John Lilburn.

Wildman.

John Davies.

Richard Woodward.

Dartford, this 9. of Jan. 1647.

this troublesome and costly threat to its power. The Army, with the willing or unwilling support of its generals began to move against parliament. The imprisoned King was seized and brought to its Headquarters and the Army began to march. By June it was

in striking distance of London and on the 3rd there was a Rendezvous of the army at Newmarket, where Cromwell resumed its leadership. "A Solemn Engagement of the Army" was read to all the regiments and agreed by acclamation. It pledged the army not to dis-

band until its demands had been met. It also set up the Council of the Army, which comprised the senior officers, and two junior officers and two elected agitators from each regiment.

In the ensuing period, there followed a series of stand-offs between the Army

debate continued within the Army as to what its demands should be, this debate reached a climax at the Army Council meeting in Putney.

The Leveller Agitators proposed "An Agreement of the People for a firm and present Peace, upon grounds of common-right and freedome." Fundamentally it proposed a constitutional framework which would establish the democratic basis of Parliament and also limit its powers so that it would be subordinate to the people and be unable to undermine fundamental freedoms. It addressed itself to the people of England thus:

"For the noble and highly honoured the Free-born People of ENGLAND, in their respective Counties and Divisions, these.

Deare Country-men and fellow-Commoners..." (1)

So far were the Levellers setting the terms of the debate that the Agreement of the People was the document under debate at Putney.

In clear and simple language it demanded that the people should elect Parliaments, which should sit for fixed terms and be elected from constituencies of equal size. It also demanded that the current Parliament be dissolved and elections held for a new one.

Finally it stated that Parliaments were elected to make laws and deal with other matters of state such as making war, however, they are subordinate to the people who elect them and there are areas on which they may not legislate.

These were in relation to religion and conscription, as each man should decide for himself whether a cause was just and whether or not to sign up to fight for it. It should ensure that laws are equally binding on all, regardless of wealth or social standing and they should be good laws, not "destructive to the safety and well-being of the people." (2) It also proposed that no one should be prosecuted for their part in the recent "publike differences" (3), ensuring an amnesty for all, whatever their views, on the parliamentary side. (Royalists would not have been included in this as they were delinquents against the commonwealth and as such had forfeited their rights.)

A record of much of the proceedings, written down by the Secretary to the Army Council, William Clarke, survived, but languished undiscovered in a cupboard in Worcester College until its discovery in 1891. Perhaps the incendiary nature of the contents had some-

thing to do with this as here was set down how an anti-monarchist, democratic, radical and secular party came close to the seat of power in England.

Here Cromwell, in the chair of the Council meeting, presided over a debate about the future of the Commonwealth. At the same time as the Army challenged the power of Parliament, so the Levellers challenged for power within the Army itself. The direction the Army took would determine the future shape of England.

The debate was fierce and lasted over several days, the central point at issue being the franchise, with the Levellers arguing for universal suffrage for men over 21 years. The well-known speech from the most high-ranking Leveller officer, Col. Thomas Rainbournh who was also a vice-admiral and MP

sense to that government that he hath not had a voice to put himself under..." (4)

Though the conclusion of the debate is not recorded in Clarke's account, "A Letter from Several Agitators to the Regiments" says the following: "We sent some of them to debate in love the matter and manner of the Agreement. And the first article thereof, being long debated, it was concluded by vote in the affirmative: - Viz., That all soldiers and others, if not servants or beggars, ought to have their voices in electing those which shall represent them in Parliament, although they have not forty shillings per annum in freehold land. And there were but three voices against this your native freedom." (5)

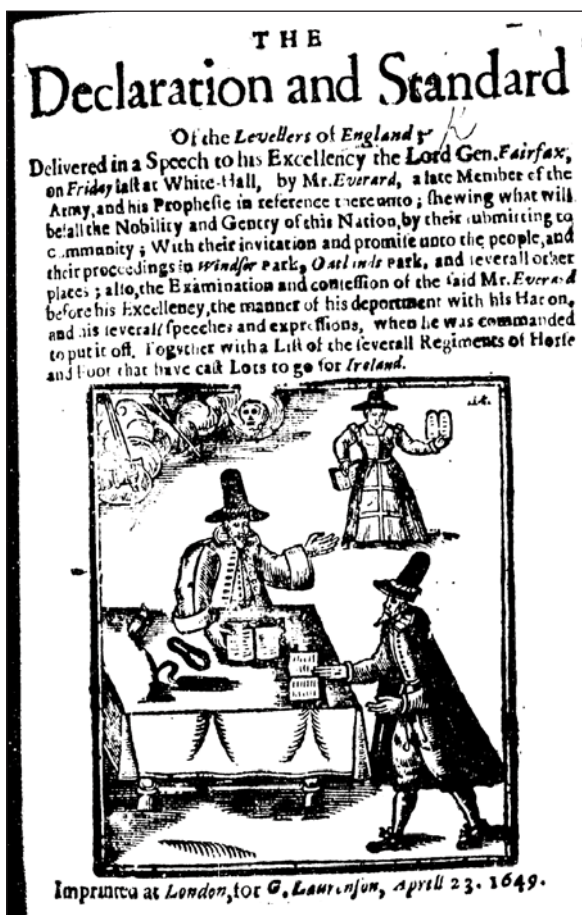
In other words the demand from the Grandees for a property qualification on the franchise was defeated.

The Levellers had won the debate, but Cromwell would ensure that they would not win the war. After Putney the Army was never again allowed to express its views and rebellions were firmly dealt with. Such, however, is the dynamic and contradictory nature of revolutions where events can turn rapidly, virtually overnight.

Moves for another general rendezvous of the Army where the Agreement of the People would be put to the soldiers, were resisted and it met instead in three separate locations. The first of these was at Ware, where instead of the Agreement being presented to the assembly, another document designed to try to bring the rebellious troops into line was presented by Fairfax.

Despite this attempt to appeal to military loyalty and discipline and the threat posed by the escape of the King, some regiments still rebelled. An example was swiftly made of them and one of the leaders was shot. This was the first step in Cromwell and the Grandees re-asserting their power and although the Levellers remained strong and continued to argue their case effectively and with passion they made little headway.

They tried to resist Cromwell's plan to send the Army to Ireland till their grievances had been addressed. A rebellion that briefly broke out was swiftly crushed at Burford in May 1649. After this the disintegration of



Levellers' Declaration of 1649

summed up the Leveller position when he said: "For really I think that the poorest he that is in England hath a life to live, as the greatest he; and therefore truly, sir, I think it's clear, that every man that is to live under a government ought first by his own consent to put himself under that government; and I do think that the poorest man in England is not at all bound in a strict

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What are we to make of the 'Colour Revolutions'?

PART TWO

The 'colour revolutions' of Ukraine, Georgia, Kyrgyzstan and Lebanon over the last few years formed part of the US government's strategy of encircling Russia, and perhaps one day China, with its allies.

Part Two of GREG KASER'S study continues his examination of the nature of the 'Colour Revolutions' around the world.

Some have termed this approach "the Cold Peace", although it is promoted in Washington and London as simply an endeavour to promote democracy and overthrow tyranny.

In Part 1,(1) I set out this international context and showed how the policy of supporting civil society organisations to catalyse an opposition movement dated back to the Cold War theories characterising the socialist countries as totalitarian.

The colour revolutions are part of a tactic for achieving regime change, and are officially sanctioned in the USA's National Security Strategy. But this is not the whole story. Patently, the events that have brought 'pro-Western' governments into office had their origins in the countries themselves, providing Washington an opportunity that could be exploited. Part 2 looks at this country context and asks whether economic factors (the 'pipeline politics' of oil interests) were also present.

'Middle class' protest in the CIS

Most of the colour revolutions took place in the former socialist countries.

When the USSR was dissolved by its constituent republics, they formed the Commonwealth of Independent States (CIS) as a means for cooperation.

The CIS countries also joined the Organisation for Security and Cooperation in Europe (OSCE) which is charged with sending observers to check on the fairness of elections in its member states, including to the USA and the EU, as well as the CIS countries. Over the past fifteen or so years, the OSCE has reported on the propriety and fairness of numerous elections, usually concluding that there were defects in the procedures in the CIS.



These "flaws" arise from the CIS governments' propensity to use what are locally called "administrative resources" to swing election results in their favour. Public servants are vulnerable to being pressurised to vote for the incumbent party machine; students are told by their rectors how to vote; conscript soldiers doing their military service are ordered to vote for the generals' preferences – and the generals are told who to vote for by the president, who appoints them in the first place.

Each constituency has an electoral commission, usually chaired by the mayor, who knows which party is favoured. Of course, no one is forced to vote for a candidate they do not want to; and the press carries reports of people who claim to have stood up to this pressure.

But enough pressure can influence the voting, which coupled with stuffing ballot boxes with the 'votes' from the army and so on, can, in my estimation add or deduct at least 5 percentage points to the candidate's ballot. That has been quite sufficient in the past, for instance under Boris Yeltsin, to reduce the share of the Communist Party and other Leftist parties in the Russian State Duma. Furthermore, sham right-

wing parties were encouraged by Yeltsin to siphon protest votes from patriotically inclined Russians, who might otherwise have voted communist.

In the parliamentary elections of 2007, President Vladimir Putin was accused of using the state's "administrative resources" (and some strong-arm tactics against party activists) to keep the liberal SPS (Union of Rightist Forces) out of the Duma altogether.

So regardless of any media bias, elections in CIS countries are manipulated by the incumbents to retain power. Now, this might not matter to the regular citizen so much, provided the party machine/government brought home the bacon.

But the transition to an open market economy halved living standards, which have only recently returned to their Soviet era levels. Government resources proved to be inadequate to provide basic public services in the 1990s.

In addition, corruption and criminality is built into the political system. If you want to stand for election, you need to buy a place on the party machine's list, money which you may recover from your term as a public official or representative.

Not only that, you need to cover your election expenses as well. So you get in league with a local business person to raise the necessary funds. After you are elected, you can reward your business associate with public contracts or other favours. Furthermore, with pliant judges sitting in the courts, an entrepreneur's best chance of recovering a debt is through violence and intimidation rather than putting their faith in uncertain 'justice'.

So business is inseparable from the criminal mafias. A key weakness lies therefore in the immunity enjoyed by criminals which in turn breeds general insecurity. In the Russian language media, these networks of political-business-criminal interests are known as

clans, a term coined in the Soviet period to denote the often familial ties that underground entrepreneurship was based upon.

Although President Putin tackled the undue influence that the billionaire oligarchs exercised in Yeltsin's time, numerous gangsters, in league with local governments, still prey on business and ordinary folk. This problem of clans derives in part from the corrupted character of the political institutions, so I have some sympathy with the liberal republican line that "if only the rule of law applied in Russia, then all would be well".

But it is also the case that the problems I have outlined are well-recognised

within Russia itself. Vladimir Putin himself has suggested that "the state system is weighed down by bureaucracy and corruption and does not have the motivation for positive change, much less dynamic development".(2) Similar problems of corruption among public officials were acknowledged by Hu Jintao at China's 17th National Party Congress in October 2007.(3)

The colour revolutions should be seen in this political and economic context. Local politics have driven the events, rather than external manipulation (though the latter helped get the protests underway).

Where a party machine cannot deliver benefits to its constituency there is

an inevitable protest vote at the next election. But unlike in much of Central and Eastern Europe where social democratic parties (which had emerged out of the communist parties) and Christian democrats and/or liberals exchanged places regularly after each election during the 1990s, in much of the CIS a single party machine attempted to monopolise government. In this situation the swing voter, from the political middle ground – and drawing upon the growing proportion of people engaged in the private sector – was frustrated.

People were pushed into the private sector by the low salaries offered in the state sector, but there they found themselves vulnerable to the predatory activities of state officials wanting to extort bribes and embezzling public funds.

Those who were getting by in the private sector were unlikely to vote communist – much of whose vote came from people on fixed incomes, such as pensioners, and workers unable to leave their factories due to the lack of alternatives in manufacturing – or for the far right.

In Central and Eastern Europe these voters could support politicians who claimed to want to stamp out corruption or promised to work for EU membership. If the winners "did not keep their promises", the party was voted out and replaced by another party promising much the same. But in the CIS this protest vote was frustrated and the only option for the so-called middle class voters was to take to the streets.

"The coloured revolutions have been typically supported by the most educated and mobile part of society, above all by the new middle class. The motor of these revolutions has not only been small and medium-sized business, but also the former 'intelligentsia', which has learned to earn money through its social and intellectual capital.

On the whole this social strata has not been the winner of the post-Soviet transition, and hopes to gain if the rules of the game become fairer. The middle class hopes to profit from an open society, an open economy, and from globalization."(5)

In Georgia and Ukraine, when the incumbent government declared they had won the election, the frustrated voters were ready to take to the streets to rally behind the opposition. The new governments headed by Mikhail Saakashvili in Georgia and Viktor Yushchenko in Ukraine did take steps to tackle corruption,(6) although they had their own business ties (see the box on the political-business-media nexus),

Political and Business Ties

There are many examples of the ties between politicians and business and media tycoons.(4)

Former Russian President Boris Yeltsin favoured the notorious 'oligarch' Boris Berezovsky, who made his fortune importing computers and proceeded to enlarge his business empire to embrace the LogoVAZ car dealership, the Aeroflot airline and the Channel 1 TV station. One of Berezovsky's partners, the Georgian media mogul Badri Patarkatsishvili, owner of the IMedia TV and radio station in Tbilisi, backed Mikhail Saakashvili's bid for the presidency after the Rose Revolution.

According to the Guardian newspaper, Berezovsky boasted that he had "underwritten" the Orange Revolution in Ukraine (Guardian The Guide 3 December 2005).

In Ukraine, one of the first moves after the Orange Revolution involved trying to reverse privatisation deals made under Leonid Kuchma's presidency. Kuchma's son-in-law Viktor Pinchuk, and business partner of one of Ukraine's richest men Rinat Akhmetov, had purchased the Kryvorizhstal steel works cheaply.

Another of Rinat Akhmetov's business associates, Boris Kolesnikov, who was charged with racketeering in 2002, supported Viktor Yanukovich's ultimately unsuccessful presidential bid. Yanukovich has also been linked to Maksym "Mad Max" Kurochkin, "a reputed Moscow-based organised crime ring leader" according to the Financial Times, who was shot

dead in 2007 on the steps of the Kiev courthouse.

On the Orange side, President Viktor Yushchenko has faced questions concerning his son's "high rolling lifestyle". His close ally, businessman Petro Poroshenko, was obliged to stand down from his government position in 2005 after accusations of corruption were levied.

The heroine of the Orange Revolution, Yulia Tymoshenko, the "Gas Princess", is said to be a billionaire herself as a result of her directorship of United Energy Systems, a gas trading company, and was indicted and jailed briefly for smuggling and fraud in 2001.

She was a protégé of former prime minister Pavlo Lazarenko, who was found guilty of money laundering in 2005 by a Californian court. Her associate Andrey Shevchenko ran the Channel 5 TV station that "played a big role in rallying voters ahead of [the] Orange Revolution" (Kyiv Post 8 December 2005). Channel 5 TV is part of Petro Poroshenko's business group that also includes a car plant, shipyard and chocolate factory.

Vladimir Putin did not court the 'oligarchs'; in fact he warned them stay out of politics in 2000. Instead he placed his trusted lieutenants into state-owned enterprises, most notably Gazprom, which took over the pro-liberal NTV station in 2001 and has toned down its political coverage, particularly of the aftermath of the conflict in Chechnya.

and subsequent elections were still marred by irregularities.

Table 2 shows how the perception of corruption changed before and after the colour revolution. A trend towards less corruption is evident in Serbia, Georgia and Ukraine, although the differences are quite small.

In Kyrgyzstan and in Lebanon, there was no statistically significant improvement. Compared to the degree of corruption perceived to exist in the UK, the biggest improvement occurred in Serbia, followed by Georgia and Ukraine.(7)

Thus, even though the system of government remained similar before and after the colour revolutions, some changes occurred.

Although "positive signs shouldn't be overestimated", political scientist Tatiana Zhurzhenko reported "the notorious 'administrative resources' used massively in the [2004] elections seems to be limited [in the 2006 parliamentary elections]."

Even if used at the local and regional level, it cannot be compared with the 'machine politics' coordinated by the Kuchma administration. Unlike in 2004, all candidates have equal access to the electorate."

But this will not be sufficient, Zhurzhenko adds. "Like other post-Soviet countries, Ukraine has experienced some devastating effects of neo-liberal reforms over the last decade, namely the ugly domestic version of 'oligarch capitalism'."

The social inequality and impoverishment that emerged in the 1990s is reminiscent of Third World countries.

However, the demand for social justice was not articulated by the traditional forces of the Left, ... instead it was the anti-oligarchic, 'quasi-socialist' populism of Yulia Tymoshenko that mobilised the public's deep feeling of injustice attributed to the capitalist transition.

It was this long accumulated anger, and not only the electoral fraud, which brought the people to the streets."

Unless these deeper aspirations are addressed, there will continue to be political upheaval "at the periphery of Europe", that is, in the countries that are not yet cleared to join the EU.

"One cannot build a nation on a growing gap between rich and poor, on a gap between a 'cosmopolitan elite' making their living from off-shore business at the expense of the general public", she adds, so continuing instability is to be expected and this could provide scope for more covert meddling from abroad.(9)

Table 2: Trends in the Perception of Corruption 1995-2007

Country	Average Corruption Perceptions Index (8)		Average CPI Score compared to the Average CPI for the UK (%)	
	Pre-Revolution	Post-Rev.	Pre-Rev.	Post-Rev.
Serbia	2.1	2.8	25%	33
Georgia	2.1	2.6	25%	31
Ukraine	2.3	2.7	27%	32
Kyrgyzstan	2.2	2.2	26%	25
Lebanon	2.9	2.3	34%	39
UK	8.5		100%	

Source: Transparency International

Pipeline Politics

For many observers, the colour revolutions are the outward manifestations of hidden geopolitical rivalries for control over resources, notably oil reserves; and when countries with few strategic resources experience instability, it is argued that the country is a key stage in an oil or gas pipeline.

Moscow is alleged to be trying to keep Georgia and Ukraine as client states in order to be able to control the flows of oil and gas to western markets. Alternatively Washington is seeking to dominate Russia's neighbours to be in a position to switch off the tap and thus prevent Russia from being able to export its oil and gas.

Now, it is perfectly true that pipelines are strategic assets and that rival consortia vie for permission to build and operate them. There is the Baku-Tbilisi-Ceyhan oil pipeline from Azerbaijan to the Mediterranean, passing through Georgia and Turkey, and backed by BP and Chevron.

Then there is the planned Southstream gas pipeline (from Russia through the Black Sea and the Balkans) and Nordstream (from Russia across the Baltic Sea to Germany, Denmark and Britain), both backed by Gazprom; and the EU-backed rival the Nabucco gas pipeline (from the Caspian Sea via Turkey to Central Europe).

But if Moscow really wanted to dominate the oil market, Russia should be joining the Organization of Petroleum Exporting Countries (OPEC), alongside Venezuela, Iran and Saudi Arabia. Nor has Gazprom sought to act as king-maker in Georgia and Ukraine even though the countries are highly dependent on Russian gas.

It is a fact that Presidents Saakashvili and Yushchenko, who are each married to Westerners, as it happens, want to

see their countries join NATO and play the anti-Russian card from time to time. But neither has faced a serious Russian-backed colour counter-revolution to depose them, in contrast to the overt American support they received in gaining office.

That said, oil and gas do matter, but not in the way it is portrayed in the often rather simplistic story of 'pipeline politics'. In reality it is those party machines that can draw upon oil and gas resources that have proved to be the most entrenched, since they are in a better position to be able to deliver the benefits. Ukraine and Yugoslavia have plenty of coal but little by way of gas fields; Georgia has almost no fossil fuel reserves, and neither do Belarus, Kyrgyzstan and Uzbekistan.

To seek to explain the colour revolutions in terms of pipeline politics is to miss the point. Russia, Azerbaijan, Kazakhstan and Turkmenistan have huge energy resources, as does China (though these are insufficient to meet its fast growing economy), and Burma's off-shore gas fields are exciting the big oil companies.

If the party machines in resource-rich countries play their cards right, by distributing the benefits from economic growth to the investment-hungry cities, to help their lagging regions catch up and to subsidise poor farmers, they could easily remain in power as long as the Liberal Democrats have in Japan.

Conversely those countries dependent upon energy imports are more prone to instability as their politicians struggle to find the resources to play the game of pork-barrel politics.

Where next? What next?

The colour revolutions are a feature of the Cold Peace, although the instability is driven largely by local politico-

economic factors.

Although Washington, with London have hailed them as bringing about a fundamental shift towards democracy in point of fact the changes have been far more modest.

It is clear that Washington has in practice failed to facilitate regime change, even in those countries where colour revolutions were successful.

All that has been achieved was a rotation of personnel in government and a slight weakening of Moscow's influence. Altogether Washington has not managed to install liberal democratic regimes of the sort republicans said they wanted.

Meanwhile Moscow and Beijing are quite capable of pushing back, especially while the American security establishment's focus is upon the threat from Islamist militancy.

This failure to achieve regime change is traceable to an erroneous analysis that, as it were, equated the propositions of dissident Leftists uncritically with those of liberal republicanism. Hannah Arendt's and Ágnes Heller's characterisation of the socialist countries as 'totalitarian' became associated with the republican idea of tyranny by an over-powerful state (alongside the linkage of freedom with pluralism).

They theorised that you could weaken the state by strengthening civil society. If you allowed non-governmental organisations to voice grievances, the people could bargain with the state.

Even at the time, the depiction of the socialist countries as 'totalitarian' societies, where the people were struggling to be liberated, was disputed by observers, so its carry over into the post-socialist 1990s is questionable.⁽¹⁰⁾

Moreover to label the post-socialist governments as tyrannical regimes dictating to an oppressed people pining for freedom misses the obvious feature of these countries: that is, the very limited scope for class based politics. Where everyone was employed and received a good education and decent health care, the inequalities that tint political debate elsewhere are largely absent.

Unlike the mature capitalist countries there are fewer core voters who consistently support a party from election to election (and from generation to generation). Liberal parties have made little headway – despite the fact that neo-liberal restructuring has been practiced comprehensively – and communists have not been able to capitalise on the disenchantment with the brutal pace of 'transition economics'.

Instead party machines coalesced around the political centre ground, adding a pinch of national pride to a hint of social conscience.

As explained, discontent with the ruling party machine among the 'middle class' – in reality the better-off section of the working class living in the big cities – provided the troops for the opposition, which, once in government, proved to be just as entwined with big business and as capable of using underhand means as its predecessor.

This explains why there has not been major institutional change following the supposed 'triumphs of democracy'. When the Russian language media discusses the Orange or Rose Revolutions, it talks in terms of struggles between clans within the elite for power and revenues.

The demonstrations are the outward sign of these struggles for the spoils of

office and have little to do with a worldwide popular movement for freedom. It is the English language media that has been fooled into thinking something more extraordinary has taken place, with 'the people' pitted against a 'tyrannical' state.

The question is, with all their analytical resources, does the security establishment in Washington believe its own propaganda?

At issue is whether the whole regime change doctrine is actually intended to further the goals of republican democracy or is it simply a smokescreen to justify destabilisation tactics against potential rivals to US power? If so, it is a dangerous game.

The tactic of encouraging pro-Western forces and secessionists carries with it the risk of creating space for radical Islamists, not to mention adding to the international tension between the USA, the EU, Russia and China.

As it is, these blocs already compete for the control of key natural resources and the development of new technology. Not only would the strategy – if it exists – to weaken or even break up Russia and China most likely to fail in the first place, but it would inevitably undermine the chance for joint action to tackle global environmental and developmental challenges.

So long as Washington, and London, promote 'republican democracy' aggressively – seemingly as part of a strategy of tension aimed at weakening Russia and China – they undermine the chance of working collaboratively to solve the pressing issues ahead, through the UN and other bodies. Unfortunately the Cold Peace may turn out to be almost as threatening as was the standoff of the Cold War.

FOOTNOTES:

- (1) See The Socialist Correspondent issue 1, April 2008.
- (2) Adrian Karatnycky and Peter Ackerman, 2005, How Freedom is Won: from civic resistance to durable democracy, Washington DC: Freedom House: p. 4; also quoted in the Financial Times, 18 February 2008.
- (3) In his opening speech to the 17th National Congress of the Communist Party of China on 15 October 2007, general secretary Hu Jintao drew attention to the fact that the "governance capability of the Party falls somewhat short of the need to deal with the new situation and tasks". He went on to say that "a small number of Party cadres are not honest and upright, their formalism and bureaucratism are quite conspicuous, and extravagance, waste, corruption and other undesirable behaviour are still serious problems". He promised to further develop people's democracy and law-based

- governance, including democratic oversight, transparency and public participation. The speech can be found at http://news.xinhuanet.com/english/2007-10/content_6938749_5.htm.
- (4) See Financial Times for 20 January 2001, 19 January and 16 February 2005, 12 April and 10 May 2005, and 28 March 2007, and The Independent of 9 September 2005.
- (5) See Financial Times for 20 January 2001, 19 January and 16 February 2005, 12 April and 10 May 2005, and 28 March 2007, and The Independent of 9 September 2005.
- (6) In Georgia, the Tbilisi traffic cops were sacked for their wholesale racketeering and in Ukraine the customs service, another notorious centre of corruption, was reformed.
- (7) Yugoslavia's ranking on corruption deteriorated in the late 1990s probably due to the imposition of economic sanctions and

- the improvements have come since these were lifted.
- (8) The Corruption Perceptions Index is calculated from surveys of business people and country analysts each year. It ranges between 10 (highly clean government) and 0 (highly corrupt). See the website for Transparency International for further information (www.transparency.org).
- (9) Tatiana Zhurzhenko, 2006, What is left of the Orange Revolution?, in Eurozine (<www.eurozine.com/articles/2006-03-23-zhurzhenko-en.html>) and the already cited article above.
- (10) Arguably the main internal factor in the loss of confidence in socialism was the growth of the underground market that operated between cooperatives and state-owned enterprises, in part criminal – and this has tinged the subsequent development of the open market economy – and which was able to flourish in the setting of general shortages.

Workers, Unions and Britain's arms industry

Massive concentration within the UK arms industry has caused closures and job losses, a process speeded up by the end of the Cold War, which led to a fall in worldwide military spending of a third between 1987 and 1997.

SIMON KORNER looks into the operations of the UK's arms manufacturers and the industry's workforce and their unions.

Budget cuts (the 'peace dividend') exacerbated the drive for British arms companies to seek cheaper sources of supplies and production, and to shift expensive research and development to lower cost providers, a process facilitated by e-commerce which makes the search for outsourcing opportunities and new suppliers far easier.

The Daily Telegraph, concerned with the issue of national security, complains that defence spending as a proportion of GDP has sunk to 1930s levels down to just over 2% of GDP. In fact, UK military expenditure in absolute terms has risen, part of the 37% global rise over the last ten years, (mostly in the USA).

MoD figures put spending up by 11% since 1997, the rise mainly in the maritime sector, (aircraft carriers, destroyers, Trident). Britain is second in the world in terms of arms spending, at \$68 billion in 2007, compared to \$59 billion in 2006, followed closely by France, China, Japan, Germany, Russia, Italy and Saudi Arabia (whose arms spending makes up a massive 8.32% of GDP).

The rise in arms spending and the simultaneous fall in its proportion of GDP can be explained by the UK economy's strong growth – current OECD figures put UK per capita GDP higher than Germany, France or Italy. This growth includes military spending, which fell – only in relation to the growing national economy. Though defence spending as a proportion of GDP is a useful statistic to ascertain the priorities of a given economy, in defence the figure that remains crucial is the actual spending in relation to your rivals.

But why, if military spending in absolute terms is up, should British arms industry jobs be under threat? Privatization and its attendant out-



sourcing is one explanation. But also much of the latest spending is on research and development and high-tech equipment rather than the more labour intensive "metal bashing" industries.

1. BRITISH ARMS INDUSTRY

With annual sales of about £17bn, the British arms industry's biggest customer by far is the British government, which last year placed orders with it worth about £13bn. (The US is even more protectionist, with only about 2% of the Pentagon's defence spending going to foreign companies, about 1% of that to British firms).

Nevertheless, UK firms face tougher foreign competition than ever before. New procurement rules, responding to global market pressures, stipulate that it is no longer Britishness that counts, but value for the taxpayer. There is a contradiction here, between the dictates of the market and national security, which today's sharply market-driven economy exposes, whereas the period of state monopoly capitalism fitted state support of "national champions" more easily.

In spite of major cross-border mergers and collaborations, the strategic importance of national weapons makers is still very much alive, and western states – not only Britain – still promote

their own arms industry against others, often in the teeth of market forces.

So, for instance, in the US, while no arms firm ranks very high in the Fortune 500 list of top companies – Lockheed Martin only ranks 52nd, (Boeing is 26th, a large proportion of its output civilian) – their power to shape the US 'national interest' remains great.

In Britain, while BAE Systems is 28th (well below oil companies, banks and pharmaceuticals) in the current FTSE 100, it too wields a disproportionate influence on politics, including questions of war and peace.

There are varying claims as to how many people are employed in the UK arms industry. The MoD says 355,000 are directly or indirectly employed – one in ten manufacturing jobs in Britain – spread over 9,000 firms, with as many as 1.2 million people relying on it for a living.

The Campaign Against the Arms Trade (CAAT), however, says the real figure is about 120,000, its economic significance being overplayed for political reasons. They also point to the fact that the defence industry accounts for only about 3% of UK manufacturing exports.

The economist Samuel Brittan puts this exports figure at only half a per cent. Whatever the case, the trend in terms of defence related employment is downward. In 1980, 740,000 jobs were dependent on military spending and exports, according to MoD figures, whereas the figure now is well under half that.

Historically, the south-west has been the main region for aerospace, while submarines and fighter planes have been made mainly in the north-west and research was conducted in the south-east. This is largely still the pattern.

Key British arms manufacturers

BAE Systems is the main UK arms company, producing 70% of all military equipment, including most British shipbuilding. It has an effective monopoly on manufacturing fighter planes, submarines and warships.

It is 3rd biggest arms company in the world, behind Lockheed and Boeing, according to Defense News, July 2007. Its annual sales are worth £12 billion, over half to the Pentagon. BAE's sales in 2003, for instance, were higher in the US than Britain by £1 billion. Its sales to Saudi, South Africa and other countries are also important, while its sales to the MoD represent only about 20% of its output. Its sales were up by £2 billion last year, its order book up by £7 billion and underlying profits were up over a fifth to £1.48 billion.

BAE Systems employs over 100,000 people worldwide, with about 35,000 in the UK, down from over 50,000 in 2000.

The company is a conglomerate formed over the past 15 years out of many well-known companies, including the ancient Royal Ordnance. In 1998 it bought Marconi, the military arm of its main rival GEC to become BAE Systems. This monopolistic move worried the MoD, which allowed French company Thomsom-CSF to buy up British firms Racal and part of Shorts to create Thales UK, now second in Britain and third in Europe. The relaxation of the rules on foreign ownership has also allowed foreign investors to buy up over half of BAE Systems.

BAE Systems makes the Tornado, the Hawk and the Eurofighter Typhoon, as well as the Joint Strike Fighter with Lockheed. Its latest contract, won against Boeing, is an £18 billion order making components for US tanker aircraft, under its rival EADS, the parent company of Airbus. This work will be at Broughton and Filton, with 9000 jobs dependent on it.

In shipbuilding BAE Systems is building destroyers, the new Queen Elizabeth class aircraft carriers, and the UK's only nuclear submarines, currently the Astute class.

BAE Systems has various divisions – apart from BAE Systems Submarine Solutions and its equivalent BAE Systems Surface Fleet Solutions.

BAE Systems Underwater Systems builds torpedoes and minesweeping systems.

BAE Land Systems and Armaments was formed in 2005 and incorporated Alvis Vickers and US defence company UDI (a major competitor to the US's



General Dynamics, whose bid for Alvis was unsuccessful against BAE). It makes the Challenger 2 tank, artillery systems, naval guns and missile launchers. It employs about 2800 workers and is now the world's second largest land systems maker.

BAE Systems Products Group makes handcuffs, body armour. BAE Systems also has subsidiaries in Australia, where it is the third biggest arms manufacturer, South Africa, where it is the largest military vehicle maker, Sweden – with a stake in Saab, Hagglunds and Bofors – and a virtually permanent base in Saudi Arabia thanks to the Al Yamamah agreement.

BAE Systems also owns large stakes in other UK-based arms companies, most notably MBDA.

MBDA employs 3,000 people in Bristol, Stevenage and Lostock, with an annual turnover of £2.5 billion. MBDA is the MoD's main missile systems supplier and contractor for a number of the UK armed forces' complex weapons. It makes the ASMP missile, an air-launched nuclear missile which forms part of the French nuclear deterrent. MBDA is jointly owned by BAE Systems (37%), EADS (37.5%) and the Italian firm Finmeccanica (25%). In turn, MBDA jointly owns Roxel, Europe's leading propulsion company, which employs over 700 people at manufacturing sites in both

the UK and France.

Thales UK makes electronics for complex weapons. It has 9,000 staff, 500 of these in Belfast. In 2005 revenues were over £1bn. Thales does 12% of its business in the UK.

Augusta Westland in Yeovil is the UK's only helicopter maker and employs 4300 people. Italian firm Finmeccanica now owns a large stake in the company. In December last year it won a £470 million contract to maintain Sea King helicopters.

Babcock Marine owns the Rosyth and Faslane dockyards in Scotland. It recently bought Devonport – the largest marine support complex in western Europe, and Plymouth's biggest employer – for £350million.

The workforce is 5000, down from 13,000 two decades ago. Devonport's main role is refitting Trident submarines and other naval work it shares with Faslane and Rosyth in Scotland. Devonport's former owners, Devonport Management Limited (DML), are now part of Babcock. Dick Cheney's Halliburton and the Glasgow-based Weir Group also own chunks of DML. Weir, in turn a subcontractor of Halliburton in Iraq, makes the weapons handling and discharge systems for all Royal Navy submarines.

VT Group, formerly shipbuilder Vosper Thornycroft, employs 12,900 workers and is based in Portsmouth.

Current orders are £4.7 billion, following contracts to make new aircraft carriers (with BAE Systems and Babcock), a new tanker aircraft contract for the RAF, and flying training systems (with Rolls Royce and Cobham). 80% of its profits are defence related, though it has recently been diversifying into education, particularly FE, and other service areas.

Rolls Royce's main arms industry manufacture takes place at Inchinnan near Glasgow airport, at a factory opened in 2004 to replace the Hillington plant. It employs 1200 people here and makes jet engine components. Annual results for 2006 showed profits up by 49%. Rolls Royce also produces reactor cores at its Raynesway site in Derby, a key part of the Trident submarine weapons system, its latest water reactor order being for £1 billion.

GKN, with 10,900 workers in the UK out of 40,000 worldwide, traditionally an engineering firm, is now a major aerospace manufacturer, a sector which accounts for 20% of the group's total sales. 60% of GKN's aerospace profits come from defence. Profits were £400 million in 2007, out of total sales of £3.9 billion. GKN is based in Worcestershire.

Cobham plc, based in Dorset, employs nearly 7000 people and made £173 million profits last year, selling defence electronics. Products include equipment for the Eurofighter, and radomes for Hawk jets, as well as components for Lockheed Martin's Joint Strike Fighter (JSF) and electronics for Tomahawk missiles. Air refuelling equipment makes up 10% of its revenue, a growth area since the start of the war on terror.

QinetiQ is the recently privatized part of the MoD's research arm, a move that caused much disquiet as the fruits of tax-funded research were handed over to the private sector.

Based mainly in the south-east, but with sites all over the country, QinetiQ employs about 9000 people, and is one of the UK's largest employers of science and engineering graduates, recruiting around 300 a year. It has close connections with several universities.

Smith Group's UK division employs 9,200 workers, mainly in aerospace.

Meggitt, based in Bournemouth, employs 6,400 workers, mainly in aerospace. It made £261 million in sales last year.

Chemring, based in Fareham, Hampshire, employs 2500 workers.

MoD establishments, ie non-privatized, include the Defence Science and Technology Laboratory (DSTL),

which employs 3000 people, and the Atomic Weapons Research Establishment (AWRE) at Aldermaston and Burghfield, employing 3,600, all in the south-east.

Westward Drift

Because the US defence market (well over \$600 billion defence spending) is twice the size of the European market, with far higher spending on research and development, there is tremendous pressure to penetrate the US by the two major European firms, BAE Systems and EADS (Franco-German).

BAE Systems stated in 2004 that it was orienting itself away from further European acquisitions and joint ventures and towards the US. BAE's attempts to merge with various US companies such as Boeing have been rebuffed by the US government, so its current tactic has since been to buy smaller US companies and bits of the larger ones, such as Lockheed, reinventing itself by acquisition as a US defence conglomerate owned by a British financial holding company. Most successfully, in 2005 it bought United Defense for £2.2 billion.

EADS, likewise, wants to break into the US, and has recently succeeded in selling refuelling systems to the Pentagon, a breakthrough for them. BAE Systems has the advantage, though, because of the "special relationship" – Pentagon rules against foreign businesses gaining access to secret technology favour more trusted UK firms. BAE Systems North America, which has a US board, is allowed to bid for US contracts direct from the Pentagon as if it's a US firm, and is currently the Pentagon's fifth largest defence contractor.

There is much speculation in the UK media about BAE's "westward drift". The company didn't bid for Devonport against Babcock last year, and it may soon divest itself of its majority stake in its Clyde shipbuilding yards. On the other hand, the BAE Saudi corruption scandal has for the moment put a question mark over its US strategy, with US politicians turning against the company.

In spite of the pull of the US market and BAE's stated reorientation, the company is not ignoring Europe. The 620 plane Eurofighter project – jointly owned by the U.K., Germany, Italy and Spain – in



which BAE is deeply involved, represents the pinnacle of defence industry collaboration in Europe, and the European Rapid Reaction Force is a lucrative market. BAE's strategy is to use the size its European collaborations give it to crack the US, while using its strong US position to dominate Europe.

Meanwhile, there have also been media concerns about inward penetration into the UK. The prospect of Alvis falling to US defence firm General Dynamics (which didn't happen, see above) and the selling of a large stake in Westland to Finmeccanica (which did take place) caused headlines about the end of British ownership of the arms industry. Defence analyst Paul Beaver says it is only a question of time before BAE becomes part of a bigger American company, but believes it doesn't matter which side of the Atlantic the company is run. "Ownership is not the problem. What is important is keeping skills in Britain." The MoD may not be so sanguine, worried about its technological advantages being shared with rivals.

State links

While Samuel Brittan (along with CAAT) has argued that the UK defence industry could be run down without long-term damage to the economy, and other admirers of the market have floated the idea of decoupling the old state/industry relationship altogether – buying in appropriate arms from whatever global source when needed,



including manpower and expertise, or leasing privately owned resources such as frigates – at present, the military industrial complex is still woven closely into institutions of the British state.

The government subsidises the arms trade by promoting British products through the Defence Export Services Organisation (DESO). In answer to a recent parliamentary question, the government admitted to giving £18.5 million in 2005-6 to help UK companies win defence export business.

Marketing support includes the use of military personnel and defence attaches in support of particular weapons bids, as well as high level royal and ministerial visits. The DESO has just moved from the MoD to the Dept of Business and Enterprise (FT, April 2nd 08), and changed its name to the Defence Security Organisation, a move resisted by defence industry chief executives, who fear it signals less government support, though it seems more likely to be a form of window-dressing, to give a commercial gloss to the continuing state support.

Government also finances the arms industry by underwriting deals through the Export Credit Guarantee Dept (ECGD). The ECGD lends money at low rates to buyers of British arms and provides cheap insurance cover for exporters. Arms exports claim almost half of all the ECGD money, though they only make a very low percentage of overall UK exports.

The state also gives money for military research and development. In 2004, this amounted to £2.6 billion, ie 30% of the total public research and development budget. The latest high-tech initiative is called Team CW (complex weapons) and involves MBDA, QinetiQ, Roxel and Thales UK in a "strategic partnership" with the MoD.

In 2005 the MoD published its Defence Industrial Strategy (DIS), in which it spelled out BAE's position as the UK's "national champion", a move guaranteeing government financial support. This revealed the extent to which the government would go to prevent BAE Systems and other companies ditching the UK for the US. BAE's CEO said the company had "got what it wanted" out of the deal. However, this protectionism in no way cuts across the overall Atlanticist strategy for projecting British power throughout the world, as first outlined in the 1993 Options for Change strategy paper.

Apart from direct funding, there is the less visible 'revolving door' between government and the private arms

industry. CAAT claims that 39% of all senior civil servants who move into the private sector go into arms firms from the MoD. The system works in the other direction too. The current head of DESO is a former BAE Systems executive. Most recently, two senior civil servants became millionaires overnight in the rushed part-privatization of the MoD's research arm to form QinetiQ.

The UK arms industry's links with the state have mired it in controversy since the 1980s, when the Matrix Churchill supergun to Iraq was given the nod by government. More recently, the BAE Systems corruption case involving bribing top Saudi Arabian ministers to ensure a £6 billion contract for 72 Eurofighter Typhoons was stopped by the Blair government under Saudi pressure.

The current attorney general, Lady Scotland, is seeking to retain powers to drop prosecutions if they compromise national security, and the latest court victory against the government will probably do little to stop her.

2. WORKFORCE AND UNIONS

It is difficult to get an accurate overview of the workforce employed in the UK arms industry. Figures for the number of jobs in the sector are disputed, as we have seen. It is a widely spread sector, ranging from the civil service jobs, to the dockyards and shipbuilding, aero-

space, vehicle making, to high level scientific work, which makes it hard to organise at sector level. Not all the main unions – Unite (T & G and Amicus), PCS, GMB and Prospect – have specific sections for workers in the sector. The PCS, with one main employer, the MoD, does, but others organise around aerospace, manufacturing, shipbuilding, and so on. The T & G, for instance, has no separate defence sector, but organises round its Power and Engineering sector. It is part of the joint-union Manufacturing Matters campaign to save British industry.

Job dependency on arms exports varies from region to region. Certain towns, such as Yeovil in Somerset and Brough in Humberside (which makes Hawks), are especially dependent. In the south-west as a region, 20,000 jobs depend on arms exports, ie a high 6.2% of total regional manufacturing employment. Meanwhile, jobs depending on domestic arms procurement have fallen from 20,000 – 14,000 since 1987, due to the loss of BAE Systems and Rolls Royce sites in Bristol.

In the south-east, 38,000 jobs depend on arms exports, though these only make up 0.02% of total manufacturing employment in the region. However, the south-east is home to much of the UK's defence research and development (see above).

The north-west, mainly around Preston, has seen significant job losses, such as BAE's closure of its Strand Road site in Preston in 1990, with a loss of 2500 jobs, and the closure of its Warton and Samlesbury sites in 1999, with losses of 900 and 4000 respectively.

Perhaps the most dramatic, though not the highest, job losses were a result of the privatization of the navy dockyards, the first of a series of privatizations in defence. Savings were supposed to be made by moving Trident facilities from Rosyth to Devonport. Both dockyards are now in the hands of Babcock. Despite assurances that only 2,300 jobs would be lost at Devonport dockyard, employment dropped from 11,250 to 5,000 between 1987 and 1997; Rosyth dockyard's employment fell from 10,000 to 3,500 during the same time.

From 1987 to 2007, the civilian workforce at the MoD fell from 170,000 to 98,000. The declining workforce has seen privatizations of the Royal Ordnance, Atomic Weapons Arsenal, and Naval Base Support Services, and most recently Warship Maintenance at naval bases.



Because most unions represent members in the private sector as well as the MoD, they have not argued against private sector involvement in the arms industry but stressed partnership between public and private sectors.

The unions within the MoD work with each other via the Whitley system of joint trade union meetings with management. In the private sector, the Confederation of Shipbuilding and Engineering Unions have lobbied the government over the Defence Industrial Strategy for maintaining an arms industry in the UK.

Union representation and some recent campaigns

The unions' response to downsizing and privatization appears to have been largely ineffective. The tenor is understandably defensive and the rhetoric often patriotic.

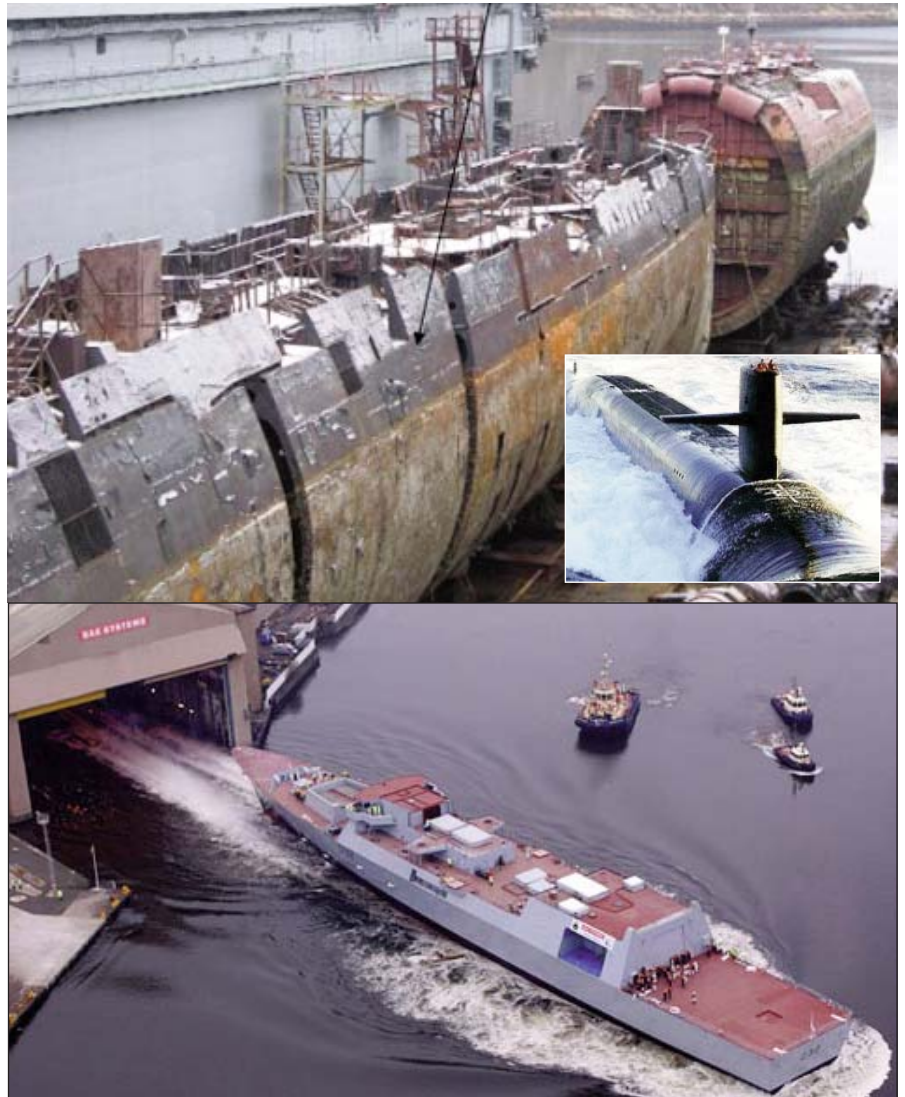
Amicus (now a section of Unite) represents 1700 of the 3000 workers at Augusta Westland in Yeovil. Last summer it led its workers out on several one day strikes in defence of their final salary pension scheme. These Amicus members were joined by other Unite members who staged an overtime ban.

Unite (Amicus section) also organises at Babcock's Rosyth dockyard, where jobs have been lost. The union recently spearheaded the transfer of surplus workers into the offshore oil and gas industry. These workers have transferable skills in terms of welding, pipe fitting and rigging. Amicus wants similar deals across the declining UK shipbuilding sector and also aerospace, which is likewise under threat. This seems to be the only current example of 'conversion'.

Unite (Amicus section) also represents the 500 workers at BAE Land Systems (formerly Vickers) at its Scotswood Road plant in Newcastle and has 11,000 members employed by the MoD.

Unite has been campaigning for an inquiry by MPs on the defence committee over the MoD's cost-cutting transfer of Tornado servicing at Defence Aviation Repair Agency (Dara) in St Athan, Glamorgan, to RAF Marham in Norfolk, under BAE Systems. The closure of Dara was resisted by unions and MPs.

Unite (T & G) also used the threat of strikes at Barrow, Manchester, Bristol and Govan to safeguard BAE Systems' workers' pensions. The union has expressed worries lately that BAE Systems may shed jobs, should the firm's £6bn Saudi Eurofighter deal collapse.



The PCS organises 16,000 members in the MoD. It is the largest non-industrial union in the arms industry. It has an MoD Group Executive Committee, and regional and branch committees. In March last year it organised a strike against threatened 100,000 job losses in the civil service, as well as various protests to stop the closure of Dara. 12,000 jobs have already gone in the recent past.

Prospect represents the 3,000 scientists and engineers in QinetiQ and also organises among the 28,000 strong workforce of the MoD's Defence Equipment and Support organisation, which provides support for frontline troops. Treasury driven job cuts will reduce the workforce to 19,000, a move opposed by the union.

Prospect also organise at Babcock's Rosyth dockyard where they have led strikes of the 550 workers over pension cuts. The GMB, Ucat, and the Amicus and T&G sections of the Unite union also organise there and there is some joint work.

Prospect also organise at Devonport. The threatened 600 job losses on the submarine programme, which has been cut in half, may be offset by work transferred from other Babcock yards to preserve Devonport jobs. Last summer, the union led a strike by white-collar workers for higher pay. 94% of the 1,400 members (out of a total 4800 workforce) voted for the strikes.

Prospect also organises specialist staff in the Ministry of Defence. Last year it protested against plans to axe up to 300 of the 500 posts at the United Kingdom Hydrographic Office, the maritime mapping organisation, based in Taunton, Somerset. Likewise, Prospect represents the workers at the Defence Clothing facility at Caversfield who are resisting a forced move to Bristol, part of a bigger rationalisation affecting 10,000 MoD workers across the country. Prospect, which represents 12,000 defence specialists, has called for a strategic defence review and a parliamentary inquiry.

UKAPE is a new trade union for



professionals in engineering, though with very low membership. It organises groups in Rolls Royce and MBDA, previously organised by MSF, ASTMS and TASS. UKAPE has seen growth in Haliburton, the US-based defence and energy company, arising from its defence of employment terms and conditions.

Questions on campaigning strategy

There is little sign in arms industry unions' campaigning material of a wider view of the industry as forming an essential underpinning of British imperialism.

Though many are members of the Stop the War coalition, for example, none of their current national campaigns feature the movement. Instead campaigns call for increased arms production – or at least for the preservation of the status quo wherever tenable – warning that national security would be threatened if Britain failed to prevent the westward drift of BAE Systems and the industry in general.

The CSEU's main concerns in response to the DIS were the uniquely open nature of the British defence market which means job losses and technology leakage via either investment in the US or foreign companies' rifling intellectual property via their UK invest-

ments, and the loss of lower skilled 'metal bashing' jobs.

Arguments for disarmament are nowhere to be seen in current campaign materials; the thorny arguments about conversion from military to civilian employment are almost entirely off the agenda. The structure of the big general unions – with no clear arms industry sectoral focus – appears to hinder a sharp political analysis, though there are some strengths in size, such as an ability to bargain with the private sector and the MoD, though almost invariably on the basis of damage limitation.

The Atlanticist strategy of hitching the British wagon to that of the US is losing jobs in the UK, yet the defence industry unions' response is simply to call for keeping production here, without feeling able to criticise the strategy itself.

Clearly the national security element of arms production has slowed down the process which has seen so much manufacture move abroad, but this is the direction things are going.

At the 2006 TUC, the main arms industry unions either voted against the RMT's motion condemning Trident or abstained. Each side in this rift has limitations: anti arms trade campaigners such as CAAT can be trapped into a

market-based argument against preserving jobs, and for increased flexibility, saying that defence employment isn't a major issue in the UK economy; defence unions can end up arguing that arms spending should rise, and implicitly supporting British aggression for that reason.

For us the situation raises a number of questions. For instance, do we regard conversion as a progressive policy or is it tactically impracticable, as the defence industry unions' campaigns would suggest?

Should we be supporting the anti-Trident campaign? Or is there a longer-term view that says we should hold onto that deterrent and technological edge to safeguard a future socialist system in Britain?

Are arms industry workers, most of whom are highly skilled, the least likely out of all sectors of the workforce to give up the advantages of working for a major imperialist power because they are so intimately tied into its structures? Or, if hanging onto their jobs means they may be likely to understand how capitalism threatens workers economically, is it also possible they could become receptive to the political insight that capitalism destabilises global politics with the arms industry a major element in the drive to war?

Over production of credit is causing the crunch

Continued from page 5

always be no more than the value of the assets that underpin it, thereby devaluing any excess issued.

This is brought home with considerable brutality during crises such as the present one. Before Bear Stearns' sale, it was valued at \$140 billion. At \$10 a share, it was sold for just over \$1 billion – about the value of its head offices (\$1.2 billion).

Northern Rock's problems stemmed from the fact that it borrowed large sums in order to finance its mortgage operation (its main credit operation, as it was one of the few remaining "pure" building societies), enabling it to widen even further the gap between its assets

and its loans. When its creditors – which had themselves based their operations on the US sub-prime mortgage market – pulled the plug, the Rock's only recourse was borrowing from the Bank of England, then collapse.

Finally, the current crisis has been further exacerbated by the banks' own creation of complex financial instruments called (with possibly intentional irony) securities. The complexity arises from the way in which these packages are put together and sold, rather than from their essential content.

The complexity is so great that even their creators barely understand them or their value. What they are in essence, though, is packages based on debts to the banks, often mortgages, sold to

third parties as a way of providing their originators with liquidity for further operations (and of transferring the risks entailed in "sub-prime" lending to those third parties).

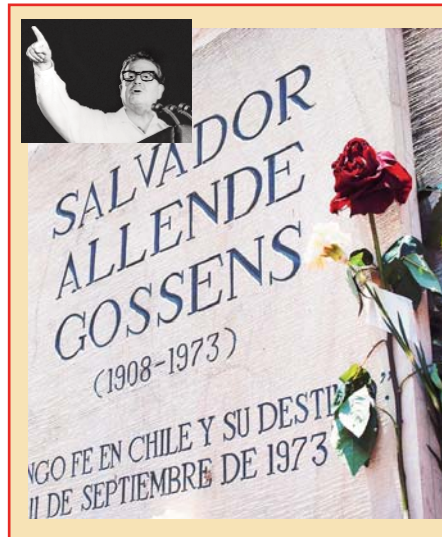
These third parties are encouraged to treat the packages as they would government bonds, i.e., as low-risk investments, hence, "securities", when, in fact – as they are now finding – they are extremely high risk.

Since many of those "securities" are based on sub-prime mortgages, the collapse in the latter market is now reverberating throughout the global financial sector. It is a sobering thought for anyone with an occupational pension that these third parties are often pension funds.

Remembering Allende and Popular Unity

Around the world, and especially in Chile and Latin America, Salvador Allende's centenary has been commemorated. Above all, his heroic option to choose death rather than surrender to the vile generals who overthrew him, has been remembered.

DAN MORGAN reviews Allende's Popular Unity government in Chile before its overthrow in 1973.



DR. SALVADOR ALLENDE
1908-1973.

Elected President of Chile, 4 September 1970 for the Popular Unity (UP) coalition, with a 36% vote.

UP included the big Socialist and Communist Parties, with smaller Radical, Christian and Social Democrat parties. The UP got 51% in March 1971 municipal elections and 44% in March 1973 parliamentary elections.

Overthrown by the military coup led by Augusto Pinochet, 11 September 1973.

Allende left a tangible legacy, above all Codelco, the state copper mining company, still the world's largest copper producer and a huge contributor to the state budget.

Its future has been weakened, however, by the fact that the dictatorship gave new deposits to transnational companies. The other huge effect was on agriculture – the agrarian reform swept away the old semi-feudal latifundios. Subsequent restructuring (small farmers left with no technical or financial support) has led to the present thriving capitalist export-based agriculture.

Allende's other legacy is the memory of his political struggle, and the mass media in Chile consistently try to bury this. This burial also extends to most of his former collaborators, now 'renewed' and concerned with making minor reforms to a neoliberal economic and social model.

Political processes now in Venezuela, Bolivia and Ecuador especially, show how relevant is Allende's political legacy. In varied conditions, with many differences, there are again attempts to gain full economic independence and open the road to socialism.

So what was Allende's strategy? Briefly, it was to use elections to win political power within the existing state structure and then, working closely with the organisations of the people, espe-

cially the trade unions, to work towards a revolutionary transformation of the whole society.

This would include, as fundamental, changes in the constitution to create an advanced democracy, the end of foreign ownership or control of any important industry, and a combination of state and workers' direct control in the main enterprises.

A radical agrarian reform would end the power of the landed 'aristocracy', and bring workers on the land into full economic and democratic participation. Along with democratisation of education, people's access to culture and progressive mass media, the transformation of society could be achieved, including the state apparatus of ministries, the judiciary and the armed forces.

The UP identified three main enemies that had to be defeated to open the way to socialism: Foreign Imperialism, the Chilean Oligarchy, and the Big Landowners. These, of course, would attempt to overthrow this process.

Allende's hope was that these attempts could be defeated by the strength of the working people, with their allies, who would oppose political violence to end a democratic process. The strategy, then, depended on the maintenance of a favourable balance of forces, including within the middle strata, at almost all times; thus isolating fas-

cist forces, and ensuring their defeat when desperation would lead them to launch a coup or other adventure.

This strategy was largely shared by the strong Communist Party in Chile – with some tactical differences. Documents of the CPC reveal that they argued with Allende to take stronger measures to repress economic sabotage and the fascistic opposition as it became more openly 'golpista', in favour of a military coup.

However, important sections of Popular Unity did not recognise the importance of keeping the support, or at least neutrality, of the middle strata. Dizzy with success (to borrow a phrase), they thought the time was ripe for a jump to full workers' control of almost all industries and even relatively small farms. Along with this went an underestimation of the need for economic stability, and the battle for production.

Economic problems were the key element, I believe, in the failure of Allende's strategy. Nixon and Kissinger, from the White House, successfully 'made the Chilean economy scream', particularly with the financing of strikes, especially in transport, on a huge scale. Despite great efforts by the popular movement, there were widespread shortages of many goods.

Where I lived, a town in a mainly

rural area, for example, we had a JAP, a Supplies and Price Council, organised by the progressives in the neighbourhood. This ensured that a local shopkeeper received and distributed to every family a ration of sugar, rice, cooking oil and other basics, at normal controlled prices.

A local butcher had meat one day a week. However, it was impossible for many months to buy toothpaste, toilet paper, detergent, and other goods except on the black market. Other things such as cigarettes were in short supply. In the capital Santiago, people had to queue for a long time to get bread as the economic crisis worsened.

The political effects of this were enormous, and not fully reflected in the election results. Allende was elected in September 1970 with a vote of 36% (and confirmed by the Congress (parliament) partly because there was a significant left wing of the Christian Democrat Party, PDC, at that time).

The Popular Unity parties won 51% of the votes in March 1971, in municipal elections. In March 1973 this fell to 44% - enough to thwart a constitutional coup by the Congress but revealing the desertion of most of the middle strata, many of whom were now joining the opposition.

The right-wing had taken control within the PDC and allied with the traditional right-wing National Party. The middle strata, of course, included the NCOs and junior officers in the armed forces. The class position of senior officers is debatable but, well into Allende's government, there was no majority for a coup, and several generals were loyal to the government and democracy until the end.

I do not know numbers but many members of the armed forces were arrested, tortured or killed, or merely 'retired'. Carlos Prats, the Army C-in-C who resigned a month before the coup due to pressure from his generals, was later killed by a car bomb in 1974 in Buenos Aires, as Pinochet feared his possible rivalry.

I would repeat that the problems of supplies, and also runaway inflation, in 1973, were the crucial factors that led to loss of political support for Popular Unity, especially in the middle strata.

This created an unfavourable balance of forces, increasing right-wing violence, sometimes replied to with left-wing violence, and a climate of chaos in the country. There was a spiral which led to the military coup.

In this unfavourable balance of forces, the only hope for survival of the revolutionary forces was to avoid a con-

frontation, in fact taking a step backwards to survive and advance again at a later date.

This was resisted both by the right-wing leadership of the PDC and by important sectors of Popular Unity; the majority of the leaders of Allende's own Socialist Party (the largest in members and electoral support), and the smaller MAPU and Christian Left, together with the 'Revolutionary Left Movement', MIR, objectively acted to accelerate the confrontation, believing that it could not be avoided. This ultra-left opposition to Allende's strategy tried to create 'Popular Power' as an alternative to the government, thus further alienating and frightening the middle strata.

By the time of the coup the result was a foregone conclusion. The dem-



ocratic sectors of the armed forces had been isolated. The middle strata and much of the working class had either gone over to the opposition or were passive. That said, few people supported the brutality of the coup but once the 'gorillas' had power it was too late to say you wanted another kind of solution to the crisis.

The question remains – was the defeat of Popular Unity and Allende inevitable?

Evidence we now have of the enormous resources wielded by the CIA and the Chilean Oligarchy, plus the weight of tradition, may suggest so. However, as I have tried to show, everything depended, at all times, on the balance of political forces. Nothing was inevitable there. For almost three years the process of radical reforms continued although it is clear that the White House wanted to destroy Popular Unity even before Allende's inauguration.

More economic help from abroad, a Socialist Party leadership closer to Allende's vision, less sectarianism and a more successful engagement with the progressive sections of the CDP, could all have helped reduce the depth of the crisis.

Allende's first Economics Minister did not help, with his policies of largesse and printing money with no concern

about inflation. Greater unity and coordination of the working people, to combat economic sabotage including the black market, was necessary.

So in the end the pro-fascist forces were able to win a majority in the armed forces and crush the democratic forces – a political defeat, above all.

Many lessons can be learnt from the Popular Unity experience; above all the need for a realistic strategy and unity around that strategy. In processes that depend on the use of traditional democratic mechanisms, keeping most of the people well supplied with food at least is essential.

Keeping the middle strata happy is vital. When I saw pictures of empty supermarket shelves in Venezuela some time back, I shuddered.

The policies of revolutionary governments towards the armed forces is a particular issue, of course. Firstly, I would suggest that they need to be looked after in material terms – stuffing their mouths with money is worthwhile to minimise opposition.

Gently incorporating them in national development projects should also be important, together with efforts to win political influence in the armed forces by revolutionary forces. The extent to which progressive forces can themselves be armed or have military training will vary greatly from country to country, depending on the traditions and the particular political situation.

In Chile from 1970 to 1973, open attempts to do this would probably have triggered a military coup almost immediately, as the cultural and political conditions for it never existed.

Another lesson would be to take advantage of favourable political conditions to rapidly implement measures to improve democracy and reduce the possibilities of sabotage.

Here, Venezuela is a good example, with a Constituent Assembly that changed the constitution and a failed coup that led to a 'cleaning' of the armed forces. In Chile's case, few would argue that conditions for something similar ever existed.

Despite the almost total censorship of socialist ideas by the mass media in Chile, Allende's memory lives and is reproduced. An unpublicised event drew 7,000 mainly young people to the Moneda Palace in June, to celebrate his life.

Gladys Marin, as a young communist leader, was an active supporter of Allende, and later a leader in the fight against Pinochet's dictatorship. The biggest crowd in post-dictatorship Chile, around a million people, came to her funeral, in March 2005.

The Putney Debates and the English Revolution

Continued from page 12

the Levellers was rapid, with the last copy of their weekly newspaper being published in September that year. The anger of the times as class divisions became sharper with the soldiers and people's betrayal, was expressed in the pamphlet, "The Mournfull Cryes of Many Thousand Poor Tradesmen."

"Members of Parliament and rich men in the City ... What then are your rustling Silks and Velvets, and your glittering Gold and Silver Laces? are they not the sweat of our brows and the wants of our backs and bellies?"

It concludes: "O Parliament men and Souldiers! Necessity dissolves all Laws and Government, and Hunger will break through stone Walls ... carry our cries in the large Petition to the Parliament, and tell them if they be still deaf, the Teares of the oppressed will wash away the foundations of their houses."(6)

We have much to remember the Levellers for. They pioneered the organisation and methods of work that we recognise in modern politics. They were a dues paying Party, which was organised on geographic lines and whose members met regularly. As well

as their weekly newspaper, they published leaflets and pamphlets and pioneered the mass petitioning of parliament, with demonstrations to back these up.

The civilian leaders operated on the wrong side of the power of both King and Parliament and some spent long periods of time in prison even when the Levellers commanded mass support.

Most of all we owe a debt to their democratic and radical political thought. The capitalist class of England did not like the look of the power and ideals of the Free People of England and, with the radicals defeated, firmly allied itself from a position of power with the re-instated monarchy, aristocracy and Church of England.

The rips in the constitutional fabric were stitched up so that British heritage is presented as almost seamless back to medieval times. Universal suffrage was eventually achieved when it was safe enough to do so.

But many of the Levellers' democratic reforms remain outstanding even after 350 years of relatively stable capitalist development, but mostly what we have still to see again is a people fired by a passion for their rights and freedom.

Further reading on the Levellers and the English Revolution:

■ A L Morton

Freedom in Arms. Lawrence and Wishart. This is a collection of Leveller pamphlets, with an introduction by Morton which gives a good potted history and analysis of the Levellers.

■ A L Morton

The World of the Ranters, Lawrence and Wishart 1979. Ch 7. Leveller Democracy – Fact or Myth. Answers those who have queried the Levellers commitment to universal male suffrage.

■ H N Brailsford

The Levellers and the English Revolution, Spokesman Books. 1976 A comprehensive account of the Levellers.

FOOTNOTES:

- (1) An Agreement of the People, 1647 p. 142 – In Freedom in Arms, A L Morton Ed. Lawrence and Wishart 1975.
- (2) Ibid p. 141
- (3) Ibid p. 141
- (4) The Clarke Manuscripts p53 In Puritanism and Liberty, ASP Woodhouse Ed. J M Dent & Sons Ltd. 1974
- (5) A L Morton, Freedom in Arms p. 45 Lawrence and Wishart 197
- (6) Ibid p. 52

Is 'Old' Labour the way ahead for New Labour?

Continued from page 11

meant anything, mean fighting for the emancipation of the working class and defending them against the ravages of the capitalist system.

The very system that Labour used to constitutionally advocate be replaced with a socialist system of production and exchange.

But that's heresy in the New Labour Party whose values have nothing to do with socialism and the emancipation of the working class and everything to do with trying to run capitalism better than the capitalists.

Asked if she regarded herself as a socialist, Wendy Alexander replied, "I come from a socialist tradition." The ism that dares not speak its name in New Labour.

Blair and Brown, and Kinnock before them, quite consciously, over the past 25 years, moved the Labour Party to the right and into the centre of British politics. In 1997, with its core working class support intact after 18 Tory years, it gained a landslide victory with such

an appeal to the middle class who traditionally voted Tory and Liberal.

As Dan Morgan - see page 21 - highlights in a different time, country and circumstance, it is vital for the working class to win allies, to win sections of the middle class, not least to prevent them siding with reaction as happened in Chile in 1973 with such disastrous consequences. So a political strategy for a mass working class party that seeks to win allies, win over sections of the middle class, is something that must surely be done. But it should be done within the context of exposing capitalism and promoting socialism as being in the best interests of all classes except of course the exploiting classes.

New Labour has done the exact opposite: the very rich exploiters have got very much richer and the poor have got poorer under New Labour.

Unwilling to expose and challenge the system that is adversely affecting many sections, including and beyond the working class, middle class voters who left the Tories in their droves 10 years ago, and working class Labour

voters as well, are now drifting in their droves away from New Labour and back into the arms of the Tories thus creating the current New Labour crisis.

It seems self-evident that in the long term the ambition to run capitalism better than the capitalists is an impossible ambition to achieve, unless of course you become - root and branch - a capitalist party.

Whether, after decades of Gaitskill, Wilson, Callaghan and now 13 years of New Labour and over 10 years of New Labour in Government, the Labour Party is - root and branch - a capitalist party is still a moot point for some such as Tony Benn. For others the Labour Party, new or otherwise, is a lost cause.

What is clear is that there is no need nor any long term future in British politics for a third capitalist party.

That's why the New Labour - the third capitalist party - project is in crisis and why it is, along with its co-founder, Gordon Brown, most probably finished.

But a mass party of socialism? Well that's a horse of a different colour altogether. All those in favour of that, say AYE!

READER'S LETTER to The Socialist Correspondent

NUCLEAR POWER

Looking through the index to the second issue of the *Correspondent* I was most curious to see what the article on nuclear power had to say. It was a bad omen to see the name of John Hutton, most notorious supporter of "big business" in the government, quoted as a key note authority in favour of a new burst of nuclear power generation.

The entire article proved to be a completely one-sided exercise on this theme, with no attempt even to indicate the counter considerations. For example, the statement that "nuclear power is almost carbon-free" is demonstrably false. It may be "almost carbon-free" once a power station is up and running, but before that the uranium has to be mined, refined and transported from Australia, Russia or Africa; the power station complex has to be constructed - a lengthy project in itself - and both these aspects would be carbon-dioxide-generating.

Add to that the facts that the supply of uranium is becoming lower-grade and harder to refine, and that the unsolved problem of safe disposal of the waste will prove a threat for generations to come, and it begins to seem that the cure is at least as bad as the original disease.

The issue of nuclear power cannot be separated from that of nuclear weapons. A by-product of the process is weapons-grade plutonium, despite the denials of post-war governments that any such connection exists. Factor in the current huge extension to the Atomic Weapons Establishment at Aldermaston and the suggested need of the US for plutonium from us, and the link becomes highly plausible.

The "corruption of the working class" was mentioned in your first issue, and again in Leslie Masters' letter on the back cover of the current one. The support of some TU Executives for a new round of nuclear power stations smacks of perceived, but shortsighted self-interest, if not actual corruption.

Similarly, the recently-announced projects for aircraft carriers were also favourably received by "the unions". My comments were last week published by the *Newcastle Journal* - no comeback so far.

I do hope that your next issue will address the argument in rather more depth.

Ruth Wallis
Newcastle upon Tyne

The Socialist Correspondent

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EXPOSING CAPITALISM
PROMOTING SOCIALISM

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