

workers power

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Fifth International - NEW ISSUE OUT NOW!

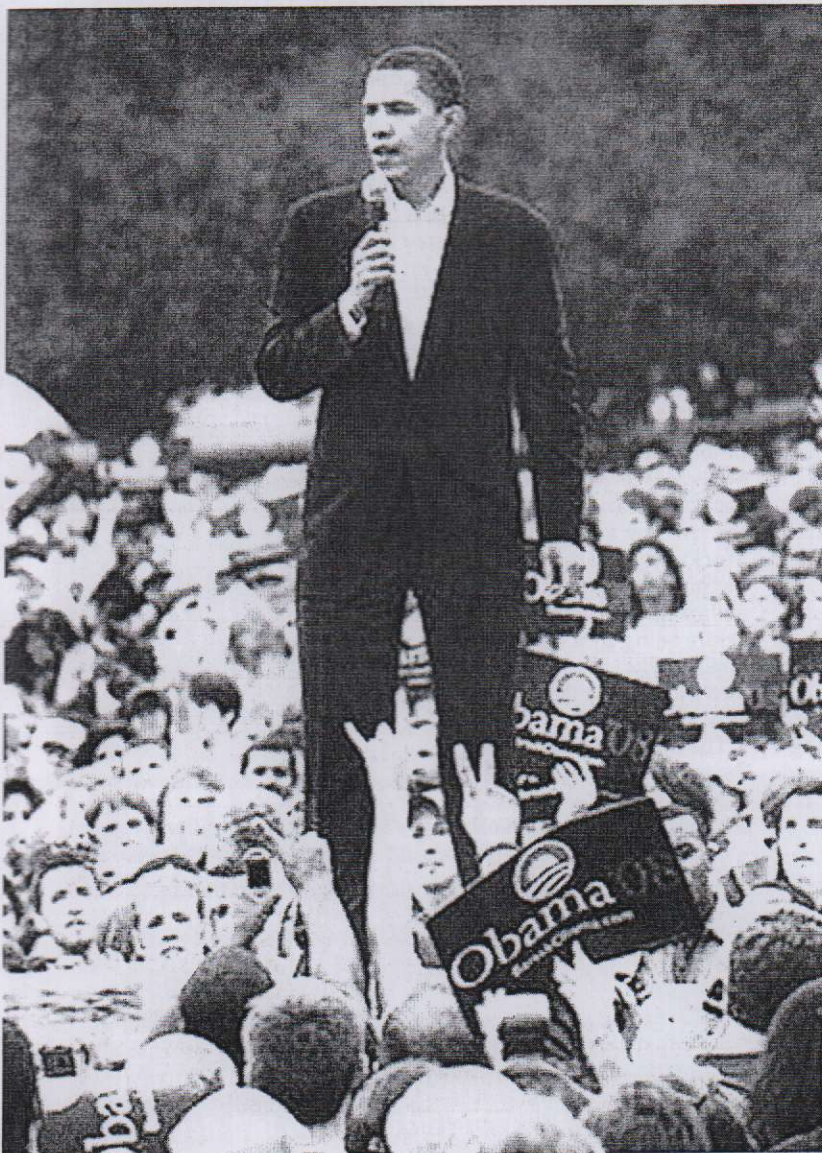


Job losses soar as crisis mounts



Pakistan on the brink
pages 26 - 24

HISTORY IN THE MAKING



...BUT CAN OBAMA SOLVE THE BIGGEST ECONOMIC CRISIS SINCE THE 30s? WHERE WILL HE TAKE THE AMERICAN EMPIRE?



League for the Fifth International

NEWS IN BRIEF

Rome takes to the streets against Silvio Berlusconi

WORKERS AND YOUTH in Italy are fighting back against attacks launched by Silvio Berlusconi's government, which won a landslide election victory in February. In mid-September one million workers supported a one-day general strike called by the largest union grouping, the Cgil.

On Friday 17 October a grouping of Italy's smaller but more militant unions, Cobas, CUB and SdL, called a general strike. Bus, rail and tube workers brought city transport systems to a halt. Workers from the education, health and emergency services also took part in large numbers. In Rome, 300,000 demonstrated.

Then on Friday 24 October the three biggest union federations—the Cgil, Cisl and Uil—mobilized 10 million workers and office employees in a four-hour general strike. The next day the largest opposition party the Democratic Party, held a huge march and rally in the Circo Massimo, in which over a million participated.

School and university students joined them, protesting moves towards the privatisation of university-level education and a cut of 87,000 teaching posts over the next three years. Student organisers have called a general strike in schools for 30 October and in the universities on 14 November.

Nationalised banks take our homes

HOUSE REPOSSESSIONS in the south west of England are skyrocketing. In the spring, repossessions were up 41 per cent on the previous year while experts think that the real figure this autumn is much higher. One court in Penzance went through 50 cases in one morning!

The south west has been badly hit because of a combination of lower than average wages and higher than average house prices, fuelled by second home buyers and buy to let.

The Council of Mortgage Lenders estimates that 45,000 will be repossessed this year in England – double last year's figure – with millions at risk.

So far, the government has issued "guidelines" for the courts to be lenient. But it is the nationalised banks that are leading the way in repossessions. Northern Rock has taken back 4,000 of the 19,000 homes repossessed in the first half of this year. So, our money bails out the banks and then they make us pay with higher taxes and by taking away our homes.

The banks should be fully nationalised and put under workers control and all repossession of homes should be stopped. Defend everyone, with direct action if necessary, against the threat of repossession or eviction due to rent rises.

Corfu dinner party shows how the super rich rule

A DINNER PARTY in Corfu among friends on holiday. What could be nicer?

There's Peter Mandelson; shadow chancellor George Osborne; Mr Derispaka, a Russian oligarch; and two billionaires, Rupert Murdoch and Nat Rothschild. And they all seem to be well acquainted.

Super rich Rothschild was with Osborne, Cameron and Boris Johnson in the Bullington club at Oxford. Murdoch meets leading politicians all the time such as Brown and Cameron. The Russian oligarch appears to have done well from EU trade laws when Mandelson was in charge in Brussels.

Such dinners would normally not raise any suspicion in the press at all.

But it has become a scandal in the British papers because George Osborne was reportedly discussing a possible donation to the Tory party. It is also alleged he advised the Russian oligarch to channel it through a British subsidiary to avoid detection!

What the Corfu dinner shows is how the rich rule. The leaders of the parties listen when Murdoch demands lower taxes, or Derispaka calls for fewer tariffs or Rothschild wants governments to go easy on hedge funds. That way the politicians pretend they are neutral and the rich claim their anonymity.

Menezes inquest exposes police

By Marcus Halaby

Anyone who remembers the lies and half-truths that came out from the Metropolitan Police in the days an unarmed Brazilian was shot dead in Stockwell underground station will not be too surprised by the story that they have given to justify their actions at his inquest.

While many of the more outlandish howlers – that Jean Charles de Menezes was wearing a heavy winter coat in summer, jumped over the ticket barriers and ran from police officers who tried to stop him, wearing what looked like a "bomb belt" with wires sticking out and so forth – have long been dropped. The basic story remains the same: that in a tragic case of mistaken identity, the police killed him believing that they were facing an imminent terrorist attack.

Working-class Londoners, and blacks and Asian in particular, familiar with the day in day out violence of the police, have every reason to disbelieve this account. Whatever the Met's operational failings that day (the focus of most media coverage of this and previous inquiries), the real story here is the contempt of the police for the lives and safety of ordinary people, their belief that they are above the law, and their willingness to use smear tactics and intimidation to cover up their actions.

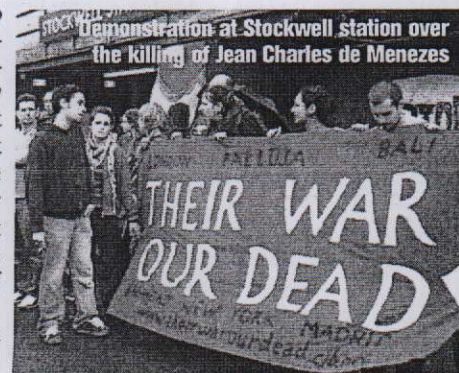
The fact that none of the officers involved have received criminal charges, and that the de Menezes family have had to make do with an inquest and a "health and safety" investigation, shows the extent to which the justice system as a whole is complicit in the Met's contempt.

Even so, the evidence at the inquest does reveal just how badly they got it wrong. None of the sur-

veillance officers who tailed him had identified him as terrorist suspect Osman Hussain by the time he arrived at Stockwell; no attempt was made to stop him; he was grappled to the floor before being shot eight times; and he would have died without any idea of what was happening.

The inquest comes at the same time as a breakdown in the Met's relations with its senior black officers, with Tarique Ghaffur, Britain's top Asian police officer, suspended last month after launching a discrimination claim against former Met chief Sir Ian Blair.

Subsequently police commander Ali Dizaei, the subject of a previous racist enquiry and a critic of the armed raid on two innocent Muslim men in Forest Gate in East London, was suspended after supporting Ghaffur's case. The National



Black Police Association, of which Dizaei is president, announced that it would no longer support black and Asian police recruitment.

We say: the police's job in capitalist society is to protect the property of the rich and their system. Their racism is a by-product of their role, whatever cosmetic changes they might make to attract black officers.

workers power 5

An extraordinary economic crisis - prepare for struggle

The financial crisis has become astronomical in its scale. Having got just got used to thinking in billions rather than millions, now we have to move on to thinking in trillions.

The banks are acting like a black hole, every passing week sucking up billions more taxpayers' money. Is this the same world where a few millions could not be spared to pay public sector workers pay claims at the official rate of inflation?

Yes it is for us. It turns out that under Alistair Darling's supervision, the newly nationalised banks are actually increasing the numbers of repossessions. Meanwhile the banks themselves despite the billions gratefully received are still refusing to lend, even to one another.

We are moving into a synchronised recession that will reduce living standards worldwide. For Britain the recession could be particularly bad. The unemployment rate rose sharply to 5.7 percent in the last quarter, taking the number of the unemployed to nearly 1.8 million. Most economists say it could be with two million unemployed by Christmas.

So what does Brown's Labour government do, apart from giving billions to the bankers? It plays the race card. Enter Phil Woolas, Minister for Immigration and, he says, "lifelong antiracist." In a Rupert Murdoch's *The Times* (18 October) he was interviewed-

"I've been brought in to be tougher and to change perceptions," he says. The Government must, he insists, face up to voters' concerns about the level of immigration - particularly as a recession looms. The economic downturn changes everything, he says. "Clearly if people are being made unemployed, then the question of immigration becomes extremely thorny."

Employers should, he believes, put British people first, or they will risk fuelling racism."

This is brazen playing of the race card, not only to outflank the Tories and the BNP but to direct people's attention away from a capitalist crisis as the real cause of their misery. He wants to divert them from asking - if you can spend billions on the banks, if you nationalise them overnight without even a vote in parliament, why can't you save our jobs, our houses, our schools and hospitals?

The twin response of Brown - billions for the capitalists, job cuts, repossessions and racism for the workers, indicates why we desperately need a new working class party to fight for us all, those born in Britain and those driven here by persecution and economic hardship. We need such a party to give a lead in the unions, to organise in the communities, to use lectures to get over a powerful anticapitalist message but above all to lead the fight back.

Brown once liked to remind us it was sixteen years since Britain was in a recession. Eleven years of Labour, with our trade union leaders in tow, keeping the lid on struggles, restricting them when unavoidable to one day actions, increasing the size of their unions not by recruitment drives but by massive mergers, which weakened democracy and participation. This means that the crisis finds us with - in many cases - leaders who never led a fight and weakened workplace organisations. Does this mean we cannot fight back?

Firstly this is not an option. Those who disdain to fight - waiting for better times - will be rolled over like a steamroller. Secondly all fighting organisations of the working class, workplace organisation, shop stewards networks, were all built in hard mass struggles. They were improvised under

the blows of necessity not planned in some think tank.

But we are not starting from zero. We have trade unions and a variety of activist campaigns. We have socialist organisations. We have the living experience of the mass struggles of the 1970s, 1980s and early '90s. And we have the entire historic and contemporary experience of the workers movement in Britain and around the world.

From all this is it possible to draw the tactics and the forms of organisation we need to fight the effects of the crisis.

The bankruptcies and bailouts where they indemnify the investors but sack the workers require a fight to open the books to our inspection. Let's open their databases and track down where the CEOs and major shareholders have salted away the profits.

As millions join the dole queue the organisation of the unemployed becomes crucial once more: we must demand socially valuable work and/or payment at the average pay.

An effective struggle against inflation will require not only pay disputes but also the building of price-watch committees that draw in families and communities as well as employed workers.

There will have to be mass demonstrations against social cuts, militant organised resistance to police attacks and racist harassment.

To coordinate all these struggles we will have build ad hoc fighting organisations, strike committees, unemployed organisations, ranks and file organisation in the unions to fight sell-outs. As a focus for all this we need committees of action to link delegates locally from all the different struggles. And once again we need a new working class party - and a revolutionary strategy to put an end to capitalism and its crises for good.

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ECONOMIC CRISIS: WE WON'T PAY

Labour's workfare plans blame the jobless for the recession

The economic crisis is causing workers to suffer and is turning thousands out of their jobs. **John Bowman** reports on Labour's attitude towards the growing unemployed in Britain

Unemployment is set to rise further as the British economy shrank 0.5 per cent between July and September. *The Times* estimates that 600,000 jobs in the financial sector are at risk, with investment banking giant Goldman Sachs reporting that it is to reduce its 32,000 work force by 10 per cent. The fall of Lehman Brothers has already seen them lose 750 workers.

Thousands of posts in Lloyds TSB and HBOS are under threat, including many low-paid administrative and call-centre workers, particularly in Scotland and the north of England. In towns such as Halifax, where major financial institutions dominate the local economy, any layoffs will damage the local community.

But it's not just finance jobs which are under threat. The CBI estimates that 23,000 manufacturing jobs at risk in the third quarter will rise to 42,000 by the end of the year as British manufactur-



Brown: Gives to the rich and punishes the poor

ers enter a recession.

Low consumer confidence is set to hit retailers, who expect a decline in non-food sales up to Christmas – for the first time in 10 years. As the bank bailout results in an unsustainable treasury deficit and councils are left with their budgets frozen or worse in Icelandic banks it looks likely that public sector jobs too are threatened.

Labour's attitude towards the increasing number of unemployed is to place them where possible in US and Australia-style "workfare" schemes – they must work in order to claim benefits.

Their latest plan, expressed in a green paper entitled *No one written off: reforming welfare to reward responsibility* by James Purnell, outlines a plan called the "flexible new deal" to force the young unemployed to accept jobs allocated by a private employment agency – or face their jobseekers' allowance being docked.

This will result in "performance" related targets driving agencies to put young people in any job, no matter how unsuitable. The proposal also forces young people to undertake work placements for no pay or face their benefits being withdrawn. After the new deal finishes, claimants can be made to carry out community service work in order to get their £60.50 per week benefits – the result could be work-

ing for £1.51 per hour!

At the Labour Party conference this year, Brown spoke out against "something-for-nothing society" and "those who take more out of the system than they put in". As ordinary people lose their jobs the government has made it clear that they themselves will be blamed for the economic crisis.

We should resist every attempt to slash social security benefits, and to stigmatise the "lazy" unemployed. The bosses will use insecurity at the number of jobless to set those of us who are still in work against those of us who aren't, and drive down wages and conditions. To stop this in its tracks, we need to make the unions fight back and build an unemployed workers' movement – and demand a 35-hour week with no loss of pay to share out the work and stop job losses. Companies that say they can't afford this should be nationalised under workers' control. We won't pay for their crisis!

Hands off workers' pensions

Having enough to live comfortably has become a real worry for thousands approaching retirement in the UK.

There has been pressure from several advisory bodies, employers and the government to move towards "defined contribution" schemes (personal schemes valued in relation to fund investment returns). The "defined benefit" schemes, which pay out more, have come under constant attack.

This is about to hit older people hard. Some of those about to retire have seen their pensions decline in value by up to 30 per cent due to massive stock market and property price declines in the past year.

Royal Mail staff, many of whom undertake strenuous manual work for very low pay, are particularly wor-

ried as the company announced a £4 billion pound deficit in its pension fund. Communication Workers Union (CWU) members fought a hard struggle, only to find their leaders accept a reduction in the value of their pensions last year, including an increase in the retirement age. Younger workers had to accept defined contribution pension schemes – putting their retirement at the mercy of the stock market.

Last month there was a concerted attack in the media on public sector pensions. A queue of "experts", right-wing columnists and MPs used the press, radio and TV to complain about ordinary tax payers having to pay for huge pensions of top civil servants and MPs.

Of course they didn't actually want to blame top civil servants and MPs. They were targetting the army

of low paid civil servants and local government workers who have a decent pension as a reward for working for such poor wages.

Public sector pensions will be under attack in the coming period as the bankers and their friends try to make us pay.

Making this even worse is the fact that the energy companies are freezing the elderly to death with fuel price rises of up to 40 per cent in London, while awarding shareholders £1.6 billion in dividends, up 19 per cent from last year.

After the TUC and Labour Party conferences, Gordon Brown and Alistair Darling refused point blank to put a windfall tax – less so nationalise – the utilities who are continuing to put profit before pensioners.

It seems they can spare billions to bail out the banks, but not to keep

our elderly and most vulnerable from being forced to choose between heating and eating.

Pleas from the Labour government that they will lift pensioners suffering from the credit crunch out of poverty with initiatives such as pension credit, housing benefit, council tax benefit and carer's allowance holds little weight with campaigning groups for the elderly.

The complexity in applying for these means-tested benefits results in many pensioners failing to claim them. The unions must fight for a universal living state pension linked to earnings. All existing private and occupational pension schemes should be unified into a single, state-guaranteed pension fund, with any deficits paid for by taxing the rich.

• For more on pensions go to www.workerspower.com

ECONOMIC CRISIS: WE WON'T PAY

Fight back against twin evils of unemployment and inflation

By Marcus Halaby

According to a BBC survey, food price inflation is slowing down, with consumer inflation predicted to fall from its September high of 5.2 per cent to one per cent next year.

The bad news is that if this happens, it will only be because the now-inevitable recession will put so many people out of work that people will cut back on their spending. The fact that UK food sales have fallen for the first time since records began in 1986 is an alarming indicator of this. While most people are buying cheaper alternatives or switching to supermarket own-brands, other people are just eating less.

In fact the Bank of England seems so confident that recession and unemployment will drive inflation out of the system that it looks set to cut interest rates to two percent – the lowest in its 300 year history. This measure, which would normally risk raising inflation, will instead cut the incomes of pensioners who rely on the interest on their savings to make ends meet.

And, of course, even if prices stop



Police attack hunger marches in UK in 1931

rising, they have still increased massively and wages have risen by nowhere near as much. Food prices have risen by about 10 per cent over the past year – even if the prices of some food items are falling.

Energy bills have risen on average by between one-third and one-half. Even with oil falling from \$140 to \$80 per barrel in the space of four months, the “big six” domestic energy suppliers have been much slower to cut prices than they were

to raise them. And while the petrol price wars between the supermarkets may have brought pump prices back to £1.20 per litre, this is still well above the £0.90 they were at in the first quarter of 2007.

The fact is that without a fight back, working class people will be hit whatever happens. Inflation will see them pay for the crisis by making the cash in their pockets worth much less; while more “stable” prices will be of little help to those

whose joblessness makes deflation possible. We need to act now to prevent the bosses from using a climate of insecurity to attack our jobs and incomes.

The first obvious step is to organise protests against the companies whose price hiking has hit people the most – the supermarkets and the gas and electricity companies. The government should be forced to stop them keeping food and energy prices high, nationalising them if necessary.

Similarly, no one struggling with high prices and stagnant wages should have to lose their homes as a result. It should be a scandal that banks that came to the state cap in hand for cash are repossessing people's houses, with state-owned Northern Rock among the most aggressive.

We should also fight for a sliding scale of wages: every one percent rise in prices should lead to a one percent rise in wages. The public sector workers' struggle against Brown's miserly two per cent pay rise – a real three per cent pay cut – should become starting point for a generalised fight back against the bosses' attacks.

Local services under threat as councils' money frozen in Iceland

As council tax revenue is gambled; workers must fight to stop public services cuts, writes **John Bowman**

Councils across the UK stand to lose over £1 billion as it was revealed that many had placed their budgets in failing investment companies and Icelandic banks. Among the worst effected are Haringey, with potential losses of £37 million, Nottingham City Council with £41.6 million and Kent standing to lose £50 million. Some smaller councils like Cheltenham have seen more than fifth of their reserves disappear, while district councils have also reported being badly hit.

Many have warned of serious cut-

backs if the government does not step in.

Councillor Mike Buttery of Reigate & Banstead Borough told a local newspaper that cuts in jobs, services along with tax rises were a serious possibility.

No wonder then that many residents are hopping mad at the fact that their taxes have been gambled on high risk investments.

Many councils are now under investigation for breaking their own investment policies, having been persuaded by financial management firms prioritising returns

over security – with residents now paying the price. But to make matters much worse, the impact of the economic downturn on local companies has resulted seen revenues crash as business taxes have failed to come in.

According to *The Times*, an extra shortfall of £2.5 billion has hit UK councils as businesses have asked to defer or even refused to pay taxes. The culprits even include large chains like Woolworths, who are deferring their payments.

The effect of this loss of revenue in a very short time is less of a tick-

ing bomb and more like a hand grenade. Public sector workers, hospital patients and communities need to be on the lookout for attempts by both central and local government to make them pay for the banking crisis – and be ready to fight back. We also should mobilise to protect services.

The Labour government, which seems to have lots of cash to give to failing banks, should guarantee lost council deposits and revenues to prevent council tax rises and ensure that not a single service is cut.

INDUSTRIAL

Civil servants launch 12 weeks of strikes

Civil servants are among Britain's lowest paid workers. *Jeremy Dewar* reports on their fight for a living wage, starting with a 270,000-strong strike on 10 November

When Labour came to office, Gordon Brown & Co. promised us "joined-up government". Well, how can ministers make sense of this?

Case no. 1 When the treasury increased the minimum wage to a (disgracefully low) £5.73 an hour last month, at least six government employers had to grant emergency wage increases to escape prosecution for underpaying their staff.

Case no. 2 The Department for Works and Pensions is preparing to slash 12,000 jobs at the same time that an internal survey suggests it will need to take on another 2,000 workers to cope with the expected rise in unemployment.

But civil servants are used to this topsy-turvy logic. Passport office workers share desks with consultants earning up to £1,000 a week; work and pensions staff have to claim the same benefits they dole out in order to make ends meet; the tax office has had to suspend its own performance pay system because it would have exceeded the government's strict two per cent limit for wage rises.

Activists in the PCS union report that government workers are incensed by the hypocrisy of pouring billions into the banking system, while one in five of them earn just £15,000 a year. Job Centre staff start on just 13p above the minimum wage. Alistair Darling promised

to look into the plight of DWP clerks in the summer, but typically that was the last the union heard from him.

This strike is on because civil servants have no choice. They have to fight.

Strategy

So why did the PCS only secure a 54 per cent majority for strike action on a 35 per cent turnout? Simply because many union members are losing faith in their leaders' ability to win. This month's strike comes almost exactly four years after the campaign for decent pay began. It is the third national strike – for DWP members, the 22nd time they've walked out.

Yet the union has secured precious few victories precisely because these strikes have been for one or two days at a time and spread out with months of inactivity in between, during which backlogs are worked off.

Even on the vital question of coordinating strike days with other unions, the PCS leadership is found wanting. The Socialist Party members who dominate the DWP executive refused to call out their members alongside local government workers in July; the PCS not only voted but SP stalwart John McNally actually spoke against the Prison Officers Association motion for generalised strike action at this year's TUC.

Activists in the PCS Independent Left, which broke from general secretary Mark Serwotka's Left Unity faction on the question of strike strategy, believe that this time they have the right tactics: one day national strikes bookending selective and regional walkouts.

While the precise details will only be decided after the 10th, *Workers Power* warns that only serious and escalating national strike action, coupled with a direct appeal to rank and file members – as well as leaders – of other unions to bring forward their claims and join in, will transform the dispute.

Can this be done? Yes, but it will mean electing strike committees in each workplace and linking them up locally, regionally and nationally to run the dispute. It will mean linking up with other public sector and fighting unions in every town and city to coordinate action on the ground. And it will mean launching a political challenge against New Labour – with a call for a new working class party, based on the unions and social campaigns.

If the strike on 10 November and subsequent action provides a springboard for such a new approach, then the PCS can become a vanguard union, leading others into class-wide resistance against the government, the bankers and the bosses.

NHS: pay dispute is back on

By Keith Sellick

Unite is balloting its 120,000 members in the NHS for industrial action. The ballot comes after the employers imposed a three-year pay deal of eight per cent over three years – barely half of the current rate of inflation. Even Unison leaders, who cajoled their members into accepting the offer earlier this year, are seeking to re-open negotiations on the deal.

Union activists told their leaders during a series of countrywide meetings that they wanted action. Dave Fleming, Unite leader in the health service, said: "In all the meetings we have held so far, the feedback from the members is all about how we can take industrial action... we are confident of a decisive 'Yes' vote."

The move comes after members rejected

the derisory offer in June with 95 per cent voting against, had a day of action on 18 July, and petitioned nationally to reopen talks. All ignored by the NHS bosses.

Unite with Unison

So plenty of enthusiasm for action. But it has taken four months for the union leaders to have another ballot for action.

Likewise, Unison's Karen Jennings, who signed off the deal in the spring, claims "No one expected inflation to rise so fast." Really? Inflation has been above 3 per cent and consistently rising since May 2006. Why do we pay these bureaucrats to ignore reality?

Unite workers in the NHS have shown tenacity to keep the pay issue alive. Now they must fight for the most effective form of strike action and argue for Unison members in healthcare to join them on the picket line and call for a fresh ballot.

Disunity at the

While Unite members in the NHS are balloting for action and Amicus and TGWU activists are linking up locally in the new union, there has been a fall-out at the top.

The merger will now take place officially on 1 May 2009, despite members of both unions overwhelmingly endorsing the fusion for this year. There is also to be a new election for Amicus general secretary.

Why have a new election when the unions are merging? Derek Simpson, Amicus general secretary, was supposed to retire in 2010 with Tony Woodley (head of the TGWU) going in 2011. Both are joint general secretaries of Unite – with the posts merging once Woodley goes.

But now Simpson wants to be head of the new super-union and his time at the top of Amicus extended. This has been rejected, partly because of a legal challenge by Respect member and union activist Jerry Hicks.

Instead the Amicus executive has delayed the

Council workers' leaders prepare to sell out

Despite impressive strikes this summer, local government unions are still asking their members to accept real pay cuts. *Keith Spencer* calls for a grassroots movement to take control of the dispute

We will need trade unions that can fight if workers are to resist the bosses' onslaught in the coming recession. Sadly, the local government pay dispute shows how the existing leadership of Unison is willing to do nothing to defend its members.

Council workers in England and Wales went out on strike for two days in July, forcing the bosses to say they were prepared to talk again. The Unison leadership then went on holiday for the whole of August before putting the claim into the Advisory Conciliation and Arbitration Service at the beginning of October. Finally on 23 October the two sides met.

While Unison's leaders wasted three months, the council chiefs showed more urgency by lining up some sweeteners. First they announced an extra £600 million to settle "single status" awards for underpaid women and manual workers; then they offered an extra £100 for the lowest paid local authority staff, making out these were "concessions".

But the employers have an obligation to pay women the same rates as male workers and a £100 lump sum for workers earning just above the minimum wage will be swallowed up by excessive fuel bills. The union should have exposed this as a cheap trick to disguise the fact that the bosses were trying to impose a real pay cut. Instead Unison's local government leader Heather Wakefield said:

"With Christmas just around the corner, 2.45 per cent will bring some comfort to local government workers struggling to cope with the rising cost of everyday essentials."

Wakefield has effectively condoned the council bosses' original offer with a few extra bits:

workers might get some trimmings this Christmas, but the bird in the oven will be a pigeon, not a turkey.

Meanwhile union leaders north of the border are trying to equal their southern comrades in timidity.

Scottish workers in Unison, Unite and the GMB held huge strikes in August and September. They rejected the employers' initial three-

year offer and their revised one-year proposal. And with more strikes planned in October, the dispute was coming to a head with the workers in a good position to get what they wanted.

Then the employers put forward a new deal and the leaders of the three unions – Unison, Unite and GMB – called off the strikes and agreed to talks. Dougie Black, Unison's lead negotiator said:

"I'm pleased that we now have a new offer: it is at a level – three per cent this year and 2.5 per cent for next year – that needs to go back to members to get their view."

Why? It is still far short of inflation and half the original claim of six per cent. Maybe the union leaders wanted a full set of rejections. Members had the sense to throw out the deal. But the cost was to postpone action and interrupt the momentum of the campaign.

All over the UK the militancy and enthusiasm of local government workers has been squandered and undermined by their leaders.

The coming recession will be far worse than anything experienced for many years. We will face cuts in services, more attacks on pay and many redundancies. The squandering of £1 billion in Icelandic banks by councils means that they will wield the axe again and again – unless grassroots activists can organise a movement from below to force the union leaders to fight – or lead a fight without them.

**Unison activists' meeting
Its time to reclaim our union
12-4pm, 22 November
British and Midlands Institute
Margaret Street, Birmingham**

A question of strategy

What is clear from all the coverage of on pages 6, 7 and 8 of this magazine is that the mainstream union leaders have a strategy: to disunite the strikes, to string out disputes and to limit the strikes to ineffective one-day protests.

Tony Woodley and Derek Simpson of Unite, Paul Kenny of GMB and Dave Prentis of Unison hope this will demoralise members so that they will accept the first offer on the table – and Gordon Brown will not be troubled.

Rank and file members from across the unions need a movement to put in place another leadership and strategy:

- **Sharply escalating action – up to and including all-out indefinite strikes**
- **United public sector strikes to defend pay, jobs, services and conditions**
- **Directly elected and accountable strike committees to run all disputes**
- **A new, mass working class party to make the bosses pay for their crisis**

top of Unite

merger and called a new election for Amicus general secretary – with the hope that Simpson will be elected and so be able to replace Woodley as head of the merged union.

While these bureaucratic manoeuvres are played out, the rank and file are fighting back against wage cuts, slashed services and jobs losses. Why aren't the union leaders discussing and coming up with a plan to lead their members to victory?

The left in Amicus should use the election for general secretary to rally forces to challenge Simpson and this should include campaigning for a strategy that can beat the bosses' offensive and start building a united left in the merged Unite.

• **Meeting to discuss standing a left candidate for Amicus general secretary
12 noon, Saturday 1 November
County Hall, Preston, Lancashire**

Bus drivers kept waiting

By Jeremy Dewar

London bus drivers are furious that their bosses have used anti-union laws to get their action called off. The strike by 14,000 Unite members, scheduled for 22 October, would have crippled the capital's transport system, especially as it was designed to coincide with a stoppage on the tube.

How dare millionaire bosses, corporate lawyers and high court judges stop workers exercising their democratic right to strike? Not one of them could drive a bus through London's streets – let alone live on a bus worker's wage.

Unite is demanding £30,000 a year for all drivers, who are on vastly differing wages 15 years after privatisation. Many have already taken strike action, with hundreds staffing militant picket lines, in an escalating cam-

paign.

Although the mood among drivers remains buoyant, this setback was totally unnecessary. What do the union officials think would have happened if they had defied the courts and gone ahead? If judges had confiscated union funds and locked up union leaders, while bankers use taxpayers' bailout money to award themselves bonuses – there would have been a riot.

Strike action – bring it on!

Bus drivers must take back the initiative and demand the strikes are reinstated. There is no need to reballot – over 90 per cent of members voted for action and still support action. But this time the strike must be under the control of rank and file union members – not officials, who run a mile as soon as a judge bangs his gavel.

PRIVATISATION OF ROYAL MAIL

Mandelson prepares first sell-off

Will Labour try to raise cash to pay for the bank bailout by selling off Royal Mail? A CWU rep says that a national all-out strike is the best way to stop them

Peter Mandelson, Labour's new business secretary, has come out in favour of the part-privatisation of Royal Mail, the first time a government minister has stated this openly. He added that, as trade and industry secretary in 1998, before he was forced to resign, he wanted the 100 per cent state-owned postal company "to be progressively private, even if initially part stayed in the government's hands", a warning that this would be a step to wholesale sell-off.

This comes after Labour Party conference in September agreed a statement that it supported a fully nationalised Royal Mail. However, the conference also voted in favour of a windfall tax on energy companies, only to see Labour ministers tell journalists that the government would continue its current policies regardless of the vote, so it is clear that resolutions in this party are not worth the paper they are printed on.

It's not as if the postal service was inefficient or losing money either. Royal Mail has just announced a £177 million operating profit for first half of year, doubled from last year, with letters (delivery) securing £46 million alone. If Lord Mandelson - dubbed the "Prince of Darkness" when he was last in the cabinet - was capable of blushing, he would now.

The head of Postcomm, the postal market regulator set up by Labour, also called for part-privatisation in May. Meanwhile the Royal Mail board wants to sell shares to raise private capital and has embarked on a programme of mail centre and delivery office closures, along with automation, that will lead to a jobs massacre.

Now these privatisers have been joined by Richard Hooper, the businessman in charge of



Peter Mandelson has been brought back into government to serve big business

the government's review of the post, due out in November. He warned last month that "Royal Mail's modernisation will be at the heart of our recommendations." Modernisation is spin for cuts to the workforce and to the service the public receives.

Hooper said the company must gain the capital it needs to update its services, which, given the government's massive debts from bailing out the banks, will almost certainly mean recommending private funding. Second, he claims Royal Mail will need to "remove costs" by closing mail centres and delivery offices.

This lines Hooper up with Royal Mail's current plans to close up to ten mail centres and many delivery offices. Ironically Billy Hayes, general secretary of the Communication Workers' Union, praised Labour for setting up the Hooper review as a way for the union to influence government policy. The appointment of Mandelson and Hooper's tacit support for Post-

comm's policy of cuts and shares shows that how dangerous it was to peddle illusions in New Labour.

The vultures are circling to carve up Royal Mail. CWU leaders must act immediately. This year's union conference called for a ballot to strike against closures and pension cuts. Another motion demanded a 35-hour week with no loss of pay. Both have been ignored up to now, as officials have held out for talks with Royal Mail - despite the company refusing to discuss, let alone compromise on its plans for closures and cuts.

The union has finally agreed to ballot all areas affected by mail centre closures. Activists need to get the vote brought forward and draw in as many offices as possible. For instance, York's second class mail has been transferred to Leeds for sorting, widely seen as step to closing the mail centre, so Yorkshire as a whole should be balloted for action now, rather than wait for the inevitable chain reaction.

The fact is that this a national attack. Branches should forward motions to CWU HQ demanding the whole union is balloted on all the issues facing us - jobs, closures, pensions, privatisation. A rank and file conference is essential to light a fire under them and force them to act - something this paper has argued for from the beginning.

With Hooper soon to report and the Brown government turning right and hungry for funds, it is five minutes to midnight for our industry. Placing ourselves alongside other public sector unions in struggle, such as the PCS, and linking our strike to an all-out struggle against privatisation is our best chance to stop the sell-off of Royal Mail.

Teachers: vote yes for strikes

By Bernie McAdam, Sandwell NUT

Teachers have another chance to fight the government over pay with a new NUT strike ballot that closes on 3 November. If successful we could build on the one-day strike in April that saw thousands take action, particularly many young teachers who walked out for the first time, and reinvigorated branches.

That came on the back of a ballot that saw a thumping 75 per cent majority in favour of a one-day strike. But, just like in other unions such as Unite and Unison, our leadership squandered the potential

of that strike in fruitless negotiations. So now we have to campaign for the biggest yes vote possible to resume the fight against the government's below inflation wage offer - that is, real pay cut.

Members may be more hesitant this time round as the effects of recession begin to bite with job losses and threats to school budgets. So why should teachers vote yes? Quite simply, we cannot afford another pay cut!

Teachers have already had three years of below inflation pay rises. Now the government expects us to endure another three years of pay cuts with their offer of 2.45 per cent

this year, followed by 2.3 per cent for the next two years. The retail price index is running at 5.5 per cent, while Even the real cost of living is rising much more steeply, especially for young teachers still struggling to pay off student debts. On top of this, we have increased workloads, unacceptable class sizes and the constant threat of privatisation via academy status.

We have to act now and turn this generalised anger into action. Let's strike to win this battle and not accept a deal that would leave us with pay cuts for the next three years.

We should also insist that the

action is quickly and sharply stepped up. An all out indefinite strike would be best. Long running disputes do not often win; they allow union leaders to delay and demoralise. Rank and file teachers should respond by electing strike committees in every school and fighting for control of the dispute.

The banks and the financial system caused the credit crisis, not workers. If Brown can bail out the banks with our money then he can safeguard our wages from inflation. We must send out a strong message that public sector workers will not pay for the recession.

REPORTS

Leeds anti-fascists shut down neo-Nazi demo

By Richard Bury, Leeds REVO

On 18 October the neo-Nazi British People's Party (BPP) planned to demonstrate in Leeds city centre outside HMV against "racist" black rap music. They were calling for "rights for whites" and on the store to stock "White Power" music. Anti-fascist activists from many different organisations, including Workers Power and REVOLUTION, organised a counter-demonstration to shut it down.

The two anti-fascist demonstrations planned to converge together where the BPP planned to rally. The university demonstration set off at 10.30am and once it arrived in the

city centre, police attempted to channel demonstrators into a pen. If this had happened the BPP would have been free to hold their rally. But we anticipated the police tactics and pushed through their lines, forcing our way to HMV where the fascists planned to leaflet, holding this position for an hour in the face of police brutality. One young woman was hospitalised after being hit in the eye with a baton.

Eventually, after a struggle, they forced us back. Contrary to their original plan, they now had to block both the top and bottom of the street - keeping members of the public from coming through. The shops had shut and we had dug

in. We kept the chants going, as we had been from the beginning - "Fascist Scum, Off Our Streets!" "Whose Streets? Our Streets!"

The fascists finally showed their faces at two o'clock, two hours later than they'd planned. Stuck into a tiny, metal-fenced pen, they began their demonstration - to nobody at all! There were just two crowds of anti-fascist protestors at either end, and hordes of police defending their "right" to protest. The fascists had nobody to leaflet, shout at or intimidate. After an hour, they left through a police cordon with their tails between their legs.

As the economic crisis deepens, with mass unemployment loom-

ing, the capitalists will look for scapegoats. Racially oppressed groups will all be blamed for the failure of the system. History tells us that in times like this fascism becomes a threat to be taken even more seriously. Whilst, the BPP are tiny it was important to shut the demonstration down, so that they think twice when try to organise racist rallies in the future. But the big threat is the British National Party, who have the same neo-Nazi politics but attempt to disguise it with a "nice" façade, and they are consequently a growing threat in Britain. They need to be treated exactly the same as the BPP: no platformed.

Interest in Marxist theory as economic crisis bites

By John Bowman

Workers Power and REVOLUTION, the socialist youth group, held several meetings at universities at the start of the new term with Richard Brenner, author of *The Credit Crunch - A Marxist Analysis*. They were very successful with lively discussions involving many students who had not come to a socialist meeting before.

At University College London forty people attended - the room was so full that many people had to stand or sit on the floor. At Leeds University some 50 people attended, including workers who had seen the meeting advertised in town. At the London School of Economics, 15 people came, including a journalist from Swiss radio that interviewed Richard after the meeting. Already lots of copies of the books have been sold with similar meetings in the pipeline at the University of Sussex and Oxford. It was great to see so many people who were new to Marxist ideas and often new to politics in general pack into the meetings. The discussions were lively as a result.

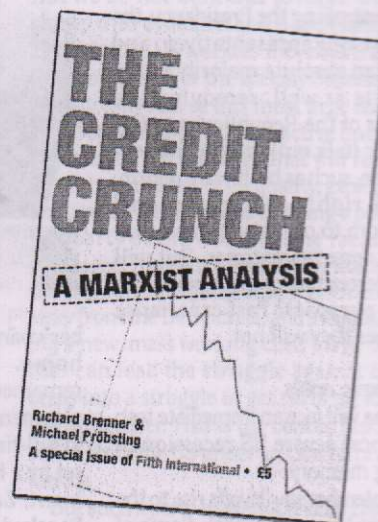
At Leeds and UCL there were friendly but tough arguments with defenders of capitalism on the one hand, fighting with us socialists, on the other. It's interesting they felt the need to come along to a left meeting and defend the system against its critics. Other questions that kept coming up were: what's your alternative? How is the nationalisation you propose different? And, didn't socialism fail in Russia - how is what your saying different? In short - exactly the questions Marxists need to be answering.

A panel discussion on "Marx and the Credit Crunch" was also hosted in London by a new group of activists called the Public Reading Rooms. Chris Harman, editor of the *International Socialism Journal*, István Mészáros author of *Beyond Capital* and Richard Brenner all spoke at Conway Hall in front of around 200 people. All the platform speakers agreed on the serious nature of the recession and the need to prepare the working class fight against the crisis being taken out on us.

Unfortunately, many of the contributions from the floor were quite poor, either completely off topic

("why you need to defend the revolution in Cuba") or just plainly unconstructive and sectarian ("don't listen to Chris Harman because he's in the SWP"). One contribution that was on topic, was Stuart King's from Permanent Revolution who, in an admirably brave intervention, argued that capitalism is currently in a "long upward wave" and that the Credit Crunch is a relatively minor dip in the overall pattern of world capitalist growth. This opinion was easily put down by the panellists in their summing up - only Stuart King and his collaborators in PR still deny the seriousness of the crisis.

There was also a good exchange between Chris Harman and Richard on the strategy of the left. Richard put the case for a new workers party, while Chris Harman questioned whether this was practical - in fact, accusing Richard of "being abstract" - and argued the first task was to build "networks of socialists". Important as networks of socialists are, do they not need to have a strategy and perspective? And should-



The Credit Crunch - A Marxist Analysis is available from shop.fifthinternational.org

n't a break with Labour and a new workers' party form part of it? Again this is an important debate that we need to continue in the movement.

All in all, it is clear socialists have great opportunities in the period ahead. Comradely debate and unity in action will be key to success.

US ELECTIONS

Can America's first Black President change society?

As the country slides into recession, with banks in crisis and a stock market in freefall, a victory for the Democrats looks certain. *Andy Yorke* asks how socialists should respond to an Obama presidency

There will be huge celebrations if Obama wins. And these celebrations will be all the more intense given the oppression black people have endured in North America over hundreds of years.

Just think of the long years of slavery, Jim Crow, the civil rights movement and the systematic discrimination against US blacks to this day, and it is obvious why the entry of a black man into the White House will be met with an explosion of joy.

The Democrats are likely to win their largest victory since Roosevelt in 1932. They could end up controlling the Presidency, the House of Representatives, and have an absolute majority in the Senate as well, removing the power of the Republicans to filibuster (talk out) progressive legislation, such as healthcare reform, black rights or trade unions' freedom to organise, which they have done many times. But will the Democrats use this power for such purposes? Past experience teaches they will not.

Economic crisis

Obama will face an immediate test: the most severe US recession in living memory.

September saw layoffs rise to the highest level since 2001. Some of the biggest firms in their sectors such as Chrysler, Goldman Sachs, Xerox, Merck and UPS have announced big cuts in staff. The three Detroit car giants still employ 230,000 workers in the US but have shed 149,000 jobs since 2005, i.e. in the boom. Chrysler and GM are projecting losses of billions of dollars and are likely to merge with inevitable rationalisation and further job losses. The global slowdown has meant falling exports, so that 28 per cent of layoffs announced are in manufacturing.

Layoffs in professional and technical services, and finance also reached record highs as Septem-



ber's banking sector meltdown hit home. While unemployment remained at a 6.1 per cent unemployment this month, due to a fall in full-time employment being offset by a hike in part-time employment, Zach Pandi, economist at Barclay's Capital expects it to hit between seven and eight per cent by early next year.

In these conditions millions of workers and youth, as well as African-Americans, are pinning their hopes on Barack Obama and the Democrats. It is no accident that since the banking crisis hit, Obama has taken a clear and growing lead over the Republican's John McCain. It has risen to 8 per cent, according to an average of 16 polls (Bloomberg 25 Oct).

Obama's supporters claim theirs is more a movement than a normal campaign, bringing out unprecedented levels of voter registration and an outpouring of support and

activism from youth and the black community in particular. Four million new voters have been registered in 12 of the key battleground states alone, in a country of 96 million voters. Some are projecting historically high voter turnouts. In order to cope the polls have been opened early with queues already forming three weeks before the official election date of 4 November.

Most Americans, especially the working class and the poor, hope for a total change from the disastrous Bush government. Concretely this means immediate relief from the economic crisis with protection for their threatened homes and jobs. It could also mean, they believe, long awaited social reforms, like a health service covering the 43 million uninsured Americans, like the abolition of racist practices in the justice system for blacks, like an end to the persecution of "illegal" migrants.

Socialists do not believe that Obama and the Democrats – representatives of big business – will fulfil these hopes. Seven of Obama's top fourteen donors were Wall Street banks, including Lehman, Goldman Sachs and other parasites, and there is every reason to believe that he is completely tied to big money. But socialists do understand why millions of people have high hopes for Obama, and we do not just dismiss these hopes. Instead we want to convert passive hopes in Obama into an active campaign for clear and precise demands for radical change, for measures that do not unload the cost of the crisis on the workers and the poor but onto the rich.

Republicans play racist card

As their desperation has increased, the Republicans have turned to outright lies, whipping up a lynchmob atmosphere at rallies. McCain is a relatively liberal Republican on

domestic issues like abortion, immigration – issues that alienated many of the right wing in his party – but he turned to the right-wing evangelical governor of Alaska Sarah Palin as his Vice Presidential candidate. This boosted his support for a few days before Palin's unsuitability became apparent and the crisis hit. Desperately, Republican TV adverts and automatic phone calls have blasted the airwaves with the line that Obama is a closet socialist and has "worked with terrorist Bill Ayers" the ex-Weather Underground member turned Democrat.

Unofficial Republican blogs keep up the propaganda that he is a secret Muslim. McCain-Palin supporters at their rallies were calling Obama "babykiller" and "Osama [bin laden] without the S." At one Palin rally, the mention of his name led to the crowd baying "terrorist" and even "kill him." Moreover when Obama challenged him on this McCain replied: "I'm proud of the people who come to my rallies."

This is the flipside of the outpouring of popular hope that Obama has harnessed, and shows the growing polarisation in US politics.

Obama has focused his now immense resources on the "swing" states, all of which went to Bush in 2004. His campaign raised a record \$150 million in September alone, while McCain has a maximum of \$84 million he can spend in the last two months due to his acceptance of state funds. In the last month, Obama has upped the ante, challenging McCain in traditionally Republican states such as Virginia, Florida and North Carolina, saturating the airwaves with his adverts. The Democrats are outspending the Republicans by four to one in the elections for congress too, aided by the massive voter registration.

The Republicans are fighting back as only they know how, by illegally forcing tens of thousands of eligible voters off the electoral rolls. The *New York Times* reports that in at least nine states, Republican administrations are blocking them from registering. The aim is to depress the black, young and working class turnout, repeating the swindle of the 2000 stolen election by Bush.

Obama or McCain, workers struggle

While the camp of Obama is filled with people who hope for change and democratic reforms, that of McCain is full of people haunted by racist paranoia and religious bigotry. But is there a big difference in what the two candidates promise or what they would do if they won?

In reality Obama's programme was minimal even before the crisis deepened and now he argues that he will not be able to do all he promised.

His promises were small tax cuts for "working families" and retired workers, along with "affordable" not free health-

care. Where the money for this would come from, when he has also promised to balance the budget, remains unanswered.

Health campaigners like Michael Moore claim Obama's health care plan would leave as much as a third of those currently uninsured still lacking coverage. Instead of a single-payer plan, i.e. state funding, he proposes a government-supervised marketplace in which Americans could buy insurance, mostly from private companies.

In terms of funding reforms Obama would be hemmed in by the Federal debt that, after Paulson's Plan, will reach 70 per cent of gross domestic product and take the annual budget gap to an all-time high, possibly exceeding \$1 trillion next year.

Build a movement

The war and occupation of Iraq will be another litmus test. Obama owes a large part of his initial popularity to the fact that he voted against it. But since the November 2006 Congressional elections, which gave the Democrats control of both Houses of Congress they have voted for funds to extend the occupation at least three times. Obama has voted for this every time.

The peace candidate claim does not stand up to scrutiny. He will keep the "military option" open for an attack on Iran, while engaging in "tough diplomacy" (otherwise known as threats. He will to maintain non-combat troops and bases in Iraq in order to fight "terrorism" And those troops he withdraws from Iraq (within fifteen months) he will send to fight in Afghanistan.

US workers face a disastrous decline in their standard of living if they are not able to mount a successful defence of jobs and homes. The demonstrations against Paulson's \$700 billion "big bailout" of the banks show what needs to be done faced with these attacks; get out on the streets and give a focus to the anger.

US workers, African-Americans, Latinos and youth need to organise a mass movement saying we will not pay for the bosses' crisis. They should demand that Obama guarantees all workers unable to pay their mortgages will not be turned out of their homes. They should demand that Obama and the Democrat majority in congress – having taken millions in donations from the AFL-CIO and Change to Win union federations – immediately repeal the 1947 Taft Hartley Act and all federal and state laws standing in the way of mass unionisation of millions of workers. The unions need to launch a mass organising drive, especially in the Southern states.

Unions and community organisations should demand a health service for all, free at the point of use and paid for from the profits of the corporations, first among them Big Pharma, and from mas-

sive taxation of the super rich.

Mumia Abu Jamal should immediately receive a presidential pardon. The 500 detainees remaining in Guantanamo Bay should be released and the Patriot Act should be repealed in its entirety. The death penalty should be abolished and gross racial imbalance of the judiciary, the district attorneys and the jury system should be remedied by the speediest action.

American troops should be brought back immediately not only from Iraq but from Afghanistan. Obama should end support for Colombia's death squad regime, the 46-year blockade of Cuba and the role of US embassies in fomenting coups. Not just the banks should be nationalised but all firms declaring redundancies and their workers jobs guaranteed

The Democrats' massive campaign contributions from banks and big business, their ultra-loyal role in the Wall Street bailout, Obama surrounding himself with neoliberal economists and the foreign policy establishment – all this shows that the Democrats are merely the second capitalist party of the US ruling class.

New workers' party

Millions of Obama's supporters will face disillusionment in the months and years ahead as a result of his actions or inaction. But we do not want this to mean their slump into cynicism and hopelessness. Those in the US workers movement and the movements of the racially oppressed who already realise this must urge those who yet do not to become active but for themselves, for solutions that will really solve the problems of inequality, exploitation, racism. This means building a political party of the workers, the racially oppressed. It means breaking the unions, the antiwar and immigrants' movements, away from the Democrats, and into building a new, mass working class party, one that can lead the struggle against the crisis into a struggle to get rid of capitalism altogether. This is the central task of socialists in the US under an Obama presidency.

But such a party must not end up copying the reformist labour, social democrat or socialist parties of Europe that are today implementing cuts and neo-liberal policies. Any US reformist party would soon be cajoled and coerced by Wall Street and big business into attacking the working class and migrants, just as the British Labour Party is doing. What US workers need is a revolutionary party founded upon a transitional programme. The present crisis shows the inability of capitalism to meet the basic needs of the masses in the US and the weakening of US hegemony. This opens up the possibility of just such a development.

For more in-depth coverage of the USA: <http://www.fifthinternational.org/index.php?usa>

SCOTLAND

Can Scotland go it alone?

The Scottish nationalists are riding high in the polls. But, writes *Jeremy Dewar*, the SNP's claims that an independent Scotland would bring prosperity to all have taken a battering

The Scottish National Party, under the leadership of Scotland's First Minister Alex Salmond, has built up its support since devolution by appealing to disillusioned Labour supporters on the one hand, and forging a close relationship with Scottish capitalists, like former Royal Bank of Scotland chief George Mathewson and Stagecoach head Brian Souter, on the other.

The party has skilfully used the parliament at Holyrood to introduce policies that appeal to workers – abolition of the council tax and student fees, free central heating installation for pensioners, opposition to PFI and nuclear weapons – while adopting the neoliberal programme of financial deregulation, tax breaks for business and the ruthless promotion of Scottish corporations at home and abroad.

Salmond nicely summed up this unhappy mishmash when he said in an interview in *Total Politics* that Scots “didn't mind the economic side [of Margaret Thatcher's policies] so much. But we didn't like the social side at all.”

The usually media-savvy leader rushed to retract his comments, but the cat was out of the bag. The policies that ripped the heart out of Scotland's steel industry, shipyards and mining communities and imposed the hated poll tax were economically sound, Salmond claimed, they just could have been implemented in a nicer way!

Try as Salmond might, it is rarely possible to keep the bosses and workers happy – helping one usually means attacking the other. In times of economic crisis, this is doubly true.

The SNP and the crisis

The SNP has pointed to an “arc of prosperity” covering Ireland, Iceland and the Nordic countries, claiming that an independent Scotland could join them. The nationalists also cite globalisation as the economic environment within which small nations could flourish. They argue North Sea oil and Scotland's financial sector could help finance the country's



Alex Salmond's vision of independence is now looking out of focus

service sector while employing a skilled workforce.

The current crisis has, however, blown this economic model to pieces. The *Daily Telegraph* even described the “arc of prosperity” as an “arc of insolvency”. First Denmark, then the “Celtic Tiger” Ireland slipped into recession in 2008. Then Iceland went bankrupt.

Next the price of oil, which seemed to rise indefinitely during the boom, plummeted as demand contracted in readiness for a global downturn. And soon after that, Scotland's HBOS collapsed, leading to its emergency takeover by Lloyds TSB, while Mathewson's RBS was effectively nationalised when Westminster bought a 63 per cent stake in it.

Salmond's globalisation is in crisis and the SNP's vision of prosperous independence suddenly looks out of sync with reality. Salmond's independent Scotland could probably find the money for its own bank bail out if needs be. But it would be just as reactionary as Brown's – socialising the losses to save the system so that at some point in the future the profits could be privatised again. And, like Brown's bail out, a Salmond bail out would mean

cuts in the welfare services on which Scottish workers depend and attacks on workers in the public sector too.

The fact remains that most Scottish workers are still not in favour of independence. A recent YouGov poll said that those wanting independence now were outnumbered by 34 to 50 per cent. But the same people, when asked whether they would feel the same if there was a Tory government in Westminster, voted 50 to 41 per cent to abolish the Union.

Many Scottish workers still remember the 18 long years of Conservative rule. Even the prospect of a new Tory government clearly makes them more inclined towards independence.

But there is ultimately little difference between the SNP and Tories. Both put the interests of capital before workers. True, the SNP is promising to abolish the hated council tax and replace but they plan to replace it with an extra 3p on income tax that will hit workers.

Even more revealing is the fact that the SNP has refused to make more revenue available to pay local government and Holyrood employ-

ees a decent wage. Instead it is pushing through a pay cut and facing down workers, who have mounted two huge strikes in the last three months.

Class struggle not nationalism

For socialists our starting point must be the class struggle of the workers against the bosses regardless of their nationality. We must fight against the public sector pay cut, for example, across Britain, mobilising workers regardless of their nationality or, for that matter, ethnicity to defeat the government.

At the end of the day, all nationalisms peddle the lie that workers live in one big family with “their” ruling class. The only family the Scottish workers are part of is the international working class, including their sisters and brothers in England and Wales.

We must oppose Scottish independence, campaign against it in any referendum and reject all the nationalist rhetoric attached to the demand for it. By encouraging nationalism and damaging international solidarity independence would weaken the class struggle.

The Scottish ruling class, having led their nation to independence, would be in a stronger position to demand sacrifices from workers in the early years of building the new state. The Scottish workers, to the extent that they saw themselves first and foremost as Scots rather than members of the working class, would be disarmed in the face of appeals to unite behind the Saltire.

But it would be undemocratic and self-defeating to oppose a referendum. Socialists should be in favour of an immediate referendum – posing the question of full and unconditional independence clearly and unambiguously. We have no interest in preserving the British state against the wishes of a majority of the Scottish people. If they so decide, even by the smallest majority, then all democrats should take action to ensure their wishes are immediately respected.

ECONOMY

The Great Crash of 2008

- **The credit crunch is deepening**
- **A synchronised global recession is in progress**
- **Underdeveloped nations face bankruptcy**
- **Global organisation is needed to resist global offensive**
- **Capitalism's discredit is socialism's historic opportunity**

By Richard Brenner

Trillion dollar failure

After the biggest financial crisis since 1929 came the biggest ever bailout of the banks.

It didn't work.

Capitalism is still facing what Charles Bean, Deputy Governor of the Bank of England, called a "once in a lifetime crisis and possibly the largest financial crisis of its kind in human history".

Despite pouring more than \$2 trillion into the banks in October 2008, governments in Britain and America failed to unblock credit markets.

The scale of the rescue operation was awesome; the landscape of the global finance system has been reshaped. The US investment banks (once dubbed 'Lords of the Universe' by fawning City journalists) have gone under or been swallowed up. The US government now owns the biggest insurance company in the world and the British state has taken huge shareholdings in all its High Street banks.

After the biggest financial crisis since 1929 came the biggest ever bailout of the banks. It didn't work.

The Governor of the Bank of England, Mervyn King, with staggering *chutzpah*, calls on the banks to ask the government for 'more than they need' to restore flows of credit and investment. Imagine how long he'd have kept his job if he'd called on NHS managers to ask the government for 'more than they need'!

Trillions of dollars paid out of workers' taxes.

The BBC estimates that the total cost of the global bank bailout is a breathtaking £5 trillion: one sixth of humanity's total output in a year.

One day soon, someone will calculate what that could have been spent on: what it would mean in hospitals expanded, schools re-equipped, cataracts cured, pensions secured, flood defences repaired, access to clean water

assured, homes built, living standards protected. How many who live in poverty could live in decency; how many sicknesses could be cured; for how long could shortened lives be extended; how much senseless drudgery could be converted into blessed free time if only that sixth of humanity's annual labour were applied for genuine human ends.

Never again let the capitalists and their governments put us on rations with the penny-pinching lie that 'the money isn't there'. It is there. It is being hoarded by private institutions awaiting more profitable times.

Because right now, at the same time as one in every six pounds' worth of every human being's labour is being handed to private banks by our trusted political leaders, those self-same banks are still 'deleveraging' – withdrawing loans, sitting on cash and refusing to lend to one another and to consumers.

Inter-bank lending rates – the price banks charge each other for cash – remain historically high. By 23 October tension in credit markets was even worse than at the height of the credit crunch last year, with the iTraxx index – which measures 'investment grade' debt – breaching even the record levels reached only once before, at the time of the US bank Bear Stearns' collapse.

For a few days after October's trillion-dollar bailout the bankers were sitting pretty. They told themselves that the 'courageous' action of the central banks and governments had saved the financial system.

But then news quickly emerged in the week commencing 20 October of the scale of the recession that is about to hit on both sides of the Atlantic. And of how it is punching a hole through the economies of nearly every country in the world, bringing mass unemployment, poverty, hunger and instability in its wake. Stock markets, initially buoyed by the bailout, dived like screaming Stukas.

On Thursday 23 October a profits warning from Sony sent Japanese shares into a full-scale crash. Asian stock markets followed like dominoes. On the morning of Friday 24 October – dubbed 'Black Hole Friday' by the *Financial Times* – shares plunged by around 10 percent on stock exchanges in London, Paris and Frankfurt. On Monday 27 the carnage continued, with a 12 percent fall in Hong Kong, an even bigger fall in the Philippines and the Japanese stock exchange's weakest closing since November 1982.

There's no getting away from the fact that, by any reckoning, this was a historic global stock market crash. October 2008 may turn out to

"Investors are finally realizing that a severe US and Eurozone and G7 and emerging markets and global recession is coming and will be deep and protracted."
- Nouriel Roubini

be the biggest ever global fall in share prices over a single month.

New York University Professor of Economics Nouriel Roubini said: "There is a free fall as most investors are rapidly deleveraging and we are on the verge of a capitulation/collapse... while panic and destabilizing market dynamics is the driver of financial markets even economic fundamentals are awful as investors are finally realizing that a severe US and Eurozone and G7 and emerging markets and global recession is coming and will be deep and protracted."

Fundamentals unsound

Bank shares got it in the neck, of course. Yet at the same time the 'awful' fundamentals were sickeningly clear, spreading the seismic devaluation from finance to the 'real economy'. Rumours swept markets that flagship US auto manufacturer General Motors was about to file for bankruptcy, causing a sharp sell off of shares in car companies. Ford lost more than 9 percent over fears for its solvency. Volvo lost over 20 percent of its value as news came out that orders for its trucks from Western Europe had gone from nearly 42,000 in this quarter a year ago to 115 in the same period this year.

Not 115 thousand: 115 trucks.

The global economy's downward plunge is massively reducing demand for raw materials too. So the price of oil, which soared this year

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to \$140 a barrel, dived back down to \$63, in anticipation of a serious downturn in production. No surprise then that companies around the world are issuing profit warnings, including Daimler, Renault, Air France and Hannover Re, or announcing job losses, like Italy's Unicredit or German company Henkel. Of course the selfsame manufacturing and trading 'real economy' companies that insisted they would not be affected by the crisis 'in the finance system' will now bitterly blame 'finance capital' for destroying their 'productive' businesses.

The Credit Crunch and its impact on the real economy is a simple phenomenon: as profit rates and wages decline around the world, the banks charge companies more for their loans to ensure that falling profits are compensated by a higher percentage return.

When capitalists complain that this expression of the 'laws of the market' leaves them bankrupt and demand to be bailed out with workers' money, the workers' reply should be the same, whether to a bank, a trader or a manufacturer: live by the sword, die by the sword. Your ruin is not our concern: we demand social ownership and democratic control of any business that makes a real difference to our communities, our loved ones and our lives, whether it is doing well or on its uppers. We workers already run production in every practical sense but if we owned it we could do it for the general need, irrespective of whether some gang of privateers can make a profit from it.

Nasty little island

Is Britain insulated from this crisis? Is it hell.

This island has an unbalanced econ-

omy skewed towards financial services like banking, insurance, stockbroking and derivatives trading (what Lenin called 'coupon clipping'), towards real estate, retail and leisure. With a credit intensity of GDP growth higher than almost any other developed nation, far from being in a strong position because of Brown's 'prudence', the UK is in an especially vulnerable position.

It's not because Brown has somehow spent too much money on working people's services, as the hypocritical Etonian Tory clique now claim. It is because of Britain's historic place in the world. Britain's pre-eminent role in the international finance system, is a privilege acquired from its one-time status as imperial overlord and the world's first developed capitalist power. Standing on the shoulders of its blood-soaked past, modern British imperialism continues to super-exploit less developed ('semi-colonial') countries around the world through domination of finance and unfair terms of trade, relying on its alliance with America for military muscle when protecting its interests around the world.

But US cluster bombs and Humvees won't protect Britain from this enemy: the unfolding of capital's contradictions has set in motion a global deflationary collapse and a bursting of the bubble of finance capital that is dragging Britain into a deep recession.

The UK economy shrank for the first time in 16 years between July and September 2008, a fall in GDP (output) of 0.5 percent (the sharpest fall since 1990). The underlying numbers painted a very clear picture of sharp contraction across the board.

In its biggest drop for 18 years the service sector – which, as a result of the decline of UK manufacturing, now accounts for around 75 percent of the UK economy – fell 0.4 percent. Leisure services like hotels and restaurants fell especially sharply, by 1.7 percent. Building fell by 0.8 percent and overall manufacturing fell 1 percent.

The *Financial Times* called the figures "terrible" and said they signalled a much deeper recession than had been anticipated. Ben Broadbent of Goldman Sachs said the collapse of the private sector makes the official GDP figure "even weaker than it looks". Mark Tucker of Prudential predicts recession for "the rest of 2008 and probably leading to late 2009, then seeing some sort of anemic slower recovery in 2010". While Andrew Witty of GlaxoSmithKline says "challenging times are going to be around for a few years."

Falling consumer spending will hit companies too. Signs of a really tight pinch on ordinary working class and lower middle class people are becoming more and more obvious. Home repossessions shot up by a startling 17 percent in the second quarter of this year. Mortgage lending has plunged to historic lows, as have figures for house sales, as the repossessions mount. The Council of Mortgage Lenders predicts that negative equity will affect 2 million people by the end of next year, leaving their homes worth less than they paid for them, stuck with mortgage repayments well above the real value of their homes.

This is the final act of the Great Housing Rip-Off that began with Reagan and Thatcher's 'home-owning democracy'. It developed through local housing stock privatisation and the deliberate restriction of social housing construction. It built steadily towards an orgy of self-satisfaction in the mid-decade speculative frenzy of estate agents and 'location-location' TV promotions. It then exploded as the overpricing of financialised housing debt was violently reacquainted with the underlying value of domestic rents, driven down by the falling real wages and living standards that really paid for the global credit boom.

What credit this does to Thatcher and Reagan and to their followers: Clin-

As profit rates and wages decline around the world, the banks charge companies more for their loans to ensure that falling profits are compensated by a higher percentage return

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ton, Bush, Blair, Brown. Can there really be 'no alternative' to this?

Submerging markets

Every policy response of the major capitalist governments and the central banks has met with a blessed sigh of relief from financial commentators and journalists, who declare with a striking mixture of absolute certainty and complete lack of evidence that this time the crisis is over. So it was after each of the Federal Reserve's interest rate cuts, each announcement of billions more for the banks, each nationalisation. Most recently, the trillions handed to the banks in the Paulson Plan and the Brown/Darling bailout promised to 'contain' the crisis.

Each time the hopes of the 'financial experts' are rudely dashed as capital's deep contradictions, and the pressure of fictitious interest-bearing capital accumulated over decades, continue to burst out in a geyser of devaluation.

The latest form the crisis has taken is especially sinister: a sweeping currency collapse bearing the risk of the imminent bankruptcy of underdeveloped capitalist nations which have over recent years been awarded the ideologically charged title of 'emerging markets'. In central and Eastern Europe this has hit Hungary, Ukraine and Belarus hard. It's affecting Turkey too. Argentina faces a new disaster after only just recovering from its collapse in 2000. South Korea – one of the largest economies effected – has also had to move fast to prop up its currency and prevent collapse. And Pakistan has been pitched into utter turmoil (see pages 24 - 26).

As the global recession comes into clearer view, international investors are simply pulling out of the 'emerging markets'. This affects not only stock prices, but also bonds issued by third world governments and of course the value of their currencies.

The unwinding of the global 'carry trade' further aggravates this. As we warned in our article 'Foreshocks of a global economic earthquake?' (*Workers Power*, 6 July 2007), the modern technique of structuring cross-border investment funds by relying on money borrowed in Japan at historically low interest rates made global finance peculiarly vulnerable to sharp changes in capital's relative post-1992 equilibrium.

As the difference between interest rates in Japan and the rest of the world narrows, the carry trade is going into reverse. The yen rose in relation to other currencies that are falling across the board because of recession fears, prompting the G7 group of industrialised nations to issue a statement on 27 October warning that the strength of the yen is a threat to economic stability. Hedge funds are liquidating positions and there is a flight of huge sums of money back toward the relative safety of the dollar, further aggravating the fall of other currencies.

The International Monetary Fund has had to rush an emergency loan of \$16.5 billion to Ukraine to prop up the former Soviet republic's

"economic and financial stability" as the country's ebullient property boom suddenly burst with investors withdrawing loans, leaving massive uncompleted building projects littering the Kiev landscape. As we go to press a larger \$25 billion package is being finalised to rescue Hungary, which had to hike interest rates massively in late October to prevent a run on its currency, the forint. Iceland has also had a loan – some \$2.1 billion – from the IMF, and Pak-

Each time the hopes of the 'financial experts' are rudely dashed as capital's deep contradictions, and the pressure of fictitious interest-bearing capital accumulated over decades, continue to burst out in a geyser of devaluation

istan and Belarus are in the queue.

These IMF loans come with a deadly sting in the tail though. The 'emerging markets' will be expected to take even more of the neoliberal medicine that has left them so vulnerable to the global crisis in the first place. The 'strong policies' demanded by the IMF include savage cuts in welfare spending to 'reduce inflation', and 'reforms' to promote financial sector 'stability' – but will the people take it? Won't ever more people be wondering whether our international financial institutions are really well qualified to educate the world in financial 'stability'?

And now another question has arisen. Has the IMF got enough cash to bail out all the basket cases of this great crisis? The total funds available to it are around \$250 billion – hence Gordon Brown's 27 October call for 'oil rich states' (read Russia) and China to increase their contributions to the IMF. The dynamic is clear: Britain and the USA are trying to spread the cost of the crisis onto rival emerging powers. The conflicts between states are sharpening as a result of the competitive struggle over who is to bear the burden of devaluation.

The crisis has also intensified commercial struggle as rival companies and financial institutions take over their competitors, forcing states to tear up their cartel controls as a vast centralisation of ownership and growth of monopoly sweeps finance and industry. It has intensified international and inter-state struggles as

the major powers aggressively cut interest rates to export the burden of recession and beggar smaller, weaker powers.

And now inevitably an ideological struggle has begun – over how to explain the crisis, who to blame for the crisis, who should pay for the crisis, and how to deflect the rising recognition around the world that if this can happen, there must be something wrong with the system of global capitalism.

That's why George W. Bush in an October speech pleaded with world leaders not to abandon "democratic capitalism", while in a subtly different speech French president Nicolas Sarkozy railed against the "Anglo-Saxon" model of finance. Gordon Brown quietly adopts the reflationary policies of John Maynard Keynes, increasing state borrowing in order to bring forward spending plans to offset recession. Meanwhile, US presidential candidate John McCain accuses Barack Obama of "socialism".

Behind this unifying argument, we can detect clear signs of a shared concern among the ruling class and its politicians. How can they, in Keynes' words, "defend capitalism from itself"? How can the IMF impose terms on borrowing countries that involve "liberalising finance" when the dominant model of liberalised finance has so obviously failed? How can the West tell China to follow their financial model and privatise their banks when the West is today, in desperation, nationalising theirs?

Surely, this is time for the left to enter the stage?

But the leaderships of the international working class movement has been stunningly silent in the face of this most propitious opportunity. Yet these extraordinary times are impressing on the consciousness of hundreds of millions of people that capitalism has its limits, that globalisation is beginning to unwind, that in crisis the system wastefully destroys value it cannot apply for narrow private profit and that faced with collapse, even capitalist governments step in and socialise losses, rather than let their class go down.

The working class needs to draw a simple conclusion: we need to socialise the economy to protect against *our* losses. We should not bear the brunt of a crisis we never made. An associated mode of production, based on public ownership and under democratic control, can plan and allocate human labour and natural resources in a rational and sustainable way.

This project – socialism – is clearly visible today through the cracks and chasms opening up in capital. A new socialist movement, organised on an international basis, needs to come to the fore in the resistance mounted by workers all over the world to job losses, higher prices, cuts in services, poverty and war. That way we can coordinate and direct our struggles from defensive resistance to paying the price of the crisis, to an offensive struggle against capitalism itself.

ABORTION RIGHTS

Labour stifles abortion debate

Nat Sedley reports on the recent bill passed in parliament, including the moves by the government to prevent a full debate on abortion rights

Women's rights are being fought over in parliament again. The Human Fertilisation and Embryology Bill was passed in the House of Commons in late October, but the crucial amendments were given very little time to be debated.

Pro-choice MPs complained that this was done deliberately. Labour MP Diane Abbott said "It seems to me that this programme motion and particularly the order of discussion is a shabby manoeuvre by ministers to stop full debate on some very important matters."

Some sections of the media even reported that a secret deal was done between the government and the right wing Democratic Unionist Party who oppose legalising abortion in Northern Ireland. It was suggested that in exchange for their votes in support of the Government's anti-terror laws earlier this year that the debate was effectively knocked off the end of the agenda.

The proposals that fell off the agenda crucially included a proposal to allow the extension of abortion rights to Northern Ireland, where, 40 years after its legalisation in the rest of the UK, women are still denied the right to legal and safe abortions (except in exceptional circumstances where the mother's health would suffer). As pointed out by Dr Audrey Simpson, director of the Family Planning Association Northern Ireland, this means that women who want an abortion face the stark choice of paying up to £2,000 to travel to mainland Britain and pay for it privately, or continuing with an unwanted pregnancy.

The Bill makes numerous other changes, including scientists being allowed to research human-animal stem cell hybrids and relaxing the restrictions on lesbian and single women to have IVF treatment.

By contrast, in May earlier this year a proposal by the "pro-life" anti-abortion lobby to cut the



time limit for abortions from 24 weeks down to as little as 12 weeks was given a full hearing in parliament. In fact only 1.5 per cent of abortions in England & Wales in 2006 took place at between 20-24 weeks, showing that this is very much a last resort for women – perhaps because they have been denied access earlier on or, in the case of teenage pregnancies, have been too scared to seek help. David Cameron along with many Conservative and some Labour ministers voted for cuts to the time limit. But fortunately the majority of MPs thought differently and voted down all of these reductions, largely rejecting misleading arguments that fetuses could be viable outside the womb at less than 24 weeks.

Across the Atlantic, abortion is also a subject of debate, particularly since the hard line social conservative Sarah Palin took her place as vice-presidential Republican candidate. When Palin was asked, in a recent interview on CBS, whether it should be illegal for a

15-year-old raped by her father to get an abortion, she replied, "I would counsel to choose life." In this sense she follows closely in the footsteps of President Bush, whose government has cut off all aid to NGOs providing or promoting abortion services in the developing world. This has done huge damage to these organisations, pushing more and more women into dangerous back street abortions.

Women under capitalism

It is important to oppose all restrictions on abortion and fight for free abortion on demand for all women. While it is good that the upper time limits have been preserved, we need to be clear that abortion must be available for women as early as possible, but also as late as necessary. Similarly, while the amendment that only one doctor needs to approve an abortion would have been a progressive one, abortion should be available to all women on demand, with medical professionals playing at most an advisory role and women themselves

making the decision.

NHS Trusts should be under an obligation to provide speedy access to abortion, instead of the "post-code lottery" women face in access to these services. "Anti-abortion doctors should be closely monitored to ensure that whenever they personally decline to arrange an abortion, they ensure that the woman is immediately referred to another doctor that can do this – rather than the current situation where some women's access is blocked by un-cooperative doctors. Abortion must be available regardless of age – advice and services should be provided in schools and in confidence, without the young woman's parents being involved unless she wishes them to be.

Whatever their skewed 'moral' and medical argumentation, the anti-abortion lobby's line is ultimately based on the reactionary argument that the life of unborn child is more important than the life of a woman. In the most extreme cases, like in Northern Ireland, women are forced to have children even after being impregnated through rape. It is part and parcel of the whole idea of protecting "family values" that puts the burden of caring for a child, whether it is wanted or not, back on the shoulders of women, who are expected to work for less and less while continuing to look after children and the home for free. This double burden excludes most women, especially working class women who cannot afford childcare, from real equality of access to social and political life.

Governments resist most progressive measures that relieve these burdens from women because capitalism does not want to have to pay the costs of raising children, preferring it to be privatised into the nuclear family for free. What is needed is a mass women's movement, led by working class women, to fight for these demands.

BLACK HISTORY

USA: From civil rights to Black Power

With the USA about to elect its first ever black President, the lessons of the great struggles for black liberation in 1960s America are as relevant as ever. In this article, first published in 1993 on the thirtieth anniversary of Martin Luther King's speech, *Steve Clayton* and *Richard Brenner* chart the rise of the Civil Rights Movement in the 1960s, and the ideas of one of its most widely known and militant leaders, *Stokely Carmichael*

On 1 February 1960, an impulsive and practically unplanned act of bravery by four black college students sparked the great civil rights' revolt in the USA. The students went into a Woolworths store in Greensboro, North Carolina and then sat down at a lunch counter which was reserved for whites.

They were not served. A waitress asked them to leave and they courteously, but firmly, refused. Despite the fact that their actions were a direct challenge to the system of segregation, they encountered no force, no repression, and no arrests. One of the students, Franklin McCain later recalled:

"Now it came to me all of a sudden. 'Maybe they can't do anything to us. Maybe we can keep it up.'"

They stayed put until the store closed, then went back to the college and began to organise. The next day they built a bigger protest, the day after a bigger one still. By 4 February hundreds of students had been drawn in to the protest.

Sit-ins

The sit-ins spread throughout North Carolina. By mid-April every state in the South was affected by the movement which had drawn in 50,000 participants. The demonstrations and sit-ins were marked by dignity in the face of mounting repression, and by a pervasive attitude of restraint and refusal to be provoked.

The Student Nonviolent Co-ordinating Committee (SNCC, pronounced 'Snick') was created as the first attempt to give an organisational structure to the spontaneous revolt of black youth against segregation. In the years after its founding meeting in Raleigh on 16 April 1960, it was to become one of the most radical organisations in America.

The extreme dedication and bravery of the young militants was linked to the notion, derived from Martin Luther King, that white America would be shamed into granting equal rights by demonstrations of the "capacity of black people to suffer". Under the influence of a large delegation of Nashville students committed to Gandhian principles of nonviolence and to Christian pacifist ideals, SNCC adopted a code of conduct that included:

'Don't strike back or curse if abused... Show yourself courteous and friendly at all times... Report all serious incidents to your leader in a polite manner. Remember love and nonviolence.'

These principles embodied the innocence of the movement in its earliest stages. It was an innocence based on the acceptance that America really was "the land of the free". The leaders of the movement believed that white liberals in the USA, especially those within the Democratic Party, could be gently edged towards reform.

It was the Freedom Rides campaign that really brought SNCC to the centre of the revolt. In early 1961, SNCC, together with the Congress of Racial Equality, organised bus journeys across the South in which groups of black militants would attempt to use segregated eating facilities at bus terminals.

As the rides went on the activists suffered increasingly violent attacks from white racists, local authorities and police who were often linked with the Ku Klux Klan. In Armiston, Alabama, a bus was burnt out by racists and activists were beaten up by a vicious mob. By 21 May, disorder had reached such a pitch that martial law was declared in Montgomery.

Under enormous pressure, the Interstate Commerce Commission announced on 22 September that it would be prohibited to provide separate facilities for blacks and whites in bus and train terminals. Although many racist authorities ignored the regulation for as long as they could, the ruling had shown millions of blacks throughout America that defiance and struggle could win real results.

At the same time the extent of repression meted out to the black protesters exposed the weaknesses of pacifism in the movement. The freedom riders were not "left alone" when they acted. They were hounded and beaten. The authorities, including the white liberals amongst

"I have a dream"

Racist reality

- In the 40 years since Martin Luther King was assassinated, the income disparity between blacks and whites has narrowed by only three cents in the dollar.
- 25 per cent of the black population live below the poverty line
- Black people are three times more likely to receive higher rate mortgage loans
- More than 80,000 black Americans die every year due to lack of health insurance
- Black male fulltime workers earn only 72 per cent of the earnings of their white class brothers.
- Black unemployment is double the white rate.

BLACK HISTORY

the Democrats, were not persuaded to carry out reforms. Whenever they did act it was because they were frightened into doing so by militant action and the threat of disorder.

The movement was growing up, and the innocent ideals of pacifism began to be questioned. As the struggle assumed truly mass proportions more and more radical youth were drawn in, and they were less inclined to be courteous to racist gun thugs or deferential to Democrat politicians who sat on their hands while the racists ran riot.

Many activists started to realise that self-defence was vital in the face of police and Klan brutality. But still the leaders were relying on protection from the Kennedy/Johnson wing of the Democrats.

The Democratic Party could see the value of additional votes from Southern blacks. But their aim was to "support" the movement in such a way as to divert it away from struggle. Kennedy suggested that SNCC should turn its attention to a drive to register black voters.

Although black people were entitled to vote, many had not registered, and faced obstruction, intimidation and violence from white authorities when they tried to do so. Kennedy thought that a peaceful voter registration campaign would be an alternative to the confrontational desegregationist battles that had wracked the South. His plan backfired because of the violent resistance of the racist authorities.

In McComb the efforts to register black voters led to persistent arrests of SNCC staff members, including the imprisonment of project leader Bob Moses for 90 days. Moses was beaten up by the sheriff's cousin, who was acquitted by an all-white jury. Then Herbert Lee, who had been assisting the project, was shot dead in cold blood. Witnesses were threatened and beaten by the police, one being tracked down and killed literally years later.

The fact that the Democratic Party and the federal government failed to uphold the constitutional rights of the blacks or protect them in the face of thuggery hardened the attitude of many SNCC activists towards the Democrats.

In May 1962, when four activists were arrested on a demonstration on federal property, SNCC sent a telegram to Robert Kennedy saying that if the government could-



Stokely Carmichael speaking at a rally in the 1960s

not protect their rights on such property then, "you must be considered a party to these violations of our constitutionally guaranteed civil rights." Charles Sherrod, an SNCC field activist, was even more blunt. He declared that "if we are murdered in our attempts, our blood will be

'Why is there a black banker in one town and a starving Negro in the same?'

on your hands.'

Attempts to reform the Democratic Party also proved impossible. In August 1964 the SNCC-promoted Mississippi Freedom Democratic Party tried to defeat the all-white delegation to the Democratic National Convention, aiming to secure the delegation and weaken the hand of the racist Dixiecrats - representing white landowning interests - that ran the party in the south.

This achieved nothing in practical terms. The Democrats were, and remain, open and unflinching representatives of the capitalist ruling class, and in the South the historic party of the slave owners, up to their necks in Jim Crow and segregation.

Illusions in the Democrats were becoming self-defeating in the

struggle for black rights. Even so, the leadership of the movement, even some of the most radical elements, were reluctant to abandon what they saw as their only hope of winning government support for their pacifist campaign.

The famous march on Washington was led by Martin Luther King in August 1963. Millions have heard and been moved by the vision of a society free from racism that he expressed in his historic speech that day. But there was another speech planned which was never made.

SNCC's John Lewis drafted a declaration which rejected Kennedy's proposed civil rights bill as inadequate, as failing to protect people who were actively claiming and fighting for their rights in the South.

Lewis planned to tell the 250,000 people at the Washington rally:

"I want to know, which side is the federal government on?"

He intended to declare:

"...the revolution is at hand and we must free ourselves of the chains of political and economic slavery."

Though Lewis remained committed to non-violence, he wrote:

"We will not wait for the President, the Justice Department, nor Congress, but will take matters into our own hands and create a source of power, outside of any national structure, that could and would assure us of victory."

He showed the speech to other civil rights leaders first. They told him to change it, because otherwise the Archbishop of Washington would not appear on the platform! Reluctantly Lewis agreed, and

a committee was set up to modify his declaration. But on the day Lewis still launched into a bitter attack on the Democrats and the Republicans, and in doing so drew direct attention to a key weakness of the mass struggle against segregation and all forms of racism in the USA, a weakness that persists to this day:

"Where is our party? Where is the political party that will make it unnecessary to have marches on Washington?"

Anger

Many SNCC workers, who had built the delegations to the march from the South, deeply resented the moderate slogans of the march, and the petty restrictions imposed by its organisers, such as the strict control of slogans on placards and banners. Gradually a new radicalism was beginning to permeate the younger, grass roots civil rights campaigners.

SNCC workers started to discuss and consider more favourably ideas of organised self-defence of black communities, as well as openly investigating pan-Africanist and socialistic ideas. A number of members of the SNCC staff were also members of Students for a Democratic Society, which was to become one of the main "New Left" organisations that flourished during the radicalisation of youth at the time of the Vietnam War.

By 1964 Stokely Carmichael was emerging as a leader of the radical wing of the movement. His emphasis shifted from pacifist pleading to demanding the nationalisation of

the top corporations and the breaking up of large landed estates. He wanted to see “more than 100 people control over 60 per cent of the industry”. At the same time he began encouraging SNCC staff to “stop taking a defensive stand on communism.” SNCC leaders began an African tour where they met, among others, Malcolm X and discussed collaboration with his newly formed Organisation of Afro-American Unity.

Vietnam

In early 1965 events took a sharper turn. Attempts to organise a mass march from Selma to Montgomery met with sustained police attack and barricades. On 10 March, Martin Luther King, at the head of a demonstration, angered local residents and SNCC staff by unilaterally deciding to call off the march, turn around and go back.

But SNCC, under the leadership of the militant activist Jim Forman, seized the opportunity to challenge the leadership of King and his Southern Christian Leadership Conference over the mobilisation. He argued firmly for building the demos and not flinching from confrontation with the police. As Forman put it, “If we can’t sit at the table of democracy, we’ll knock the fucking legs off.”

Out of the work around the Selma marches the next year, Carmichael fronted a campaign to build an independent political organisation in the rural area between Selma and Montgomery, the Lowndes County Freedom Organisation. It adopted the emblem of a snarling black panther, and soon called itself the Black Panther Party. According to one historian of the movement, Clayborne Carson, it was not at first intended to be an exclusively black organisation, but became so because no whites wanted to join it. It provided the model for the future organisation of the Black Panther Party for Self Defence of Bobby Seale and Huey P Newton.

Also in 1965, SNCC took the highly political step of speaking out against the war being pursued by the USA in Vietnam. A statement was already in the process of being prepared when SNCC were spurred to speak out by the death of Sammy Younge, a 21-year old veteran of the US Navy who was shot to death while trying to use a whites-only restroom at a filling station. The SNCC statement exposed US hypocrisy and explicitly linked racism in the South to imperialism overseas. A furious witch-hunt against SNCC ensued.

As an expression of the increased radicalism of the SNCC staff and volunteers, Stokely Carmichael challenged John Lewis for the position of Chair of SNCC in 1966.

Born in the West Indies, Carmichael had family and personal connections with black members of the Communist Party of the USA. When he joined the Nonviolent Action Group and then the full time SNCC staff in 1964, he brought with him both secularism and an emphasis on economic and social issues.

By 1966 he was becoming heavily influenced by ideas of black consciousness, of pride in blackness, the positive promotion of black culture and the construction of black institutions. He insisted, in response to attacks from liber-

als against this approach, that his position was “. . . not anti-white. When you build your own house, it doesn’t mean you tear down the house across the street.”

But it was not until the events surrounding the Mississippi march of 1966 that this orientation began to take shape, when the new slogan of Black Power was to sweep the USA.

In June 1966 James Meredith began a solo walk across Mississippi as a demonstration of the right of black people to live without threats and fear of violence. He was shot three times and hospitalised.

Martin Luther King, Congress of Racial Equality leader Floyd McKissick and Stokely Carmichael joined forces to lead a protest march that would also boost local voter registration efforts. King viewed the march in much the same way he viewed the whole campaign - a strictly peaceful protest. But SNCC was adopting a more militant stance than before.

Sick of years of beatings, shootings and arrests, Carmichael argued that an organisation called the Deacons of Defence provide armed protection for the march. At mass rallies across Mississippi, Carmichael spoke against the nonviolence line being pursued by King, and condemned the federal government for failing to provide any real protection against racist terror. In Leflore County Carmichael told a meeting of hundreds after he had been detained in jail:

“This is the twenty-seventh time I have been arrested. I ain’t going to jail no more. . . . What we gonna start saying now is ‘black power’.”

What did Black Power mean? To many SNCC workers and poor blacks, from Mississippi to the ghettos of the big cities, it meant an end to compromise, to nonviolence, to reliance on white liberals. Rank and file SNCC workers had seen the consequences of reliance on the support of liberal whites in failed attempts to get the Northern Democrats and the administration in Washington to act in their support.

The liberals expected a political pay-off for their support: the renunciation of the right to self-defence (something no liberal ever demanded of whites), the censoring of Lewis’ speech to the Washington rally in 1963 and King’s attempt to get SNCC to call off a demonstration on the Vietnam question in August 1966. As Carmichael explained:

“We will not accept someone who comes to us and says: ‘If you do X, Y and Z, then I’ll help you.’”

This refusal to tie the movement’s hands in return for the illusory support of fair-weather bourgeois allies was a real political step forward.

But the idea of Black Power, as Carmichael came to theorise it in his book of that name, co-authored with Charles V. Hamilton, also contained serious ambiguities. When Carmichael wrote of the need for black consciousness and self-identification as a vital first step, that “only when black people fully develop this sense of community, of themselves, can they begin to deal effectively with the problems of racism in this country”, he

was not just speaking of the justified need to develop pride and confidence in black culture.

Class

He invested Black Power with another wrong and dangerous meaning. He was advancing the principle of black unity, irrespective of any class divisions. Unity of all black people—workers, poor farmers and the urban poor, as well as middle class and even rich blacks—became for him a precondition for an effective fight against racism. This is what he meant by his famous statement that:

“Before a group can enter open society, it must first close ranks.”

The first and most fundamental problem with this approach is that it downplays the central question of class. The unity of black people, as blacks, blurred the real conflicts between blacks of different classes. It blurred the differences between those who advocated reliance on the Democrats, and those who fought for militant action. It was a “unity” that contained the real possibility of holding back the black struggle.

At the same time it cut off, in advance, the possibility of building fighting unity between black and white workers against the common enemy. In far too many cases the white working class and their unions had proved themselves to be racist. Insofar as Black Power meant not holding back the struggles of black people until white workers became anti-racist it was right and justified. But for Carmichael it was not simply this.

He went on to ignore the real material difference between white workers and their white bosses, and the potential for anti-racism to be built within the white working class because of this difference. As he told a meeting in Watts, Los Angeles, “the only reason [whites] suppress us is because we are black”. For this reason white society was conceived simply as a monolith, with no fundamental contradictions between the interests of its respective classes.

While Carmichael insisted that all blacks must be united across class divisions, working class organisations, like the trade unions, were all but written off as “coalitions between the economically secure and the insecure”. The racism of the official unions had to be acknowledged and fought. But Carmichael threw out the baby with the bath water, downgrading the rich experience of black workers, indeed black women such as Dora Jones of the Domestic Workers’ Union, Floretta Andres of the New York Teachers’ Union and Miranda Smith and Velma Hopkins of the Food, Tobacco, Agriculture and Allied Workers’ Union, who played leading roles in the rise of industrial unionism and the CIO union federation. These experiences proved that it was both necessary and possible to challenge racism within the working class and build unity in struggle.

Whilst for a minority, such as Julius Lester, Black Power meant an increasingly hardline separatist stance, involving rejection on principle of collaboration with whites (he gave one of his pamphlets the ironic title *Look Out, Whitey! Black Power’s Gon’ Get Your Mama!*), Carmichael did not rule out coalitions with whites, but said they could arise only after black

BLACK HISTORY



SNCC in Atlanta, 1963

people had united.

At the same time as relegating the importance and downplaying the possibility of common class action between black and white workers, Carmichael's conception of the black community closing ranks failed to get to grips with the political and class differentiation within that community. As Jim Forman acutely observed when appealing to SNCC staff to recognise the ambiguities and inadequacies of the Black Power slogan:

"Are the problems we face only ones of color? . . . What is upper, lower, middle class? Do they exist among blacks? Why is there a black banker in one town and a starving Negro in the same? . . . Do the problems of a black welfare mother only arise from her blackness? If not, then what are the other causes?"

Whilst for SNCC workers and poor blacks the Black Power slogan was one of militancy, for other more moderate and conservative blacks it meant promoting black businesses, a black middle class and even bourgeoisie, rising not with their class but out of their class. In short it meant the furthering of the development of a black middle and upper class, with the attendant danger of a layer of privileged blacks being co-opted into support for the very establishment that Carmichael and others had repeatedly risked their lives to challenge.

Thus Black Power was to become the rallying call not only of the most

**"This is the
twenty-seventh
time I have been
arrested. I ain't
going to jail no
more . . . What
we gonna start
saying now is
'black power!'"**

exploited and oppressed blacks, but also of the most conservative and bourgeois forces within the community.

That is why one Black Power conference was sponsored by black Congressman Adam Clayton Powell, who was trying to subordinate the movement to the Democrats and who, as Carmichael admitted, was "talking about stopping the throwing of Molotov cocktails and not stopping the causes that bring about the throwing of the cocktails".

A new layer of moderate community leaders was able to consolidate around the Black Power slogan, holding conferences sponsored by, among others, the white owned corporation Clairol.

This was in line with the attempts of US capitalism to co-opt a privileged layer of blacks as its answer to the urban uprisings and mass struggles of the 1960s. This is clear from the words of former Republican President, reactionary racist and proven crook, Richard Nixon:

"What most of the militants are asking is not separation but to be included in - not as supplicants, but as owners, as entrepreneurs - to have a share of the wealth and a piece of the action. And this is precisely what the federal central target of the new approach ought to be. It ought to be oriented toward more black ownership . . . black

pride, black jobs, black opportunity and yes, Black Power . . ."

Power

In the end, the Black Power slogan and the approach it represented proved not only ambiguous and capable of being adopted by conservative forces, but also disorienting for some of the most militant civil rights fighters. As SNCC declined under the twin blows of external repression and internal ideological incoherence, Carmichael himself turned to the pan-African nationalist "socialism" of Nkrumah and Sekou Toure, President of the bourgeois republic of Guinea.

Carmichael ended up accepting Toure's offer of moving to Guinea and acting as his personal secretary in 1968, taking the name of Kwame Ture and joining the leadership of Guinea's ruling party in 1972. The notion of uniting all black people before, and as a precondition for, fundamental social change allowed him to support a government which, despite its radical rhetoric, upholds the capitalist system.

Carmichael was wrong to believe that the only reason whites suppress black people is because they are black. The root cause of racism is the capitalist system of production for profit.

That system expanded and grew, by using slavery in the development of the New World. It justified both that historic crime against African people and the subsequent political and economic enslavement of the colonial world by denying that Africans and the majority of the peoples of Asia are fully human. It continues to use racial division to undermine the action and the unity of the working class, and to tie white workers to political support for the global system of imperialism.

While the heroic struggles of the civil rights movement in the 1960s won real democratic gains for black people, the root causes and brute reality of racism in the USA remain intact. Liberation remains a goal that young blacks are prepared to fight and die for. But as the black writer Harold Cruse pointed out at the time of the debates within the civil rights movement, the Black Power slogan avoids the central issue of "which class is going to wield that power."

If true emancipation is to be won, power must be wielded by the working class, black and white, the only class with the social cohesion and strength to uproot the capitalist system and every manifestation of bigotry, discrimination and racism.

70 YEARS ON

Socialism didn't fail – Stalinism did!

The crisis has thrown the propagandists for capitalism onto the defensive. But they still insist there is no alternative to the profit system – and claim “socialism failed in Russia.”

On the 70th anniversary of the founding of the Fourth International, which opposed the bureaucratic model of planning in the USSR, **Dave Stockton** argues it was Stalinism not socialism that failed, and that socialism is both necessary and possible today.

The capitalist crisis has reminded people of the capitalist system's vulnerability for the first time in nearly two decades. Working class people, students and youth, who had never questioned capitalism before ask: is this really the best possible economic system – isn't there an alternative?

We do not have to endure a system where a tiny minority at the top make profits out of the labour of workers at the bottom. Production can be planned and run democratically to meet the needs of all. This is what socialism means. It is what Karl Marx called the “united cooperative societies, regulating production upon a common plan” in *The Civil War in France*. It was the goal of the revolutionaries in Russia, like Lenin and Trotsky, who overthrew capitalism in 1917 and founded the Soviet Union.

Forced on the defensive today, our rulers argue, whatever the problems with capitalism, the bottom line is that socialism failed in Russia. We are told the ideas of socialism “inevitably” led to the dictatorship of one party, then one man. Challenging this argument is obviously hugely important for revolutionaries today. We need to explain there was an alternative to Stalinism.

This was principally developed by Trotsky in his struggle to save the workers' revolution from the Stalin dictatorship in Russia and the disastrous tactics it imposed on the world communist movement.

Leon Trotsky

Trotsky had been an opponent of Lenin within the Russian Marxist movement. At first he underestimated the importance of a disciplined and centralised but thor-



The Fourth International was founded to struggle for world socialism

oughly democratic, party to lead the working class if it was to successfully overthrow the ruling class. But in 1917 he finally grasped this necessity and rallied to this party, the Bolsheviks, fighting within it alongside Lenin against those who opposed a struggle for state power. He became the main organiser, as Lenin was the main inspirer, of the October insurrection.

From that point there was, in Lenin's own words, “no better Bolshevik” than Trotsky. In 1918 he led the Red Army to victory in the civil war that the Russian capitalists and landlords and foreign imperialists unleashed. Trotsky organised the main opposition to the growth of Stalin's dictatorship and to his anti-

working class programme; first within the Soviet Union and then from exile. He kept alive the Bolshevik fight against Stalinism right up to the moment that one of Stalin's agents murdered him in 1940.

He remained for the rest of his life a fighter for workers' democracy and revolutionary communism. Yet his books were banned in Stalin's USSR, and photographs of the heroic days of the revolution and civil war were altered to remove his image. He was written out of history. No statues of him existed to be pulled down in 1991.

The Russian Revolution

The October Revolution of 1917 was

a genuine workers' revolution, not a conspiracy by a tiny elite. By 1917 disillusion with the First World War was growing in Russia. Alongside a small highly modern industry the huge peasantry laboured under semi-feudal conditions, and the absolute autocracy of the Tsar denied the people the slightest element of democracy. By February 1917 the slaughter at the front and hunger in the cities became intolerable for the workers, and the millions of peasant soldiers.

In Petrograd the people, led by women protesting at the lack of bread, and joined by workers and mutinous soldiers, toppled the Tsar and installed a provisional government with both capitalist and reformist workers' leaders in it. Lenin's Bolshevik Party campaigned against the war and for all power to be taken by the workers' and soldiers' councils or soviets. These consisted of recallable delegates and had first sprung up in the failed revolution of 1905. They appeared at once in February 1917. Because the soldiers sent delegates to them and insisted that all their commanders and officers' orders bear the signature of the Soviet, they were enormously powerful.

Yet the reformist majority within them – the Mensheviks and right wing of the Socialist Revolutionaries (SRs) – propped up the liberal and conservative ministers in the capitalist provisional government. The government refused to end the war or distribute land to the peasants and Russia's capitalists continued to sack and starve the workers. Anger of workers at the government then led to the reformist majority within the Soviets being overturned by September 1917.

In October the Bolsheviks were able to mobilise the working class and its armed militia, the Red

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Guards and the soldiers stationed in the cities, to oust the provisional government and establish the power of the workers' councils. The majority of the peasants, themselves now forming soviets, supported the new power. In a matter of weeks the power and privileges of the old ruling class were swept away. The mansions of the rich were opened to the homeless. Equality for women (equal voting rights, the right to divorce, birth control and abortion) was enshrined in law. The landlords' estates were handed over to the peasants. The banks were nationalised. Workers took over their factories and instituted workers control. By the middle of 1918 the workers themselves had expropriated the vast majority of capitalists, spurred on by the sabotage of production by the bosses and their managers.

The revolution itself was virtually bloodless. But then the capitalist and landlord forces (the Whites) unleashed a long and destructive civil war (1918-21) and the British, French, American and Japanese imperialists sent in forces to help them. When today capitalism failed, we must therefore remember that their equivalents in the 1920s and 1930s did not watch from afar the Soviet experiment but pitched in to crush the Russian revolution.

They failed in this but the enormous economic pressure they put, by war, by blockade, by isolation certainly helped distort and divert the attempts to build socialism.

A revolution betrayed

One of the biggest lies of all is that the system that collapsed in the early 1990s in the Soviet Union represented "socialism". It was neither socialism nor real communism but Stalinism – the political programme and bureaucratic dictatorship constructed by Joseph Stalin and his supporters in the 1920s. They usurped the political power of the working class. The power originally based on democratic workers' councils was emasculated and then destroyed by Stalin and his supporters. The Bolsheviks had always seen the fate of their revolution as indissolubly tied to the prospects of world revolution.

In the ABC of Communism – the 1919 official commentary on their programme – they wrote: "The communist movement can

be successful only as a world revolution. If the state of affairs arose in which one country was ruled by the working class, while in others... the working class remained submissive to capital, in the end the great robber states would crush the workers' state of the first country."

This is precisely what the imperialists tried to do, but the heroism of the workers and peasants organised in the Red Army defeated them. At the same time the powerful revolution that broke out in Germany, Austria and Hungary in 1918-19 was strangled by the actions of the supposedly socialist parties. Heroic uprisings in Berlin, Munich, and Budapest were crushed and the Russian revolution found itself isolated.

The enormous economic backwardness of Russia, that had contributed to outbreak of the revolutionary crisis there, now became a huge problem for the victorious working class and its party. During the civil war the ravages to the economy led to a catastrophic decline in the number of workers. In addition the drawing of hundreds of thousands of militant workers, soldiers and sailors into the command and administration of the besieged workers' state weakened the Soviets, whose democracy the state had been founded on. Because the Mensheviks frequently sided with the Whites and the anarchists and the Populists (the Left SRs) disrupted the war effort, they had to be banned. The Bolsheviks, though this had never been their original intention, became the only legal party.

At the same time, due to economic dislocation and the cultural backwardness of the country (whose most obvious sign was widespread illiteracy), a bureaucratic stratum began to develop within the ruling party and the state. What the Bolsheviks thought were emergency and wartime measures proved to be permanent. Within the party a group arose around the general secretary, Joseph Stalin, which defended and fostered the interests of this bureaucracy.

After Lenin's death their power grew ever stronger. Suffering from a fatal illness, Lenin unsuccessfully tried to launch a final struggle against Stalin. After his death Trotsky's Left Opposition continued this fight in vain.

The Stalin faction succeeded in ousting honest revolutionaries from all positions of power and replacing them with privilege-hungry bureaucrats. Stalin replaced the

DAILY NEWS FINAL

TROTSKY IS DEAD



Trotsky was killed by a Stalinist agent in 1940

programme of spreading the revolution internationally with that of "building socialism in one country".

The Left Opposition

In the 1920s the Left Opposition outlined ways for the beleaguered workers' state to survive and improve the material and cultural life of the workers and peasants until help could come from revolutionary victories in Germany and China. Its core elements were:

- A programme of industrialisation democratically planned and implemented by workers themselves.
- The revival and rebuilding of workers' democracy in the soviets and the trade unions.
- The dismantling of the bureaucratic centralism and regime of terror that Stalin had built in the Communist Party of the Soviet Union. The reinstatement of real, democratic centralism in the party.
- The encouragement of voluntary collectivisation of agriculture, aided by its mechanisation and electrification, and moves to check the growing wealth of the kulaks (the rich peasants).

In 1929 Stalin implemented a hideous caricature of the Left Opposi-

tion's economic programme, launching the collectivisation of agriculture with a one-sided civil war against the mass of the peasantry. This was instead of the voluntary cooperatives, aided by mechanisation and electrification in the countryside, which Lenin and then the Left Opposition had argued for. At the same time – after previously opposing anything more than a "snail's pace" industrialisation – Stalin launched the first "Five Year Plan".

This ruthlessly subordinated workers' living standards to the building up of heavy industry and infrastructure, while creating a privileged stratum of bureaucrats and secret police to keep them under total control. Anyone even suspected of opposing this monstrous regime was arrested, deported to labour camps or shot. The highpoint of this was the Great Terror of 1936-38.

Internationalism

The policy of "socialism in one country" abandoned the goal of international socialist revolution. The reason was quite simple: workers' revolution, founded on democratic Soviets, threatened the power and privileges of Stalin's tyrannical bureaucracy. Accordingly, Stalin

70 YEARS ON



Joseph Stalin: butcher of the Revolution

gave orders to the Communist parties to support the foreign capitalist allies of the Soviet bureaucracy. The effect was disastrous: revolutions in France and Spain in 1936 were actively sabotaged by the communists, as they supported the capitalist leadership of the “people’s fronts”.

This “internationalism” based on aligning the Soviet Union with capitalist states was a world away from the workers’ internationalism of 1917. In 1936 Stalin also dissolved the bureaucratically crippled Soviets altogether, replacing them with powerless parliamentary style bodies, though he retained the old name as a cover.

Throughout the 1930s Trotsky and his supporters fought to uphold this principle arguing workers should pursue the goal of taking power in every country to unite their forces in a spreading, international revolution. In exile from 1929 Trotsky devoted his life to rescuing the revolutionary programme and building a new world party to achieve this: the Fourth International.

Degenerated workers’ state

One of Trotsky’s great contributions to Marxism was the analysis he made of the Soviet Union in exile. He argued that the monstrous bureaucratic rule was not the inevitable outcome of revolution and the formation of a workers’ state. Rather the bureaucracy had developed within the workers’ state like a parasite – and it would eventually kill the workers’ state, by restoring capitalism, unless it was got rid of.

The bureaucracy had, Trotsky argued, material roots, in the backwardness, poverty and isolation of the workers’ state. This had encouraged its phenomenal and rapid growth. Once established it acted as “the planter and protector of inequality” always promoting and defending the privileges of a minority, which were creamed off from the labour

workers. Trotsky warned that because it rested on stolen material privileges the bureaucracy could one day overthrow the planning system altogether and position themselves to take advantage of the even greater wealth they could garner as a ruling class in a capitalist system.

A crucial part of Trotsky’s analysis was that “the bureaucracy... [was] not the bearer of a new system of economy peculiar to itself, but is a parasitic growth on a workers’ state”. The system of planning still existed and managed industry across the economy. Whereas in capitalist economies production was determined by the drive for profit of many capitals, in the soviet system it was organised by a plan. The problem of course was that there was no democratic control over that plan.

An all-powerful bureaucracy dictated its goals, and the means for fulfilling them. A totalitarian system meant the material and cultural needs of workers and peasants were never allowed to be expressed. The efficiency of production and the quality of products was stifled because the workers could give no feedback on the quality, distribution and productive techniques. Consequently bureaucratic planning was enormously inefficient; wasteful of labour and material inputs. Production targets were set arbitrarily, not according to social need, while managers would even lie about meeting the targets to avoid repression. Not to mention the enormous resources that went into spying on the masses and maintaining the barbaric system of Stalinist repression and war.

Trotsky argued the bureaucracy had to be overthrown in a political revolution. This term was important as it recognised the existing property forms – nationalised industry, the absence of a capitalist class, the planned economy, the monopoly of foreign trade – still had to be defended. For this reason it was not a new social revolution (the transfer of property in the means of production from one class to another), that was needed but a political revolution to dissolve the bureaucracy, smash instruments of state repression and re-establishing workers’ councils.

These would take hold of the planning system, “revise it systematically from top to bottom in the interests of the toilers,” and run it democratically – as the Bolsheviks had originally intended. Trotsky concluded: “The USSR thus embodies terrific contradictions. But it still remains a degenerated workers’ state. Such is the social diagnosis. The political prognosis has an alternative character: either the bureaucracy, becoming ever more the organ of the world bourgeoisie in the workers’ state, will overthrow the new forms of property and plunge the country back to capitalism; or the working class will crush the bureaucracy and open the way to socialism.”

The Stalinist Soviet Union survived far longer than Trotsky had anticipated but the events surrounding its overthrow proved his prognosis ultimately correct. This vast parasite had weighed down the whole society and condemned the planned economy to stagnation. When movements for democracy emerged in the 1980s they did not simply call for the restoration of capitalism, but many instead argued for democracy within the existing system. In the political struggles throughout that decade, nonetheless, pro-capitalist forces did gain the upper hand in these movements. At the same time, sections of the bureaucracy repositioned in order to take maximum material advantage of capitalist restoration and many of Russia’s oligarchs of today were once Stalinist bureaucrats.

The experience of Russia’s workers following the restoration of capitalism demonstrate beyond a shadow of doubt that there were social gains to be defended in the planning system. A society in which every worker had a job for life and guaranteed access to education, healthcare and social welfare, was turned into a society with mass

unemployment, huge inequalities and terrible poverty. Only those industries that could be profitable on the world or domestic markets survived. A near 60 per cent shrinkage in output resulted and years of untold social misery.

The struggle for socialism

Does the triumph of Stalinism and its eventual downfall “prove” that all attempts to replace capitalism are futile? “Yes”, will answer the Labour reformists and the disillusioned and repentant Stalinists. “No” answer the Trotskyists. There was nothing inevitable about the betrayal of the western European revolutions in the inter-war years and the rise of fascism. It was a political struggle and like any struggle could have resulted in a different course of development – history always has a “fork in the road”: a set of alternative possibilities. Had the Trotskyists succeeded in winning the working class from the disastrous leadership of the social democrats and Stalinists we would not be reflecting on a new capitalist crisis today.

The same applies to the many post-war opportunities for revolutionary victories around the world. Precisely because we do not want to live through the defeat of socialism on this kind of scale again, it is vital that we learn the lessons of the revolutionary struggle of Trotsky for socialism and against Stalinism.

Future workers’ states must never be allowed to bureaucratise as the Soviet Union did:

- Preserve at all costs democracy in the Soviets and the freedom to struggle within them for leadership by all parties that the workers recognise as their own.
- Fight to spread the revolution internationally, particularly if it should occur in a relatively backward country to the more developed ones.
- Build an international party with a leadership not subordinated to state control even of the healthiest workers state.

The very development of capitalism in the twentieth and twenty first centuries, its greater internationalisation, to which the global character of the present crisis testifies, means that the objective basis for applying these lessons is far greater. What we need is an instrument for this task – a Fifth International: a new world party of social revolution.

For more articles on the Russian Revolution and Trotsky’s struggle

Pakistan on the brink

Economic collapse, a spiralling conflict with insurgents, and the threat of all out civil war: Pakistan is staring into the abyss. But the mobilisation of the working and poor classes can stop the impending catastrophe, argues *Luke Cooper*

The explosive cocktail of economic collapse and fierce fighting with a militant insurgency are driving Pakistan closer and closer to political and economic collapse. Not for the first time in the country's sixty-one year history the existential question is widely raised: can Pakistan survive?

Opposition politician Nawaz Sharif said Pakistan is facing the "worst crisis of its history". And this is no small claim in a country which has seen numerous ethnic and national insurgencies, three wars with India, the secession of Bangladesh, military governance for over half its life, and whose nation-statehood was carved out in the bloody partition of British India.

Pakistan may have seen many crises, and the two it faces today would be cataclysmic enough if were they to happen at different times, but the concurrent economic breakdown and intensifying war give the conjuncture a most menacing feel. Back in January Asif Ali Zardari of the Pakistan People's Party (PPP), who became president at the beginning of September, warned Pakistan could "go the way of Somalia or Afghanistan". Now, with the country under his leadership, these words look increasingly prophetic.

US "war on terror" threatens to tear the country apart

Since he assumed office, Zardari has gone out his way to demonstrate his loyalty to the United States and his commitment to playing a full role in its so-called "war on terror". Not only has he attempted to repair relations with the Afghan government, which has long accused Pakistan of supporting the Taliban resistance, Zardari also launched a major military offensive against the Islamic militants operating in the Tribal areas on the Afghan border. The results have been devastating.

The UNHCR estimates some 200,000 people have now been displaced, with 20,000 refugees even crossing the border into the Kunar



and Bajaur regions of Afghanistan to escape the fighting. But the same source admits these calculations are "guesswork" and based on government estimates.

Some observers believe the number of people displaced to be much higher. The autonomous Human Rights Commission of Pakistan (HRCP) estimated the total number of refugees displaced by the conflict was a horrific 700,000 people – and they came to this estimate in September, prior to the intensification of the fighting last month.

Whatever the true figure a humanitarian disaster is a certainty, as refugees struggle to find the shelter, food and water they need to survive. While not yet comparable to the huge operation needed to deal with Muslim migration to Pakistan in 1947, it will nonetheless

take a huge relief operation in a country whose economy is teetering on the brink of collapse.

The war has also led to an appalling number of civilian deaths. The HRCP reported in September that there have been 2,000 civilians killed in the fighting in the border areas this year alone – and, again, this does not include deaths from the intensified fighting in October.

The Pakistani army has been involved in operations in the tribal areas since February 2004 – when it first launched an offensive against Islamic militants. Fighting also broke out in 2006 and again in autumn 2007. But each assault basically failed to restore the military's authority over the region, with the right of local militia leaders to rule recognised with each truce. But

none of the previous offensives were anything like as serious as this one, with some 120,000 Pakistani troops now sent in.

Responsibility for the intensified fighting rests squarely with the US who has put massive pressure on the new Pakistani government to launch a determined military offensive. US pressure has not just taken the form of diplomatic pressure and economic incentive either, as they have also launched their own unilateral military operations in Pakistan since the summer.

In one attack in southern Waziristan by US Special Forces in September twenty civilians were killed, sparking widespread outrage. The Pakistani government and military has outright opposed these incursions – describing them as "simply unacceptable". The sheer imperial bellicosity of the US has grown to such a degree that even its friends are now subject to these acts of military aggression, which plainly violate Pakistan's sovereignty. Tensions between the two allies in September were so high that Pakistani troops on several occasions exchanged fire with the Americans across the Afghan border.

The American bullying was designed to compel Pakistan to intensify its own war and the policy was a "success" insofar as this goal was achieved. But at what cost? Like in Afghanistan the terrain in the tribal border regions is inhospitable and perfect for shoot and run guerrilla tactics. The Pakistani Army, designed to fight large-scale tank battles with India, is increasingly bogged down in an unwinnable war against guerrilla fighters.

It is however the potential political fallout that makes the US imperial game so explosive. The pretext for the new hard line stance was the blame it apportioned to Pakistan's security services for the bombing of the Indian embassy in Kabul in July.

That Jihadist agents belonging to one of the Pakistan security services could carry out such an attack is certainly plausible. The military has a long history of



Pakistani village after US air-strike

collusion with radical, extremist Islamic forces stretching back to the regime of military leader Zia-ul-Haq who used Islamic extremism as a source of legitimacy for his totalitarian rule and fostered radical Islamic ideas in the military.

Zia trained Jihadists not only to fight the Soviets in Afghanistan, but also India in Kashmir. Islamic parties like the Jamaat-i-Islami have tended to enjoy support in the army and even official army publications have been known to condemn the US and declare support for the Islamic Jihad.

This contradiction in the army has been the ticking time bomb waiting to go off ever since General Musharraf gave the US full support for its war on terror following 9/11. Or, to put it another way, there is a problem when 120,000 Muslim troops, many of them sympathetic to the principles of Islamic Jihad are mobilised to...fight against Jihad on behalf of the United States. There are signs of this contradiction being stretched to breaking point in the current crisis, as some troops have deserted, while some reports talk of soldiers refusing to obey orders.

Neither are the hostilities confined to the tribal areas. Since July 2007 when the military, under General Musharraf's regime, massacred the Islamic militants (along with many civilians) who were using the Red Mosque in Islamabad as a base, there has been a wave of suicide bombings in Pakistan's major cities. In September one of the largest bomb

attacks Pakistan has ever seen – again, this is no small claim considering its history – destroyed the 5-star Marriot Hotel in Islamabad and left 54 Pakistanis dead.

As a consequence Pakistan is increasingly divided and polarised. Many people support the war on terror as a result of these attacks. But many direct their anger at the United States – particularly, of course, in the tribal areas themselves where each attack acts as a recruiting device for the militias. Radical Islamism has been historically strong amongst students and professionals in the cities too – but there are signs of it spreading. Shopkeepers in Lahore, not known for their radicalism, burnt pornographic tapes recently under pressure from Islamic radicals.

Economic cyclone hits Pakistan

It is under these conditions of intensifying war in the border regions and terrorist insurgency in the cities that Pakistan has been plunged into a severe economic crisis.

Inflation is now averaging at between 25-30 percent while foodstuffs seeing even sharper rises. There has been a massive run on the Pakistani rupee, which is down 25 percent across the year, with the government forced to use state revenues to prop up the currency.

Pakistan's main stock exchange in Karachi has experienced a deep crisis. Once regarded as one of the best performing of the Asian markets it peaked in April 2008 but then suffered an almighty crash in share values – falling 41 percent since

April amounting to a loss in value of \$36.9bn. The state intervened to set a floor at which prices could not drop any lower and this brought trading to a standstill with no buying or selling taking place at all.

The crisis is hitting workers and the poor hard. Rising food prices threaten mass starvation and have already led to food riots throughout this year. The major cities suffer blackouts for up to 12 hours a day but the government has still put the price of electricity up. As a result there have been angry nationwide protests. There are also long queues at petrol stations, while those with savings clamour to get the money out of the banks.

Now, the state is on the verge of bankruptcy too. Foreign exchange reserves have fallen to \$4.3bn dollars, down over 75 percent in the last 12 months and mainly due to the rising cost of oil, which accounts for one third of all imports. The state has enough cash for another 40 days of imports at current prices.

This crisis is made all the worse by Pakistan's massive debts. It has some \$38bn dollars in loan obligations from the IMF and Paris Club of 20 creditor nations and a further \$3bn in commercial loans. Debt servicing alone this year will come to \$3bn dollars.

In short, Pakistan faces an acute balance of payments crisis. Defaulting on the debt – if it is not able to solicit new loans to restructure these obligations – is therefore a real possibility in the next month.

These circumstances – the classic "debt trap" scenario – are not new to Pakistan.

PAKISTAN ON THE BRINK

Soliciting loans from international donors to fuel domestic consumption and massive defence spending has been the chosen model of Pakistan's rulers since 1947. But the usual donors – China, the Gulf States and United States – have not so far been willing to offer Pakistan new aid or loans.

This means the government may have to go to the IMF, whose help will come with strict conditions – to restore balance of payments by cutting spending and raising domestic taxes. One leaked report even suggested the IMF would demand a 30 percent cut in defence spending over the next five years in return for assistance. But there is no way the Pakistani army would accept such cuts to its privileges and power – and the US too would surely question it, given its insistence the army continue to up the ante in the war with militants on the Afghan border.

Washington's "nightmare scenario"

For policy makers in Washington there is a nightmare scenario of Pakistan becoming a failed state and its nuclear weapons falling into the hands of Jihadist fighters ready to use them against western targets. The "solution" in Washington, according to neoconservative dogma, is to intensify the war on terror, militarily defeat the Islamic militants in Afghanistan and Pakistan's tribal areas, and kill or detain key Al Qaeda operatives working in these areas.

The whole policy is, of course, totally flawed.

Every US cluster bomb that hits a Pakistani tribal village will drive more and more people into the hands of the Islamic militias who are resisting. Soviet tanks could not defeat the guerrilla fighters on the inhospitable terrain of the Pakistan and Afghan border and neither will American F16s.

But that is not to say the "nightmare scenario" is at all implausible. If the war further intensifies in the context of economic breakdown, so too will the contradictions in the Pakistani Army itself. There is not only widespread radical Islamic sentiment in the army but also, more generally, rank and file soldiers can see they are fighting a war against their own people for US imperialism. To maintain the loyalty of the generals and officer caste – many of whom are dollar millionaires – the US will have to continue to pour money into the military and instruct the IMF not to impose military budget cuts.

If the war continues and Pakistan cannot find the money to maintain its massive military operations and hugely privileged military officialdom, then the contradictions could easily explode.

If corps commanders, not just individual soldiers, begin to declare their units against the offensive in the border

regions then the army could split and create a full-scale civil war in the country. America would panic and no doubt immediately drop paratroopers in to defend Pakistan's nuclear missile silo sites fanning the flames within Pakistan itself. The Hindu nationalists in India – meanwhile – would go berserk. The whole region would be set on fire.

Before they could blink Washington would have – thanks to its own actions – realised its "nightmare scenario". As an editorial in *The Independent* put it recently, "there is enough combustible material here to give diplomats restless nights for the next century. But they would be advised to broaden their imagination, even at the risk of worse nightmares."

While this cannot be discounted it may be some way off yet. Pakistan's rulers are after all aware of the possibility – it is not without good reason that in every military offensive since 2004 they have always signed peace deals in the tribal areas. The economic crisis and the aggression of the United States nonetheless add a new intensity to these existing contradictions.

On Wednesday 23 October the parliament unanimously agreed a resolution that had something for everyone. For the Americans it declared commitment to the war on terror. But for the domestic audience it said dialogue was key to conflict resolution, that civil institutions should replace the military in tribal areas and there would be compensation for victims along with help for the displaced.

Zardari and the military are desperate to continue to balance this explosive contradiction between their support for US imperialism and its devastating domestic consequences.

Revolutionary alternative

If outright bankruptcy and civil war are avoided, Pakistan's rulers will still demand workers pay for the economic crisis gripping the country, while a tiny strata of landlords, rich and the military class keep their money safe in untaxed foreign bank accounts. Even if the war comes to a halt for now, America will at some point intensify its attacks in Afghanistan and Pakistan again.

The current situation in Pakistan is full of dangers – but such a social and economic breakdown also presents great opportunities too. Revolutionaries have a tremendously important role to play. Firstly, they can be consistent fighters for democratic rights for the army rank and file. We must challenge the claim of reactionary Islamic forces to be the only ones defending the nation from US domination.

We can also expose the self-serving claim of the pro-imperialist left that defending women's rights and secularism must mean supporting US imperialism: we can show in practice how anti-

imperialism and can be linked to fighting on these fronts too, especially by mobilising women in struggle. Second, we can win this argument amongst the poor masses by doing what the radical Islamist forces will always refuse to do: link anti-imperialism to the class struggle of workers and poor against the landlords and the capitalists.

The working class will be the key force that can stop the impending catastrophe in a revolutionary, progressive way, by organising to fight every attack of the bosses and go on the offensive against them; fighting for nationalisation, a swingeing tax on the rich to fund welfare, a sliding scale of wages to combat inflation and the expropriation of the major industries under workers' control.

But the working class in Pakistan remains a minority. Unless they can reach out to the peasants – who, particularly in the Punjab countryside, will be key to winning the army rank and file too – then the revolution cannot succeed. We must fight for land to those who till it – for the expropriation of the zamindari and all Pakistan's semi-feudal landlords.

Democratic demands will always be key to mobilising the mass of the peasantry. Many live in fiefdoms run autarchically by military officers or landlords. The call for a constituent assembly in all Pakistan can win a massive hearing – particularly when the country faces such an acute catastrophe while ruled over by an unpopular president, who was never elected by the people but holds enormous executive powers (granted under Musharraf's 17th amendment during the 2007 state of emergency).

We must also defend the national rights of Pakistan's oppressed minorities. We need to fight for the immediate and unconditional withdrawal of all Pakistani forces from the tribal areas. All the national provinces and tribal areas must have the unconditional right of self-determination, including the right to secede from Pakistan if they so wish.

All these demands need a political organisation fighting for them. We are working with our supporters in Pakistan to spread these ideas far and wide. But we are of course not yet a mass party.

The formation of a party, of the workers independently of the bosses and the property owners, is urgently needed. All left organisations and trade unions must unite quickly to build a workers' party. We should not put our differences of strategy and tactics to one side, but argue them out in a practical context within a new mass party, in front of large numbers of workers. In Pakistan today such a party can receive a hearing from millions – we must work to build it urgently.

WHAT WE STAND FOR

Workers Power is a revolutionary communist organisation. We fight to:

- Abolish capitalism and create a world without exploitation, class divisions and oppression
- Break the resistance of the exploiters by the force of millions acting together in a social revolution smashing the repressive capitalist state
- Place power in the hands of councils of delegates from the working class, the peasantry, the poor - elected and recallable by the masses
- Transform large-scale production and distribution, at present in the hands of a tiny elite, into a socially owned economy, democratically planned
- Plan the use of humanity's labour, materials and technology to eradicate social inequality and poverty.

This is communism - a society without classes and without state repression. To achieve this, the working class must take power from the capitalists.

We fight imperialism: the handful of great capitalist powers and their corporations, who exploit billions and crush all states and peoples, who resist them. We support resistance to their blockades, sanctions, invasions and occupations by countries like Venezuela, Iraq or Iran. We demand an end to the occupation of Afghanistan and Iraq, and the Zionist occupation of Palestine. We support unconditionally the armed resistance.

We fight racism and national oppression. We defend refugees and asylum seekers from the racist actions of the media, the state and the fascists. We oppose all immigration controls. When racists physically threaten refugees and immigrants, we take physical action to defend them. We fight for no platform for fascism.

We fight for women's liberation: from physical and mental abuse, domestic drudgery, sexual exploitation and discrimination at work. We fight for free abortion and contraception on demand. We fight for an end to all discrimination against lesbians and gay men and against their harassment by the state, religious bodies and reactionaries.

We fight youth oppression in the family and society: for their sexual freedom, for an end to super-exploitation, for the right to vote at sixteen, for free, universal education with a living grant.

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We fight bureaucracy in the unions. All union officers must be elected, recallable, and removable at short notice, and earn the average pay of the members they claim to represent. Rank and file trade unionists must organise to dissolve the bureaucracy. We fight for nationalisation without compensation and under workers control.

We fight reformism: the policy of Labour, Socialist, Social-Democratic and the misnamed Communist parties. Capitalism cannot be reformed through peaceful parliamentary means; it must be overthrown by force. Though

these parties still have roots in the working class, politically they defend capitalism. We fight for the unions to break from Labour and form for a new workers party. We fight for such a party to adopt a revolutionary programme and a Leninist combat form of organization.

We fight Stalinism. The so-called communist states were a dictatorship over the working class by a privileged bureaucratic elite, based on the expropriation of the capitalists. Those Stalinist states that survive - Cuba and North Korea - must be defended against imperialist blockade and attack. But a socialist political revolution is the only way to prevent their eventual collapse.

We reject the policies of class collaboration: "popular fronts" or a "democratic stage", which oblige the working class to renounce the fight for power today. We reject the theory of "socialism in one country". Only Trotsky's strategy of permanent revolution can bring victory in the age of imperialism and globalisation. Only a global revolution can consign capitalism to history.

With the internationalist and communist goal in our sights, proceeding along the road of the class struggle, we propose the unity of all revolutionary forces in a new Fifth International.

That is what Workers Power is fighting for. If you share these goals - join us.

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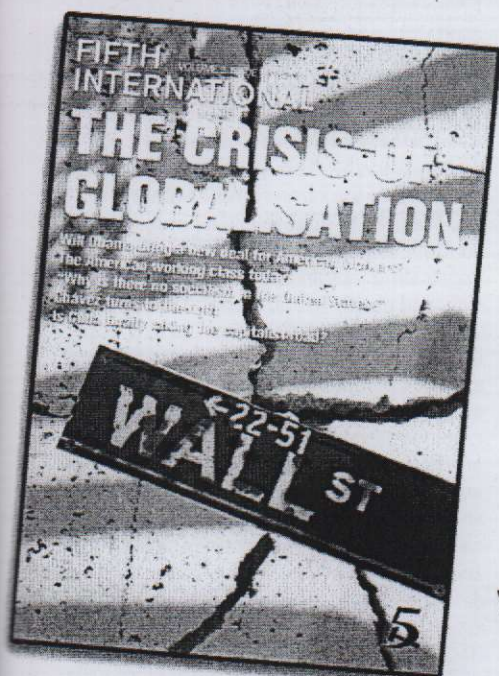
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Immigration & the downturn

By Rebecca Anderson

Labour's immigration minister Phil Woolas has made a splash in the press, talking about new policies to restrict immigration because of the economic downturn.

He tried to make out he wasn't being racist – but he must have known exactly what he was doing. The whole idea that restricting immigration would help lessen the effects of recession has a clear implication: that migrants caused or worsened the crisis.

In the minds of millions this is a commonly held misunderstanding. But coming from Woolas, it's a racist lie, designed to distract attention from the real cause of the crisis: the capitalist system that benefits New Labour's rich millionaire friends.

Of course, Woolas is keen to convince people that he is an anti-racist, arguing that British society will naturally become more racist in a recession and so by keeping people out he would actually be helping them. His basic argument is: "If people are being made unemployed, the question of immigration becomes extremely thorny ... It's been too easy to get into this country in the past and it's going to get harder."

In fact it's Woolas and his pals in the cabinet, the media and the boardrooms who are deliberately making the issue of migration thorny, by blaming immigrants for the unemployment and cuts in services that the capitalist crisis is bringing.

Immigrants didn't cause the credit crunch – bankers did. If every migrant who came to Britain in the boom years was thrown out, it wouldn't save a single job, stop a single house being repossessed, lower a single gas bill or raise a penny of spending on hospitals or schools.

So what's really going on? Some bosses and politicians still argue that we need immigrants to do the jobs that other people don't want to do; there is a lot of profit to be made from working someone 60 hours a week for the minimum wage. However, Woolas and others are beginning to argue that this will no longer be an issue – with unemployment rising, they expect that it won't just be migrants who are desperate enough to work in these

conditions.

The minister said that "when we're moving into a recession, the length of which we do not yet know, the immigration policy suitable for a boom is totally unsuitable", and future policies might include an annual quota on immigration and limiting the UK population to 70 million. This is coupled with an Australian-style points system and more stringent rules on migrants' partners moving to the UK.

When the economy goes into crisis, to distract us from blaming their anarchic system they stoke up nationalism and racism

The government's broader argument is that we all caused the financial crisis by living beyond our means, and that we all need to tighten our belts to get through it. This means pay restraint in the public sector, kicking people off benefits and further attacks on public services like the NHS and schools.

When the bosses and their government attack the working class and youth, they need someone to blame. When we ask why there are fewer jobs, they won't say that it's because our bosses are sacking people and making the people left work harder; they'll say that it's because Britain has "too many workers".

When we ask why there isn't enough affordable housing and why 1.5 million families are waiting for a council house when there are 750,000 unoccupied homes, they won't say that it's because Labour has been selling off council houses to private landlords at knock-down prices; they'll say that Britain is "too full".

We need a million new council houses built and for unoccupied homes to be occupied. When the bosses blame black, Asian and Eastern European workers for unemployment we need to point the finger back at them and not

let racism be the price that migrants pay for a crisis that they didn't cause.

It's not migrant workers who have been playing the markets, selling off the NHS, spending billions on war, nuclear missiles and ID cards or selling mortgages to people who can't afford to pay them back.

Money moves around the globe much more freely than people. At the touch of a button it searches for investments that reap the biggest rewards – the worst sweatshops, the special economic zones where companies pay no taxes, and dictatorships where workers have no rights at all. When investors can't find enough profit then the economy goes into crisis, and to distract us from blaming their anarchic system they stoke up nationalism and racism.

National borders only serve the interests of our bosses, as governments protect their own countries' bosses by making their own workers – and the capitalists of other countries – pay. Iceland's government protects Icelandic capitalists by nationalising the banks without guaranteeing foreign accounts; the US government protects the interests of its capitalists and the UK government does the same.

Borders mean that many people who need to search for work or escape oppression have to work the worst jobs and often undercut the wages of other workers, precisely because they do not have the same rights as other workers. We need to fight to end all immigration controls. Britain isn't full, it isn't migrants who are stealing jobs and public services; it's the rich, and mostly white, men at the top.

If we are fighting each other then the working class and youth will be weaker in fighting against unemployment, wage cuts, inflation and repossessions. If we want to prevent employers exploiting the vulnerable position of refugees and migrant workers to attack the wages, jobs and conditions of all workers, the answer has to be unionisation not discrimination. Black and white, young and old, men and women fighting together can turn their defensive struggles into a political struggle: against Labour, Tories, the Lib Dems and the BNP. We can fight as a class to make the bosses pay and and so overcome the real cause of the crisis – capitalism.