

workers power

May 2009 ★ Price £1 / € 1.50 Issue 335

Monthly magazine of the British section of the League for the Fifth International

As unemployment rockets and Labour prepares 'decade of pain'

UNIONS MUST FIGHT TO DEFEND EVERY JOB

March against job losses 16 May - Birmingham



Inside:

- Glasgow school occupiers speak out
- Police brutality in the dock
- Tamils march against genocide
- Jack Jones 1913-2009
- 20 years after Tiananmen massacre
- No to EU campaign in Euro-elections



League for the
Fifth International

NEWS IN BRIEF

Police raids - yet another blunder

On 8 April in northwest England, British police arrested 12 men – 11 Pakistani and one British – in raids as part of an operation against what Prime Minister Gordon Brown called a “very big terrorist plot”.

After holding them for 14 days, these men were released without charge as there was “insufficient evidence” to justify holding them any longer. Yet now all 11 foreign nationals face deportation on “national security grounds”.

The question stands: if there was no evidence to hold them, then how can they threaten national security? This is just another example of the state-sponsored terrorisation of the Muslim community.

Shamefacedly, the Muslim Council of Britain said arrests were understandable but criticised the decision to deport the men.

We need to defend our communities and stop the terror raids.

See more on the police on pages 8 & 9

Scottish TUC backs Israel boycott

The Scottish TUC has become the third national trade union federation to back the international boycott, divestment and sanctions (BDS) campaign against Israel.

Joining the Congress of South African Trade Unions and the Irish Confederation of Trade Unions, the Scottish TUC's vote to back the campaign is a reflection of the attitude of workers towards Israel's ongoing oppression of the Palestinians.

The January 2009 war in Gaza, in which over 1,300 Palestinians were killed, mobilised global opposition to Israel's savage onslaught.

While the British TUC's member unions contributed towards TUC-Aid to raise funds for emergency relief in Gaza, they continue to hide behind the TUC's refusal to adopt a BDS policy.

The TUC's links with Histadrut (the Israeli union federation), and its refusal to endorse concrete opposition to the Zionist state's murderous actions mark it out from the progressive stance embodied by the Scottish TUC's backing of the international boycott.

Journalists take action in Glasgow

The latest episode in the ongoing wave of strikes and occupations across Glasgow is the decision by NUJ members to take further strike action at two of Scotland's biggest national newspapers. The announcement comes on top of two previous one-day strikes and one 48-hour strike.

NUJ members at Glasgow-based Daily Record and Sunday Mail are stepping up their campaign against compulsory redundancies, while holding a fresh ballot to widen the dispute's scope to cover the papers' reorganisation and changes to working conditions.

While the NUJ members have won the support of the Scottish National Party (SNP) at Holyrood, they should take inspiration from the Prisme and schools' occupations in Dundee and Glasgow, and step up their struggle if their demands are not met.

Further the NUJ should call on the British government to nationalise under workers' control any newspapers whose owners try to cut jobs.

For more revolutionary news, analysis, history and theory go to...



Sales of Workers Power have soared over the last two months as many workers and youth look for an alternative to the bankrupt policies of Labour and the bosses' blatant attempts to make the working class pay for the bankers' crisis.

In February we sold twice our usual monthly sale and have expanded our print run to meet demand.

Emails and phone calls keep coming in to our office from people wanting more information or to join our organisation. We are growing with new members in Glasgow, Coventry and interest from individuals and groups of people across the country.

It is the same in other countries, where our sister organisations in Germany and Sweden are growing and our Austrian group has just initiated its most successful ever action: the 30,000 strong school students' strike and march in Vienna (see page 22)

Our small full-time apparatus can barely keep up with the volume of enquiries from people wanting to discuss, to read our materials, to meet up and to join.

This is a nice problem to have.

But we need more resources. We have no rich backers, of course. We rely on our members and supporters to fund our every step.

If you want to help, then every penny counts. We have launched a new £4000 fund drive and would like to appeal to all our readers to rush us cheques and postal orders to Workers Power, BCM 7750, London, WC1N 3XX

LATEST NEWS INCLUDES:

- Details of Workers Power Mayday rally
- Analysis of Labour's budget and the economy
- Student co-ordination fightback begins
- Latest on the Visteon dispute
- Interviews with participants in occupations in Glasgow and Lewisham
- Latest on the fight against post privatisation
- Reports from the class struggle in Britain

www.workerspower.com

EDITORIAL



Bosses' press obsessed with 50 per cent tax rate - but Darling's budget won't save one job

Jobs - time to fight is now

The Unite union has called a National March for Jobs in Birmingham on 16 May.

Quite right too. Hundreds of thousands have joined the dole queue over the last months - unemployment is over 2 million and will reach 3 million by Christmas.

Every worker, every student, everyone opposed to the mass sackings that are spreading across the country to join the march on 16 May and tell Gordon Brown: 'We won't pay for your crisis'.

The 16 May march in Birmingham will be the second demonstration on a weekend in just six weeks, following the 28 March demonstration in London against the G20. But marches at weekends will not be enough to force Brown and the bosses to stop the sackings.

The next step has to be for the TUC and the leaders of the big trade unions - Unite, GMB, Unison - to call a national march on a working day, shutting down the country in a one-day general strike. We should demand that the Labour government tells companies not to cut jobs, or they will be nationalised. All public sector jobs should be guaranteed. Pay cuts should be banned and the rich should be taxed to pay for massive job creation schemes in healthcare, education and cleaning up the environment.

A whole range of workers and their unions are coming face to face with the employers right now. Car workers face job cuts, both in car production and in components. As we go to press, car industry bosses are so worried that the strike at Visteon components in Belfast, Basildon and Enfield will spread that they have sacked Rob Williams, Unite convener of the Linamar car parts factory (formerly Visteon) in Swansea, claiming they have 'lost

trust' in him. His crime? Building solidarity with Visteon strikers and fighting job cuts.

If this is allowed to pass, bosses will get away with murder, weakening unions just when we are organising the fightback. Unite should demand his immediate reinstatement and call an all-out strike across the industry in Rob's support and for the right of all trade unionists to organise.

It's not just in the car industry. As we show on pages 6 and 7, council workers, post workers, railworkers and teachers are all in the firing line - and are all preparing for some kind of action.

We need to link up. As soon as one sector launches a sustained strike, the bosses will go to the courts to use the antiunion laws against us. These were brought in by Thatcher and Blair kept them - they are the worst anti-union laws in Europe.

The trade unions should demand their immediate repeal. And if the bosses and Brown dare to use them, we should launch a general strike to smash them to smithereens. We can make them unworkable, like in the 1970s (see pages 17-19).

The trouble is that the official leaders of the big unions are dragging their feet. Unite leader Derek Simpson praised the government's budget (see page 12) even though Darling's plan will not save a single job. Instead he should be organising strike action. So far the leaders have done nothing of the sort.

We should demand they call action now. But if we rely on the union leaders to listen to their members we might be waiting a long time. And time is one thing we don't have.

Past recessions (1979-1983, 1929-1933) show that if a work-

ing class fightback is not launched quickly - when workers are angry, and many are still in work - then unemployment can bring fear and insecurity. Across the country bosses will start telling workers "If you don't like it here, there's millions dying to take your place."

Then anger can turn to despair, breeding racism and hostility to foreign workers (see page 13).

So we had better get on with it and - like the Visteon workers and the Glasgow parents - start the fight back now (see pages 4 and 5).

First we should organise solidarity with every section that comes out in struggle, joining the picket lines, collecting money for strikers and their families, boycotting scab goods and taking sympathy strike action.

We need to pull together all our existing organisations - trade unions and community campaigns - into local coordinating bodies. We can do this by injecting new life into the trades union councils or by building joint committees of action.

The class struggle is political - our struggles become a question of the state and the government, a question of who has the power. To answer that question we need a new political party. Not just a machine for elections but a party of struggle in the workplace and the streets.

This new party will need to be anticapitalist and revolutionary, because a revolution is how the power of the bosses can be replaced with the power of the workers. A devastating capitalist crisis presents dangers but also an opportunity - to overthrow this system and replace it with a socialist society based on a democratic plan of production, where we all work together to meet human need, not private greed.

IN THIS ISSUE

4 Sandra Ramsey speaks out from the occupied schools in Glasgow

5 Visteon worker Bob Benham speaks to Peter Main about the occupation and strike in his factory

6 Bernie McAdam looks at the battle to save our schools while a CWU rep examines the dispute in Royal Mail

7 Railworkers gear up for action; while a new left-wing alliance forms in Unison

8 John Bowman and Natalie Sedley say police brutality is back in the dock

10 As the RMT launches a new platform for the Euro-elections, Luke Cooper asks how this relates to the fight for a new workers' party

12 The budget has been greeted by union leaders as a blow for justice - but this is hypocrisy, says Luke Cooper

13 The BNP are hoping for big gains, but they can be stopped, says Joel Lands

14 Kam Kaur reports on the growth of a huge movement by Tamils in the UK fighting against Sri Lankan government genocide

16 Keith Spenser examines the outcome of the recent election in South Africa

17 The death of Jack Jones is cause to reflect on the lessons of the great trade union struggles of the 1970s, writes Dave Stockton

20 The Tiananmen Massacre was 20 years ago. We examine what happened and what it meant.

22 60,000 students struck in Austria - the youth group REVOLUTION reports from Vienna

+ Richard Brenner analyses the world economic crisis in our special theoretical supplement

OCCUPATIONS

“They can’t walk over our children like this”

Sandra Ramsey told Workers Power why parents and grandparents occupied Wyndford Primary in Maryhill, Glasgow.

Workers Power: You have been sitting in the school for 15 days. What caused you to occupy the school?

Sandra Ramsey: The kids came home from school on 19 January to say that Wyndford Primary and St Gregory’s school would be closed. My daughter had enrolled in a college course, so I would be taking care of my grandson, taking him to school for her, which I won’t be able to do if the school closes. To get to the other schools, parents need to ride with their child on a school bus that costs £15 a week, which is impossible for parents on benefits to cover.

So we started by contacting other parents and different organisations. We arranged meetings to get all the parents involved and our last resort was to take over the schools.

WP:What was the mood like?

SR: There was a lot of anger – my daughter, myself and many other parents and grandparents. These schools have been here for 40 years. When we heard that they were going to be closed, we were all up in arms because they are the only things we have. This community doesn’t have any groups or activity centres. It

doesn’t have a park. Any clubs that were held in the area had been held at these schools...

WP:The Labour-run Glasgow Council says it’s going to save £3.7m. Yet compared to the hundreds of billions they have given to banks, such as the Royal Bank of Scotland and Lloyds, this is peanuts.

SR: As far as I am concerned, Labour won’t get another vote in Glasgow. We are really angry because, as you say, they are bailing out the banks and they are using a lot of money for the Commonwealth Games, which is of no use to us. We would rather have schools now than have the Games in 2014. They can spend thousands upon thousands of pounds on Blackberry phones for themselves and go out for lavish lunches – that’s all taxpayers money. We are the ones that put them into those positions and it going to have to be us that kick them out.

WP:How are the kids doing?

SR: When it went through, the kids were crying. It was so agitating for them. The doormen at the City Chambers were actually laughing at the parents and kids crying. One of the grandmothers went over to them and said: “One of these days it is going to

be your own grandkids or you neighbour’s grandkids that are standing here.”

WP:How supportive have the teachers been?

SR: The ones at the schools are, but we have tried to approach the trade unions and other bodies, such as Educational Institute of Scotland, and they haven’t backed us. A couple of the girls went down to Cardiff to the teachers’ union conference and received tremendous support. Myself and another delegate from the school went down to Harrogate for the Unison Health Sector Conference and they gave us 100 per cent backing, too.

WP:What is your next step?

SR: To take this to [the Scottish Parliament at] Holyrood. We’ve written a letter to Alex Salmond [Scottish National Party] but no reply as yet. We will wait to see if we get a reply. We want them to look and see what they are doing to these kids and this community.

WP:What’s your message to people facing similar cuts?

SR: Most of the schools that are being closed down are from the most deprived areas in Glasgow. They haven’t touched the better-off areas.

We are the poor areas, why take our schools? So I say to people, don’t trust the Labour Party because they’ll take away anything they think they can – jobs, schools or whatever...nothing is safe.

WP:There are a lot of other people starting to think the same way as you – the Visteon workers occupied their factory and also a school in Lewisham threatened with closure went into occupation, too.

SR: Yes I got a text message from them to say come down to London and give them some support on the rooftop. It’s a good feeling that other people are taking a stand and that we can give them support. People have got to take a stand – they can’t walk over our children like this.

WP:Do you hope for a more generalised struggle in Glasgow to start to bring people together to fight against these cuts like the Red Glasgow of 90 years ago?

SR: Yes, I really do hope because it’s not just about the school closures – no job is safe.

To contact the parents at the Wyndford occupation with your messages of solidarity, phone 07770 806 270

“It’s my child’s education and we’ll fight for it!”

Parents at Lewisham Bridge Primary have occupied the roof of their school as part of a fight against its closure and demolition. The Labour-dominated Lewisham Council has run roughshod over the local community in a naked bid to save money at the expense of children’s education.

Within hours of climbing onto the roof on 23 April, police came to remove the protesters – but failed. Instead, the parents were joined by Visteon workers in Enfield, who recently occupied their plant against closure, and also students from nearby Goldsmith’s University. The occupation has already suc-

ceeded in putting the council under pressure to reverse its decision, as well as giving inspiration to others facing similar attacks. The parents brought tents, clearly prepared for the long haul.

Lewisham Council closed the school at Easter. It is bussing the children three miles away to another school, but its plan for a new 3-16 year old academy on the site – itself privatisation by the backdoor – is, however, in tatters.

John Bowman visited the occupation during its first afternoon and talked to one of the parents, Juliet Thwaites.

Workers Power: Why are you

occupying the school?

Juliet Thwaites: This school can’t actually be knocked down [it is a Grade II listed building]. The council has not received planning permission. Why are they leaving it? There are no buildings like this in Lewisham. And now they’re sending our kids to a centre no one has been allowed to see. Also, we didn’t want Leathersellers [a Royal Livery Company that will run the new academy] to come to our school and take it over. There was a hidden “consultation” which no one knew about.

WP: What are your demands? What would victory look like?

JT: They should leave this as a pri-

mary school. We don’t want a primary/secondary school. We will stay as long as it takes. It’s my first time ever on a roof. But it’s my child’s education and we’ll fight for it! We’ll have four people here tonight. Other parents are bringing us teas and lunch. The local residents didn’t even know about this.

WP: Well, they do now! Have you got a message for the Glasgow school occupations?

JT: Keep going – we are with you!

You can email messages of support to: handsofflewisambridge@yahoo.co.uk

OCCUPATIONS

“We will fight for as long as it takes!”

Workers Power spoke to **Bob Benham**, a Unite steward at Visteon Enfield:

“I started at Ford as an apprentice in 1973. For a year I was at Dagenham but since then I’ve worked at this plant. I was the toolroom shop steward for the last five years. This plant didn’t have a reputation for militancy before - of course we were part of Ford so when there was industrial action we took part, I was on at least two big strikes over terms and conditions.

On March 31, I came into work and was told by security to go to a meeting, where KPMG told us the place had gone into administration and we had to get our stuff and leave the plant, it was as fast as that. At first, I think everyone was deeply in shock from the news. It was that evening that I had a few text messages with Kevin and we decided we had to do something.

We had arranged to come in to collect our tools at 10 o’clock the



Workers occupying the Visteon factory in Enfield

next morning and we thought that would be a good time, if we were going to occupy. The following morning, they wouldn’t let us through the gate because there were too many people. But one of the guys found an open fire door so that’s how we got into the building.

I hold Ford responsible because when I started I signed the Ford contract, when Visteon was spun off in 2000 I didn’t sign any new contract; we were given those terms

and conditions for life, we were told it was a legally binding contract and that’s why I agreed to it.

We’ve made contacts with other plants still in Ford. The support is there, but in the present situation everybody is very worried. They know that what has happened to us could happen to them. I think if we were to go and picket their plants they would stop production. We have to carry on here - but the Ford plants themselves have to get

involved.

There’s a plan to go down to Bridgend, it’s been put on hold at the moment. The top people in Unite told our convenor they want to hold a meeting on April 27 or 28. We will be ready to go the minute we get a bad decision. We will be down there to picket the plant at Bridgend.

At the plant, here, we have rotas and we all do four hours. We have regular meetings, and we put report sheets out every day so that people know what’s going on. Obviously, it is hard for everyone, but we just have to keep going. For me, winning means getting the terms and conditions agreed in 2000. I think only the threat of stopping their plants will bring them back to the table. How long will that take? Well, as long as it takes.”

Messages of support can be sent to Visteonoccupation@gmail.com and a supporters group has been set up. To get involved contact: visteon_support@haringey.org.uk

Visteon closures – spread the dispute!

Four weeks after they were sacked and told they had lost all their redundancy and pension rights, workers at three Visteon plants are going on the offensive against Ford.

In 2000, Ford “spun off” many of its own components plants by creating Visteon US, Visteon Europe and Visteon UK. The workers were simply transferred and assured that their terms and conditions would “mirror” those in Ford plants permanently.

These “new” firms continued to supply Ford with low-cost components, often making a loss themselves. Now, by declaring themselves bankrupt, they, and Ford, can legally escape all their responsibilities. Obviously, if Ford and Visteon can get away with this then

the other car giants will try to use the same strategy to avoid paying redundancy and pensions to their workers.

Visteon workers are taking a clear message across the country to Ford plants and Ford dealers: what happened to us can happen to you! What they want, what they need, is an embargo on using all stocks of Visteon components until Ford accepts its obligations.

But the leaders of Unite, the union that organises all the car plants and should be taking a lead in imposing the embargo, are dragging their feet. They persuaded the Enfield workers to end their occupation on the promise of talks but this only produced the insult of statutory redundancy pay. They postponed the picketing of Bridgend

in order to allow more talks but these will also produce nothing.

The truth is the Unite leaders are terrified of a serious fight with the car companies and fearful that the law will be used against them if they support “secondary picketing”. In order to win, Visteon workers will need to take control of the dispute into their own hands.

They will have to appeal directly to workers in the other Ford plants not only to stop using Visteon components but to take strike action themselves to force Ford to back down. They should also appeal to the thousands who have sent messages and donations to picket Ford dealerships: Ford cannot expect to sell cars if they do not respect their workers.

All the main car companies are cur-

rently manoeuvring to save their profits; transfer this plant to another company, close that plant, merge with one company, bankrupt another, force every government to hand over subsidies to guarantee profit. Across the industry, rank-and-file workers need to plan their own strategies, refusing to be divided against each other, demanding that the companies open their books and databases so they can see where the money has gone and what is being planned. If, as the companies say, the economy cannot support the whole industry, then the government, which seems to have no trouble nationalising bankrupt banks, should nationalise all of the car and components industry, under workers control and with no compensation to those who ran it into the ground.

WORKPLACE

Teachers and parents – unite to save schools

Bernie McAdam, Sandwell NUT outlines the assault on primary schools and how it can be resisted.

The National Union of Teachers' conference agreed "working people bear no responsibility for this crisis and should not have to pay the price for it".irate parents, occupying schools in Glasgow and Lewisham echo this sentiment. Together they can win.

Despite claiming the government would "spend our way out of recession", Chancellor Alistair Darling is quietly ditching Labour's manifesto promises on education. In the recent budget, he more than hinted at a move to replace teachers with cheaper unqualified assistants.

Now all eyes are fixed on Labour's Building Schools for the Future programme, which aims to replace or renovate our dilapidated schools by 2020, at a cost of £3.5 billion a year. Not only are the Private Finance Initiative

schemes this depends on drying up, but it is a plum target for cuts.

Tory shadow secretary for schools Michael Gove has said he will speed up the city academies programme by turning the control of thousands of primary schools over to private companies, funded by the state.

No wonder parents and teachers are preparing to fight.

SATS boycott

The NUT, at its Easter conference, voted unanimously to ballot for a boycott of SATS for 7 and 11 year olds in England. The government has declared any proposed boycott by unions as unlawful but the NUT insists that a national ballot will ensure the legality of any action and expects to implement one next year.

This outdated system of testing narrows the curriculum by forcing educators to "teach to the test". SATS increase stress for pupils and

staff and discourage innovation. The head teachers' union will also vote on a boycott.

What a shame, therefore, that the smaller teachers' union NASUWT says it will strike if the SATS are removed. Instead, NASUWT members should demand it joins the NUT in boycotting SATS - and in balloting for strike action to increase pay and reduce workloads and class sizes.

Stop Academies

The NUT also condemned the spread of academies. Both NUT and NASUWT have taken strike action against the setting up of academies in Bolton, Derby, Croydon and most recently Newham. In Derby a successful campaign with parents, students and staff has put paid to the council's imposition of an academy at Sinfon Community School.

However, we cannot leave par-

ents, pupils, teachers and staff to fight, school by school. The union must take national strike action against the whole programme. Academies are detrimental to children's education and break up community schools by selecting the children of better off families, leaving those with greater learning difficulties behind. Academies hand over the education of our children to big business and even religious bigots.

The occupation of schools against their closure by parents and pupils is a brilliant start. Teachers should actively support these occupations, paving the way for them to join school staff in their strikes. This could be part of a mass challenge across the country to Labour's whole attack on education - and to their attempt to make workers and their families pay the price for the crisis.

Royal Mail adds pay freeze to job cuts and privatisation

A *CWU rep* calls for national resistance to Royal Mail's plans.

After a year of Royal Mail imposed job cuts and office closures, widespread anger is finally boiling over into action with strike ballots in Edinburgh, Perth and the London Division with its ten thousand members.

Now postal bosses have heaped insult on injury by freezing pay - despite Royal Mail making £255 million profit in the last nine months of 2009 and paying its chief executive Adam Crozier £3 million last year. Dave Ward, Deputy General Secretary Postal for the Communications Workers Union, warned:

"For Britain's highest-paid civil servant [Crozier] to impose a pay freeze on workers who earn less than the UK average wage is outrageous. This inequality will lead to strife."

Royal Mail has refused to discuss

its modernisation plan with the union and is imposing it with mail centre closures (the latest victims this month being Stoke and Ellesmere Port) resulting in thousands of job cuts. Full-time Jobs have been converted to part-time and the workload has been increased, all without agreement.

Some will say we should just be happy to keep our jobs in the current crisis but if we don't strike now, up to 50,000 jobs could go.

Privatisation

On the political front, Labour's Business Minister Peter Mandelson continues to push for a sell-off of a minority stake in Royal Mail to a private operator, such as TNT or Deutsche Post. However, the CWU's campaign just doesn't go far enough.

Ward and General Secretary Billy Hayes have declared we need to accept some cuts and have used arguments against "foreign" companies buying into Royal Mail, as if British privateers would be ok. Embarrassingly, the latest union executive stunt has been to send a birthday card to the Queen to enlist her support!

No-strike offers and gimmicks like this will not halt privatisation or keep jobs. Only a determined strike could make Labour change course.

Now we must act, building on the moves of some of the union's strongest areas. A strike by 170 workers at the Edinburgh Mail Centre in Sighthill, along with several other offices, would cripple the service in Scotland, while a London stoppage would be devastating

for big business.

For a national strike

The issues for these ballots are national - therefore the strike should be too. A rank and file network in the CWU should come together to maximise the pressure for a national strike, and ensure the members control the action this time. If, as in the 2007 strike, wildcat walkouts spread in response to management provocation, scabbing operations or redirecting mail, we need to be prepared to bring out every office and not cave in to the anti-union laws, like Ward and Hayes did last time.

Such a strike would not just blow Royal Mail's modernisation assault out of the water, it would sink Labour's privatisation plans.

WORKPLACE

Rail and tube: strike together

Andy Yorke reports on the growing mood for strike action on the railways and warns that workers will need to challenge the anti-trade union laws and control their own dispute

There is a growing rash of disputes on different networks involving the RMT and TSSA rail unions, which looks like it could draw in ASLEF drivers. The re-balloting of 10,000 tube workers in London Underground will almost certainly produce a vote for strike action, opening up the possibility of a coordinated rail strike.

Crisis derails train profiteers

The rail transport industry is being hit hard by the economic crisis. Unemployment and plunging consumer spending - not helped by fares hikes in January and April by greedy rail bosses - have meant falling passenger growth and revenue from fares.

Since January several companies announced thousands of jobs to go: Southeastern announced 300 job cuts (and has threatened hundreds more), South West Trains will cut 660, National Express East Anglia 300 and London Underground over 10,000, while First Capital Connect threatened to cut hours at 40 ticket offices.

Crow: Coordinating Resistance?

In February, RMT general secretary Bob Crow spoke of coordinating ballots of up 3,500 rail workers on these London-centred

networks: "Our members are facing industry-wide attacks on their jobs by train operators who between them have siphoned tens of millions of pounds out of the railways, and our only possible response is to coordinate resistance to them."

RMT members at three major rail companies voted in favour of a strike over job cuts. Strikes in March were

blocked when judges ruled the ballots didn't meet the anti-union laws. In April the union dropped a ballot over Tyne and Wear Metro privatisation due to legal restrictions. RMT regional organiser Stan Herschel said: "We're utterly convinced that our members would've voted for industrial action but we're not prepared to go to court."

Now railworkers again have the chance to vote for a fight to save their jobs. Bob Crow should say loud and clear that any further use by the bosses and their courts of the antiunion laws should be met by a massive wave of defiance from railworkers, backed by the whole union movement. We should all demand that Labour repeal the laws and make them unworkable in a massive nationwide strike.

Coordinate from below

The rising possibility of strike action on the rail, tube and in the post point to the possibility of a national strike across these sectors. A strike like that would rally millions of workers and could detonate a wave of mass struggles that could force the government to stop allowing massive job losses and privatisation, and to repeal the anti-union laws.

The main obstacle to this is the national union leaders, who on past form threaten to hold back strikes, drop strikes in return for promises of negotiations, and keep those that do fight divided from one another. They refuse to break the anti-union laws, even though if we all struck together

we could make them unworkable.

So we need to coordinate our struggles from below, spreading solidarity while campaigning for a national strike response to the crisis in our industries. That way we can push officials to take action while organising it directly without them wherever necessary.

- Build workplace and strike committees. Strike with the union leaders where possible, without them where necessary
- For a rank and file movement in the unions, building workplace and strike.
- For action committees in every town and city to bring together strikers, unions, occupations, and community campaigns, and coordinate our struggles

Rank and file must get organised

The opportunities to coordinate a fightback will deepen as the crisis continues and rail bosses seek to make more cuts. Indeed there are possibilities of cross-union coordination with passengers' groups on a fare campaign.

Postal workers are likely to strike in May in London and possibly nationally in coming months, and rail workers could seek an alliance with them. If union leaders won't do it, rank and file workers should link up from below.

We need to build an organised network of militants who can give a lead, fighting for a coordinated strike wave, pressuring the leadership, but fighting without them where necessary.

Unison: Reclaim the Union

By Unison members

This month's elections in Unison - the huge public services union - will see up to 1.3 million workers voting for a new national executive.

The vote couldn't come at a more important time, with the current leadership under the Labour-loyal Dave Prentis having failed to mount a fight against job losses, service cuts, falling real wages and privatisation..

For the first time in many years, there is a united left-wing slate standing in the election, called Reclaim the Union.

This is a great opportunity to get rid of the existing leadership, which gave £1.8m to the Labour Party last year, and got nothing but a kick in

the teeth for it. Prentis has launched witch-hunts to drive out militants in Unison like Glenn Kelly and Yunis Baksh, on trumped up charges. Just because they want to lead a fight against the government Prentis supports.

We call on every Unison member to vote for the new left-wing slate. Reclaim the Union has some great aims: "For open, transparent and grassroots decision-making", a "campaigning, fighting union" and a "democratic union under the control of the membership".

We think Reclaim the Union will need to go further and define more how it is going to overcome the obstacle that the rightwing officials in the union represent.

The right wing has centralised

control and quashed dissent. Not content with expelling individual militants from the union, it has closed down whole branches, such as Newham, rather than allow them to fight Labour councils' anti-work-ing class policies.

We think Reclaim the Union should start the fight for the fullest rank and file control of the union, so that workers can not only take action with the national, regional and local officials wherever possible, but also without them when necessary. This would mean demanding the annual election and instant recallability of all union officials, that they be paid only the average wage of the members they represent, and that all key decisions be made by the members affected.

Above all, Reclaim the Union needs to clarify exactly what it means when it calls for "united action against the bosses" and "joint action with other public sector unions. It should point out that a repeat of the failed strategy of disconnected one-day strikes will get us nowhere. It failed in 2008 (local government pay) and 2006 (pensions). Now the stakes are higher. We need sustained strikes and workplace occupations against all cuts and sell-offs, and ultimately a national all-out indefinite strike, bringing out the entire public sector against the government's attacks.

With anger mounting in the face of the crisis, a bold lead from the left would meet with an enthusiastic response.

THE STATE

Police brutality

Police are under attack. **John Bowman** reads the charges against the police including brutality, lying, infiltrating campaign groups and denying people their civil rights, while **Natalie Sedley** looks at how Labour have backed the cops by eroding our civil liberties

Brutal police treatment of protesters on the 1 April G20 demonstrations has built into a real wave of public revulsion.

There has been a series of disgraceful incidents which show up police violence, police cover ups and police bias against ordinary people protesting against big business.

- A cowardly attack from behind leading to the death of newspaper vendor Ian Tomlinson at the City of London protests on 1 April
- An attempted cover up by the police and the 'Independent' Police Complaints Commission, who even pressured the Guardian to remove footage of the attack on Ian from their website.
- string of fresh videos of unprovoked police violence against peaceful demonstrators, including the violent dispersal by baton-wielding police of the peaceful climate camp in Bishopsgate
- The summary arrest without charge and detention of 114 people planning a protest against power company's Eon at a power station in Nottinghamshire
- News that the government and



Police attack bloodied G20 demonstrator

police leaked information on protesters to the company

- Taped evidence from climate protester Matilda Gifford of police trying to recruit her as a paid spy to reveal campaigners' plans to them in advance

The police are exposed as biased and violent. Millions can now see that they are not a neutral force that exists to keep the peace: they are there to protect big business from legitimate protest.

The police habit of covering up

Taking liberties: Labour's

The era of New Labour has seen a huge expansion of repressive measures, from the creation of over 1,000 new criminal offences to the relaxation of rules for introducing "bad character" evidence (evidence of previous convictions etc) into criminal trials, meaning that defendants are tried on the basis of what they have done in the past instead of the evidence in the present case.

One of the most well-known and extreme attacks on civil liberties seen under New Labour is the 'anti-terrorist' legislation. While suspects for "ordinary" criminal offences can be held for an absolute maximum of four days (with court approval) before charge, those accused of terrorist offences can be held up to 28 days without charge. Although the move to extend this to 42 days has failed, it is still by far the longest

period for detention without charge anywhere in the so-called liberal democratic world, compared to 7.5 days in repressive Turkey and only 48 hours in the US. It is a fundamental violation of the legal principle of habeas corpus – the idea that anyone detained by authorities must be promptly brought before a court to show that the detention is lawful.

There are also offences such as "collection of information" which potentially criminalises the collection of material from names and addresses of MPs, businessmen and organisations to details of where to buy tools that could be used to damage property (which, as the charity Cageprisoners points out, could include the address of the local hardware store!).

The idea that anyone possessing such material has a legal burden to show a reasonable excuse –

rather than the prosecution having to prove the person has it for terrorist purposes – reverses another fundamental principle: the idea that a suspect is innocent until proven guilty.

Labour's justification for these and other draconian measures has been the argument that the war on terror poses a stark choice between freedom and security.

This was clearly stated in Tony Blair's speech in August 2005, about a month after the terrorist attacks in London, when he introduced new grounds for the Home Secretary to order deportation that included fostering hatred, advocating violence to further a person's beliefs, or justifying or validating such violence, and the extension of use of control orders (where terrorist suspects who cannot be proven in court to have committed an offence and be imprisoned, are

instead effectively imprisoned in their own homes) and a requirement for those acquiring British citizenship to attend a ceremony where they swear allegiance to the country.

But the idea that these measures could be justified because of a new or radically increased terrorist threat is easily unravelled. New Labour never really stated what was so different about this 'threat' to justify these kinds of serious attacks on civil liberties.

British Muslims were effectively given an ultimatum – either quietly accept British "values," including the invasion and disciplined but convicted of criminal offences. This is extremely unlikely since the Crown Prosecution Service, which decides on prosecution, works closely with the police and is part of the same repressive state apparatus. While decisions to prosecute

in the dock



Ian Tomlinson is accosted by police

their numbers on their shoulder pads has been part and parcel of repressive policing going right back to the miners' strike. But in those days we rarely got the chance to film it. Today every mobile has a built in camera. So now millions got to see

what has been going on for decades: police planning indiscriminate beatings of protesters cover up so they can't be reported.

Ian Tomlinson

Ian was a newspaper vendor – not

a protester – who was caught up in the police 'kettle' at the Bank of England on 1 April.

In the first instance, the London Metropolitan Police said Tomlinson had died of 'natural causes'. They claimed they were unable to provide him with medical help when he collapsed due to being 'pelted' with what they 'believed to be bottles'. Next video footage was released that showed Ian being beaten by police – from behind – and thrown to the ground. Images also suggest that in fact no bottles were thrown and there little contact between protesters and police before Ian's death.

If it seemed impossible that yet more suspicion could be aroused, it turned out that the pathologist who determined the verdict of 'natural causes' had been previously condemned by the General Medical Council for poor conduct.

At several times in the past, Dr Freddy Patel had declared a verdict of death due to 'natural causes' in highly suspicious circumstances. In 1999 he was reprimanded after reaching the conclusion that a black

male who died in police custody suffered from a crack addiction and died from 'natural causes' – an addiction his family denied. A second post-mortem carried out by a different pathologist soon determined Ian's death as due to 'internal bleeding'.

Policy

Since the exposure of the suspicious circumstances surrounding Ian Tomlinson's death, much more video and photographic evidence of police violence has been released. Particularly shocking are photos of a red-faced police medic beating a protester on 1 April, and a video of a young woman slapped twice by an officer before being struck with a baton. Images like this have shocked many people up and down the country who thought the police existed to maintain the law. David Davis, the Tory MP has criticised a 'minority of police', but this blatant attempt to blame a few 'bad apples' hasn't stopped people learning the obvious lesson of 1 April: violent police repression is no accident – it's an official policy.

12 year war on our rights

members of the public are often made on the basis of nothing more than extremely shaky testimonials from police officers, where police officers are accused we are told that clear CCTV footage and numerous accounts from independent witnesses are "insufficient evidence to charge."

The events since the G20 protests show a glimmer of hope that the police will not be able to, literally, get away with murder quite as often. While the catalogue of attacks on our rights could lead to a council of despair, recent events show that resistance, demands for democratic rights and public anger can put the state on the back foot.

Many people were outraged by the Tomlinson killing because they believe the police are there to defend the public and maintain "public order." For Marxists, however, this type of attack is not an

exception but a reflection of the fact that the police and the state are there to defend class interests. While the police supposedly lack the resources to properly prosecute offences that affect workers and oppressed groups – notably rape allegations – they are willing to do whatever it takes to crush protests and strikes.

While the majority of serving prisoners are there for poverty-related offences of theft and drugs, and benefits claimants are regularly investigated for "fraud" in relation to minor discrepancies in their claims, white collar criminals involved in massive fraud and tax evasion schemes regularly get away either without being prosecuted at all, or with disproportionately low sentences.

The class prejudices of the police are paralleled by their entrenched and blatant racism, which means

that men from ethnic minorities are eight times more likely to be stopped and searched.

Tory spokesman David Davis has claimed that the police have been, since they were set up by Sir Robert Peel, not a force separate from the people, but 'of the people'.

This is the opposite of reality. The behaviour of the police on the G20 protests clearly exposes the police as anything but a force for protection of the public. The police showed themselves willing to do whatever it took for the protection of the private (though publicly funded) property of the banks and the smooth running of the City of London.

For all these reasons, Marxists fight to expose the police, to weaken their repression by demanding the disbanding of the riot squads, the sacking of violent officers, the disarming of the police units and

the abolition of all the repressive laws introduced over recent decades. The start is of course for the people to organise to maintain order ourselves; to organise to assert our right to protest, and to do so directly, confronting police repression with cameras and with even more direct means when necessary in our self-defence.

From these beginnings we can move towards a mass self-defence organisation: one that can protect every protest in the months and years ahead from police aggression. But the police force cannot be reformed and turned into a force for the working class.

It will have to be broken up and replaced by a working class militia that doesn't side with the rich against the poor, but which is part and parcel of a revolution to take back control from the bankers and the bosses.

EUROPEAN ELECTIONS

No2EU and the fight

By Luke Cooper

The European elections in Britain have traditionally been the stomping ground of the political right, who use them to whip up jingoistic and nationalist feeling against “Brussels bureaucrats”, cheered on by the tabloid media.

Back in 2004, the UK Independence Party (UKIP) – a de facto right-wing split from the Tories that calls for Britain to leave the European Union – polled 16 per cent of the vote, pushing them into third place ahead of the Lib Dems. Because the European Parliament has very weak powers and successive British governments have established opt-outs from EU laws and regulations, historically turnout here has been quite low. But nonetheless the European elections have been used by voters to “send a message” to the incumbent government by voting for opposition parties, sometimes minority ones (the Greens, the Lib Dems, UKIP and, for anti-immigration racists, the BNP). The radical left has failed to make much use of this opportunity.

Surely this year’s European elections could be different? With the global economic crisis deepening, the potential to popularise working class, socialist and anticapitalist politics couldn’t be more apparent.

The Labour government has been forced to part-nationalise the banks to save the financial system from complete collapse and is now similarly compelled to raise taxes on the highest earners to stave off a major crisis in the state’s coffers. Could there be a better time to argue for a punitive tax on the rich and for a single state bank channelling money to where it’s needed, such as schools, social housing and hospitals? Could there have been a better time to demand a huge programme of public works to absorb the 2.1 million unemployed and to call for the repeal of Thatcher’s anti-union laws which blocks workers from fighting for their jobs with effective strikes and factory occupations?

Unfortunately, there will be no nationwide challenge at these elections raising answers such as these to the global economic crisis. Despite 10 years of a Labour government that never repealed the anti-union laws and took privatisation much further than Thatcher had ever dared, no new mass working class party has been founded from the trade union and labour movement to stand as an alternative to Labour.

A series of projects, which adapted to

non-working class forces and ideas in an attempt to find a short-cut to a new mass party, have failed. There was Respect, which adapted to local Muslim businessmen, and the Scottish Socialist Party (SSP), which adapted to Scottish nationalism – both of these inevitably fell apart. This has left many activists demoralised at the prospects for building an alternative to Labour. But, on the other hand, workers’ anger with Labour – as they see bankers bailed out while Labour does nothing to stop the jobs massacre hitting working people – is probably now greater than ever. Even Brown’s small increase in taxes for the top one per cent won’t change that feeling significantly.

No2EU?

It’s a real shame that the transport workers’ union RMT, which has been expelled from Labour and has long been one of the more militant unions, has chosen to set up a new force called “No to EU – Yes to Democracy” for these elections.

For years the union’s leadership has talked about the need for a new party but has never taken any action to match these words. Now they have, but on a set of policies and an overarching message that points workers in completely the wrong direction. They’re not standing on anything like a socialist platform but are stealing the clothes of UKIP. Instead of saying we need to fight the bosses, both in Britain across all of Europe, and unite with our brothers and sisters abroad, the No2EU platform focuses all its criticism on Brussels. They attack the anti-trade union decisions of the European Court of Justice – but without acknowledging that British anti-union laws are the most restrictive in all of Western Europe!

The EU does not govern in the interests of the workers, but the bosses. Of course the socialists and workers need to resist all attacks from European governments and the EU. But why on earth should working class candidates focus all their campaigning efforts against foreign bosses without directly laying blame on British capitalists, British bankers, British anti-working class legislation and the British government? If it looks like a cop-out, that’s because it is.

Does the British parliament act any differently from the EU? London, like Brussels, is a big centre of the global capitalist system. No2EU sends the wrong message out: at a time when we should be saying the enemy are all the capitalists, it targets one lot of “foreign” capitalists and peddles the lie they’re somehow worse than the rest, somehow worse



RMT: launching anti-EU election platform

than “our” British businesses and “our” British capitalists.

In fact, Britain under Margaret Thatcher blazed the trail for anti-union laws, privatisation, running down of council housing and other public services. Then Blair led the way in breaking up and dragging the market into education and health.

It was Blair who pressurised Germany, France and Italy to follow suit and carry out sweeping pro-market reforms (Lisbon Agenda 2010). Meanwhile, when some progressive measures were passed in Brussels, such as the social charter, the minimum wage, the convention of human rights, the maximum 48 hour working time directive – thanks to pressure from what became a stronger and more militant labour movement on the continent – Blair and Brown demanded that they be watered down or that the UK is exempt from them.

Of course the EU eventually adopted a programme of pro-market, neoliberal reforms and all of these should be opposed. But most of these had been trialled in the UK a decade or more before. Therefore, the call to “get out of the EU” – or break it up in favour of a return to separate national states – would be no step forward whatsoever. It would not even make the class struggle easier here in Britain. By separating us from our French, Italian, Germany brothers and sisters, it would actually weaken our struggle.

Does that mean we want to keep a capitalist, imperialist EU? No, of course not! We want to replace it with a federation of

for a workers' party

workers' states in Europe – a Socialist United States of Europe. This means creating the closest unity now by linking our struggles against the crisis. Car components workers on strike at Visteon can link up with car workers across Europe; we can link up with the rebellion that has led to mass general strikes in France and Greece; we can work together as a class across Europe, fighting every one of the national capitalist governments. The goal has to be not to retreat to a patchwork quilt of disconnected capitalist countries, but to link the mass resistance to the effects of the crisis with the fight to overthrow the capitalist governments and replace them with workers' governments.

BNP and nationalist danger

No2EU may well pick up a few protest votes, but for all the wrong reasons: people with nationalist ideas won't be broken from them by a party with a clear set of socialist policies, they will just have (another) nationalist platform to vote for.

A big danger in these elections is the fascist British National Party (BNP). With the global economic crisis deepening and discontent bubbling over, workers won't always look for progressive answers. The BNP have already done well out of the past 10 years. Labour's wars in the Middle East, attacks on workers at home and systematic campaign against Muslim people and asylum seekers have been gifts to the far right.

This election could mark a major breakthrough for the BNP. The fact that there will be a union platform in the elections that doesn't raise a radical socialist alternative to the BNP won't hurt their votes, but many workers will see the nationalist arguments as similar and No2EU will only give them more prestige. And there is no getting around the fact that racist and nationalist ideas are getting stronger in Britain – fomented by the Sun, the Star, the Mail, etc, but also endorsed by union leaders such as Unite's Derek Simpson who go along with slogans such as "British Jobs for British Workers". Even some of Britain's left wing groups, such as the Socialist Party, are foolishly backing the No2EU campaign, covering up for it in the same way they did for the reactionary "British Jobs for British Workers" strike at the Lindsey Oil refinery.

In fact the task of socialists is not to cover up these reactionary ideas or take them up ourselves – it is to openly challenge them. A bold socialist campaign could do this – it could show how these rotten ideas divide workers and weaken

our resistance to the bosses. It could speak out for migrants and minorities victimised every day in the press, rallying huge support from multiracial working class communities across our big cities. It could show how international unity strengthens the working class, helping workers to sense the confidence that comes from being part of a six billion strong army across the world, and could point the way forward – not back to the past of isolated states, but forward to the future of international socialism.

Labour must break from the bosses

To stop the jobs massacre, Labour would need to do more than slightly raise taxes on the rich. When a capitalist economy starts shrinking, the question is posed point-blank – who should pay? Should it be the rich through nationalisation of industry without compensation and steep taxes on their unearned wealth, or should it be the already hard up workers through job losses, mass unemployment and unpaid reductions in working time? And, of course, having preserved "the most restrictive (anti-) union legislation in Europe", Brown and co will use it against workers such as those at Visteon trying to save their jobs.

While millions of workers' union subscriptions are being used to fund this rotten Labour Party, the working class should step up calls on Labour to stop serving the bosses and to act in workers' interests.

Across the country, workers and our unions should be demanding that Labour stops bailing out the rich and instead bails out workers' jobs. If they can nationalise the banks to take billion-pound losses off the bosses' hands, they can nationalise companies declaring redundancies and stop unemployment rising to its predicted level of three million this year. They should reverse all privatisation in the public sector, cancel all planned cuts in public services and repeal Thatcher's anti-unions laws.

It's not about waiting quietly for Brown to do any of this – it's about building a mass movement to force him to or to bring him down. We have to mean it when we say that we won't be made to pay for a crisis. Labour must be forced either to give way to our demands or give way to a workers' government – one based on local assemblies of delegates from every workplace, every housing estate or scheme, and every working class community.

Many trade union leaders are still members of the Labour Party. They argue that by staying in Labour they gain "influ-

ence", but for 10 years these back door deals have won workers little or nothing. Just as we demand the Labour government should stand up for workers not the bosses, so too must we demand our union leaders turn their words into action on the streets.

A fighting party

Millions of working class people are furious with Labour. We need a different type of party – a working class party that builds struggles from below and fights with the union leaderships where possible and without them where necessary.

Its members should be the militants who fight in the workplaces and the communities to defend working class gains – such as the workers who occupied their plants at Visteon, and the parents occupying schools in Glasgow and Lewisham. There are tens of thousands of such people across Britain, and they can and should be brought together on the basis of a programme, not of nationalism, but of action to fight the capitalist crisis, to make sure we do not pay for their crisis, to show that we have the solution to the economic mayhem the billionaires have created.

The fact that no new party has been formed over the last 10 years doesn't take away the desperate need for it. Even Labour left MPs, such as John McDonnell, describe each attack of the government as the "last straw" for Labour. Rumours are rife that the RMT and its No2EU backers are considering launching a party on the back of the EU election campaign. Despite its utterly misguided political content, this shows that the pressure is still there from below to break with Labour. The problem is that Bob Crow, George Galloway, the Morning Star, the Socialist Party, etc don't want an anti-capitalist and internationalist workers' party – they want the nearest they can get to Old Labour, even if it's wrapped in the union jack rather than the red flag.

Labour doesn't deserve our vote, but neither does the RMT's alternative. If the BNP do very well in this election, it must ring the alarm bell for the left and the working class as a whole – not to look for an alliance with "progressive" Tories, Lib Dems, bishops and actresses, footballers, pop stars and other assorted celebs – but to create a fighting alternative to fascism and the "respectable" political parties. The unity we need is working class unity, not unity with bosses. At its heart must be a new, fighting, anticapitalist working class party.

• More on the BNP p13

"While millions of workers' union subscriptions are being used to fund this rotten Labour Party, the working class should step up calls on Labour to stop serving the bosses and to act in workers' interests"

BUDGET

Labour's budget foreshadows a decade of cuts and wage restraint

By Luke Cooper

For the right wing press the big story in the budget was the increase in the top rate of tax to 50 per cent. They couldn't quite believe anyone had the nerve to touch the pay packets of the rich. *The Daily Telegraph* called it "the return of class war", while *The Times* said it was "red all over". But fortunately the rags were isolated: a poll for the Fabian society showed that 52 per cent support for the new 50 per cent top rate and only 9 per cent strongly opposed it. It will only affect 700,000 people – the top 1 per cent of earners – but it is only going to bring in £2.2 billion in additional tax.

That might sound like a lot but it's in the context of a budget deficit that is running out of control. While the big political issue in the budget is the new top rate – which for the first time in many years puts some clear water between the Tories and Labour's economic policies – the spiralling public debt was the real story of the budget. Last year borrowing mushroomed to £90 billion and the total British public

debt now stands at £743.6 billion – nearly 50 per cent of GDP.

And it's set to rise further. In the next year alone the government expects to borrow £175 billion in order to balance the books. Alistair Darling projects borrowing to come to £140bn, £118bn and £97bn in the following years. But even this dramatic expansion in state borrowing is based on growth projections that remain wildly optimistic. The government expects the economy to bounce back with 1.25 per cent growth in 2010 then 3.5 per cent in 2011 – but economists and IMF think this is pie-in-the-sky.

Governments sell debt – called bonds or gilts – to private financiers or other states, with the buyer getting regular interest payments. As the cost of gilts declines – if they become less attractive – then the interest paid by the government will rise. It's a bit like loan sharks – the poorer the desperate family they prey on, the higher the interest they charge. With Darling's predictions of future growth looking totally unrealistic, the bond markets got the jitters. No wonder that the markets in British government debt got the jitters in response to the budget.



Darling: A case of austerity

The nightmare scenario for Britain is that credit agencies downgrade the debt – which would force up interest payments (making borrowing more expensive) while also restricting the amount of credit available. Britain's debt could spiral even more out of control.

The bottom line is that borrowing at levels is unsustainable in the long term – and this means sharp public sector cuts and tax rises are ahead of us. *The Financial Times* spoke of an "era of austerity" ahead, while the Institute of Fiscal Studies called it a "decade of pain" following the 'breathhtaking' damage done to the economy through the course of this crisis.

So what did our union leaders have to say? Derek Simpson's of Unite said, "Alistair Darling... has positioned Labour as the party for jobs and social justice while exposing the Tories for being the party of cuts and inequality."

Instead of warning workers of the cuts to education, health and jobs ahead of us, and condemning the government for doing nothing to stop the jobs massacre, Simpson heaped praise on the Labour government.

The message from Simpson is don't rock the boat with strikes and protests and support Labour. But rocking the boat is exactly what we need to do. Our message should be: No holding back on our struggles to save an anti-working class Labour government that is making us pay for the bosses' crisis.

More attacks on the unemployed

By Josh Davies

With unemployment set to rise from 2 to 3 million this year you'd think that the budget would mean a shake up of the benefits system and a scrapping of the punitive social security policies inherited from the Tories and continued by New Labour. But Labour's latest budget offers more of the same.

The central plank of Labour's measures concerns youth unemployment. There's no doubt this is a massive problem. It is currently at 15.1 per cent, much higher than the 6.5 per cent across the whole of the workforce. It is also rising faster too: 3.2 per cent for under 25s against 1.1 per cent for over 25s according to the latest figures.

The budget promises a £2bn investment to create youth jobs that have been out of work for a year or more. But the great bulk of this money is for the youth training schemes (£1.7 billion) and this will basically force under 25s on the dole into super-exploited work promised only an unspecified extra payment on top of the measly job seekers allowance. Only £250 million of this money will go into jobs and even then only in the form of subsidies to business in return for them introducing work experience schemes for young people.

Unemployed people under 25 already have to take part in mandatory full time training schemes and courses after six months of being unemployed: first a 2 week course then a 13 week course. These courses

don't actually provide useful training, but involve utterly patronising and demeaning exercises.

Since it came to power in 1997 Labour has carried on the unemployment policies of the Tories. Back in the 1990s the Tories made changes to unemployment benefits with the introduction of Jobseekers Allowance (JSA). Under JSA claimants had to provide a lot of evidence they were seeking work and a culture of suspicion and demoralisation was encouraged. Instead of treating the unemployment as victims of a system that doesn't provide for all, the Tories and then Labour treated them as criminals.

The miserly level JSA is set at forces the unemployed into total poverty. The idea is to starve people off the dole by making benefits so low that a halfway decent stan-

dard of living is impossible.

The system particularly targets the young, paying even less money under the assumption that this will push them back into work before they settle into long-term unemployment. An unemployed person aged 25 or over gets £64.50 per week whilst someone under 25 gets just £50.95 a week.

The trade unions need to lead the way in the fight for jobs for all. The TUC should found an Unemployed Workers Union, organise a mass recruitment drive and a series of mass demonstrations demanding jobs for all. We need to build a fighting unity between workers facing the threat of job losses and the unemployed, campaigning for a programme of public works and to share the work on full pay.

THEORETICAL SUPPLEMENT

The Third Great Depression

Observations on the dynamics and meaning of the global economic crisis, by *Richard Bremner*

The crisis is the *predominant and determining factor* in world politics. Approaching its second anniversary, it shows little sign of abating, and has moved on to embrace the entire globe. Already the *greatest financial crisis in history*, it has metamorphosed from paralysis of the banking system and capital markets into the *most synchronised global recession yet seen*, so far uncontained – and in many respects aggravated – by the battery of policy responses the bourgeoisie has fired at it (see graph below).

Although the impact of the historically unprecedented counter-cyclical measures advanced by the bourgeoisie over the past year (interest rate cuts, currency devaluations, bank recapitalisations, nationalisation of losses, increases to money supply) cannot yet be fully assessed, they failed in their initial purpose of averting a global deflationary collapse.¹ There is no sign as yet that this deflation (recession) is slowing. On the contrary, the destruction of surplus (overaccumulated) capital has moved from annihilation of fictitious capital in the debt, derivatives and equity markets into a tremendous decline in world trade and a manufacturing slump in the real – i.e. productive – economy. *We see sharp falls in GDP and soaring unemployment in most countries in the world*, from the imperialist centres of the US, EU and

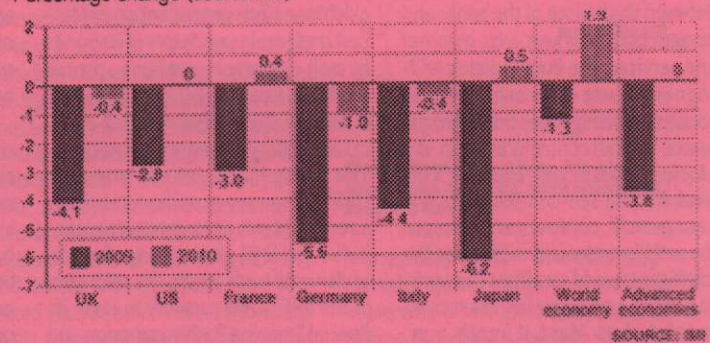
Japan through to the so-called emerging markets of Russia, China, India, the Gulf, Eastern Europe and South America. In April 2009, the IMF predicted that the world economy would suffer its first global recession in 60 years, declining by between an estimated 1.3 per cent in 2009 – up on its 0.5–1.0 per cent projection issued only a month earlier.

Despite a sudden bout of optimism driven by a short equities rally in Q1 2009 causing President Obama to claim that the worst for the US economy may be over, 20 April 2009 brought this to a sudden end with a raft of profit warnings from banks and non-financial corporations alike. Retail sales fell in the US 1.1 per cent in March over February's figures, hitting auto, clothing, furniture and food sales; down 9 per cent on the previous year. Consumer spending accounts for 70 per cent of US economic activity recorded for GDP purposes. With April 2009 on course to see another 600,000 job losses, the current 8.5 per cent unemployment rate is due to exceed 10 per cent (official slump figures) by the end of the year. This is matched and in most cases exceeded by the projected destruction of capital and economic activity in the other advanced (imperialist) economies (above World Economic Output).

In its *World Economic Outlook* published in April 2009, the IMF predicts an “unusually long and

WORLD ECONOMIC OUTPUT PROJECTIONS

Percentage change (source IMF)



severe” recession, with a sluggish recovery. The report traces the similarities with the (Second) Great Depression of the 1930s.² However, the IMF goes on to emphasise aggravated features of the present crisis:

“An important common feature is that the US economy is the epicenter of both crises. Given its weight, a downturn in the US has all but guaranteed a global impact. This sets the current crisis and the Great Depression apart from many other financial crises, which have typically occurred in smaller economies and had more limited global impact. In both episodes, rapid credit expansion and financial innovation led to high leverage and created vulnerabilities to adverse shocks. However, while the credit boom in the 1920s was largely specific to the US, the boom during 2004–07 was global, with increased leverage and risk-taking in advanced economies and in many emerging economies. Moreover, levels of economic and financial integration are now much higher than during the interwar period, so US financial shocks have a larger impact on global financial systems than in the 1930s.”³ (see synchronised recession chart below).

The optimistically named “emerging markets” continue to submerge in the sea of global economic contraction. China's GDP growth rate has now fallen to an official level of just 6.1 per cent in the first quarter, the worst quarterly figure since 1990, although the government's massive stimulus of spending may have some effect in raising this in the course of the year, promoting internal demand. Russia is facing industrial devastation: in late April the Russian Ministry of Economic Development revised its projections for economic contraction in the first quarter of the year from -7 per cent to

a staggering -9.5 per cent, with up to 10 per cent predicted for the second quarter. South Korea's US\$37bn tax cuts and stimulus slowed its decline from a 5 per cent fall in the last quarter of 2008 to around zero this quarter, aided by a 30 per cent currency decline against the dollar, boosting exports. But Singapore's economy is in freefall, declining an annualised 19.7 per cent last quarter.

Consultancy Oxford Economics predicts India's growth rate will fall drastically to just 3.4 per cent this year, down 9.2 per cent in 2007 and 7.4 per cent in 2008. The Reserve Bank of India predicts growth below 6 per cent this year, despite repeated interest rate cuts which are failing to stimulate lending. In Latin America, which showed mid-decade growth following the devastating crisis of 2000–01, the IMF now predicts a continental recession this year, with economies contracting 1.5 per cent because of cheaper commodity sales and falling demand for exports: the IMF warned that the recession will be more severe in Mexico (because of its ties to the US).

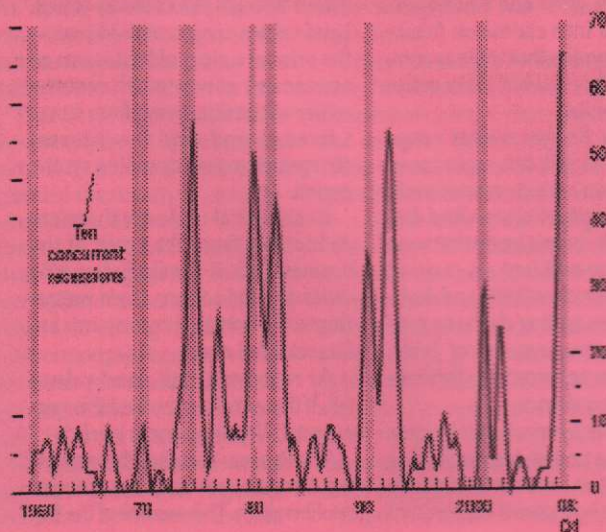
The US government has declared that *the greatest threat to its global order* is no longer terrorism but the impact of the crisis. From their class standpoint, they are right. Across the world, unrest in the form of demonstrations, strikes and occupations is on the rise, driven by sackings and enterprise closures, real pay and pension cuts, food and fuel price rises and sharp increases in the number of unemployed. Objectively, and increasingly subjectively, consciously this posits the refusal of the working class and poor farmers to bear the burden of the devaluation of capital: “We Won't Pay For Your Crisis.”

Continued over

HIGHLY SYNCHRONISED RECESSIONS

Per cent of countries in recession; shaded areas denote US recession.

Highly synchronised recessions are rare events typically preceded or coinciding with a US recession (source *World Economic Outlook 2009*)



THEORETICAL SUPPLEMENT

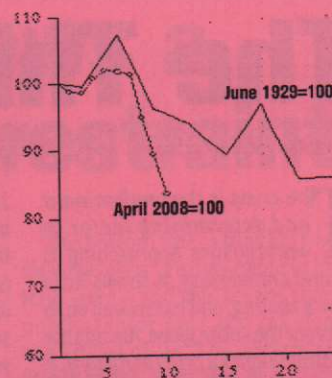
The manifest failure of the Anglo-American model of liberalised capital markets, *laissez faire* and neoliberalism, the sudden reversal of orthodoxies, the inability of the bourgeois theorists and propagandists to deliver a coherent explanation of the causes of the crisis or how it can be solved, the stunning contrast between the bailout of the banks and savage cuts in workers' jobs, incomes and services, the bourgeoisie's willingness to use state ownership to socialise banking losses but not social assets, have all contributed to an *ideological crisis of legitimation*. This weakens the self-confidence of the bourgeoisie, confuses and enrages the petit-bourgeoisie, radicalises the intelligentsia and sensitises the working class and popular masses to socialist ideas. More, it impels hundreds of millions of workers and small farmers around the world to fight in their own defence, and is instill-

ing a distinctly anticapitalist character to some of the most visible protests against the crisis (Paris, Athens, London) and encourages militant actions such as occupations and workplace seizures (US, France, Ireland, Britain).

The G20 summit revealed the *decline of US power* on the international stage as the world hegemon – a debtor nation dependent on continued large-scale purchases of its bonds by cash-rich exporter nations – proved unable to force the EU and China into a coordinated global counter-cyclical and inflationary stimulus package. The summit announced instead a US\$1 trillion programme comprising a series of prior agreements to recapitalise the IMF, an insurance fund to underwrite trade credit, the extension of the IMF's own capacity to issue its Special Drawing Rights currency, and a promise to review in two years' time the US/EU domination of the IMF and World Bank. The trend is therefore

towards a world order in which the subordination of rival capitalist powers to the weakening US is not so clear cut, in which the rival states' imperatives of protecting the integrity of their currencies, resisting taking too great a share of the devaluation attendant on the crisis, securing markets for labour, resources and exports, asserting their demands in the sphere of trading rights, all propel governments to an increased level of protectionist policy.

Although the WTO, regional and national competition laws and the persistent warnings of the bourgeoisie's economists have maintained the overarching structure of free trade, there has been a very sharp rise in the number of juridical challenges to foreign products and services, legislative measures asserting national privilege in the location and control of productive capacity, preferences for purchases of national products and even outright



The volume of world trade from *Tale of Two Depressions*, April 2009, Barry Eichengreen, Kevin H. O'Rourke

tariff impositions. The WTO warns that if states were to increase their tariffs to the maximum levels permitted within global rules, this would effect a doubling of import duties worldwide. While it is certainly not a completed process, we are seeing a *powerful*

Falling profit rates in Marxist Crisis Theory

Notes on the factors giving rise to prices in David Harvey's presentation of Marx's theory

Marx observes in Volume One of *Capital* that the potential for crisis is immanent in the money form itself, in the separation of purchase and sale of a commodity introduced through the intermediation of the universal equivalent. And indeed breaks can and do occur in many nodal points of the circuit of capital.

As David Harvey observes in the last of his recent online lectures on *Capital*,¹ this allows for an integral view of crisis formation and causation which absorbs many different stands of thinking on Marxist crisis theory within a common framework. So a collapse in effective demand in a recessionary phase can cause a decline in markets which feeds back into a collapse of production in key sectors producing both capital and wage goods (a crisis of underconsumption). Unbalanced and inaccurate market signals can give rise to a crisis of overproduction of goods, services and capital giving rise to a collapse of profitability (a crisis of overproduction). Fictitious capital can be forced violently to adjust to underlying values (a credit crunch). Class struggle and political resistance can prevent capital reducing

wage costs and deductions from profit such as tax, forcing destruction of unprofitable capital (a profit squeeze). Exhaustion of natural resources or ecological destruction can render previous lines of development unsustainable (an environmental crisis). Such an approach can have a certain – strictly limited – value in helping us to identify elements of the crisis, and to locate the formation and unfolding of the crisis in space and time. But alone this approach is eclectic and fails to identify the underlying cause of crisis, and the factors that determine and integrate these elements as aspects of the crisis as totality.

The present crisis encourages us to revive Marx's theory of the tendency of the rate of profit to fall as the key factor that provides us with an integrated theory of the crisis as a dynamic totality.

It is true that the crisis emerged through the collapse of demand for US housing. Should this lead us to an underconsumptionist conception of the cause of the crisis? The actual history of how the crisis emerged shows that this would be a wrong conclusion to draw, and reveals how Marx's theory augments our understanding of what happened.

The sub-prime crisis arose from overvalued loans, leading to mass repossessions in America: the dream of the homeownership democracy ended in mass homelessness, poverty and devastation of the US urban environment. The implication of an overvalued loan is of a value based on the assumption of a return to the lender that it transpires will not be realised. Similarly an overvalued equity (a share) assumes that the holder will receive a proportion of a profit that is not realised. In a modern capitalist economy, debts and equities are crystallised into claims on future unrealised profits that trade as commodities. This is what Marx called fictitious capital.

For Marx, finance creates a market in capital itself: this capital market creates an average rate of profit and "pure" capital. Collateralised debt (like the sub-prime loans that were packaged up and lent on causing the credit crunch of 2007) and derivatives markets (selling claims on profits from the movements of debts, shares and so on) constitute fictitious capital par excellence.

The bubble burst when it became clear that the underlying profits they were relying on were not going to be realised. But how does it happen that

the anticipated return is not achieved and the loan capital is shown to be fictitious? Any coherent answer must focus on how the average rate of return on investment (rate of profit) sometimes declines and what the drivers are for this.

Bourgeois theory contains an instructive silence: banks lent to people who couldn't pay it back. But why? Official theory can describe the cycle in land values (and indeed the business cycle) but can't explain it.

Here we need to take a (very) quick detour through Marx's theory of rent. Land values are securitised rents – the price of a piece of land is just an assessment of how much rent the owner will be able to earn from it over a fixed period, and the interest charged changes depending on the period.

Commercial rents are therefore deductions from the profit of the business tenant. Similarly domestic rents are deductions from wages. Domestic mortgage repayments are financialised rents.

As real wages fall, land values fall. If these are financialised this raises instability to systemic levels.²

The Reagan-Thatcher "homeowning democracies" was a key policy of neoliberalism. This was one of the fac-

THEORETICAL SUPPLEMENT

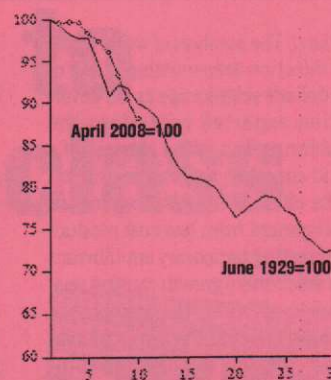
impulse towards deglobalisation and the break up of the free trade system, one which would not merely exacerbate the recession and impede a sustained recovery, but which would as in the Second Great Depression of the 1930s intensify commercial, trading and ultimately military confrontation between the great powers.

This is a cyclical crisis, but no mere cyclical crisis. It is the end not merely of the 2002-07 boom, but of a long period which opened in 1985 and is known to the economists of finance capital as the Great Moderation, in which the impact of neoliberal reforms such as the defeat of the Anglo-US unions, sharp rises in the working day, trade and capital markets liberalisation, the vast expansion of consumer credit, and above all the restoration of capitalism in the USSR, Eastern Europe and China created a global regime of accumulation in which recovery phases of the cycle were

strong in the hegemonic imperialist US-UK bloc, while crises and recessions were of reduced intensity and duration. Yet far from establishing a new and permanent paradigm, the equilibrium established in these neoliberal years was the result of the dynamic interaction of contradictory forces that were mounting in scale and intensity. This crisis is the culmination of that process and the breakdown of that equilibrium. The Great Moderation – otherwise known as globalisation – has given way to a new period: one which shows every sign of being a *Third Great Depression*.⁴

Fundamental aspects of the present crisis express not merely the defects of bourgeois policy in the preceding period but the crystallisation of capital's inner limits. The banking solvency crisis, the bursting of the bubble of fictitious values in the credit and derivatives markets, the collapse of the

credit system, deleveraging and the unavoidable necessity for capitalist states to nationalise and part-nationalise key banks exposes not merely the unsustainability of finance as the organiser and regulator of production, but present the real possibility and necessity of the expropriation and centralisation of the banks and their transformation into instruments of democratic planning. The scale of the banking bailouts and the injustice of the treatment of the banks when contrasted with job, pension and service protection show that a programme of redistribution of wealth is really possible, and could be driven by non-profit centred priorities; the state reveals its class bias in prioritising bankers and bosses over everyone else. The forced reduction of net employment posits the possibility of a shared and planned reduction of labour time as a social expression of rising productivity: mechanisation could eliminate



World industrial output from *Tale of Two Depressions*, April 2009, Barry Eichengreen, Kevin H. O'Rourke

compulsory labour "in a good way" (socialism), but capital (control and ownership of the tools and means of production by a profiteer) means mechanisation eliminates labour "in a bad way" – unemployment and unpaid short-time **Continued over**

tors supposed to herald a "goodbye" to the working class; now this policy is itself in ruins. In Marx's day there was no mass home ownership or domestic mortgage market on this scale; but Marx did observe that financialisation of land ownership increases instability of finance system.

This is what happened in 2006-07. As Robert Brenner has shown, even in the years of the credit fuelled boom in the US of 2003-06, there was a sharp decline in employment in core manufacturing and productive industries and an attack on pay in the US.³ This undermined real wages and disposable income in huge sectors of the US economy. This eventually drove down house values, busting out the US mortgage market, and bringing down the banks that had packaged these mortgages up and lent them on to other banks as collateralised debt obligations (CDOs).

The cause of this decline in employment and real wages in US manufacturing was the falling rate of profit in core productive sectors.⁴ This factor had three effects:

1. Over many years it drove surplus capital away from production into expanded financialised and ultimately fictitious forms.
2. Ultimately it reduced the spending power of mortgage borrowers, lowering land values and causing defaults, lowering the value to lenders of mortgage loan books causing the sub-prime and CDO crisis.
3. Most important of all, it reduced profit in large scale industry, reducing the value of commercial loans extended to non-financial enterprises by investment and

retail banks

A classic banking crisis ensued, and brought down core elements of the global banking system.⁵ The credit crunch was only the first stage of a general crisis, one that was to affect not just banks and stock markets, but industry, retail and state finances, and which would focus on devaluation/destruction of capital including not just finance but assets, homes, money, wages, and jobs.

Declining profit rates and overaccumulation of capital are thus core to any coherent explanation of the underlying causes of the current crisis. To describe the circuit of capital as a whole and point to its nodal pressure points as diverse sources of crisis without identifying the coordinating and determining role of the tendency of the rate of profit to fall is eclectic and unscientific: it describes the phenomena of crisis without identifying their determining essence.

Crisis takes many forms and has many "moments" as it unfolds: global capitalism is much more extensive and complex than in Marx's day. Today we see numerous apparent opposites at work in crisis formation on a global scale: powerful global inflationary and deflationary impulses; overproduction with full employment, underconsumption with mass unemployment; uneven development causing global disequilibria, globalisation causing synchronised recession. Yet trace each of these back to their core drivers and we encounter the phenomenon of profit rate movements.

Engels once said the class struggle

takes place in three spheres: the economic, the political and the theoretical. In the sphere of theory, the present crisis demands of Marxists the rediscovery and application of Marx's analysis of capitalist crisis, and a sustained struggle against revisionist re-interpretations of Marx that suggest that capital can be reformed to establish lasting equilibrium. In the economic sphere the task is to support, extend and deepen the resistance of the working class to capital's attempt to make us pay the cost of the crisis. In the political sphere the task is to challenge the hold of the trade union, social democratic and reformist leaders of the mass working class organisations who restrain the resistance and direct the workers' movement into a strategic accommodation with capital – to establish new political parties of the working class that aim to direct the resistance towards the forcible overthrow of capitalist governments and the establishment of working class state power able to effect the transition to socialism.

FOOTNOTES

1 See davidharvey.org

2 This often overlooked aspect of Marx's theory is the conclusion of the final volume of *Capital* and was regarded by Lenin as its most important section. Over recent years western Marxists have often disregarded it believing that the land question is resolved in non-agricultural economies, but it transpires that the rise of mass working class land ownership and the financialisation of domestic rents

has generalised crisis to an unprecedented degree, refocusing attention on this key aspect of Marx's theory.

3 See *The Economics of Global Turbulence*.

4 "In large part because the Federal Reserve pursued a "cheap-money, easy-credit" strategy in order to prop up the economy in the wake of the collapse of the dot-com boom, 9/11, the recession of 2001, and the drop in employment that continued into mid-2003, home mortgage borrowing as a percentage of after-tax income more than doubled from 2000 to 2005, rising to levels far in excess of those seen previously. This caused home prices to skyrocket. Mortgage debt and home prices both doubled between start of 2000 and the end of 2005. But the rise in home prices was far greater than the growth of value from new production that alone could guarantee repayment of the mortgages in the long run. New value created in production is ultimately the sole source of all income, including homeowners' wages and salaries, and therefore it is the sole basis upon which the repayment of mortgages ultimately rests. Between 2000 and 2005, total after-tax income rose by just 35 per cent, barely one-third of the increase in home prices. This is precisely why the real-estate bubble proved to be a bubble." A. Kliman, *The Destruction of Capital and the Current Economic Crisis* (January 15, 2009)

5 *The Credit Crunch – a Marxist Analysis*, Richard Brenner (July 2008)

THEORETICAL SUPPLEMENT

working. The paralysis of world trade; the infection-transmitting effect of the dollar's seigniorage as US devaluation exported recession; the inhibiting effect of the absence of a world currency; the transformation of the effect of Chinese and Indian development from low cost production creating temporary equilibrium into inflationary growth causing seismic disequilibrium; the crisis of state finances gripping the semi-colonial world revealing the limits of combined and uneven development: all highlight the contradiction between global social production and the nation state, positing the possibility and necessity of a new global mode of production transcending the limits of capital.

The crisis therefore poses the immediate need for – and drives real examples of – working class and popular resistance to the crisis, at the same time as making the need for socialism a factor, not merely to be articulated by reference to the past or the future but to the real unfolding dynamics of the present. The crisis directly posits the *immanent necessity of the transition to socialism*.

There can and will be a recovery. The condition for the resumption of an expansionary phase of the capitalist cycle is that the crisis does its work of destroying/devaluing/cheapening enough capital to enable investment in buildings, machinery and materials ("constant capital") and labour ("variable capital") to resume at a higher rate of profit, one at which the rate of return will be sufficient to enable surplus value to successfully expand its value ("valorise") by exploiting labour in subsequent rounds of investment. The speed and scale of devaluation currently in progress demonstrates that this can be done.

Factors which indicate that this destructive work is far from complete and that the end of the recessionary and stagnation phases preceding the next recovery is at least 18 months away are:

1. Despite the longevity of the financial crisis, the recession has only just begun.
2. Despite some reduction of the Libor-Federal funds rate spread (the difference between central bank interest rates and the rates charged by commercial banks to one another) since January, credit markets remain extremely tight.
3. The absence of a functioning credit system impedes recovery.
4. Alternative finance, such as hedge and private equity funds,

cannot take up the slack immediately – private equity funds are hampered by tight credit lines – hedge funds are nursing massive losses.

5. The model of credit based on financialisation of consumer debt is severely wounded. Sub-prime mortgages and the packaged-up debt based on them (CDOS, mortgage-backed securities) are dead; a whole array of securitised debt products (credit card, motor and other higher purchase and consumer loans) are only now beginning to unwind.
6. The current recessionary phase of the crisis massively weakens the market for wage goods, feeding back into the decline of manufacturing and services.
7. The recently vaunted first signs of recovery in the US housing market represents a slowing of the fall in prices and a rise in the number of enquiries, not a significant rise in value or volume of transactions. A sustained recovery of house prices requires a significant rise in disposable income among the broad wage-earning section of the population, something undermined by the current phase of the recession.
8. The near zero interest rate policy in the US and UK is crushing growth in the EU and Japan by making their exports uncompetitive – this is why Germany and Japan's projected GDP declines are so severe,

The recovery will be unstable and weak, because:

1. The crisis of public finances aggravated by the trillion-dollar bailout will impel tax increases and cuts in public services and employment, reducing the stimulus to demand.
2. The long virtuous circle of the 1990-2007 period, in which cheap labour and cheap products from China created a rare situation combining both low inflation and low interest rates, is over; the recovery will not be able to reproduce this most fortunate of conditions for capital, and will demand sharp rises in central bank interest rates if serious inflation is to be avoided.
3. It will not be possible to expand consumer credit or the derivatives market in the same manner as in 1985-2006.³
4. The gross expansion of the money supply overseen by the US and UK authorities will aggravate inflationary pressures, potentially to destabilising levels. This policy is common to Keynesians and monetarists alike and has deep ideological roots

in bourgeois financial theory.⁶

Therefore, when it comes, the recovery *could be frenetic*. This does not mean it will be long-lasting or will reestablish the world financial system and economy. When asset prices reach a low enough level, the huge volumes of capital currently being hoarded by banks and investors, swollen by the impact of the trillion-dollar stimulus and the central banks' deliberate expansion of money supply, will rush into the breach like air into a pierced vacuum, bidding up prices and running the risk of soaring inflation and new, short and intense bubbles in commodities, land and capital.

What will be the effect of the "quantitative easing" in which central banks have increased the money supply to stimulate investment and spending? If we were to assume that it is successful in stemming the scale of the recessionary devaluation, perhaps by relaxing credit to enable bankrupt businesses to avoid insolvency, then it will slow the recession's work, impeding the restoration of profit rate which is the precondition for recovery. If on the other hand, as we suspect (see *Workers Power 334*, April 2009) it has no appreciable impact in this respect, then it could nevertheless succeed in slowing the collapse of the dollar and sterling, *sowing the seeds for an inflationary crisis in the recovery phase*. It may appease demands of the Chinese and Middle Eastern holders of US treasury bonds who are increasingly unwilling to hold huge volumes of a depreciating asset and whose threat to dump their holdings could spell the end of the dollar as the primary means of exchange in world trade.

Finally, the huge expansion of public debt in advanced economies like Britain could cause investors to doubt the creditworthiness of the state and shun government bonds, pushing down their price and neutralising the impact of quantitative easing altogether.

Whatever the outcome, that the measures taken cannot resolve the crisis, which represents an historic shift to a new period in which upturns will be weak and recessionary and stagnation phases longer, more pronounced and intense: a period in which the curve of development is downwards. This opens a new phase of class struggle leading to increased incidence of wars and revolutions.

FOOTNOTES

- 1 "The power of a central bank begins only where the private discounters stop, hence at a moment when its power is already extraordinarily limited." (Marx, *Grundrisse*, p.124)
- 2 Pernicious feedback loops between

the financial sector and the real economy emerged, leading to entrenched debt deflation and four waves of bank runs and failures between 1930 and 1933. Private consumption and investment contracted sharply. The stock market crash led to price falls and wealth losses elsewhere, while declining US aggregate demand had an adverse international effect through trade channels. Moreover, the financial crisis in the US spread to the rest of the world." (World Economic Outlook, Chapter 3, IMF April 2009)

3 *ibid*

4 The first great depression was between 1873 and 1894; the second was the Great Depression of the 1930s.

5 The IMF's World Economic Outlook observes that in this crisis, as in the Great Depression, "financial innovation accompanied the boom. In the 1920s, household credit expanded more rapidly than personal income in the United States, because the rapid diffusion of mass consumer durables was associated with rapid growth in instalment credit provided by non-bank financial institutions (Eichengreen and Mitchener, 2003). Also, new marketing techniques for stocks helped to broaden equity ownership, while investment trusts and individuals increasingly used margin loans to leverage their equity market investment. In the current episode, financial innovation centered on mortgage related products, both in origination and distribution (securitization, structured products)." It is important to bear in mind that mainstream monetarist orthodoxy does not dispute this 'Keynesian' view. Bernanke agrees Milton Friedman's view that the failure of the Fed to take energetic countercyclical measures in 1930 contributed to or even caused the Great Depression. The IMF says that "Friedman and Schwartz (1963) argued that the severity of the Great Depression could be attributed to monetary policy mistakes. Although subsequent research has qualified some of Friedman and Schwartz's findings, the thrust remains relevant." (IMF – *ibid*)

6 This often overlooked aspect of Marx's theory is the conclusion of the final volume of *Capital* and was regarded by Lenin as its most important section. Over recent years western Marxists often assumed that the land question is resolved in non-agricultural economies, but it transpires that the rise of mass working class land ownership and the financialisation of domestic rents has generalised crisis to an unprecedented degree, refocusing attention on this key aspect of Marx's theory.

ANTI-FASCISM

BNP racist lies aim to divide the working class

By Joel Lands

The Nazi BNP is trying to capitalise on rising unemployment and disillusionment with Labour's pro-boss government by spreading the nationalist slogan "British Jobs for British Workers", which was taken up by Gordon Brown last year and which was sadly taken up by workers in the Lindsey Oil Refinery strike.

The BNP is pretending to champion the interests of workers by raising the correct demand "No to factory closures", but gives this an anti-foreigner twist by adding "No to Offshore call Centres" – adding to the correct call to stop job losses in Britain a nationalist call to put call centre workers in India on the dole. They attack the EU, but say nothing about greedy British bosses.

In the 2004 European elections, the BNP saw a 700 per cent increase in votes compared to the previous elections. It obtained a massive increase of more than 7,400 per cent in votes in the 2008 council elections compared with 2002. There is

a chance that in the European elections, which uses proportional representation, the BNP will gain a seat.

This populist rhetoric will win support from middle class people engaged by the crisis and may fool some (white) workers. But behind their slogans the vilest racism is still there. Last month, BNP chair Nick Griffin defended a party leaflet that said black Britons and Asian Britons "do not exist" and that to use the terms was a "bloodless genocide because it denied indigenous [ie white] people their own identity".

This racism only divides workers and makes it much easier for the bosses to sack or push through wage cuts. This is why, despite its claims that they are for the "British" working class, the BNP would weaken every workforce in the country against the bosses. In fact, as a fascist organisation, the BNP wants to wipe out independent trade unions, like the fascists did in Germany.

The rise of the BNP is not inevitable. Recently there has been an increase in militant anti-fascism by workers and youth refusing to

allow the fascists to air their filthy propaganda in working class communities (see below). In Leeds last year, 400 anti-fascist protesters blocked off a street where the British Peoples' Party (a right-wing split from the BNP) were planning to leaflet.

Refusing to give fascists a platform by organising counter-demonstrations or confronting them physically is an important tactic.

But we also need to combine this with agitation and action for a workers' answer to the crisis. We must fight for jobs for all, oppose all cuts and fight to make the bosses' pay for their crisis, not the workers. We must expose the nationalist lies of the BNP that divide workers and undermine their resistance to the bosses' offensive.

It is a sad fact that right now the only party that even mentions the workers in its election campaign is the BNP. The absence of a mass working class party means that there is no nationwide pole of attraction to win workers sickened by labour's sell out to the bankers to the fight for socialism. The fascists must not be allowed to be the main force capital-



Racist BNP leaflet aimed at white workers

ising on this.

There is an urgent need for the trade unions to stop paying for the Labour Party and to set up a new workers' party instead, one which could rally millions of workers to crush the BNP and open a fight against the capitalist system that breeds the exploitation and the system that causes it.

BNP assaults Liverpool anti-fascists

By James Roberts

Fifteen members of the fascist British National Party (BNP) took to Liverpool's streets again on 23 April. As word got out, local anti-fascists did what they could to mobilise people. Within a half an hour there were 20 anti-fascists confronting the BNP.

It became clear that as well as their suited and booted "activists", the BNP had several thugs dispersed in the crowd to physically intimidate both anti-fascists and passers-by. This was on top of their standard motley crew of camera men who filmed everyone opposing their racist filth.

The BNP realised that they were getting nowhere and moved off towards St Georges' Hall. Followed by anti-fascist activists, they set up their stall and began leafleting again. After five minutes the BNP decided they had been beaten once again

and got together to leave. Two anti-fascists ran ahead to where they could continue exposing the truth about the BNP.

Then three BNP members – Peter Tierney, Steve Greenhalgh and an unidentified man – decided that they'd had enough of being routed from their chosen spots and unleashed a vicious assault on the two who had run in front. Tierney, armed with a camera tripod, hit one activist on the head, splitting it open. Greenhalgh turned his paste table on its edge and began to use it as a weapon similar to the way the riot police used their shields during the G20 protests. The third man waded in with fists and boots narrowly missing one activist's face. On realising the seriousness of the injuries, Greenhalgh (believed to be Liverpool BNP's local organiser) then quickly began ushering his minions out of the area, followed closely by anti-fascists.

After the attack, three anti-fascists who had left the scene saw the fascists talking to the police. The police saw the anti-fascists and gave chase arresting one for an assault on Tierney! Without a chance to defend himself, the activist was arrested and cuffed. The falsely imprisoned anti-fascist spent nine hours in custody in the same police station as Tierney; the police "mistakenly" told his comrades he was being detained elsewhere. As a result when the activist was released from custody, he was followed by a car-full of BNP thugs who threatened to kill him.

Despite the attack, the day was a success. The anti-fascist action prevented the BNP from having free reign on the streets of Liverpool. The BNP couldn't control themselves and publicly exposed exactly what they are about: "Defending rights for whites with well-placed boots and fists", in the words of their chairman

Nick Griffin. Also, the Merseyside police again showed their bias in favour of the BNP, not only by arresting an anti-fascist who was attacked by the BNP but putting an activist in danger by failing to ensure his safety upon release.

This is the clearest example yet in Merseyside that the BNP are not simply a far-right racist party, but a fascist organisation that relies on violence to enforce their politics. This story must be publicised in the run up to the 4 June Euro elections in which Griffin is standing as candidate for the North-West.

The injured activist is recovering after hospital treatment, and the arrested activist is on bail until 21 July and banned from the city centre.

Messages of solidarity can be sent to lsarf@live.co.uk (Liverpool Students Against Racism and facism)

SRI LANKA

Stop the genocidal war against the Tamils!

As the LTTE's proposal for a ceasefire is rejected, *Dave Stockton* looks at the terrible consequences for the Tamil refugees now left to perish at the hands of the Sri Lankan army

The Sri Lankan Army has launched its "final assault" on the tiny 21 square kilometre area of land where up to 100,000 Tamil civilians, plus a few hundred remaining fighters of the Liberation Tigers of Tamil Eelam (LTTE), are besieged. The government of President Mahinda Rajapaksa dares to call this hell-hole a "safe zone" and claims to be conducting a "rescue operation" to save the population, which he describes as hostages of the Tamil Tigers.

An LTTE declaration of a unilateral ceasefire on 26 April was met by a statement from Sri Lankan defence secretary Gotabaya Rajapaksa describing it as "a joke", and stating that: "They were not fighting with us, they were running from us. There is no need of a ceasefire. They must surrender. That is it." In keeping with this determination to bring the war to an end with abject and humiliating Tamil surrender, the government has blocked aid workers from taking badly needed supplies to the rebel-held area, despite talks with the United Nations' top humanitarian official, John Holmes, who raised this demand. This has merely raised fears that the re-capture of the "safe zone" will lead to an army massacre of Tamil fighters and civilians alike.

The Army claims to have freed 62,000 Tamils but NGOs active in Sri Lanka say the numbers still in the area are much greater than this would suggest. The government and the army allow no media or aid agencies into the battle zone. They have banned all food or medical supplies from entering it. Repeated bombardments have certainly caused large numbers of numbers of casualties. The army claims a tiny number but the UN estimates 4,500 people have been killed and 12,000 wounded this year. The LTTE put the figures much higher, claiming over 1,000 people killed and 2,300 wounded just in the few days since the temporary government ceasefire came



Tamil civilians are bearing the brunt of the military offensive with mass starvation and thousands being killed

to an end.

All organisations working in the area, apart from the Army, agree that hospitals, orphanages and bunkers sheltering the population have been hit by the shelling and aerial bombardment. The International Committee of the Red Cross (ICRC), which operates hospitals in the region, described the situation as "nothing short of catastrophic." Refugees have told *Al Jazeera* that conditions they faced were "hellish". For the past weeks and months the army has been assembling the refugees from the fighting in detention camps, which are now horribly overcrowded.

In the UK and other countries with large Tamil diasporas, mass demonstrations and actions against the Sri Lankan army's onslaught have finally forced governments and the media to at least comment on the Tamils' increasingly desperate plight. However, the government and media response has stopped short of condemning the army's actions, and pretends at neutrality by equating them with those of the LTTE, the longstanding leadership of the Tamil nationalist movement.

Beyond that, the US, UK, EU and other major powers have sided with Rajapaksa and condemned the LTTE as "terrorists".

The protests did move UK Prime Minister Gordon Brown to call for a ceasefire and the admission of humanitarian aid, but this was a verbal commitment only, since his government continues to support Rajapaksa, including by supplying his army with weapons. Major demonstrations have taken place in southern India, demanding Indian President Manmohan Singh vigorously condemn the genocide. Smaller but still significant demonstrations have taken place in a number of European countries and in North America.

Despite earlier support for ceasefires and negotiations, the US, UK and other EU states have since 9/11 increasingly accepted the Sri Lankan government's claim that the whole question is one of LTTE terrorism. Therefore it is not to the governments of the world but to its peoples - especially the workers and poor peasants - that Tamils must look to for support.

All working class and progressive forces should support the call for

a ceasefire by the Sri Lankan army and its complete and unconditional withdrawal from the Tamil majority areas in the north and east of the island. They should abandon the land and sea blockade and allow in food and medical supplies. They should allow full and uncensored media reporting from the region. They should respond positively to the LTTE's request for talks.

It is an elementary democratic right, enshrined in all declarations of human rights, that a distinct national community like the Tamils should have the right to determine their own future free from all coercion - and should, if they so decide, have the right to secede and form their own state.

We believe that all other states should cease sending military and economic aid to the Sri Lankan government until it meets these elementary democratic conditions. We believe the workers' movement should exert the maximum pressure on governments to bring this about and themselves render support to Tamil communities mobilising abroad to achieve similar aims.

The re-conquest of the north and the siege of the remaining LTTE forces and their civilian population is quite simply a genocidal attack, similar to that perpetrated by Israel against the people of Gaza. It must be stopped.

We demand:

- An immediate ceasefire by the Sri Lankan army and its immediate and unconditional withdrawal from the Tamil-majority areas
- Control of those areas by a democratic Tamil militia.
- The lifting of all restrictions on movement into the Tamil areas and end the ban on independent reportage.
- An end to the imprisonment of Tamil refugees from the war zone in what amount to concentration camps.
- Immediate lifting of the blockade of the Tamil areas to allow in food and medical supplies.

Mass action by UK Tamils brings London to a halt

London has seen huge demonstrations of Tamil people. *Kam Kaur* reports on the protests

The Sri Lankan government's genocide against the Tamils is finally gaining some attention in the UK because the Tamil solidarity movement has created a powerful campaign demanding an immediate ceasefire and also forcing the British government into breaking its shameful silence.

Since the beginning of the year, the movement has organised a series of direct actions, protests and occupations of Parliament Square and Westminster in London. Mass demonstrations, particularly the one on 11 April, saw over 200,000 protesters marching through central London; this was nearly double the size of the demonstration of 125,000 on 31 January, which shows that the movement is growing.

The majority demonstrating are part of Britain's huge Tamil community, who were organised very quickly by effective coordination of many of the Tamil solidarity groups. The demonstrations saw entire families marching together



with their young children, while the students took a leading role in the demo, shouting angry slogans demanding a ceasefire and calling on Gordon Brown to take action against the Sri Lankan government.

Tamil students have been at the forefront of the British movement, leading occupations on Westminster

Bridge and in Parliament Square every day and throughout the night. Twenty-one year old student Sivatharsan Sivakumaravel is still, after two weeks, on hunger strike outside Parliament Square.

He was quoted as saying: "The world has ignored the Tamil people for too long. My wish is that we will

be the last two Tamil deaths because of this war."

There have been daily protests with fights with the police, who are trying to deny the Tamils' right to protest, and many demonstrators threatened to jump into the Thames. The student protests are showing no sign of dwindling.

Sri Lankan Tamils have faced years of state persecution

Britain's Tamils have long demanded that this country use its influence to force the Sri Lankan government to call a ceasefire in its war against the Liberation Tigers of Tamil Eelam (Tamil Tigers). In April alone, over 1,000 more civilians were killed by the Sri Lankan Army who used cluster bombs and poisonous gas in the so called "no-fire zone". The Army also used 200 civilians as human shields in battle. Over the past few months, the UN has estimated that 6,500 Tamils have been killed in the conflict. As the LTTE appears to be on the verge of being crushed, the Tamil community

is defenceless against these genocidal attacks.

The Sri Lankan government will not allow independent observers, journalists or aid groups into the war zone. Civilians who escape the war zone are automatically regarded as collaborators with the Tamil Tigers and are sent to government-controlled camps that resemble concentration camps. For those that do not manage to flee, the army treats them as LTTE supporters and it is feared the army will massacre anyone still left in the Tamil Tiger stronghold.

Outside of the war zones, Tamil civilians are regarded as

likely supporters of the Tigers by the state and are subject to indiscriminate harassment on a daily basis. Army and police checkpoints are regularly set up on main roads throughout the country and inside the capital, Colombo.

Any Tamil without the necessary ID papers is automatically detained on suspicion of being a Tiger activist. But ID cards are not always available for Tamil civilians. Ever since independence from the British in 1948, successive governments have sought to maintain division within the island's population by denying full citizenship rights to Tamils,

especially the so-called "Indian Tamils" who live in the centre of the country and often work on the tea and rubber plantations.

It is this long history of discrimination and oppression that fuelled the Tigers' campaign for a separate national state. Although the majority of Tamils do not live in the territory claimed for that state, many remain sympathetic to the Tigers' assertion of their national rights. That is why, even if the Tigers suffer a strategic military defeat in the coming days, it will not mark the definitive end of their struggle for national liberation.

SOUTH AFRICA

ANC victory – new president, old policies

The presidential elections in South Africa saw the ANC promise a new commitment to improve the lives of the black masses. *Keith Spencer* doubts that the promise will ever be fulfilled

Jacob Zuma is the new president of South Africa, winning just under two-thirds of the vote. He is popular with the poor, black masses who look to him to improve their lives.

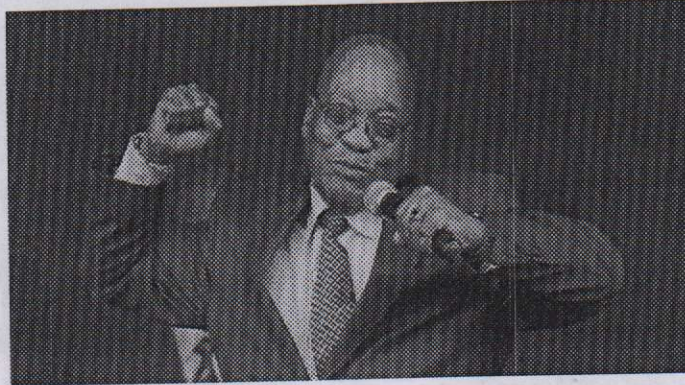
His victory as the African National Congress (ANC) candidate followed serious infighting that saw former President Thabo Mbeki's removal as leader of the ANC, and the defeat of the breakaway Congress of the People (COPE) and the white-dominated Democratic Alliance (DA). The right and the bosses tried to smear Zuma, leading the South African trade unions to dub it the most gruelling election since the downfall of Apartheid.

During the election, the ANC focused on five issues: job creation; education; health; rural development and land reform; and corruption and crime. Such basic issues haven't been tackled because the ANC government has ruled in the interests of big capital, alienating the very people who voted for it.

Zuma's rise to power

Born in 1942, Zuma joined the ANC in his teens and was also a member of the South African Communist Party (SACP) until 1990. He joined the ANC's guerrilla wing and spent time in prison with Nelson Mandela (who backed him for president in these elections). After Apartheid, he served in the KwaZulu-Natal state government before becoming deputy president of the ANC.

However, in 2005, President Mbeki removed him from office after he was accused of corruption and rape. Zuma then ousted Mbeki as president at the Polokwane conference in late 2007, leading to the formation of the right-wing breakaway COPE. When the allegations came to court in September 2008, the judge ruled them illegal on procedural grounds. The National Prosecution Authority dropped



Jacob Zuma celebrates victory

all charges against Zuma at the beginning of last month's election.

ANC support

The ANC's vote was boosted by support from the Congress of South African Trade Unions (COSATU) and the SACP. Both claim that the Polokwane conference marked a shift to the left by the ANC.

COSATU stated during the election that the ANC would "ensure these commitments will be taken forward" and that there was "new hope that workers' priorities have been made national priorities".

The SACP claimed that the "ANC-led government has significantly improved the lives of millions of our people, especially the poor". It called for an ANC vote to "defend and deepen our democracy".

But the ANC has not improved the lives of ordinary people. The SACP's pre-election survey of black people in Cape Town (a DA stronghold) that found 170,000 people are still without piped water, 80,000 living in shanties and 26,000 having to use a bucket for a toilet. This is an indictment of the DA-led Cape Town council. But it also shows how 15 years of ANC government have failed to improve the lives of millions across the country.

The government claims to have created 500,000 jobs, but while the official unemployment rate is 25 per cent, the true figure is nearer

40 per cent. The government's own figures have 48 per cent of households living below the poverty line, down from 53 per cent in 1995.

Will Zuma be any different?

The bosses are concerned about Zuma's election, throwing around accusations that he will be authoritarian and corrupt. But they also still recognise that the ANC will provide a safe environment for the multinationals. *The Economist* said that it was very unlikely that Zuma would move left because "some of his staunchest allies, including wealthy black capitalists, would resist such a move".

Even Zuma recognises this. A few days before his victory he announced: "Everything we do, it is according to the resources available, I am sure everyone understands that."

But not everyone does understand the betrayals of the ANC. One Soweto resident, Golden Miles Phudu, was quoted in the *Financial Times* as saying: "We are 15 years down the road [since the end of Apartheid]. This country is stinking rich but the majority of our people remain in abject poverty."

It is likely that the DA and COPE will merge, creating an openly bourgeois party representing big business and based in the middle classes. This would but even greater pressure on trade unions, commu-

THE PARTIES

AFRICAN NATIONAL CONGRESS

Nineteen out of every 20 of its supporters is poor and black. It is backed by Cosatu and the SACP. It received just less than the two-thirds needed to give it power to change the constitution.

CONGRESS OF THE PEOPLE

Breakaway from the ANC of mainly Mbeki supporters after he was ousted as leader. Sixty per cent of its support is black, about 20 per cent white and draws its support from the middle classes. Received 9 per cent of the vote.

DEMOCRATIC ALLIANCE

Two out of three members are white with the others being mainly South Asian or mixed race. Has very little black support. Received about 15 per cent of the vote.

nity activists and socialists to back the ANC as a lesser evil.

However, the ANC is completely in hock to big business and neoliberalism. The hopes that have arisen since the Polokwane conference will evaporate once it is back in power. It has already spent 15 years betraying the black masses and will do so again.

Parts of the Anti-privatisation Forum correctly called for a boycott during the elections. They said that the task was to build resistance to the attacks to come. This is correct.

But we must also go further. Those struggling against privatisation, job cuts, and closures, along with those who live in abject poverty and who have been betrayed by the ANC, must come together to form a workers' party that can achieve real liberation from racism and capitalism by fighting for socialism.

WORKERS' HISTORY

The legacy of Jack Jones 1913-2009

By Dave Stockton

Jack Jones, who has died at the age of 96, cut a very different figure from many of today's union leaders. Born the son of a Liverpool docker in 1913, he was unemployed during the depths of the Depression before working on the docks himself. He fought against Oswald Mosley's British Union of Fascists and then joined the International Brigades to fight Franco's fascists in Spain where he was seriously wounded in 1937. When he retired, in 1977, he refused a peerage and donated a £10,000 gift from the union to pensioners' organisations. Both as general secretary and after his retirement he lived in an ordinary council house in Peckham, a working class district in south London, and died in a local care home.

There is, however, a darker side to the story. Jones was also the main trade union pillar of the Social Contract adopted by the Wilson-Callaghan government. Although this promised a "fundamental and irreversible shift in the balance of power and wealth in favour of working people" it actually led to the biggest cuts in social spending in fifty years, lowered workers' real wages and greatly weakened the shop stewards' movement.

In this extended obituary, *Dave Stockton* examines Jack Jones' career from a local union organiser to the leader of Britain's biggest union, from champion of the shop stewards' movement to the architect of its defeat, and finds a flawed legacy.



Jack Jones refused a peerage when he retired

office in 1964 with a programme for state intervention to promote capitalist development of industry - pushing for mergers and modernisation. He said he was opposed to "restrictive practices on both sides of industry" but it was on the workers' side that he concentrated his fire - and his main target was the "unofficial" strikes led by shop stewards. He set up a royal commission under Lord Donovan to investigate the shop steward phenomenon.

In Place of Strife

Donovan concluded that pay and conditions should be brought back under the control of the full time union officials. Shrewdly, he realised that the strength of the stewards was that they were shop floor workers themselves, directly under pressure from their workmates and getting the same pay. He proposed an apparent concession, allowing stewards facility time away from the workshop on union business, which would bring them closer to management in overseeing the national agreements.

Most union leaders would have been happy to see such a development but Wilson decided to go further by also introducing legal restrictions such as a compulsory 28-day "cooling off" period before a strike could be called. These were promoted in a White Paper, "In Place of Strife" by Barbara Castle, the Minister for Labour. This divided the union leaders between left and right. On the left, Jack Jones was, by now, a key figure. He had a long record of

defending the shop stewards in their disputes and had identified himself with the Broad Left, a current that drew in the left of the Labour Party as well as the membership of the Communist Party within the unions. It was thanks to their support that he was elected general secretary of the TGWU in 1968. Together with Hugh Scanlon, the successful Broad Left candidate for the leadership of the Amalgamated Union of Engineering Workers (AUEW), he led the opposition to the government.

Within the labour movement, opposition to Wilson was centred on the Liaison Committee for the Defence of Trade Unions (LCDTU) within which the Communist Party played a leading role. Its influence can be seen from the strikes and mobilisations it was able to call: on 27 February 1969, 150,000 stopped work on Clydeside and Merseyside, on May Day there was strike of 250,000, with a 20,000-strong demonstration in London and other cities.

Kill the Bill

The pressure on the TUC General Council from these mobilisations stiffened opposition within the Labour Party, too. James Callaghan led a Cabinet revolt and Wilson was forced into a humiliating climb down and lost the succeeding election (1970). Politicised rank and file militancy, led by shop stewards, had won its first victory. More were to follow.

The new Tory premier, Edward Heath, took over most of Castle's anti-union proposals but

Jack Jones rose to the position of regional secretary of the Transport and General Workers' Union (TGWU) in the Midlands after the war. Despite the grip of the right wing on many union executives, a new leadership was beginning to develop at shop floor level. These were the shop stewards, directly elected by the rank and file workers and instantly recallable by them in shop meetings. Between 1945 and 1968, two million working days per year lost were through strikes. They were usually of short duration and limited to a single workplace or section and it was the stewards who led them.

In car plants like Ford Dagenham or Austin's giant Longbridge plant (with 25,000 workers), shop stewards' committees became powerful bargaining agents. Jack Jones was one of the union officials who actively supported the role of shop stewards in the TGWU against a right wing leadership that was bitterly opposed to shop floor independence.

Under Harold Wilson, Labour returned to



A mass wave of unofficial strikes in 1972 forced the Law Lords to free jailed dockers

toughened them up by creating a special enforcement court, the National Industrial Relations Court (NIRC) that would have powers to fine and sequester the funds of unions. His Industrial Relations Bill also outlawed the closed shop, and forced unions to register with a Registrar as a condition for retaining legal immunities from prosecution. Collective agreements would be regarded as legally binding contracts. The NIRC could impose ballots before strikes and a 60-day cooling off period. Scabs could not be expelled from the union if the NIRC considered their treatment unfair.

The TUC lefts argued for non-cooperation with the law, hoping to make it unworkable, while the rights argued that the government had a democratic mandate - once the law was passed it had to be obeyed. The LCDTU, however, continued to mobilise the shop stewards' movement against Heath's proposals. Its conferences, with up to 2000 delegates from shop stewards' committees, called "days of action" like that in October 1970 when 250,000 workers struck under the slogan "Kill the Bill." Whilst these protests did not kill it, they politicised and brought together an identifiable movement of the rank and file.

The UCS dispute

The TUC rejected strike action against the Bill in December 1970. Instead, it decided on passive resistance - unions were to refuse to register with the NIRC and not to appear before it.

The years 1971-72 saw the first serious recession since the war. Unemployment climbed from 657,800 in December 1970 to 1,621,200 in February 1972. The government made it clear that it would not intervene to save "lame duck" companies and the number of bankruptcies and closures mushroomed.

The first big battle was at Upper Clyde Ship-

builders (UCS) which announced the closure of four yards, sacking some 6,000 workers. The UCS shop stewards, led by CP members Jimmy Reid and Jimmy Airlie, decided on a "work-in" rather than a sit in. A 16-month campaign of strikes and mass demonstrations eventually forced the Tories to guarantee the yards stayed open. Though 2,000 jobs were lost, UCS was a major victory for the working class, divided the Tories and encouraged 200 other occupations.

In January 1972, the National Union of Mineworkers (NUM) called out 300,000 miners in their first national strike since 1926. In the coalfields, the strike was total and pickets turned their attention to big users of coal such as power stations. Jack Jones immediately instructed TGWU drivers not to cross miners' picket lines. Wherever the miners' "flying pickets" appeared, lorry drivers refused to pass them and so too did rail workers.

Saltley Gates

The decisive battle came at the Saltley Coking Depot in Birmingham when 10,000 striking engineers joined Arthur Scargill's 700 miners and forced the police to close the gates. Home Secretary Reginald Maudling later described the government as "wandering around the battlefield looking for someone to surrender to." The government was forced into a humiliating climb-down: they had initially offered the miners 6 per cent, now they offered over 20 per cent.

That victory spurred other workers into action. In March, 25,000 engineering workers in Manchester occupied 30 factories in pursuit of their wage claim. But the dockers' dispute in defence of jobs was the most politically explosive. The NIRC ruled that dockers, who were picketing container depots, were violating the Industrial Relations Act. In June, three London dockers

were threatened with prison for picketing the Chobham Farm container base. Some 35,000 dockers struck unofficially in support of them and the charges were suddenly dropped.

Then, in July, the NIRC ordered the removal of pickets from an east London depot. When the pickets ignored the court order, five dockers were arrested and sent to Pentonville prison. The entire dock labour force came out on unofficial strike and dockers picketed out the Fleet Street newspapers under the slogan, 'Five Trade Unionists Are Inside - Why Aren't You Out?' Within four days, some 250,000 workers were on unofficial strike and Jack Jones successfully proposed that the TUC General Council call a one day general strike. The same day, 26 July, the Law Lords released the dockers.

Docks strike

A national dockers' strike began the next day but this put power back in the hands of the officials. After three weeks, Jack Jones struck a shoddy deal against the wishes of the rank and file dockers. At the press conference in Liverpool, when he refused to come outside and explain himself to an 8000 strong demonstration of dockers, a group of them burst into the room, tore up his papers and poured a jug of water over him.

The limits of the left leaders were now clear but, while the rank and file were outraged at their sabotage, they had no means of seizing the leadership themselves. The CP, still by far the strongest force on the left, resolutely opposed any serious criticism of Jones. Indeed, the LCDTU went into rapid decline after a conference where delegates were denied the right to put amendments to the CP's motion because the chair feared that the Trotskyists, members of the International Socialists and the Socialist Labour League (SLL), would gain a majority.

Social Contract

Meanwhile, Labour's leaders were re-building their links to the unions. A TUC-Labour Party Liaison Committee produced a "Statement on Economic Policy and the Cost of Living" which first floated the idea of a "Social Contract" between Labour in government and the unions. The Labour left, figures like Michael Foot and Tony Benn, also played an important role by drafting Labour's Programme 1973, which pledged to bring about a "fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families". The programme was accepted by that year's party conference at which the left received strong support from Scanlon and Jones.

As 1973 drew to a close, the stage was set for a final titanic conflict as the miners lodged a pay claim that would wreck the government's pay policy. This time, however, the union leaders minimised rank and file control by signing a deal to support the miners by refusing to move coal supplies. A government attempt to intimidate them by imposing a three day week on industry, which they thought would make workers turn on the miners, failed miserably. As the lights went out, popular feeling was against Heath.

He decided on the desperate ploy of calling an election on the theme "who rules Britain, the

WORKERS' HISTORY

government or the miners?" Heath thought the right wing leadership of the NUM would force the miners back to work for the election period but the miners stayed out and, with regular power cuts, gave the strong impression that whoever did rule Britain, it was not Edward Heath.

The massive official support of the other unions made it clear that if the new government tried to use force it would be met by something akin to a general strike. On 28 February 1974, about two million normally Tory voters abstained and others voted Liberal. Labour's vote also fell, many of its voters still distrusting the party after the 1964-70 government, but it still had more MPs than the Tories. However, Wilson had no majority until after a second election in October.

Manifesto

Labour's election manifesto was the most radical since 1945. It repeated the pledge to "bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families." Many of its promises were a direct result of Jack Jones' pressure, especially the pledge to substantially increase pensions and raise them annually in line with the average wage. The setting up of an Arbitration and Conciliation Service (ACAS) was also his idea.

The manifesto promised to expand the mining industry, nationalise North Sea oil and gas reserves and bring them "under full Government control with majority public participation." It pledged to introduce strict price controls, repeal the Tories' Housing Finance Act, which had forced up council house rents, launch a public sector house-building programme and, "redistribute income and wealth". It also committed itself to "socialise existing nationalised industries" and "make power in industry genuinely accountable to the workers and the community at large." However these policies were presented as part of a "social contract" that also included an incomes policy - pay restraint.

New Jerusalem

In 1974, many militants genuinely expected Labour to take at least these first steps towards what they thought of as socialism. Jack Jones talked of the arrival of the "new Jerusalem", with no intended irony. The working class had just won some of the most momentous battles since the 1920s. It seemed as if the balance of power had been irreversibly shifted against the bosses and that now a series of major reforms would begin to hem in capitalism, slowly but surely undermining it.

In fact, Wilson was buying time to prepare a counter-attack and it came in the summer of 1975. Britain's economy was particularly badly hit by the world recession of that time and inflation approached 30 per cent. A sterling crisis engulfed the British economy. The pound lost a third of its value, creating a massive balance of payments deficit. Unemployment doubled, reaching 1,129,000 at the end of 1975. The IMF had to be called in and demanded a massive series of cuts.



Callaghan - his Labour government's pay limit was smashed in "Winter of Discontent"

Labour's manifesto had promised a referendum on the EEC. Wilson now used this as a weapon against the left. The left campaigned vigorously for a No vote but Wilson and the majority of Cabinet opposed and won the vote by a large margin. Wilson moved quickly. Benn was removed as the Minister for Industry and shunted into the Department of Energy. Jack Jones had said he would not stand for it if Benn were moved from Industry. In the event he did nothing.

Now the Social Contract was transformed into plain old wage restraint. Wilson turned precisely to the "left" union leaders, Jack Jones and Hugh Scanlon, to sell it to their members. By July 1975, Phase One of the pay policy was in place, implemented by the "left" Michael Foot at the Department of Employment. This deal was "voluntary" insofar as the union leaders agreed to it. It was presented as a short-term measure (in Wilson's weasel words "giving a year for Britain") but it became the cornerstone of Labour's policy. In 1976, there was a 4.5% limit, in 1977, 10%. The Economist estimated that real wages were cut by 7%.

Skilled workers had been hit particularly and this led to a revolt in the spring of 1977. At British Leyland, tool room workers struck for eight weeks. At Heathrow, Ford's and in British Steel, other skilled workers followed suit. A conference of 1,700 stewards, largely from engineering, voted against the third phase of the social contract. In each case the union leaders acted decisively against the rank and file. Scanlon and Jones personally intervened on the side of Leyland management against the tool room strikers.

Worse was to follow when the fire fighters launched a strike against the phase three limit. The TUC refused support because, "the government is not likely to be deflected from its present course of action". Left to fight alone, the fire fighters were defeated by a Labour government that used troops extensively to scab on the strike.

Such victories made Wilson's successor, Jim Callaghan, and his right wing chancellor Denis Healey, overconfident. They pressed on with another round of pay restraint despite opposition from both TUC congress and the Labour Party. The "winter of discontent" of 1978-79 saw a massive strike wave involving millions of workers, which smashed the 5 per cent limit. This effectively destroyed Labour's credibility as a

party - but in the absence of a leftwing alternative Thatcher rode to power with a clear majority.

Legacy

The key problem of these years of tumultuous class struggle was that when struggles reached a national level, the union leaders simply took over and the rank and file militants had no answer to this. Where struggles became objectively political, left union leaders like Jones and Scanlon were at a loss. For them, politics was entirely about elections. They thought the only democratic way to change a government was by an election and that unions had no right to bring down a government by strikes. Politically, for Jones the only way forward was a Labour government, so the unions had to make almost any sacrifices to get or keep a Labour government in office.

While Jack Jones was neither the first nor the last union leader to sell out strikes, his betrayal was not because he turned his back on the principles that had guided his early career. Rather, it was the inherent contradictions of those ideals that led him to side with Labour against the workers. His politics never went beyond the strategy of electing a Labour government to transform society by gradual reforms. To keep Labour in office he was prepared to sacrifice his own rank and file members. In turn, that not only destroyed jobs and cut living standards but also demoralised and confused the crucial layer of shop floor activists and laid the basis for the Tories' return to power in 1979. Thus, Jack Jones' legacy includes both Thatcher's government and Blair's New Labour, though he opposed both.

The key lessons for us today of Jones' career and the great struggles of the 1970s are clear. Union leaders, even those of a radical persuasion, need to be under the control of a powerful and organised rank and file movement, able to act with the officials where possible and without them where necessary. At the heart of this we need to create a new workers' party, one able to criticise the vacillation of left leaders like Jones, and to give an alternative to the political programme of relying on Labour to reform capitalism: a party committed to directing workers' resistance towards the revolutionary overthrow of the system. In the crisis unfolding today, the lessons of Jones' life can help arm militants with a strategy to win.

20 YEARS ON

The road to Tiananmen Square

It is 20 years since the brutal massacre by the Chinese Army of the democracy protesters in Tiananmen Square. In this extract from a resolution by the Movement for a Revolutionary Communist International (a forerunner of our international organisation) in June 1989, we reprint our assessment of the meaning of the Tiananmen tragedy.

At the time, many supporters of Stalinist rule in China and the USSR denounced us for taking a “counter-revolutionary” stance on this issue. Support for a movement against the party, they claimed, could only strengthen the forces working for the overthrow of the planned economy and the restoration of capitalism.

Rejecting this crude and apologetic argument, we insisted that the main driving force for the restoration of a market economy in China was the Communist Party itself, and the ruling caste of privileged bureaucrats it represented. Against support for Stalinism and capitalism, we argued that the force that could revivify the planned economy and free it from bureaucratic control and inequality was the working class itself. We predicted that should the movement of the workers and youth against bureaucratic dictatorship fail, the ruling caste would plunge China back into capitalism – which was exactly what happened.

The tragedy of Tiananmen reveals that Trotsky's prediction about Stalinism was correct: “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.”

Today, the working masses of China face a vast and growing crisis of capitalism. As exports plummet, the new factories of their coastal cities that sprung up in the boom are being dismantled. Twenty million migrant labourers have returned to the countryside to poverty and unemployment; inflation slashes workers' abilities to feed their families; mass protests, strikes and occupations are sweeping the most populous country on earth.

It is only a matter of time before the



BEIJING—Students demonstrate in Tiananmen Square on April 15, 1989.

economic resistance of the Chinese working class to the crisis becomes a political challenge to the dictatorship of the Party, which now – as Trotsky predicted – presides no longer over a bureaucratically degenerated planned economy, but over capitalism. In organising its resistance, there is no doubt that workers and youth today will be seeking to learn the lessons of Tiananmen. The full text of this document, which also explains the deeper historical and economic roots of the crisis, and which goes on to analyse the political weaknesses of the Democratic Movement and the reasons for its failure, can be found at www.fifthinternational.org, entitled China: Revolution and Repression.

China has just passed through a profound political revolutionary crisis – one which showed the possibility of the overthrow of the ruling bureaucracy. Faced with mass opposition in the cities the bureaucratic regime was paralysed. Industry ground to a halt. The bureaucracy's control of its armed forces was shaken. In that crisis decisive action by the working class could have overthrown the regime.

The Beijing massacre will be remembered throughout the international workers' movement as one of the decisive moments of twentieth century history. Like the slaughter of the Communards in 1871, or Bloody Sunday, 1905, this will

be remembered not only as a testimony to the barbarity of reaction or even the heroism of those who fight it, but as a lesson which, when learned, will hasten both vengeance and the eradication of the social orders which can produce such monstrous inhumanities.

The political revolutionary crisis in China was yet one more example of the deep crisis that is afflicting Stalinism globally. One by one the ruling bureaucracies are attempting to solve the problems of their stagnating planned economies by embracing elements of the market mechanism and retreating before imperialism. The events in China are a portent of the crisis looming for the ruling bureaucracies throughout the degenerate workers' states. All of the ruling castes are capable of attempting to unleash such bloody repression should workers' struggles threaten their rule.

The Democracy Movement

Throughout 1988 the economic problems of the regime multiplied and with them the depth of factional divisions in the highest ranks of the ruling bureaucracy. This culminated in the September 1988 Party Plenum which was so evenly balanced as to be paralysed and unable to ratify the politburo's proposals for radical price reform.

It was this political vacuum which ensured the re-emergence of the Democracy Movement. This was at first restrict-

ed to specialised publications, where coded arguments about the economy fuelled discussion and debate within the managerial strata and the intelligentsia. The death of Hu Yaobang (15 April 1989) provided the pretext for this underground movement to break into the light of day.

For decades faction fights within the CCP have been accompanied by bureaucratically controlled mass mobilisations and by attempts to manipulate spontaneous movements. The student demonstrations at the time of Hu's funeral were called by the Democracy Movement under slogans calculated to avoid charges of political disloyalty and with the hope of pressuring elements of the leading caste.

As the movement grew, sections of the bureaucracy no doubt hoped to try and use it to further their factional ends. However, the strength of the movement and the enthusiastic support of the people of Beijing, meant that there was never any possibility of the movement remaining within limits imposed from above.

Although The People's Daily condemned the students for conspiracy against the party and the socialist system, this did not prevent their central demands – for a free press, against corruption and recognition of unofficial student organisations – from being taken up by students throughout China. By 4 May, the anniversary of the first revolutionary nationalist movement, the movement was able to march tens of thousands of students into Tiananmen Square without opposition from the state. These demonstrations were cheered by thousands of onlookers. In response to this, Zhao Ziyang announced that many of the ideas of the students "coincided with those of the party". This was interpreted to mean that Zhao, unlike Deng, was willing to tolerate the Democracy Movement. At the same time, after 4 May, the movement subsided. Apart from Beida, most universities were reopened the following day.

This, however, proved to be a lull in the movement, not an end to it. Having taken stock of what they had achieved, the Beijing students decided to go further and to organise mass demonstrations at the time of the visit of Gorbachev on 15 May. This resulted in huge demonstrations during Gorbachev's visit. The Chinese bureaucracy was forced to change schedules time and again because of the sheer scale of the mobilisations, which now includ-

ed large numbers of workers and also protesting journalists who demanded the right to report accurately what was happening. It was in this context that the student hunger strike began and Tiananmen Square became permanently occupied by tens of thousands of students.

In response to this, the Standing Committee of the Politburo met on 18 May to discuss a proposal from Zhao that concessions be made to the students. The proposal was defeated. Zhao signalled his dissent by visiting the students in Tiananmen Square. This act broke the discipline of the bureaucratic caste and led to the downfall of Zhao. Li Peng, the premier declared martial law in Beijing the following morning. Within hours an estimated one million people had occupied central Beijing. When troops tried to enter the centre they were forced back. On the same day, as strikes paralysed the capital, the Autonomous Workers' Organisation was founded in Beijing.

From stalemate to repression

For the next two weeks a stalemate existed between the students in Tiananmen Square and the deeply divided bureaucracy. Increasing fraternisation between troops and protesters led to the removal of the troops from central Beijing. Rumours abounded of splits in both the army and the bureaucracy as strikes spread throughout China. By the weekend of 27-28 May, the student occupation of Tiananmen Square was beginning to subside and it appeared that a possible compromise had been reached between Beijing student leaders and the bureaucracy: the troops would not be used if the students wound down the demonstrations and ended the hunger strike. However, the arrival of provincial students and the increasing involvement of workers in Tiananmen Square revived the movement within a few days. It was this latter development in particular that concentrated the minds of the ruling bureaucracy and determined it to take decisive repressive action.

On 31 May, leaders of the Autonomous Workers' Organisation were arrested in Beijing and workers were publicly threatened and ordered not to support the Tiananmen occupation. Strikes to protest at this took place and several thousand protesters demonstrated outside the Interior Ministry. The following day troops appeared throughout central Beijing. They

were unarmed but located at strategic intersections and buildings. On 2 June, thousands of unarmed troops were marched into central Beijing but mass demonstrations prevented their progress and most returned to their garrisons.

Bureaucratic terror

The scale of the opposition to troop mobilisations in Beijing, coupled with the increasingly nationwide nature of the democracy movement, convinced the core of the bureaucracy, the security services and the army under the leadership of Deng Xiaoping, the "paramount leader", of the necessity for a ruthless attack on their opponents. On 3 and 4 June this took the form of the Beijing massacre, in which the majority of victims were from the working class of the city who went to the defence of the students and workers in Tiananmen Square. In the days that followed this was extended across the country as general strikes and barricades expressed the outrage and the solidarity of the workers of China.

Although factional disagreements must have contributed to both the delay in imposing this barbarous repression and provided a material substance for the rumours of actual armed conflict between different army groups, there is no evidence of consciously directed armed actions of this sort. The decision to act nationally, and to utilise inexperienced troops from every section of the regionally-based army, contributed to the barbarism but, ultimately, demonstrated the agreement of the bureaucratic factions to the bloody suppression of the opponents of their dictatorship. Those factions who initially opposed this strategy were rendered powerless by the determination of the Deng faction, to oppose that could only have meant civil war and this would have implied a choice between siding with an insurgent working class or, longer term, with agents of capitalist restoration in, for example, Taiwan. There was no group willing or able to make either of these choices.

The political revolutionary crisis

The mass mobilisations in China had a clear and indisputable political revolutionary potential. This was most sharply expressed by those components of it that gave mass voice to egalitarian, anti-corruption and anti-privilege demands. It represented a mighty struggle against the deeply privileged and secluded bureaucratic leadership

and, very noticeably, against their offspring. Note the charges aimed at Li Peng as the adopted son of Zhou Enlai, and at the opulent business career of Deng Xiaoping's son.

Trotsky predicted that the political revolutionary struggle would take the initial form of precisely such a struggle against bureaucratic privilege and also against bureaucratic political oppression. As in all revolutionary crises, the mass mobilisations and the organisations which they created, were far from being politically homogenous or of a nationally uniform character. This was reflected in the political ambiguity of many of the slogans and demands raised by the movement. Nonetheless, the demands for, "democracy" and against corruption expressed, fundamentally, a deep hatred of political oppression and of their own political expropriation on the part of the urban masses. In giving voice to their hatred of the bureaucracy's material privileges they were also voicing their own anger at the extreme hardship of life for the overwhelming majority of the Chinese proletariat.

The political revolutionary potential of the movement was graphically demonstrated by the fact that it mobilised the mighty Chinese working class itself into mass resistance to the bureaucracy through mass strikes and the formation of independent working class organisations. One of the most important features of the entire crisis was the remarkable uniformity of the working class response to the Beijing massacre throughout the major cities of China. In addition, and very importantly, we also saw the formation of joint worker-student organisations of an open, and later after the repression, an underground character.

For these reasons we recognise the politically revolutionary potential of the events themselves. From the point of view of the future they have given the Chinese working class a taste of its own potential strength and its collective identity after years of repression and profound atomisation at the hands of the Stalinist bureaucracy. It has created a river of blood between the Chinese workers and their murderous Stalinist rulers. For that reason it has the potential of playing, for the Chinese working class, the role that the 1905 Revolution in Russia played, despite its eventual defeat, in forging the independent class and political consciousness of the Russian working class.

YOUTH

Austrian schools on strike



Friday 24 April, Vienna: 30,000 school students marched through the city in a protest initiated by the Austrian youth group REVOLUTION. This was the third of three strikes in April called in protest against attacks on education, student holidays and teachers' wages. The third strike was a huge success with 60,000 nationwide taking action. The first two strikes saw between 2,000 and 3,000 students participate and also the teachers' unions took action. However, before the strike on Friday, the leadership of the teachers accepted cuts in wages (a minimum of £45 a month but frequently higher). Nevertheless, the third strike went ahead and was a huge success. But the government has backed down on some of its attacks on student holidays showing that militant action can be successful. REVOLUTION spokesperson Roman Birke said: "This protest shows that even small groups such as REVOLUTION have a potential to initiate whole movements and are able to reach thousands of young people."

A step towards building a militant UK-wide organisation of students

By Dan, Leeds University

Student activists gathered in London last month to coordinate campaigns at the first National Student Coordination.

REVOLUTION and other student activists called this meeting with the aim of planning national and international action – particularly against cuts in education and the Israeli state's siege of Gaza.

More than 100 activists attended, members of different political organisations and many students who had been involved in the wave of university occupations that protested at the atrocities in Gaza. People came from across the UK such as Glasgow, Edinburgh, Leeds, Cambridge and Sussex.

The coordination was timely, coming as it did after the National Union of Students (NUS) conference in March that saw a tightly controlled Labour loyalist clique take greater control of the union and restrict democracy further (see *Workers Power* 334).

There were meetings and work-

shops throughout the day. These included a meeting on the French New Anticapitalist Party in which French activists shared their experiences of the campaigns against Sarkozy's attacks and the importance of united, coordinated action as a way of building the movement.

There was also debate over what could be done with the NUS. Supporters of the SWP argued to stay within it and fight the right-wing from the inside, while others felt that it the NUS had become useless under the bureaucratic control of the Labour students.

REVOLUTION members emphasised the need to put pressure on the NUS, fighting with it where possible and without it and against it where necessary, to show students that it won't consistently represent them. We also made clear our goal should be an independent students' union – not tied by a million strings of dependency to the state through compulsory student unionism – but a real, fighting union of students who want radical representation.

There were also calls to discuss the boycott of Israel and to send an aid convoy to Gaza; and to work with the University and College Union (UCU) to organise a week of action in the autumn against attacks on education.

A workshop on climate change agreed that the economic crisis presented an opportunity to fight environmental catastrophe. The workshop recognised that the Visteon workers' occupation had put the issue of workers' control onto the agenda. REVOLUTION pointed out that workers occupying their factories posed the need for a democratically planned economy run by the workers themselves.

One workshop was full of students talking about the cuts that were taking place at universities such as Liverpool John Moores and Liverpool and London Met, and the students' and lecturers' resistance had launched to fight back.

REVOLUTION argued that the last session should take motions to take the coordination forward but this was voted down by an alliance

of mainly libertarians and the SWP. However it was agreed that there will be more national coordinations – one in June and the other in October – with open planning meetings to decide a provisional timetable of events.

The meeting also agreed to demonstrate at the Universities UK conference in London on 7 May. This conference is a gathering of the business partners who are aiming to make even more profit from our education.

REVOLUTION believes that we need to develop a new student movement in Britain, and that a well-organised and large regular coordination is a very important step towards building it.

This meeting was a step in that direction but needs to attract more student activists and adopt policies that build a militant student movement to challenge the cuts in education and ultimately the bosses.

• A fuller report from the conference can be found at www.worldrevolution.org.uk

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 oppres-

sion. 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.

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 organisation.

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.

CONTACT

Workers Power is the British Section of the League for the Fifth International

**Workers Power
BCM 7750
London
WC1N 3XX**

**020 7708 4331
workerspower@
btopenworld.com**

ON THE WEB

**www.workerspower.com
www.fifthinternational.org**

JOIN US!

- I would like to join the Workers Power group
- Please send more details about Workers Power

Name: _____

Address: _____

Postcode: _____

Email: _____

Tel no: _____

FIGHTING FUND

Make cheques or postal orders out to 'Workers Power' and send to BCM 7750, London WC1N 3XX

or donate online at www.workerspower.com

SUBSCRIBE

Please send Workers Power direct to my door each month for the next 12 issues.

I enclose:

£13.50 UK

£19.50 Europe

£26.00 Rest of the world

Name: _____

Address: _____

FIFTH INTERNATIONAL

Fifth International NEW ISSUE OUT NOW

The latest issue of the Marxist journal, *Fifth International*, is out now. A bumper 175 page issue includes articles on:

- New anitcapitalist party in France
- Social democracy and left parties
- Ireland: death of the Celtic Tiger
- Environment
- Crisis in the global car industry
- Iranian revolution
- Wall Street crash of 1929
- Principles of Communist organisation
- Plus more on the British and global economic and political situation



Available from shop@fifthinternational.org for the price of £6, 8 euro, \$11

Labour's budget or workers' budget?

By John Bowman & Mike Tate

On this year's budget, as Luke Cooper explains on page 12, Derek Simpson of the Unite union gushed that the Treasury Secretary Alistair Darling "has positioned Labour as the party for jobs and social justice" and that Labour is "back on the side of working families".

But given the scale of this crisis and the immense hardship faced by workers and the unemployed, Darling's budget gives a little with one hand and takes a lot with the other. On the one hand the budget extracts a modest £2.2 billion from the 700,000 very richest people in Britain. But on the other this figure falls far short of the amount necessary to maintain the treasury debt – which is projected to run at £175bn this financial year. It doesn't take a mathematics degree to work out that this means cuts – and unprecedented severe ones at that. The Institute for Fiscal Studies estimates £40bn worth of cuts will be needed every year until 2016 to service the debt. So what would a real workers' budget look like?

Jobs and public services for all

For a start it would tackle jobs and unemployment as the number one priority. Unemployment in the UK is at the highest level for 12 years. By December it is estimated to reach 3 million.

Tackling unemployment won't be done by cutting public sector jobs. It will be done by initiating projects to build a massive number of good quality affordable homes and council housing for all those who need it. It will be done by building the country's infrastructure – investing in transport, hospitals and schools. It will be done by hiring more teachers, more nurses, more social workers, carers and more doctors and to help those in need. It will be done with huge investment into renewable energy, keeping Britain clean and ending our reliance on dirty fossil fuels.

A workers' budget genuinely on the "side of working families" would give those in work the support they need. It would hike up the minimum wage to £8.75 per hour – the European decency threshold. It would demand wages went up inline with prices. It would help out working mums with free

childcare and equal wages for equal work, to be enforced into the public and private sectors alike. A workers' budget would encourage education for the young by making education a free and universal right. It would invest in training and retraining for all those who need it.

"Soak the rich"

All these projects would require money and lots of it. Darling's increase of tax on the very rich in this budget should be supported, but it is woefully inadequate to even keep pace with rising job losses and spi-

Darling's increase of tax on the very rich in this budget should be supported, but it is woefully inadequate to even keep pace with rising job losses and spiralling debt

rralling debt. So a budget for workers would tax the rich more – much more.

Darling's measures would tax those with an income of £150,000 at a rate of 50 per cent. But this lets the rich off lightly compared to previous budgets – for example Labour chancellor Denis Healy taxed the rich up to 75 per cent in 1973. But the recession in 2009 is much more severe and after all, bosses have spent the last twelve years enriching themselves at the expense of ordinary people under this government.

Even at a tax of 50 per cent only for the very richest, the city workers are starting to complain and threatening to leave the country, taking their financial resources elsewhere. Communists are clear in their response to threats like these. The assets of those rich who try to flee tax should be confiscated, and used for the benefit of society as a whole. Currently it is the very richest in society who "avoid" tax in

Guernsey and Luxemburg while workers are squeezed. This must end.

Nationalisation under control of the workers

A workers' budget would fight for our control over our own economy. It would be linked to the nationalisation of the banks into one single state bank under democratic control of ordinary working people and communities.

Rather than the banks simply existing to pay out fatcat salaries to rich managers and soaking up enormous sums of taxpayers' money to bailout "toxic assets", the banks would be used to implement a workers' budget. Their financial resources would be used to direct investment to where it was needed.

It could socially "repossess" homes only to rent them back to the previous occupants at an affordable price. It could be used to help fund and deliver on the infrastructure and public services we need. It could be used to keep track of the real state of the economy, to collect information and make realistic forecasts on the future – as opposed to the ridiculous predictions of growth put forward by Darling in this 2009 budget.

These are the policies that we would see in a budget genuinely produced for workers. But it'll take mass workers' action to win these kinds of demands from a government committed to serving big business.

The trade unions should draw up a programme of demands to place on the government and organise a united struggle on the streets and in the workplaces to force them through, with protests, strikes and occupations. But even when – through mass action – we force the hand of the government, these policies will quickly be repealed the moment we move off the field of battle. That's why we can't just struggle for a nicer capitalism, but for a new system.

For that we will need a new working class party. Every demand we make of the government, every action we organise, must have as its goal the formation of a workers' government, based on democratic organs of struggle created from below; one that expropriates the capitalists and plans production for need, not greed.