



Students must link with workers. Photo: John Smith, IFL

Student 'soft left' and the bureaucrats

Labour's youth movements are set for re-organisation under proposals from Tom Sawyer, chair of the Labour Party NEC's Youth Sub-committee. The proposals would abolish LPYS representation on the NEC — instead it would be elected by a new structure, involving the Labour Party student organisation and trade union youth sections as well as the existing LPYS.

Sawyer's most radical proposal is to reduce the age of YS membership from 26 to 21. The Labour Coordinating Committee are backing these proposals. They think Sawyer's plan provides a way for their influence over Labour's youth to grow at the expense of the Militant tendency who currently run the Young Socialists. The LCC's unofficial student wing — the Democratic Left — run Labour Students, which is the organisation most likely to benefit from the proposed changes.

It looks like much of the rest of the Party will back Sawyer. Partly, at least, this is because the Young Socialists have so few friends in the movement because of Militant's political style. So the right wing can touch a raw nerve — the YS does, in fact, leave a lot to be desired.

Militant has controlled the YS for 18 years. During that time it has repeatedly failed to relate to youth movements from the Anti-Nazi League in the late 1970s to YCND in the early 1980s. And the YS has also failed to involve its own members in the Party — save perhaps for areas where the Militant are dominant in the adult party.

For instance, during the left-right battles over the Labour Party constitution in the early 1980s, the YS was absent. Even during the big witch-hunt against Militant in 1982 the YS was again absent from the mainstream left campaign.

In fact, the YS has had a kind of

peaceful coexistence with the Labour Party bureaucracy. It has kept the youth under control for them. And now that the bureaucracy has turned against Militant, there aren't many who will defend their record.

NOLS — the National Organisation of Labour Students — are fully behind Sawyer. In fact, the proposals that eventually came forward in Sawyer's name formed much of the forward planning of the Phil Woolas/John Mann leadership of NUS and NOLS in 1982-4.

The key element in the new youth movement is to be trade union youth sections. At present, there aren't many of these. And many union bureaucrats probably don't want them — because if they did exist, Militant would probably end up dominating them. Mann and Woolas had to have an answer to these problems for their plan to be viable.

Their idea was that youth sections could be set up via the organisation of YTS trainees at Further Education colleges, initially into NUS, where Clause Four could hope to dominate. The appropriate unions would then be brought into the FE college to recruit the trainees. These members of trade union youth sections would therefore be inoculated against Militant.

The plan never came to anything: neither NUS nor NOLS managed to carry out such an immense change in orientation and organise seriously in FE colleges.

NOLS constitution to this day bars part-time FE students from membership. YTS trainees are able to join NOLS. But without part-time students, it is very difficult to set clubs up in the first place. There are about four times as many part-time as full-time FE students.

And in any case, there are very few members of either Clause Four or its 'broad' front, the Democratic Left, who really have much interest in organising Further Education students.

There was a further problem. While the

rest of the labour movement considered trainees to be super-exploited, in many FE colleges they were the 'aristocrats'. Their wages may have been low, but a low wage is better than nothing — which what most FE students get.

There was not the mood of rebellion amongst YTS trainees in FEs which everyone had expected.

Seeing some of these limitations, Woolas and Mann decided to try to use NUS Area organisations as an intermediate layer. 'Democratic Lefties' could go into FE colleges in their role as Area officials. Indeed, this could have been an effective route to the organisation of working class youth. Unfortunately for the plan, outside of Scotland the Democratic Left then lost control of almost all significant urban NUS Areas.

NOLS has controlled the NUS since 1981, when they won the Presidency after their final break with the Communist Party-dominated Broad Left/Left Alliance faction.

NOLS organised a wave of occupations and rent strikes just before the Executive elections, in colleges where they had influence. They had keyed into a wave of militancy, having tested their strength early in the academic year. The Broad Left leadership of NUS were completely outflanked. NOLS also effectively took over the annual NUS demonstration with placards and stickers which kept the election bandwagon on the move.

Unfortunately for Clause Four, NOLS was not so securely under their control as NUS quickly became. Militant have always been a sizeable bloc in NOLS and Socialist Students in NOLS (SSiN — a hard-left faction) was about to be launched.

During the early 1980s, NOLS was part of the 'new left' in the Party. But as the Party began to drift to the right, so too did the NOLS leadership. That, together with their increasingly obvious inability to organise rank and file campaigns in NUS meant that they started to lose their control of NOLS.

The Clause Four officers of NOLS seem always to have specialised in denying opposition delegates credentials for national conferences, even when they have had no real factional reason for doing so, as their majority has in fact been secure.

But since the start of their demise, the obstacle course that clubs have to go through to be represented at conference has been made even tougher. And the lies told by the officers have become even more apparent.

The most spectacular examples were at the 1982 and 1983 NOLS conferences. In 1983, the left won all the votes. Labour Party student organiser John Dennis closed down the conference.

When the Labour Party NEC considered the Report on NOLS conference, its response was not to investigate the allegations of foul play, but to impose a new set of Standing Orders on NOLS which forbade challenges to the Creden-

tials Report.

Since 1983, NOLS conferences have been quieter. Opposition Clubs are still ruled out, of course, but the political battleground has moved over into NUS. NOLS is now nothing more than an NUS election machine and a poor one at that.

NOLS does not have any campaigning profile. There are no internal discussions or debates. The general election initiative, Students for a Labour Victory, achieved very little. As a national organisation, NOLS has effectively ceased to exist. The stultifyingly bureaucratic methods of the Democratic Left/Clause Four have run down NOLS and are now threatening to run down NUS.

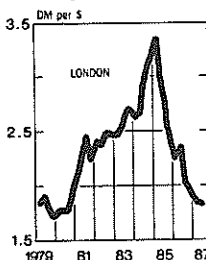
The Democratic Left are partially aware of the problem they face, and the disasters they have caused. They are also aware enough to be considering a change of name and a re-launch next October.

Defending the Democratic Left's control of the apparatus 'by any means necessary' has damaged NOLS and NUS and has stopped the organisation from playing a part in developing the campaigning left in the Party. The carving in NOLS needs to stop. There are too many more important things to do. The Democratic Left have to make up their mind — either carry on ruining the organisations or start to work on their avowed commitment to building a campaigning NUS and Labour Party. It may not be too late ●

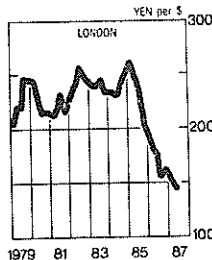
Sandra Cartledge

Trade Wars

Dollar against the D-Mark



Dollar against the Yen



The decline of America

“Once a hegemonic force, able to impose its own vision on the system, the USA is neither able to provide a rational solution to its own problems or those of the world economy as a whole”.

As E.A. Brett put it in his book 'The World Economy Since the War: The Politics of Uneven Development', the underlying problem revealed by the current trade war between the US and Japan is a world system based on US dominance struggling to adapt when the US is no longer dominant.

The dollar is both the domestic

currency of the US and the main currency of world trade. The management of the dollar has to meet both the needs of US capitalism and the needs of world capitalist trade. Yet it cannot always do both.

In recent years the US has run the hugest trade deficits the world has ever seen, importing far more than it exports. For many years productivity has risen slower in the US than in other big capitalist economies, and the deterioration of its relative position is shown by the figures for trade in machinery and transport equipment.

In 1980 Japan exported 5.8 times as much machinery and transport equipment to the US as the US exported to Japan. By 1985 the ratio was 9.2:1.

Third World producers have caught up with the US most drastically. In 1980 they were still importing 4.4 times as much machinery and transport equipment from the US as they exported to the US. By 1985 their exports to the US were only 29% behind their imports from the US. Exports to the US had expanded by a factor of 2.7, while imports from the US had declined 14%.

But British, Dutch, Japanese and other capitalists have since 1982-3 bought US shares, bonds, and companies at a tremendous rate, more or less balancing the trade deficit and transforming the US within a few years from the world's biggest creditor country (the one whose assets abroad most exceeded foreign assets within it) to its biggest *debtor* country. Despite the trade deficit, the dollar continued *rising* against other currencies (so that the yen, mark or pound prices of goods costing so many dollars to produce in the US rose, while the dollar prices of goods whose costs were fixed in yens, marks or pounds fell — and imports to the US rose still more, while exports stagnated). The rise in the dollar continued until early 1985, causing great anxiety about the risk of a drastic collapse at the point where this rise became unsustainable.

In fact the dollar has come down relatively gently since 1985. But the problems for capitalism are still not over. The trade deficit remains huge. Some people reckon that the dollar is now nearly at the level where US goods will become competitive with Japanese goods, but no-one really knows. In the meantime, tension continues — hence the US-Japanese semiconductor trade deal, the US claims that the Japanese were flouting the deal, and the US trade restrictions against Japan.

Import restrictions other than tariffs have been increasing all round the world for many years, and an increasing proportion of trade is under 'countertrade' or barter deals. While from 1955 to 1973 world trade grew by an average 7.5% per year, dragging world output behind it at a rate of 4.5% a year, since 1973 world trade has grown only marginally faster than output.

But the risk of a catastrophic decline of trade comes more from the sphere of international finance than of trade itself. The 1970s saw a vast transfer of money from the big capitalist economies to the oil producers and from them, via the in-

ternational banks, to industrialising Third World countries in the form of loans. The Third World countries based their policy on exports and the supply of new loans always expanding fast enough to cover repayments on the old loans; hence the 'debt crisis' since 1982, with exports limited by recession in the advanced countries, credit short, interest rates much higher than they were in the 1970s, and the dollar (the currency in which the loans were made) high relative to other currencies. The continuing acuteness of this Third World debt crisis has been underlined recently by Brazil's unilateral halt on payments and by Citicorp's decision to write off billions from the value of its Third World loans.

In the 1980s, financial markets in the big capitalist economies have been liberalised, and linked together into one global market, at a hectic rate. The 'Big Bang' in the City of London is part of this process. Huge amounts of money move round the world at great speed. London alone does £60 billion of foreign exchange business every day.

The whole structure is, in a sense, an elaborate bluff. If the US's deficit does not narrow, and speculators become convinced that the dollar is going to have to fall much further, then their speculation could make the dollar fall much faster and quicker — to the point where no-one would want to hold dollars any more, no-one would accept dollars in payment in international trade, and world trade would collapse into a series of one-off negotiated barter-type deals. In the meantime, action to reduce the US deficit worsens the debt crisis: if the US reduces its imports, then Third World countries' dollar export income is reduced, and they are less able to pay the banks. This problem, again, if it became bad enough, could lead to the collapse of major banks, repercussions in the Eurodollar market, and the collapse of the dollar by a different route.

Capitalist trade requires the framework of a state to regulate it. Unregulated free trade was possible only in the days of the gold standard. A return to gold as the basic currency of international trade became impossible long ago: there simply is not enough gold to do the job, and for the major countries any attempt to shift to gold has the drawback that it would be an immense bonanza for the USSR and South Africa. The US was strong enough immediately after World War 2 for the US state to be a stand-in for an international state, and the dollar to be a stand-in for international money. The US is not strong enough for that any longer. But it is still the biggest capitalist economy; all the others are even further from being strong enough to underwrite world trade. There is no prospect of the various capitalist governments coming to enough agreement to create an international monetary and trade authority; indeed, those same problems which make such an authority necessary simultaneously sharpen the conflicts between states. Whatever happens in the short term, there is no escape in the longer term from these contradictions●

Chris Reynolds