

Economy • Trade Unions • Theory • Ireland • Venezuela

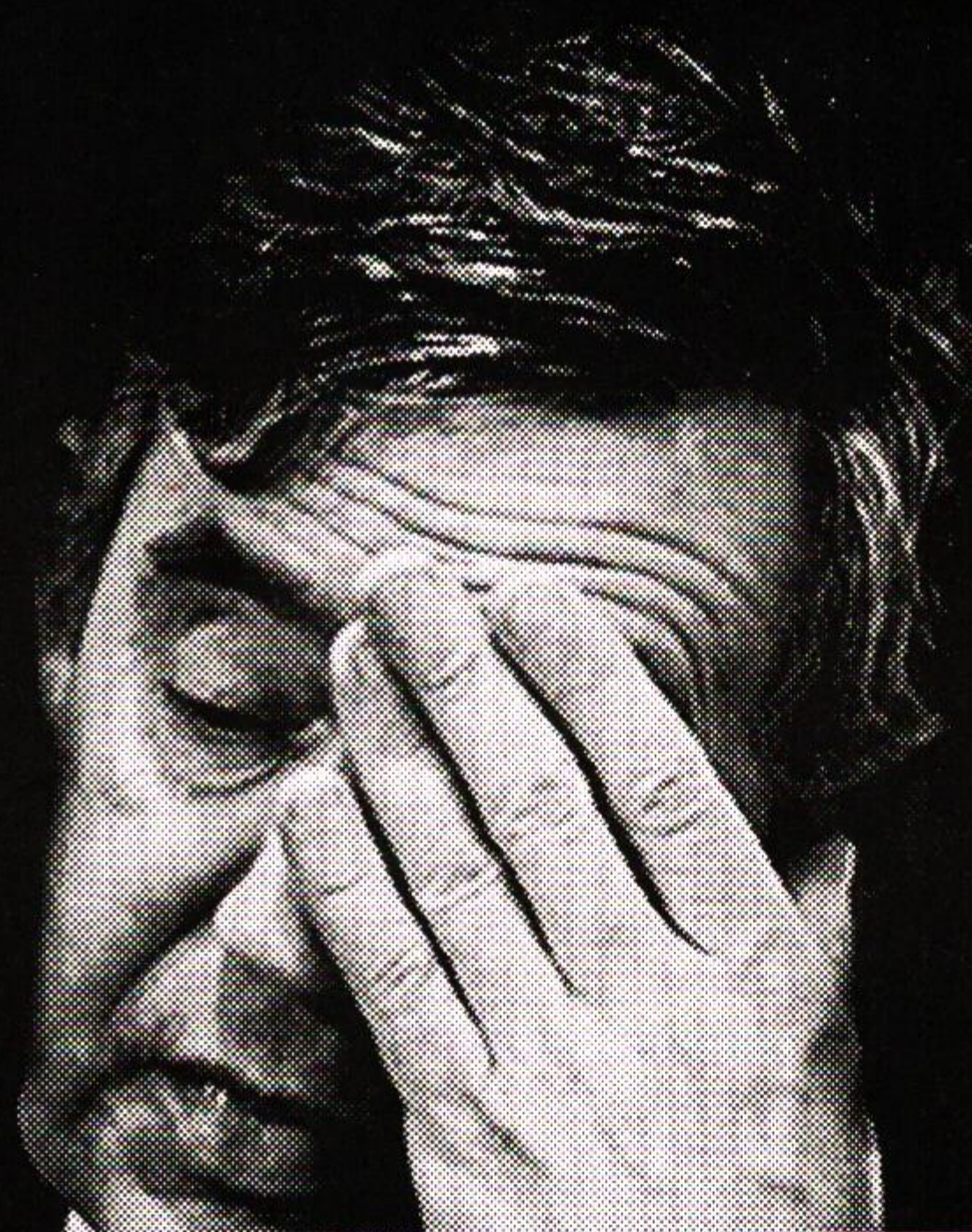
Socialist Appeal

June 2009 issue 174

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CORRUPTION AND CRISIS

- Workers' MPs on workers' wages
- Answer crisis with socialist policies



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The Deadline for content for Issue 175 is June 19th

Bulletin Board

Upcoming Events:

⇒ **Occupy! The factory occupation movement in Venezuela and Britain**
 June 18th 7pm

Meet at St Margaret's Church, Norwich
 Contact: George 07780751159
 ghdeacon@hotmail.com

⇒ **Edinburgh Socialist Appeal public meeting**

Saturday July 4th
 Contact: Patrick 07792656936
 patrick.orr3@googlemail.com

⇒ **ULU Marxist Society**

Thurs. June 4, Room 2A 6-8pm
 Tianamen Square-20 years on - 1989,
 The year the world changed.

Speaker: Heiko Khoo
 contact Josh Holroyd 07533256587
 j.holroyd@ucl.ac.uk

⇒ **ULU Marxist Society**

Thurs. June 11, Room 2A 6-8pm
 After the Euro elections - The political
 crisis in Britain. Which way forward?

Speaker: Fred Weston
 contact Josh Holroyd 07533256587
 j.holroyd@ucl.ac.uk

⇒ **UNISON Conference Fringe Meeting**

Wed. June 17th 12-30 to 1-45pm
 Subject: Economic and Political Crisis:
 How can we fight back?
 Speakers include Rob Sewell

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 workers and youth

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 days a week. It brings you the
 latest news and Marxist analysis
 from Britain and beyond. With
 online books, documents, audio
 and video.

What to do about MPs' expenses?

THE FURORE about MPs claiming outrageous expenses and resorting to outright fiddling gets worse by the day. Labour, as the Party in power for the past twelve years presiding over this scandal, is facing electoral meltdown. Naturally the Labour ranks are panicking. Labour appears doomed at the local and European elections on June 4th, and in the general election over the next year. The situation could still be turned around, but the unions and rank and file will have to take decisive action and take the Parliamentary



Tory MP Douglas Hogg charged the taxpayer to have his moat cleaned

Labour Party by the scruff of the neck.

We believe it is wrong for an MP to think they have a job for life, accountable to no-one, and that is the root of the problem. MPs are elected as representatives of the Labour Party. They should be accountable to the Party. It is true the local Parties have emptied out on account of the disappointments and failure of the past few years. The levers are still in the hands of the trade unions to reclaim the Labour Party (See article on the NEC). Their programme must be:

- **Democratic reselection of MPs as of right**
- **Run democratic selection procedures in all constituencies now**
- **Labour movement auditing of Labour MPs' expenses**
- **Workers' MPs on workers' wages**
- **Clear out the careerists – socialist policies for Labour**

Parliament is enemy territory for working class MPs. Speaker Martin came from a poor Glasgow home with only an outside toilet. In his time he became a defender of the expenses fiddles system. His wife spent thousands of pounds of our money swanning around in taxis like a duchess.

Trotsky said bourgeois democracy is a system where everyone can say what they like as long as big business takes all the important decisions. What happens when workers' representatives speak out against the interests of big business, as they should and must? Corruption is one way that big business gets what it wants in a parliamentary system of government.

We support a crackdown on MPs' scams – of course we do. And some of the more egregious offenders may lie low for a while now till the storm passes. But corruption is an essential oil of bourgeois democracy. And buying off would-be champions of the workers is a thing the ruling class are good at. The gradualist saying, "I intend to emancipate the working class one at a time, starting with myself," must be a hundred years old now.

No Job for Life

How can workers' representatives resist such pressures? They have to have solid local support. And that includes scrutiny. Workers' MPs must be subject to a workers' audit of their expenses. They must be accountable politically and financially.

How can Labour face the electorate in a general election within a year with a bunch of disgraced, discredited candidates and the whole Party with its reputation under a cloud? The unions in particular are up in arms. We need to start with a clean slate. All constituency parties and affiliated unions should demand of the National Executive Committee that all candidates are submitted to a reselection now. The NEC should use its power to call an emergency Labour Party Conference to set the terms of the reselection process and the campaign to be waged by a cleansed, revitalised Party. This is our last chance.

We have to sweep out the careerists – those who are in the movement for what they can get out of it. MPs must be subject to recall through a democratic reselection policy that the local Party can take up as of right at any time. Big strides were made towards a democratic Labour Party in the past. But the right wing has taken back those gains over the past twenty years in order to bolster their Parliamentary positions. We see now where that has got us.

Workers' MPs on workers' wages would have the same interests as their constituents. They would not aspire to rise above them, at their expense. We believe there are plenty of people who would want nothing more than to do their best to serve their class. Ann Black, representing Party ranks on the NEC, registered the rank and file's shock at all the MPs on the take, while "I recognise and appreciate the hundreds of hours of unpaid time put in by volunteers on the ground, most of whom do not even claim expenses for travel, postage and telephone calls."

Socialists elected to Parliament would gladly do the job on a worker's wage – providing they have a vision of a better system they are fighting for. The vast majority of the present PLP seem to think capitalism is the only system on offer, so they might as well milk it. Quite often they began with good intentions, but were ground down by the routine and isolation of Parliament. They lacked the backing of an enthusiastic rank and file fired with a determination to change society and a clear socialist perspective. With that we will reclaim the Labour Party for the working class. □

Crisis in government finance

by Mick Brooks

ALISTAIR DARLING'S April budget reveals what a dire situation the state funds are in. He has admitted that public borrowing will soar to £175bn. That means we as a nation will spend more than £112 for every £100 we earn. That is why the Chancellor has so little room for manoeuvre.

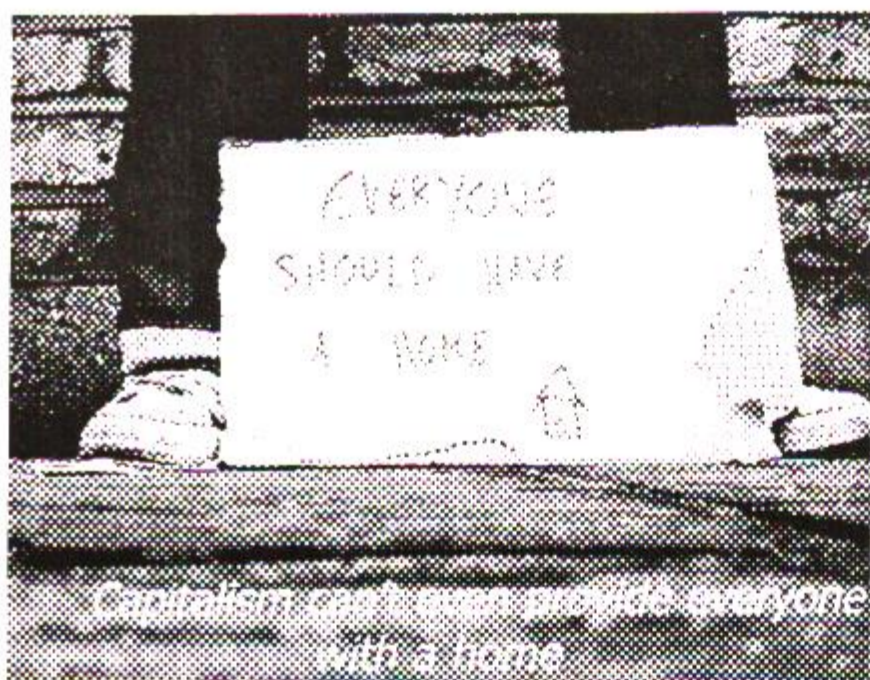
This should come as no surprise. A crisis of capitalism means less money coming in to the coffers as tax and more being paid out as benefits as the economy slows and unemployment mounts. A crisis of capitalism expresses itself therefore as a crisis in the government's finances. What is startling is the suddenness of their deterioration. How long ago it seems since 'prudence' was Chancellor Gordon Brown's catchword!

More Borrowing, Bigger Debt

More borrowing means a bigger public debt. The forecasts just get worse and worse. Last November Darling predicted in his pre-budget report that the national debt would hit 57% of GDP. (Brown's 'sustainable ceiling' – the maximum debt that could be safely handled was 40%.) Earlier this year the Institute of Fiscal Studies reckoned that debt would hit 80% of GDP by 2015-16. Now Capital Economics calculates debt could eventually soar to £1.5trn, more than 100% of all the goods and services we produce in a year.

Just to take the IFS prediction. That's a £39bn hole in public finances – the difference between spending out and receipts in. One way to plug it would be to levy £1,250 extra tax on every family in Britain. According to Martin Wolf (Financial Times 08.08.09) "Government spending may have to be stagnant in real terms for almost two successive parliaments." That's ten years! Given that medicine for the NHS is bound to go up in price and that the average population is ageing and more likely to become ill, that would mean savage real cuts just to stand still. Wolf concludes that the party's over (what party?) and we face a never-ending scenario of cuts: "It is obvious that this will mean massive and painful conflict between government and public workers."

It's not just central state finance that's under the hammer. Local councils get most of their funding from the government. Trish Haines, president of the Society of Local Authority Chief Executives (Solace) warns, "People are talking about possible reductions in public spending of 10 to 15 per cent, even of up to 30 per cent." (Financial Times 19.03.09) But local councils have statutory obligations to house the homeless and look after the elderly etc. What



happens to a statutory obligation when the council doesn't have the money to carry it out? Solace is talking about the future of local government as 'doomsday'.

Where did all the money go? We didn't get a sniff, that's for sure. Brown and Darling gave it all away to the bankers. We are paying for New Labour's generosity. The financial crisis has been a staggering drain on the public purse. And there's no end in sight. The Financial Times reckons we've already lost £50bn and £1,000bn has been 'put at risk' since Northern Rock crashed. The latter figure is almost one year's output from the entire British nation.

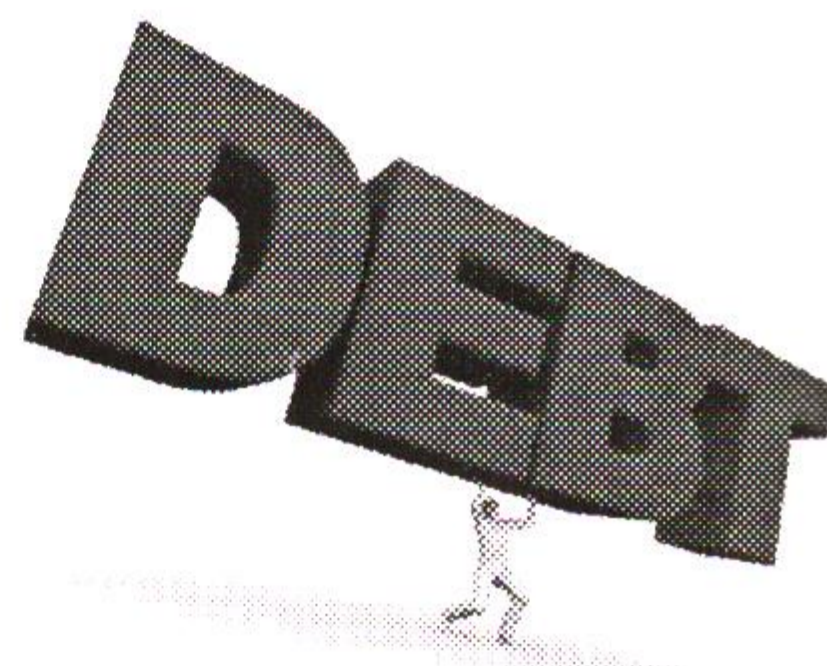
We have wasted one fifth of a year's production in bailing out the banks. And the resulting financial burden is shredding our living standards and social services.

What of the green shoots of recovery that only government ministers can detect? Well, for a start unemployment will definitely keep on rising for at least a year and probably longer. It will hit three million this time next year. And for most of us mass unemployment IS the crisis

What sort of recovery will we see when we're being robbed blind by the government to keep up our payments to the bankers whose recklessness has precipitated the economic crisis in the first place? Darling is promising more cuts in government spending and increases in tax after 2011. No jam tomorrow!

The government is in a dilemma. They have a gaping hole in their finances. Big business and the bankers are warning they may lose confidence because of the sheer mass of debt. Recent bond auctions (the way the government borrows money is by issuing bonds) have shown the demand by the rich for acquiring pieces of government paper is not unlimited. So the only way the government can plug the gap is by taxing us, stopping us spending our own money and thus choking off the recovery in the process. The Tories don't care. They hark back to the governments of the 1930s that dealt with unemployment by cutting unemployment benefit, cutting public sector pay and cutting services. Well, it didn't work in the 1930s.

Marx once said that under capitalism the only part of the national wealth common people really own is the national debt. He was right. That was not the only thing he was right about. Brown and Darling are administering a system that is producing nothing but hardship for working class people as far ahead as the eye can see. It's time for capitalism to go. □



Marx said under capitalism the only part of the national wealth common people really own is the national debt.

Cuts and sackings in the book trade as crisis hits

by a Bookseller

LIKE MOST sectors of the economy bookselling and publishing are in a pretty bad way at the moment. High street book shops (both big and small) were already suffering from competition from online retailers like Amazon, whose huge buying power and low running costs allows them to undercut high street prices. Since the recession has hit things have got worse. Like many businesses, bookshops are struggling to get loans from the banks to support them during less lucrative times of the year. Compounding this is that the current economic climate means publishers won't give bookshops as much credit when ordering as in the past, meaning bookshops have to pay more cash up front. Faced with the worsening situation the owners of big bookshops are doing everything they can to 'streamline' their operations. Not surprisingly the likes of Gerry Johnson (Managing Director of Waterstone's) are not offering to take a pay cut but instead they are going after workers' jobs and hours.

Sell, Sell, Sell

It is worth saying at this point that, contrary to common assumption, working in a bookshop is not all reading Russian novels by a fireplace but is more like working in any other retail environment: low pay, minimum holiday, sick pay and break entitlement and an environment in which all staff feel pressured to sell, sell, sell.

As the recessions hit things have got worse. There have been jobs cuts, and recruitment freezes across the board. Most recently Waterstone's announced that they will be cutting as many as 650 jobs (from a workforce of 4,500) due to 'efficiency' savings made by moving all book ordering to one central distribution hub. Many Waterstone's staff are being forced to take shorter hours with a cut in break times just to hold on to their jobs.

The move to centrally sending out all stock from this new distribution centre is also an attack on conditions, as it wrests all control of choosing what to stock and what to order from staff on the shop floor, thus taking the only enjoyable bit out of the job. There is understandably considerable anger amongst staff at the attacks on their jobs by Waterstone's management. Most booksellers are on minimum wage and for them losing hours means barely being able to support themselves. They also understand that the cuts in almost every one of the chains 300 shops will mean more pressure to get the job done with less staff

to do it.

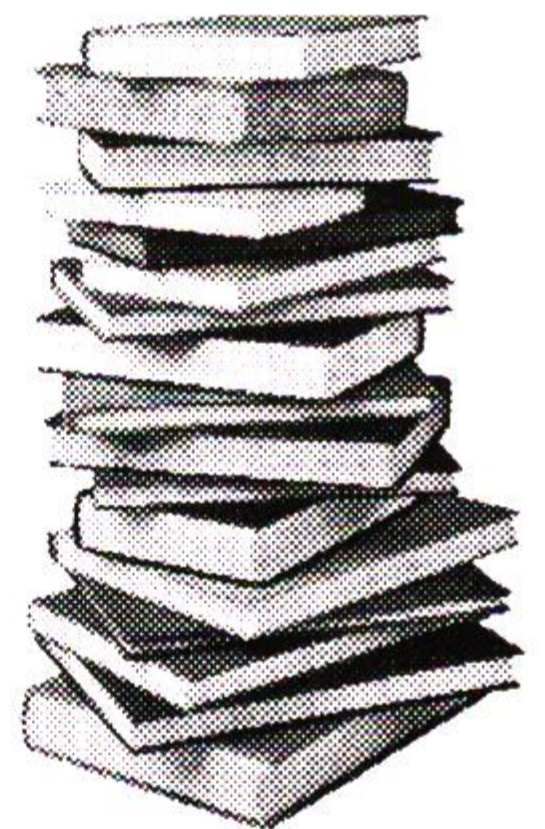
And the bad news isn't just for Waterstone's staff. There have been cuts in the central office staff at Blackwell's, and the shop floor staff there are now looking at a pay freeze and even the withdrawal of free tea and coffee in staff rooms. It's not just booksellers either; the whole book industry is in hot water and unsurprisingly it is workers that are suffering. Publishers have been cutting sales reps all over the country, with many reps forced in to job pools where they have to compete against each other for a smaller number of positions. Not only are these the worst kind of job losses when workers are pitted against one another to stay in work, but those that keep their jobs have a wider patch to cover meaning more travelling, longer hours and a hugely increased workload.

Many who have lost their jobs have been with their company for years and can't understand why their hard work and commitment is being rewarded with redundancy. Just a glance at some of the comments left by Waterstone's staff on thebookseller.com website lets you gauge the mood. Workers are sick of having their conditions attacked

and then being victimised and threatened with redundancy for kicking up a fuss. But this anger alone won't stop the job losses.

Most not in Unions

The vast majority of workers in bookshops, like many in retail, are not unionised. This situation only benefits the management and lets them play one employee off against another and creates a mood of fear and paranoia when they are forcing through cuts. Booksellers don't just need to join a union but need to use their organised power to stand up to the bosses and demand more pay, no redundancies and no cuts in hours. We do the work and get paid the meagre £5.73 an hour while the bosses, whether at HMV Group or Borders etc., keep their bonuses. In recent months workers across Britain have begun to fight back against the bosses' offensive which is following the impact of the recession as night follows day. Let's join them and begin to organise against any further attacks on our jobs and conditions. □



Bologna Process hits Strathclyde University

by Ewan Gibbs

STUDENTS AND education workers have taken action across Europe in recent months in response to the so called 'Bologna Process'; a vicious attack on the provision of public education centred around privatising public institutions and stripping down staff numbers and facilities to a bare minimum.

In Britain there are now proposals for a huge funding cut back at London Metropolitan University and the selling off of Strathclyde University in Glasgow, amongst other attacks. The clear class bias in these decisions is *self-evident*; it's certainly not a coincidence that attacks on education should start at the less prestigious universities and not those attended by the children of the great, good and wealthy responsible for the crisis that has signalled these cuts.

Rationalisation

The proposal, due to begin to take hold in the semester starting after the summer, would see forty per cent of Strathclyde sold off, including the student union and several of the major buildings that the university requires to function. The university management has all too predictably justified these changes in terms of 'rationalisation' and 'modernisation'; all very nice from the ladies and gentlemen who spend much of their time wining and dining with corporate heads. The 'rationalisation' would see the student union accommodated into a sports centre currently under construction. Originally this building was intended to serve just as a sports centre, yet now apparently it will also have space for a major part of the university which currently has its own seven storey building. In the meantime the student union would be placed into the library. Allegedly the library is also inefficient; perhaps the books do not work hard enough or the staff are too big?

Strathclyde is to move from an institution officially based on knowledge, learning and research towards

one mainly focused on just research. Follow the money! As a university focused largely around engineering it already has lucrative private research contracts with armaments companies such as BAE systems. This proposal only takes this to its natural conclusion and would see the Strathclyde re-orientated from a focus on the education of students to the evidently socially useful purpose of weapons research! This raises the much wider question of the financing of universities. Although officially state owned, universities possess a large degree of autonomy in financing and many of the established 'red brick' universities are able to gain funding not just through research contracts but via the patron of wealthy ex-students. This means that they are advantaged in comparison to newer universities, creating a clear hierarchy within higher education.

The so called 'modernisation' of the university would in fact represent a step back to the past. Historically a technical college that almost exclusively taught engineering, Strathclyde now offers a wide range of subjects to students. The proposal would see the law, social sciences and arts faculty merged with that of languages in a clear cost cutting measure. One hundred and forty staff are also to be sacked under the plans.

The loss of staff would lead to the



student union and university's services being merged. This represents a serious threat to democracy at the university and the power of the student body. The union has traditionally

offered its own services to students, separate from the university as a whole. In relation to disciplinary hearings in particular these are of vital importance; without independent representation, students will be at a clear disadvantage.

The student union at Strathclyde only learned of the proposals at the last minute, through a leak, yet three hundred and seventy students came to an Emergency General Meeting which passed three resolutions in opposition to the plans almost unanimously. No students spoke against the resolution.

Strike Action Possible

Importantly the University and Colleges Union also took part and have raised the possibility of strike action. However, with the university in an exam period, action would only be of maximum effectiveness if it was part of joint action alongside the maintenance and administration staff, whose jobs are also under threat.

It must be noted that for a university apparently experiencing financial difficulties there was no trouble in prioritising expenditure. Alongside a consistent police presence throughout the day the university also hired the services of private security guards for the day. Dressed as thugs in suits they played the role of provocateurs, smirking at students and asking them if they were lost.

The government officially has a target of half of all high school students going on to attend university, yet the raft of cuts being outlined show that the opposite is planned; higher education is to once again become the preserve of an elite few. Already it has been estimated that up to thirty thousand people will miss out on a university place this year due to funding cuts. This attack at Strathclyde comes at the same time as primary school closures are faced by the stiff resistance of parents and Glasgow City Council care workers, on strike since November, continue their battle against a pay cut. In Austria youth and workers marched on May Day under the slogan "we won't pay for their crisis". This slogan can only become a reality through the escalation and unity of the emerging struggles. □

What can you say? Part 2

by a Father

WHAT CAN you say to your son when he asks "why is my life so sh*te?" All you can do is listen and sympathise.

You may recall, reader, an article about my son in which his world was falling down all around him, with the threat of redundancy hanging over him and the thought that he would not be able to provide for his daughter.

Well what a difference a May day Bank Holiday makes, from a pessimistic depressed mood to optimism about the future and now a willingness to fight for his future. What can I do as a dad, not just sit back and sympathise? No I got up off my backside and printed up 100 leaflets appealing to the workers to join the union and started leafleting the shifts on May day. So by Tuesday night all shifts would have been leafleted. By then the bosses in this anti-union firm started to get nervous and brought out their plans to reduce pay by issuing a letter telling the workers the pay was to be cut and the workers would have to sign a variation to contract by Friday.

This 5% pay cut would take the pay back to 2005 levels. In addition the workers have never received a productivity bonus in the last five years as the management has made the targets impossible to reach. The workers have good arguments about pay: for example the management in the past said that because the price of aluminium had gone up to £300 a tonne the no pay increase could be made. Therefore now it is at £130 a tonne the management could double the pay

Anger at Boiling Point

Before I could start leafleting I was grabbed by two of the workers and taken inside the factory to have an ad-hoc meeting with the two of the shifts. The anger amongst these workers is at boiling point the idea of a pay cut has been the last straw after giving in on the redundancies. After giving in on the redundancies all the staff side have resigned from the works council, a non union talking shop. An eagerness to join the union followed and union recruitment leaflets went out of my hand faster than hotcakes. I emphasised that they should not sign the letter on Friday instead I have organised a meeting when the majority of staff can get to meet with a fulltime officer of the union.

I urge everyone find a non-unionised workplace find out what issues are affecting them, create a leaflet that address these issues and put in the time and effort to win new workers to the struggle. Although getting up at 5.00 in the morning and going back at 10 in the evening to do leafleting was hard; the

respect given to me and Socialist Appeal by these workers for making the effort is reward and reinforces the Marxist perspective. □



odds'n'ends

Two items from page 16 of the Guardian 27.04.09: The big story is the Sri Lanka government steaming in to Tamil Tiger enclaves. A sub-head warns "150,000 people believed to be caught in conflict area." Lower down it is reported that, "World arms trade up 20% in five years." You'll be pleased to hear that Britain's finest are getting in on the act. In the last quarter of 2008 we managed to up our exports of military equipment to Sri Lanka to £1.4m. You may think, 'it's only communications components', but you can't conduct a war against civilians without such materiel. War, as Lenin said, is horribly profitable.

●
The Information Commissioner has been at it again. Not content with hauling the blacklisting firms over the coals, he's forced the health and Safety Executive to reveal details of construction industry deaths. The facts are shocking. More than 2,500 building workers have been killed in the past 25 years, sacrificed in the interests of cutting costs. Meanwhile HSE inspections have been whittled down, also to cover costs. Anthony Locksey was guiding a cement-loaded dumper truck back towards a trench on a building site. The clutch failed and Anthony was crushed to death. His sister Kay is angry that the HSE refused to prosecute the firm. Aren't the HSE supposed to be there to protect workers against construction industry cowboys?

●
Hail the 'chocolate metric.' Credit Default Swaps are insurance policies against financial instruments failing. Gillian Tett reported (Financial Times 23.04.09) that the price of insuring 5 year government bonds went up to 95 base points, so it costs £95,000 a year to insure £10m in bonds. On the same day Cadbury could be insured at 50 base points. In other words it costs less to insure chocolate drops than government debt. Things are getting sticky for the Chancellor.

●
A Serbian union official has cut off his little finger and eaten it, in protest at unpaid wages. Zoran Bulatovic used a hacksaw to remove the digit and said "it hurt like hell". He said some workers at the Raska Holding textile factory in Novi Pazar had been waiting years to be paid, and had nothing to eat, so he ate his finger to make an example. Raska was once a major textile firm, but its workforce has dwindled from 4,000 in the 1980s to around 100. Some of its staff have not been paid for years, only receiving benefits such as medical care.

●
No comment. Britain under Gordon Brown is a more unequal country than at any time since modern records began in the early 1960s, after the incomes of the poor fell and those of the rich rose in the three years after the 2005 general election.

Wheels fall off private rail franchises

by Eric Hollies

THE FATE of the railways hangs by a thread. Let's take the East Coast franchise, taken over by National Express in 2007 for £1.4bn. Back in 2007 the deal looked to National Express like a licence to print money. The East Coast service is the most prestigious in Britain and was the most lucrative. It carries 17m passengers a year and employs 3,100 workers.

As everybody knows, the economic climate has changed in the meantime. And how! The trains still look quite full to occasional customers. But business passengers have been trading down from first class. (Our correspondent was not travelling first class.) And a gaping hole has opened up in National Express' balance sheet for the East Coast line.

Handing back Keys

National Express still owes the government £1bn on the franchise. But they are threatening to hand back the keys and walk away from the contract. In effect they are blackmailing the government – and us – to change the terms of the contract they willingly signed two years ago. They correctly sense that the government would find it difficult to find a private buyer in the present economic climate. The point is, the way the Tories set up privatisation gives the franchise holders the whip hand over the government in negotiation once they have their feet under the table.

There is a ring of five companies who share out nearly all these rail franchises between themselves - First Group, National Express, Stagecoach, Arriva and Go-Ahead. They are already responding to the recession by cutting services (for instance running shorter trains making them even more crowded), sacking workers and putting up fares by as much as 11%. Extortionate fares, overcrowding and cuts in railway workers' wages and jobs mean the millions of passengers and the rail unions have a common enemy – the private train companies.

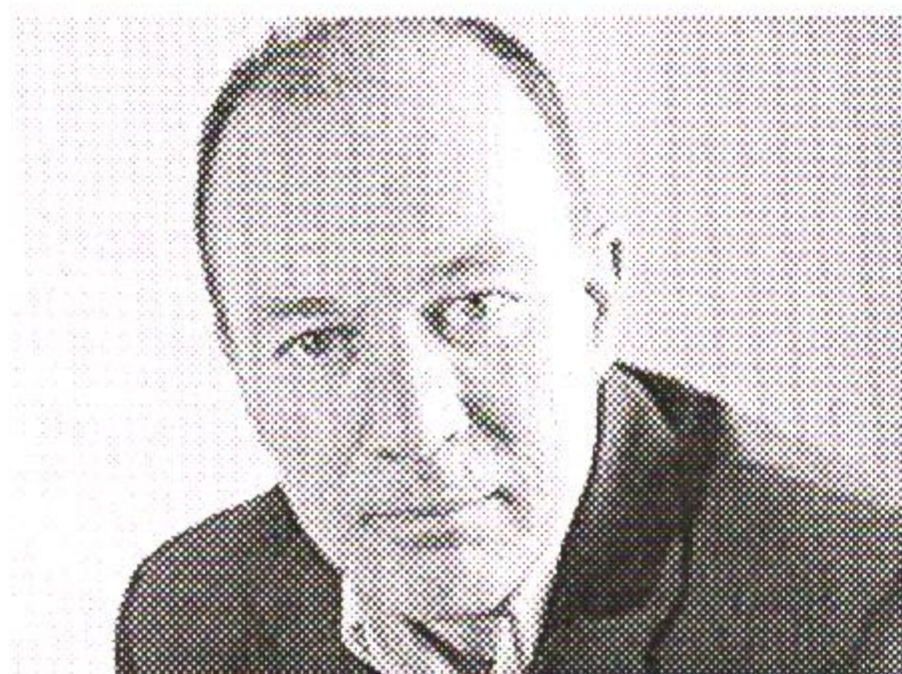
Darling has always been a soft

touch for big business. But he has a problem. If he caves in to National Express all the other train operating companies will be marching in to his office with outstretched paws. South West trains has indicated it'll be next in the queue. Richard Branson, who operates the west coast London to Glasgow (via Hell) route, has sworn he'll be demanding a bigger slice of the action.

Can't have too much Money

Brian Souter is the boss of National Express. A homophobe and bigot, he is not starving. The other two franchises run by National Express, c2c and East Anglia, are still in profit. Souter wants to hang on to them and dump the loss-making East Coast operations back on the taxpayer. Why can't he support the East Coast line from his pickings from c2c and East Coast for the time being? Because Souter is one of the richest men in Britain, and for such capitalists there is no thing as too much money.

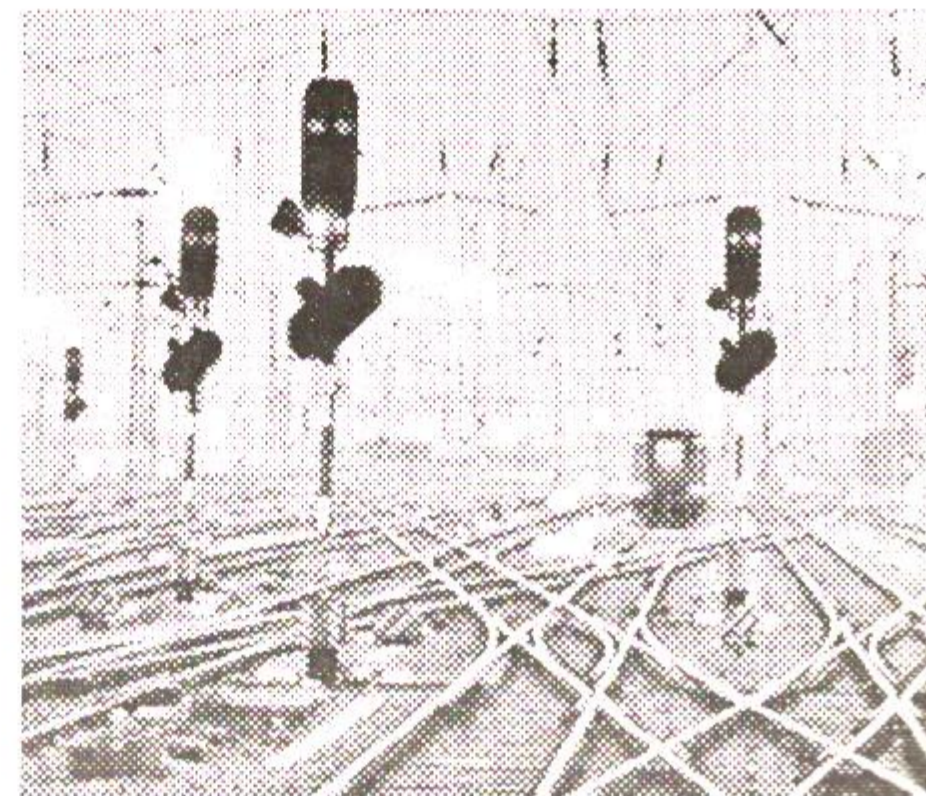
More to the point, Souter is one of a class of capitalists who has made all



Brian Souter one of the richest men in Britain thanks to the state

of his money from privatisation. His fortune was handed to him on a plate by the state. It started with bus deregulation that allowed private companies to put their foot in the door by paying lower wages to drivers. Advanced by the Tories as promoting competition and efficiency, Souter found himself monopolising bus provision in one locality after another as his empire spread.

The situation is beyond belief. The privatised railway network is costing



National Rail is off the rails

us twice as much as it did when nationalised. The system is creaking at the seams. We are shelling out subsidies to keep private shareholders in clover. In 2007, when the present franchises were awarded, the network was paid for by £4.5bn in government subsidy (us) and £5bn in fare receipts (us again).

Costs Twice as Much

What do the private train operating companies contribute? Nothing – just take our money. By 2014 the government planned to reduce the subsidy to £5bn but we'd be stumping up £9bn for tickets. Now the train operating companies are whining for more subsidies, or they'll be off.

Face them Down

What Darling fears is if all the franchise holders get together to demand renegotiation of their contracts, that is more of our money. They'd be queuing up to take us to the cleaners. Actually all the government has to do is face them down. As Bob Crow, General Secretary of rail union RMT, says, "It gives the government a golden opportunity to nationalise the service," The alternative "would be reward for complete and abject failure on an epic scale and the British taxpayer would be up in arms."

Pressure is growing among backbench Labour MPs to renationalise the railways. Good riddance to the privateers! The case for the renationalisation to get these incompetent parasites off our backs is overwhelming. □

Danger! Police at work

by Daniel Read

LONDON POLICE have been accused of using plain clothed officers to infiltrate the G20 protests in order to provoke violence.

The accusation has come after several weeks of shock following news of the death of Ian Tomlinson at police hands and the injuring of many others.

Liberal Democrat MP Tom Brake, who was present during the disturbances outside the Bank of England on April 1st, said: "When I was in the middle of the crowd, two people came over to me and said: 'There are people over there who we believe are policemen and who have been encouraging the crowd to throw things at the police.'"

When people become suspicious the two men made a hasty exit via the police cordon. They were also believed to have displayed ID cards to allow them to pass.

Antonio Olmos, a freelance photographer at the scene, said: "I had seen an individual wearing black clothes who in my mind looked like a rugby player not a protester, who seemed to be encouraging his fellow protesters to be more aggressive toward to police, i.e., in the throwing of bottles, pushing against police lines etc."

Police ID gets you Through!

"Just as I noticed this behaviour several protesters turned on this individual and accused him of being police. He produced some sort of ID when he approached the police lines and he was quickly let through at a time when no one, including press, were being allowed to leave the police cordon around the Bank of England."



Metropolitan Police chief Sir Paul Stephenson has so far refused to comment on the issue.

Police conduct in early April is widely regarded to have been unacceptable, with officers across the city engaging in

frequently unprovoked attacks on demonstrators.

After enclosing protesters outside the Bank of England – a method also known as "kettling" – units of the Special Territorial Group were conspicuous by their lack of ID badges as they assaulted several people in the crowd.

Kettling

Officers present gave no reason for the sudden decision to enclose the crowd, nor would they respond to inquiries on how long people would be confined. In one instance a man claiming to be diabetic and wishing to return home to take his medication was refused permission to leave.

Others claimed that police had visible stockpiles of bottled water, yet refused to release them to a crowd that had



Police kept protesters in 'kettles' for up to XX hours without any facilities like toilets or water

now been stood in the sun for many hours.

Later that evening a massed police charge was aimed at the Climate Camp, where environmental activists had gathered. Despite repeated chants of "this is not a riot" from protestors, officers smashed into the gathering and forcefully dispersed it.

The Independent Police Complaints Commission received over 250 complaints over the course of the G20 protests, with 121 of these being over the use of force.

The use of plain-clothes police officers has been a recurring method in the history of modern policing. However, whilst officially they are only used to identify potential troublemakers, unofficially they can be used to provoke violence.

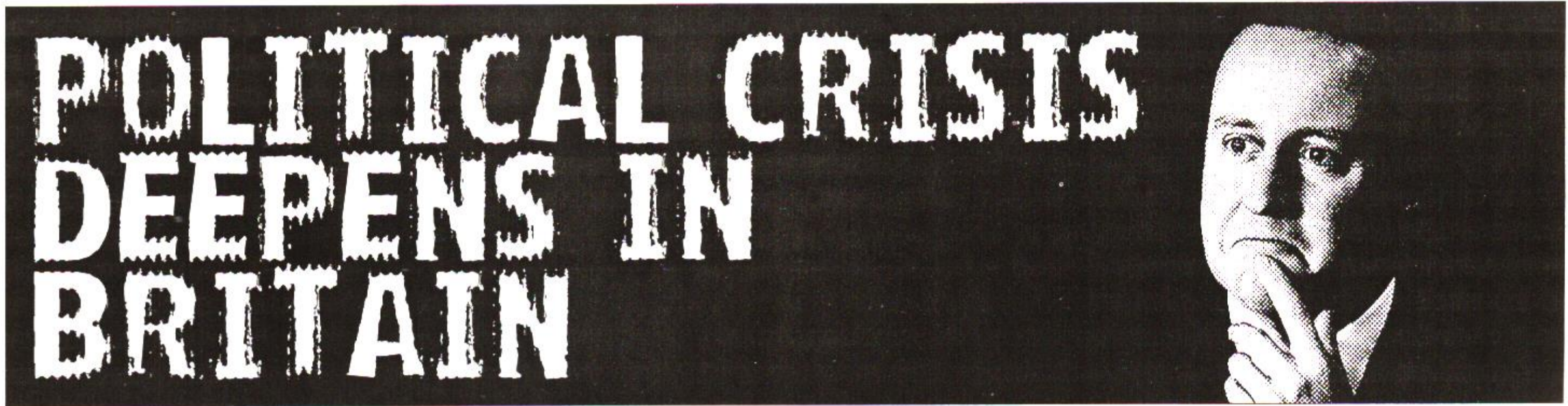
Historically the term "agent provocateur" was coined in France and used to describe police agents who would infiltrate underground organisations in order to discredit them.

Since then such individuals have been suspected of being in operation within the workers movement in varying countries.

In the 1960s FBI agents were alleged to have worked in organisations such as the Black Panthers in order to drive them to commit violent acts, whilst MI5 and Special Branch personnel have admitted to operating in the British political left during the 1980s.

As this goes to press, Tom Brake has declared his intention to present his account of the G20 protest to a parliamentary committee on human rights. Mr Brake said: "The police strategy of locking in all the protesters, peaceful or otherwise for up to six hours, in my view, put peaceful protesters at greater risk, increased the likelihood of violence as well as having serious implications for peaceful protests in the future. These are matters that a full inquiry will need to consider."

Last month *Socialist Appeal's* editorial quoted Engels that the state "consists not merely of armed men but also of material adjuncts, prisons and institutions of coercion of all kinds." Marxists say that the state as a rule serves the interests of the ruling class. The case of the agents provocateurs at the G20 demonstrations shows this is as true as ever. □



by Rob Sewell

BRITAIN IS experiencing an unprecedented crisis which is shaking the very foundations of the social order. The revelations in the Daily Telegraph of the misappropriation of public funds and outright corruption amongst MPs of all major parties, including government ministers, have caused public outrage - at a time of mass redundancies, repossessions and pay cuts. These astounding events mark a sea-change in British society.

The public mood had already been fuelled by the sight of billions of taxpayers' money being used to bail-out the banks. This reached fever pitch with the news of Sir Fred Goodwin, the head of the Royal Bank of Scotland, receiving millions as thousands of his workforce were sacked.

Nothing new about corruption

There is nothing new about the existence of corruption at the very pinnacles of society. Normally such corruption is kept under wraps. But now and again we get a glimpse - exposing the rottenness of the system and the malaise that afflicts society.

Now, without precedent, there is a deluge of non-stop revelations about the sleaze and corruption enveloping the 'mother of parliaments', and engulfing those who have constantly berated the unemployed for scrounging.

The Speaker of the Commons has been forced to resign while two 'honourable' Lords of the Realm have been suspended. Nothing on this scale has been seen since the seventeenth century and the aftermath of the English Civil War.

Harriet Harman, leader of the House, pleaded for people not "to feel

that all MPs are corrupt and the system is rotten." But that is the widespread public perception. They see ministers living in grace-and-favour accommodation while claiming for second homes, or using taxpayers' money



Speaker Michael Martin resigns over expenses scandal

to profit in the property market, while thousands of family homes are being repossessed.

"The public mood in Britain this week has been beyond extraordinary", states Matthew Engel in the Financial Times. "The only analogy that springs to mind is with the hysteria that took hold following the death of Diana, Princess of Wales, 12 years ago.

Anti-establishment mood

"Then, the British turned on the royal family for its refusal to join in the display of emotional incontinence that they thought ought to characterise grief. The crowds assembled outside Westminster Abbey for the funeral were so worked up that if Diana's brother, Earl Spencer, had ended his eulogy with a call to arms, I am convinced they would have marched behind him to overthrow the monarchy." (Financial Times, 16/17 May 2009)

There was an enormous mood in the country surrounding Diana's death,

which took on an anti-establishment character. This served to undermine the monarchy as an institution that was completely out-of-touch and worthless. Its future role as a reserve weapon of reaction was dealt a massive blow.

There exists a similar mood today, which is being fed by the tabloid press and is serving to undermine the whole political establishment. The Daily Mail's front page resembled a Wild West wanted poster, featuring the MPs facing the most damaging allegations. "BRING THEM TO JUSTICE!", it screamed.

Just as the gutter press howled over Diana's death in order to sell more newspapers, so they are whipping up the situation today to build up their falling circulation. But they are unleashing feelings that they will not be able to control - feelings that are taking on a dangerous anti-establishment colour.

This is not only affecting the working class, but also the middle classes.

Catharsis needed

Worried by where all this could lead, the Financial Times warned that "the general anger will not dissipate without some kind of catharsis. In 1997, the funeral did its job; it was an end, not a beginning." Today there is no obvious end in sight. Events could easily spin out of control.

It is no accident that the three basic pillars of the British establishment - the monarchy, Church of England and Parliament - are all in crisis. This is a reflection of the general crisis of British capitalism. All are desperate to prop up each other. The queen expresses her alarm to the prime minister for the deteriorating constitutional situation. The archbish-

op of Canterbury warns of the "heavy price in terms of our ability to salvage some confidence in our democracy." This is a crisis of the regime and of the state itself.

What the ruling class fears is a radical change in public consciousness. People are completely fed-up with the lies and hypocrisy that they have been fed for years. They are saying enough is enough. It is the stuff of revolutions. Today's professional politicians are now despised and loathed by ordinary people. The public standing of Parliament, as with the monarchy, is extremely low. We are in a new situation of abrupt and sharp changes, where such revelations can become the catalyst for the general discontent within society.

This story could run and run up to the next general election. Already Ministers' heads have begun to role and Brown is running to catch up with the situation. Cameron is also desperately attempting to seize the initiative, but is blighted by allegations of corruption against a string of Tory MPs, serving to illustrate their 'squirearchy' life-styles. There is now a dash to pay back some of the money, but the damage has been done.

Constitutional Crisis

"This is the biggest constitutional crisis since the abdication of Edward VIII," said one Labour MP. But it is far more serious than that by about 300 years. The whole political establishment is in the dock.

Labour, the party in power with the most sitting MPs, is likely to suffer most. It is no accident that the scandal has broken at this time. The reason was to undermine the Labour government and prepare the way for a strong Tory administration. But the plan has back-fired badly, with all MPs tainted. Even worse, it has brought down the public wrath against the political establishment as a whole.

The political scandals in Italy in the mid 1990s resulted in the collapse of

the Christian Democrats, the main bourgeois party that had ruled the country since the second world war. The crisis was very dangerous as it unleashed uncontrollable forces that threatened the entire political edifice.

There is also another angle to the present British scandal. The current economic crisis of capitalism has resulted in huge government borrowing and deficits everywhere, which will need to be drastically cut. This will mean gigantic cuts in public expenditure.



Queen warns Brown about constitutional crisis

In Britain, they are talking about an austerity programme that will last more than 20 years! The Tories are already sharpening their axes for their new-found role. In order to slash living standards, the capitalist class will require a strong government at the next election. For them, this means a strong Tory government.

But there is a dilemma. "The media fire-storm engulfing MPs over expenses will make it harder for an incoming Conservative government to impose the required cuts in public spending, senior Tories fear", explained the Financial Times. (12/5/09)

"The Tory leader is concerned the revelations about his MPs' taxpayer-funded lifestyles will make it more difficult for a Conservative government to justify proposed reforms, such as curbs on benefit claimants, to an increasingly sceptical public."

"This just makes it harder for politicians to take the tough decisions on public finances we need to take," said one shadow cabinet minister. "It means we're operating in a more hos-

tile environment."

This is a major problem for the ruling class. They need to carry through vicious cuts not seen since the 1930s. A weak government will be the worst of all worlds. But this sleaze scandal has undermined the Tories as well as Labour. While the Tories are likely to win the next election given the disillusionment amongst Labour supporters, the authority of Parliament will be undermined. A new Tory government will not have the necessary authority for the brutal measures required.

This will simply serve to galvanise all opposition to the Tories that will inevitably emerge. This will make their task much harder and means that the next Tory government will be a government of crisis. Cameron has already made it clear that they will go immediately onto the offensive. He thinks that Thatcher made a mistake in delaying her tough measures until 1981, losing two valuable years. But their

room for manoeuvre will now be limited given their badly tarnished authority arising from this scandal.

However to press on with their austerity cuts immediately will not save them either. It will push the working class onto the industrial plane and unleash a new stage in the class struggle in Britain. It cannot be ruled out, given the weakness of the next Tory government, that they will be brought down as the Heath government was in 1974. Whatever happens, their actions will stir up the hatred of the working class and usher in a period of class battles the likes of which we have not seen for decades.

The effect of sleaze will stick, whatever they do. The ruling class can see what the Marxists can see, namely the inevitability of a social explosion in Britain. The crisis today is a harbinger of what is to come later but on a far higher level. In this turbulent period, the working class will again place firmly on the order of the day the need for the socialist transformation of society. That is the real lesson of these unprecedented events. □

Construction Workers Mobilise

by Steve Kelly Unite,
London Construction Branch

THE SIXTH of May was a long time coming - from the Unite activists' meeting held on 16th March, when it was agreed we should demonstrate outside the Olympic site in Stratford. It was organised and planned by rank and file construction workers despite the tactics of the official unions GMB and Unite who did their best to stop it. Shame on you Mr Simpson and Mr Kenny.

Day of Action

What a great day of action it turned out to be. Around 500 workers descended on the site at 6.30am from all over the country, many travelling down from Scotland and the north overnight. Well done and top marks to all who made it.

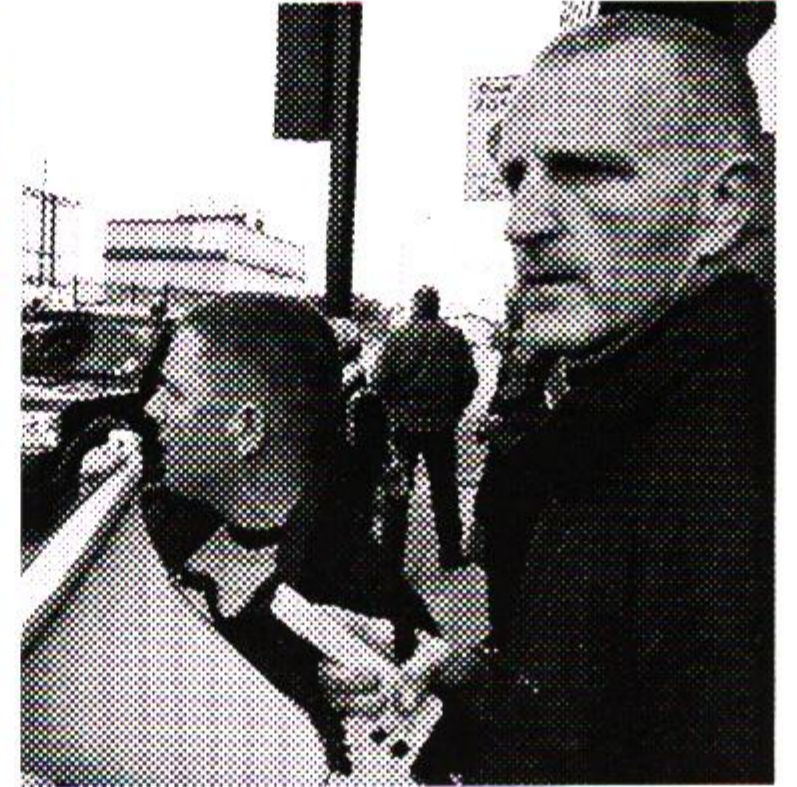
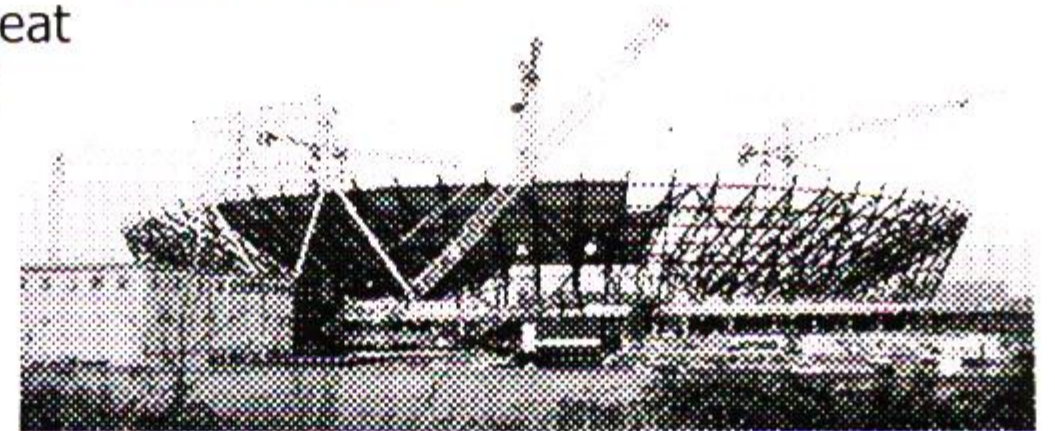
The coppers tried to pen the workers in. They were having none of it. The demo was over the exploitation of migrant workers, the fact that companies on the Olympics and other sites are not paying the agreed union rates, poor

health and safety, excessive use of agency labour and the blacklist. It was a lively demo with many great speakers from the rank and file workers as well as Visteon strikers, and Bob Crow (General Secretary of the RMT union) in solidarity and a local councillor.

Lobby of Parliament

We then headed to Parliament for a lobby over blacklisting and 200 of the workers marched into Parliament. Oliver Cromwell must have been well impressed! Two excellent meetings took place with MPs John McDonnell, Michael Clapham and Kelvin Hopkins, Everyone had their say about the scandal of the blacklist, and made it quite clear that it would not be swept under the carpet.

All in all a great day rounded off by a few pints of Guinness. Here's to the next one. □



Terry Fields – the workers' MP on a worker's wage

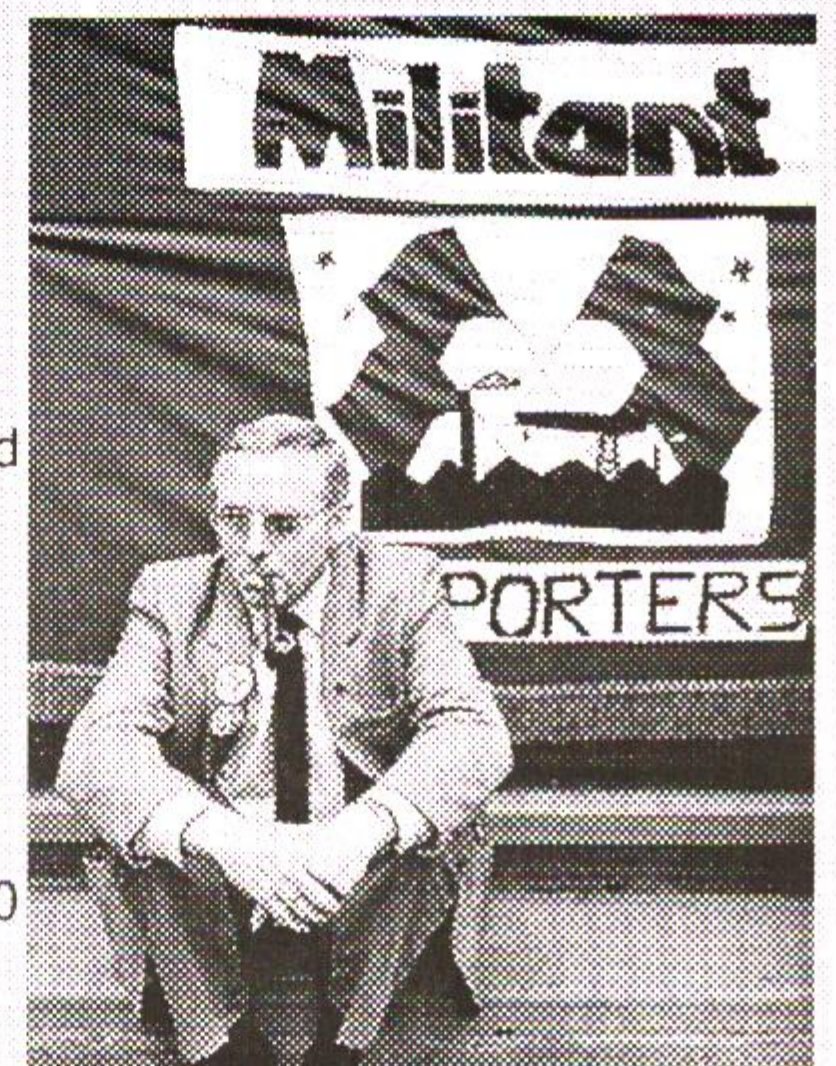
TERRY FIELDS died last year. He was Labour MP for Liverpool Broadgreen from 1983 to 1992. Terry stood on a socialist programme in 1983 and held to the socialist principle that he would live on the average wage of a skilled worker, in his case a firefighter. The rest of his parliamentary salary would be put back into the labour movement.

During the election campaign Terry Fields was told: "Just promise me one thing – you won't change." Terry replied: "Many have said it before, but there's no way I'll change. I've got no pretensions to enhance my own life style on the backs of working people, when you see the conditions and the support that they've given me." And this was true. He stuck by his principle to the very end.

Jailed for Non-payment of Poll Tax

Terry also played a prominent role in the campaign against the poll tax which advocated non-payment. Millions refused to pay the tax which ended with Thatcher's resignation. Terry refused to pay his poll tax and was jailed on 11th July 1991 for 60 days, the only Labour MP to have been jailed for non-payment.

What a contrast to the self-serving riffraff who politically exploit the traditional Labour vote of the working class and become Labour MPs in order to advance themselves and line their pockets. □



Teesside: not for the scrapheap

by Andy Fenwick

formerly of Quality Control Technicians Branch,
Iron & Steel Trades Confederation, Redcar

ON SATURDAY morning of the Unite Demo in Birmingham on May 16th against the effects of the recession I was flooded with a whole set of mixed emotions taking me back thirty years. Selling the Socialist Appeal to the demonstrators as each new coach arrived I was thrilled at the sight of the last coach to arrive, as it was from Teesside, full of Steelworkers who had come to demand that their jobs are made safe, but immediately saddened by the same thought.

Flying Pickets

Why this emotion? Well it is nearly thirty years ago that Thatcher practiced her confrontation with the unions by taking on the steel workers, with the full force of the state and rehearsed the tactics to be used against the miners four years later. And I was in the middle of it then as a steelworker from Teesside, with organising flying pickets to the west midlands, being on the end of police baton charges and spending time in a police cell and towards the end of the three month strike eating only fried egg and chips produced in bulk for the

pickets.

In the end, just as the dockers and other workers were preparing to come out in solidarity, the union hierarchy capitulated, which then lead the way to wholesale slaughter of the steel industry, from whole plant closures such as Consett Corby to drastic cuts in the workforce in the surviving plants. In Teesside in 1973 when I joined British Steel I was one of 34,000 steelworkers. Today less than 6,000 work in Teesside. I, like many other steelworkers, was made redundant on the promise that the surviving steel plants would have a secure future, but what we have been seeing since then in the last few is years further decimation of steel plants.

It was a sign of how many jobs had gone that none of the young flying pickets from 29 years ago were at the Birmingham demo. This is a new layer of young workers who will have to relearn the struggles of thirty years ago. For these workers no golden goodbyes, as the bankers get, not even the equivalent pay offs steel workers got in the eighties that enabled me to go to university and get a degree. The compensation package that I received in 1983 at today's value would be in excess of

£60,000 for just 10 years at the British Steel Corporation.

Since I left the industry it has been given away to private speculators, after the taxpayer has invested billions in new plant and technology. These workers now struggling to keep the plant open have been conned by the bosses who promised that, in return for amending work practices, a consortium would buy up the majority of steel produced. But, as always, bosses cannot be trusted and the consortium has weaselled itself out of the contract, leaving these workers no future.

Speculators are Vultures

If any occupation was ever needed it is surely in the steel plants of Teesside. The taxpayer paid for it, the taxpayer will have to fund the unemployment bill but the speculators, like vultures, will descend on the plant to asset strip it. Occupation should be the first step to the renationalisation of any steel plant threatened with closure, not under the likes of Sir Charles Villiers or Ian McGregor, but this time under workers' control.

The steelworkers and steel plant of Teesside are not for the scrapheap. □

Labour's NEC - a missed opportunity

LABOUR'S NATIONAL Executive Committee met while the MPs' expenses scandal was at its height and Labour, on level peggings with lunatic fringe party UKIP in the polls, faced ruin in the European and local elections and probable wipe-out in the next general election. They could have taken a step to turn the situation round. Instead they blew it.

Paul Kenny, General Secretary of the GMB union, for instance was spitting blood on the eve of the crucial 19th May meeting of NEC of the Labour Party. And no wonder. The unions pour millions of pounds into the Labour Party to get political representation for the working class, and all these 'representatives' seem to do is stick their arms into the public purse up to their elbows.

The NEC meeting was a missed opportunity. Instead of asserting their authority, the delegates lined up behind

Brown's plan for an independent complaints procedure to vet MPs' expenses and behaviour. Rotten MPs may even be removed as Parliamentary candidates, but who will replace them and how is not clear. Brown is saying it is fine to be a right wing careerist, but not a corrupt careerist. He is desperate not to democratise the selection process.

The NEC has 33 members. Eleven of those are from the unions and six represent the labour ranks. That is an absolute majority unsullied by the squalor of the Parliamentary Party. They could have taken a stand for Party democracy, and for a last chance to win the next election. The unions could have saved the Party for the working class. The levers are still in their hands.

The unions can and must reclaim the Labour Party. Their programme (explained in our editorial) must be:

- **Democratic reselection of MPs as of right**
- **Run democratic selection procedures in all constituencies now**
- **Labour movement auditing of Labour MPs' expenses**
- **Workers' MPs on workers' wages**
- **Clear out the careerists – socialist policies for Labour. □**

Marxism and the class struggle

by Alan Woods

THE CURRENT financial melt-down and the slump that has followed it have exposed the hollowness of the economic predictions of the bourgeois economists. Now the world economic crisis poses the question of socialism point blank. Alan Woods in his introduction to a new Spanish edition of Trotsky's *Transitional Programme* explains the relationship between Marxism, leadership and the struggle for socialism.

Confucius once wrote: "There are three things that cannot be hidden: the sun, the moon and the truth." Twenty years have passed since the fall of the Berlin Wall, followed later by the collapse of the Soviet Union. At that time many people thought that Communism and Socialism were dead.

The bourgeoisie was euphoric. They talked about the "end of history" and predicted a wonderful future of peace and prosperity on the basis of "the free market economy". Now, only two decades later, all the dreams of the bourgeoisie and the defenders of capitalism lie in ruins and the ideas of socialism and Marxism are once again on the order of the day.

No 'end of history'

What failed in the Soviet Union was not socialism or communism, but a bureaucratic and totalitarian caricature that arose on the basis of the isolation of the Russian Revolution in conditions of extreme material and cultural backwardness. The bureaucratic degeneration of the Russian Revolution gave rise to the monstrous dictatorship of Stalin. As a result, the genuine ideas of revolutionary Marxism were isolated from the labour movement for decades.

By 1938, all of the collaborators of Lenin had been murdered in the monstrous Purge Trials organized by Stalin and the bureaucracy whose interests he represented. Like any criminals, the usurpers did not want to leave behind any witnesses. Only one man remained to raise his courageous voice against the crimes of Stalin, in defence of the

real traditions of Leninism and the October Revolution: the traditions of workers' democracy and socialist internationalism.

Left Opposition

After being expelled from the USSR, Trotsky and his followers in the Left Opposition, attempted to reform the Communist Parties and the Communist International and return them to the ideas and programme of Lenin. Trotsky expected that the victory of Hitler in 1933 – the direct result of the policies of Stalin – would cause a ferment in the Communist Parties internationally. But already by this time the Stalinist degeneration of the Comintern had gone too far. The Stalinists proclaimed that the victory of the Nazis would be short lived and launched the incredible slogan: "After Hitler, our turn!" The biggest Communist Party in the world outside the USSR was annihilated, followed by the Social Democrats and the trade unions.



Trotsky - assassinated by a Stalinist agent in 1940

Communist International dead

After the German experience, Trotsky drew the conclusion that the Communist International had followed the path of the Second (Socialist) International and was dead for the purpose of the revolutionary transformation of society. Realising that a new world war was inevitable, Trotsky proclaimed the need for a new banner, a

new programme and a new International. He wrote the Transitional Programme as the programme for the founding congress of the Fourth International two years before the outbreak of war.

But the forces of the Trotskyists (Bolshevik Leninists) were miniscule, isolated and subject to the most ferocious persecution. In Germany its followers were in the prisons of the Gestapo, in the USSR in Stalin's concentration camps, in Spain in the cellars of the GPU. Trotsky wrote the Transitional Programme in order to overcome their isolation and build a bridge to the workers in struggle.

The demands worked out by Trotsky did not drop from the sky. They are rooted in the programme and policies of Lenin and the Bolshevik Party, and they are the distilled essence of the programmatic documents of the first four congresses of the Communist International, many of which were written by Trotsky. Here we have the summing up of the ideas, programme and methods of scientific socialism, first worked out by Marx and Engels over 150 years ago in the Communist Manifesto.

There is a clear line of continuity in these ideas. This or that detail may have been changed, but in essence the ideas of Marxism remain as true today as they were in 1938 or for that matter in 1848. By contrast, the bourgeois economists and politicians would be ashamed to republish today what they wrote only 18 months ago.

Intensification of exploitation

For decades the economists argued that Marx was wrong and that crises were a thing of the past. But events have exposed the hollowness of the economic predictions of the bourgeois economists. Now the world economic crisis poses the question of socialism point blank. The ruling class is now "tobogganing toward catastrophe with its eyes closed". These words of Trotsky in the Transitional Programme might have been written yesterday.

The long boom in the USA appeared to hold out the possibility of individual solutions: by working hard, overtime, etc. But the onset of reces-

sion has shattered this bubble and compelled people to question the existing system. In reality, this questioning of capitalism has already begun. It will be intensified in the turbulent period that lies ahead. Once the working class begins to move, the mood will change swiftly. What appeared to be fixed will dissolve into the air, compelling men and women to seek a way out along a different road.

In many countries the boom did not provide real benefits to most workers. Living standards went up in absolute terms but only on the basis of an intensification of exploitation, part time working, long hours of overtime, increased stress for all workers, including the white collar workers like teachers who in the past were regarded as privileged layers. There was also a huge increase in debt everywhere. The proportion of the national income dedicated to wages is at a record low in all countries, while the proportion dedicated to profits is at a record high.

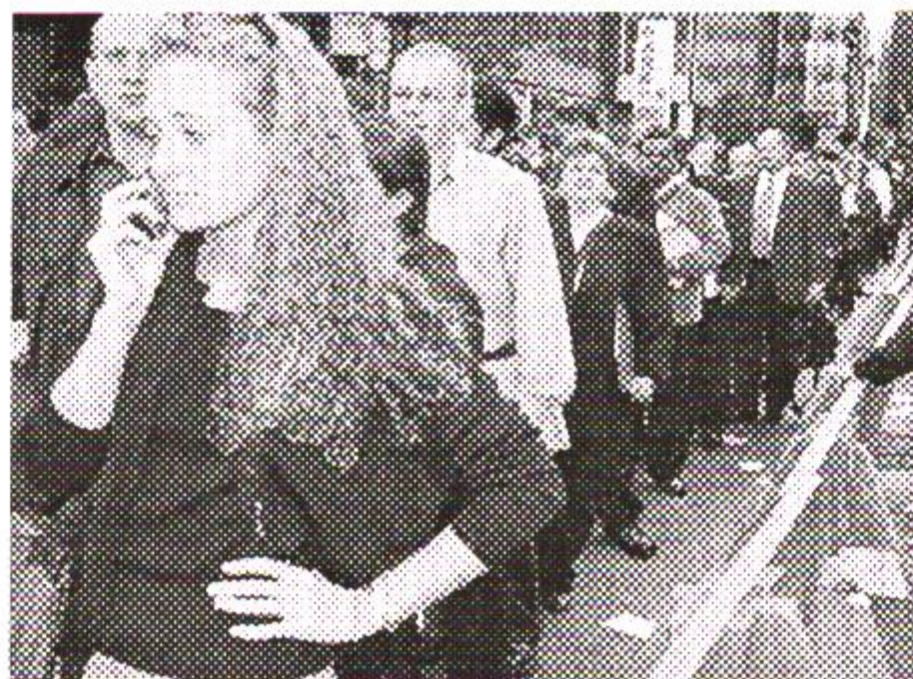
Business Cycle

Bourgeois economists regard the business cycle as the expression of the expansion and contraction of credit. They constantly talk about the "credit crunch". However, the shortage of credit is really just a symptom of the boom-slump cycle, not its cause. The real cause of the crisis is the revolt of the productive forces against the private ownership and the nation state, which constitute the real barriers to the further development of human progress.

After all the brave talk about the superiority of the market economy, the fact is that capitalism has failed the human race. Despite all the advances of science and technology, in the first decade of the 21st century, most of humanity lives on the edge of starvation. Millions of people have little or no access to public services, such as a safe water supply, roads, healthcare and education. Yet the money spent on bailing out the banks alone would be sufficient to solve the problem of world poverty for 50 years.

Poverty is not confined to what is often referred to as the "Third World". With a population of 301 million, the USA is the richest country in the

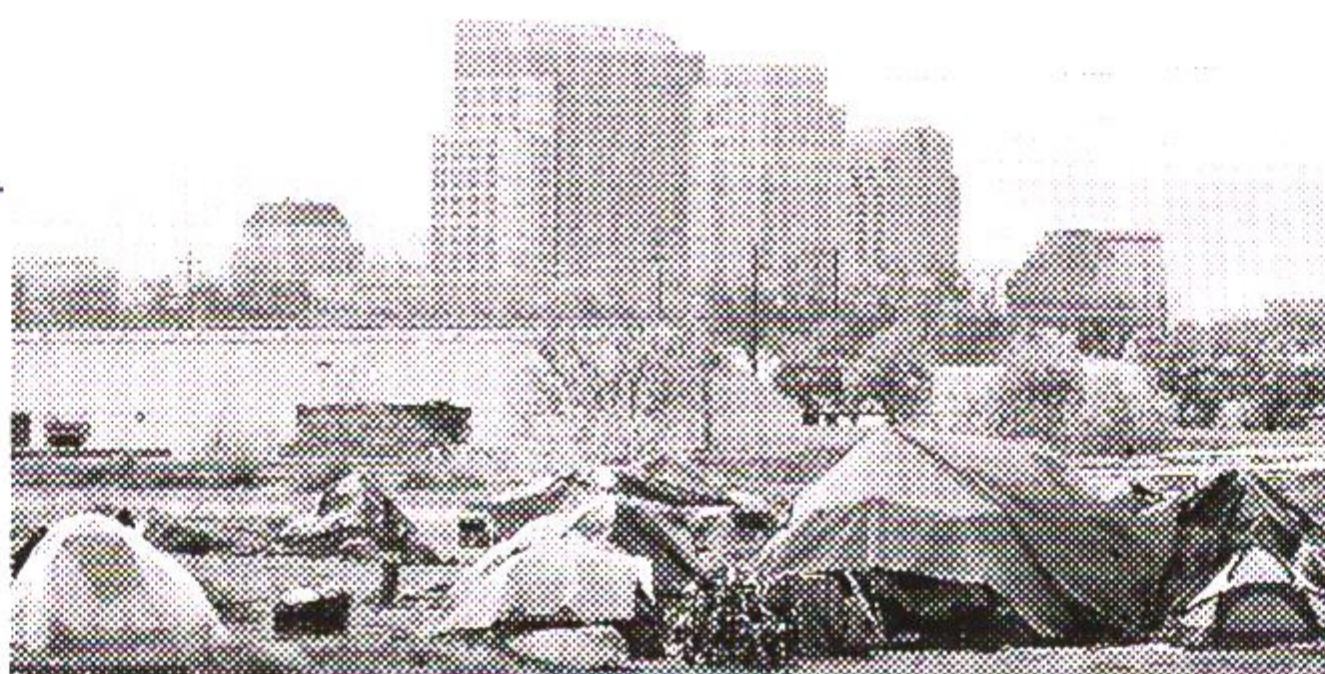
world. Yet in this country 28 million people (9.3 percent of the total population) has to rely on food stamps to feed themselves and their families, that is, just to survive. The programme of food stamps was introduced in the 1960s and has never before reached the current level. The



Unemployed queueing

present number of recipients of food stamps is up from 26.5 million in 2007.

The overall unemployment rate in the USA is already more than six per cent. Many ordinary Americans are losing their houses, the pace of job losses is accelerating, and all this is accompanied by fast-rising prices. Moreover, this is the state of affairs before the crisis has really begun to bite. As somebody wrote recently, things are bad in Wall Street but even worse in every other street inhabited by working class Americans.



Tent city USA

The crisis of capitalism means that everywhere the bourgeoisie wishes to place the entire burden of the crisis onto the shoulders of the people who can least afford to pay: the workers, the middle class, the unemployed, the old and sick. The Transitional Programme therefore acquires an extraordinary relevance to the present situation.

The struggle for reforms

Our task is to conquer power. But

before we conquer power, it is first necessary to conquer the masses. For that a long period of preparatory work, of organization, propaganda, education and agitation will be necessary. The building of the revolutionary party would be a very simple task if all that was necessary was to proclaim it. Unfortunately, it is not so simple. In order to reach the masses with our ideas we must set out from the situation as it is, not as we would like it to be. We must take our starting point from the real level of consciousness of the workers, which is not revolutionary in all times and places.

We must build a bridge to the masses, basing ourselves on their real concerns and aspirations. The central problem is: how do we relate the finished, scientific programme of Marxism to the necessarily unfinished, unclear movement of the workers? Unless we are able to answer this question, we will reduce ourselves to the level of a sect. Trotsky in the Transitional Programme worked out part of the solution of this problem. Here is a concrete proposal for demands that offer a practical alternative to the programme of reformism.

The difference between revolutionaries and reformists is not that the former do not fight for reforms. On the contrary, the Marxists have always been in the front line of the fight for reforms and improvements in the living standards, wages and conditions of the masses. The socialist revolution would be unthinkable without the day-to-day struggle for advance under capitalism. Only through these struggles can the masses acquire the experience, cohesion and organization that are necessary to change society.

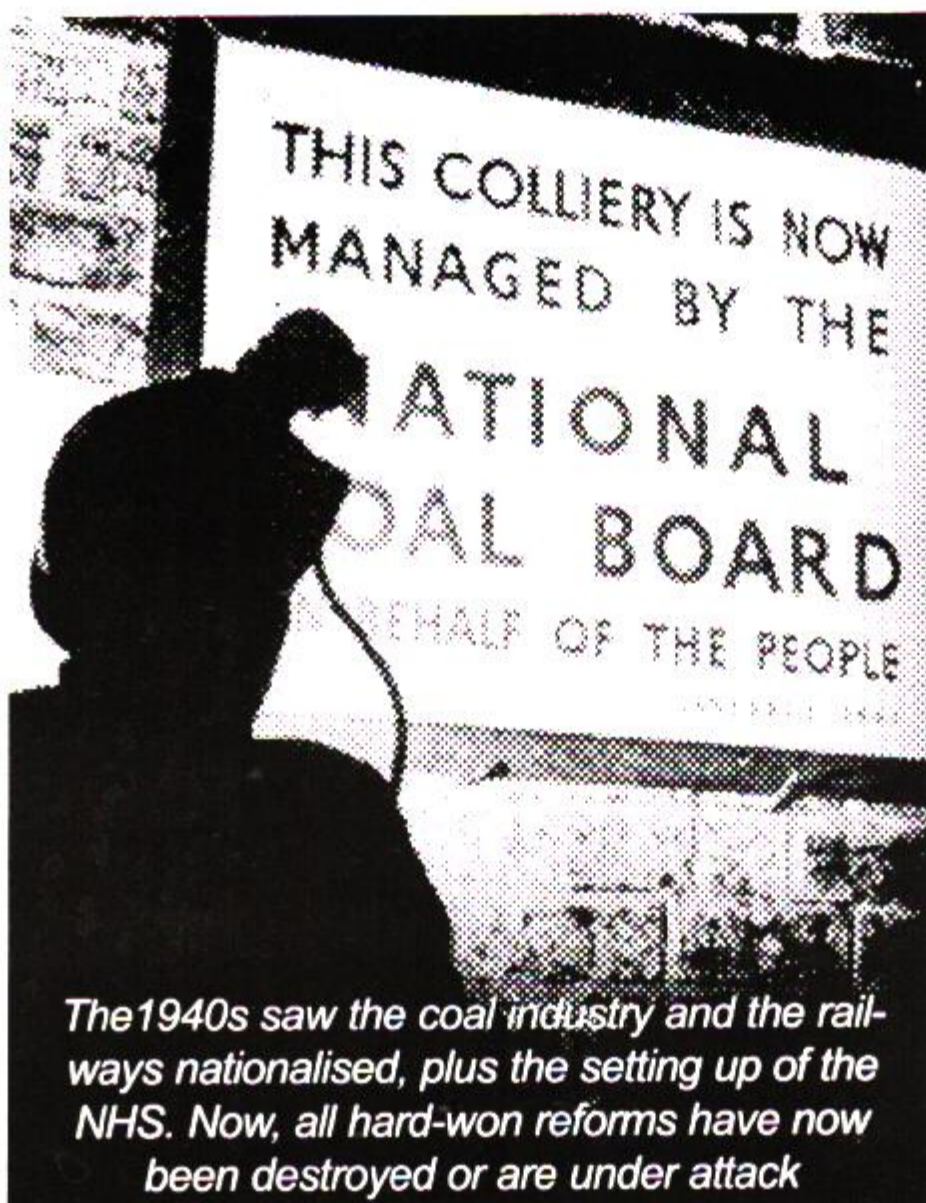
Reformist Weakness

Our criticism of the reformists is not that they fight for reforms but that they do not fight with sufficient determination and energy. In fact, under modern conditions, reformism does not signify reforms but, on the contrary, it means counter-reforms. In every country, all governments, whether Social Democratic or Conservative, "Left" or Right, they are carrying out the same policies of cuts and reductions in living standards.

The reason for this is not the incompetence or bad faith of individual politicians. It is a law. Either you carry out a socialist policy and defend the interests of the workers, peasants and poor people, or you accept the capitalist system, in which case you will be compelled to carry out a policy in the interests of the landlords, bankers and capitalists. There is no middle way.

Nationalisation

In the past the Social Democrats stood for reform. In periods when European capitalism was going forward (such as the periods before World War One and after World War Two) the bourgeois could afford certain concessions. But now every reform will have to be fought for. The bourgeoisie will only be prepared to concede meaningful reforms when they are afraid they will lose everything. In this sense, in the present period, reforms are only a by-product of the revolutionary struggle to change society. At the same time the struggle for reforms acts as a preparatory school for revolution.



The 1940s saw the coal industry and the railways nationalised, plus the setting up of the NHS. Now, all hard-won reforms have now been destroyed or are under attack

The struggle against unemployment, against factory closures, for better wages and conditions, will inevitably raise in the workers' minds the central question: who controls society? Under present conditions, every fight for reforms, if it is pursued consistently, will inevitably lead to a challenge to the existing society and existing property relations.

In the last three decades (the so-called neo-liberal period) there was a tendency towards privatisation, but now there is a swing back to statification. It is ironic that this has occurred just when the leaders of the Social Democracy and the former Communists have abandoned nationalisation. Now even George Bush has been compelled to nationalise the banks. This detail exposes the retrograde mentality of the reformist leaders who have forgotten everything and learned nothing.

Neo-liberal Period

Naturally, this kind of nationalisation has nothing in common with socialist nationalisation. It is a kind of state capitalism designed to protect the interests of the bankers and capitalists. We demand the expropriation of the land, the banks and big enterprises under the democratic control and management of the working class. The question of compensation is not a principled question, but we are radically opposed to the state paying exorbitant sums either to bail out or to buy banks or other enterprises that have been ruined by their owners. At most we would be prepared to consider limited compensation to small investors (pensioners and so on) on the basis of proven need only.

It is often objected that nationalisation would alienate the middle class. This is entirely false. It is the banks and big monopolies that are ruining the middle class. The banks refuse to provide credit or money for small businesses or mortgages for house buyers. The big supermarkets are squeezing the farmers and offering ridiculous prices for their products. We should point out to the middle class that the nationalisation of the banks and the elimination of a whole series of middlemen will mean cheap credit and lower costs.

Ultimately, it will only be possible to solve the most pressing contradictions in society through the introduction of a socialist planned economy in which the means of production are the common property of society and all the key decisions that affect people's lives are taken democratically, in the interests of society as a whole, and not for the enrichment of the

wealthy few.

The trade unions

The apparent inertness and apathy of the workers in the last period was largely the result of the conduct of the trade union leaders. However, whenever there has been even half a lead given, the workers have responded. Every time the union leaders, under pressure from below, have called general strikes and demonstrations, the workers have participated enthusiastically. But the leaders see such things as a means of blowing off steam, or at best as a means of pressure. Once the strikes and demonstrations are over, they return to their policies of class collaboration.

The bureaucratic machine of the unions still works and is a powerful weapon in the hands of the reformist union leaders. The latter do not want strikes and disturbances. They want what all bureaucrats want: a peaceful life. But under present conditions a peaceful life will not be granted to them. They may temporarily succeed in holding the masses back. That, after all, is the function that the ruling class has allotted to them, and tolerates them only to the degree that they fulfil that role. But they cannot hold back the masses forever, and the longer they do so, the more violent will be the explosion when it comes. And come it will.

Fear and Uncertainty

At present the number of strikes is not great. That is logical. The rapid rise of unemployment creates a mood of fear and uncertainty. The union leaders offer no alternative. But this will not last forever. The idea will spread among the workers: "This is intolerable. We must do something." The movement can start with small strikes that escape the control of the bureaucratic apparatus. The workers will seek contacts with workers from other areas. The movement of the rank and file will grow. We already saw this in the 1980s with the spread of what was called "trade union indiscipline". There can be a movement towards factory occupations to prevent closures.

Where the unions become obstacles in the path of the workers, all kinds of rank and file ad hoc commit-

tees can spring up. We must participate in them and, where possible, take the initiative in creating them. But it is necessary always to link them to the unions themselves. Under no circumstances can such ad hoc organizations replace the unions or act as a substitute for them. The efforts of the sects to counterpose rank and file committees to the unions have always led to disaster. We will fight for the transformation of the unions into genuine organs of struggle, while taking initiatives to set up committees of struggle and workers' control. We will link this, in turn, to the demand for the expropriation of the banks and big industries.

In the long run, there is no substitute for fighting to transform the unions. The mood will change gradually, creating the conditions for a serious opposition inside the unions – even the most right-wing and bureaucratic ones. We are implacably opposed to splitting the unions or setting up "revolutionary" unions. At first the mood of opposition will not be seen in the official union congresses, which are manipulated by the bureaucracy and are not a faithful expression of the mood on the shop floor. But sooner or later, as the class moves into action, the mood of opposition will grow and find an expression.

Class Collaboration

The idea so beloved of the reformist union leaders, of a non-combative, class collaborationist, non-political unionism based on "services" is now hopelessly inadequate to meet the needs of the situation. Conditions

do not allow the workers to sit with arms folded. In the past it was possible to obtain concessions without a struggle. But that is not the case today. Every demand, no matter how



Derek Simpson, Joint General Secretary of Unite has turned right

modest, will have to be fought for.

The union leaders thought that if they moderated their demands they would obtain concessions. This was incorrect even before the crisis, since all past experience shows that weakness invites aggression. But with the onset of crisis this is now completely impossible. No concessions are on the table, and the unions can only defend living standards through a serious struggle. The leaders will resist this as long as possible. But it will be impossible for them to persuade their members to modify their claims or hold them in check for long. The stage will be set for ferment and crises inside the unions.

Serious Attitude

We must bear in mind that things always move in a contradictory way,

dialectically, and not in a straight line. In a crisis the more backward and "apolitical" workers can sometimes jump over the heads of the advanced layers. One sees this very often in strikes.

There is a more serious attitude now, as the workers begin to grasp the real extent of the crisis. In the past period we were swimming against the stream. Now we are beginning to swim with the tide of history. We can expect sharp and sudden changes in the situation. Under these conditions, even a small group of revolutionary trade unionists who know what they want and how to get it, can have an effect far greater than their actual numbers would suggest. It is necessary to be audacious, but without shrill denunciations and ultra-left tactics that can only alienate the average trade union activist.



Socialist Appeal youth contingent at the G20

Our Task

Our task is to patiently explain, while participating actively in every struggle of the workers. The days of non-political trade unionism are over. Under conditions of capitalist crisis, every serious struggle raises political questions: the attitude of the government, the law, the conduct of the police, workers' rights, etc.

Using skilful methods and a language that workers can understand, we must inject politics into the discussions that take place in the workplace whenever we can. Basing ourselves on the existing levels of understanding, we must help the class to draw the correct conclusions and raise its consciousness to the level posed by history. □

We will carry part two of Alan Woods' article in the next issue of Socialist Appeal.

The Transitional Programme



The death agony of capitalism and the tasks of the Fourth International

By LEON TROTSKY

Published by the Communist Party of Great Britain for the Workers' Party of the United Kingdom

This key document was written by Trotsky in 1938:

'...the Fourth International advances a system of transitional demands, the essence of which is contained in the fact that ever more openly and decisively they will be directed against the very bases of the bourgeois regime. The old "minimal programme" is superseded by the transitional programme, the task of which lies in the systematic mobilisation of the masses for the proletarian revolution.'

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Limerick soviet 1919

by Ewan Gibbs

THE LIMERICK Soviet in Ireland was proclaimed after Robert Byrne, an IRA member was shot 'while trying to escape' from the occupying British army.



10,000 people attended the funeral of Robert Byrne

This incident was in effect the straw that broke the camel's back for the workers of Limerick, and set the fuse to light the fire of accumulated discontent based on both class and national oppression. On April 8th ten thousand people accompanied the movement of Byrne's tricolour draped coffin from the cottage to Saint John's cathedral, and two days later the postal workers laid a wreath at his funeral. The British administration in Dublin Castle could not tolerate this and sought to punish the people of Limerick for their defiance. April 9th saw the Defence of the Realm Act (emergency legislation allowing unfettered military rule) used to declare part of Limerick a "Special Military Area" (SMA).

Limerick Partitioned

As a result the military was brought in to Limerick to administer what amounted to a partition of the town. Under this new regime the working class Thomondgate area to the north of the Shannon was cut off from the rest of the town as were two of the town's biggest factories, the Cleeve's creamery and the Walkers' distillery. Under the SMA workers travelling from north to south or vice versa would have to apply for permits through the military and present them to soldiers four times a day, as they crossed two bridges on each trip there and back. Those who applied for a permit had to pass through a degrading process under which their

names and details such as height and weight were taken. It was clear that permits were not going to be provided to those suspected of republican or socialist sympathies.

These measures were promptly enacted and took the local labour movement by surprise. However, the workers of Cleeve's refused to apply for permits and arranged to strike from Monday 14th. The local trades council met the Sunday before this and decided to declare a general strike of all workers in Limerick. A strike committee was elected and subcommittees formed to run propaganda, finance, food and vigilance.

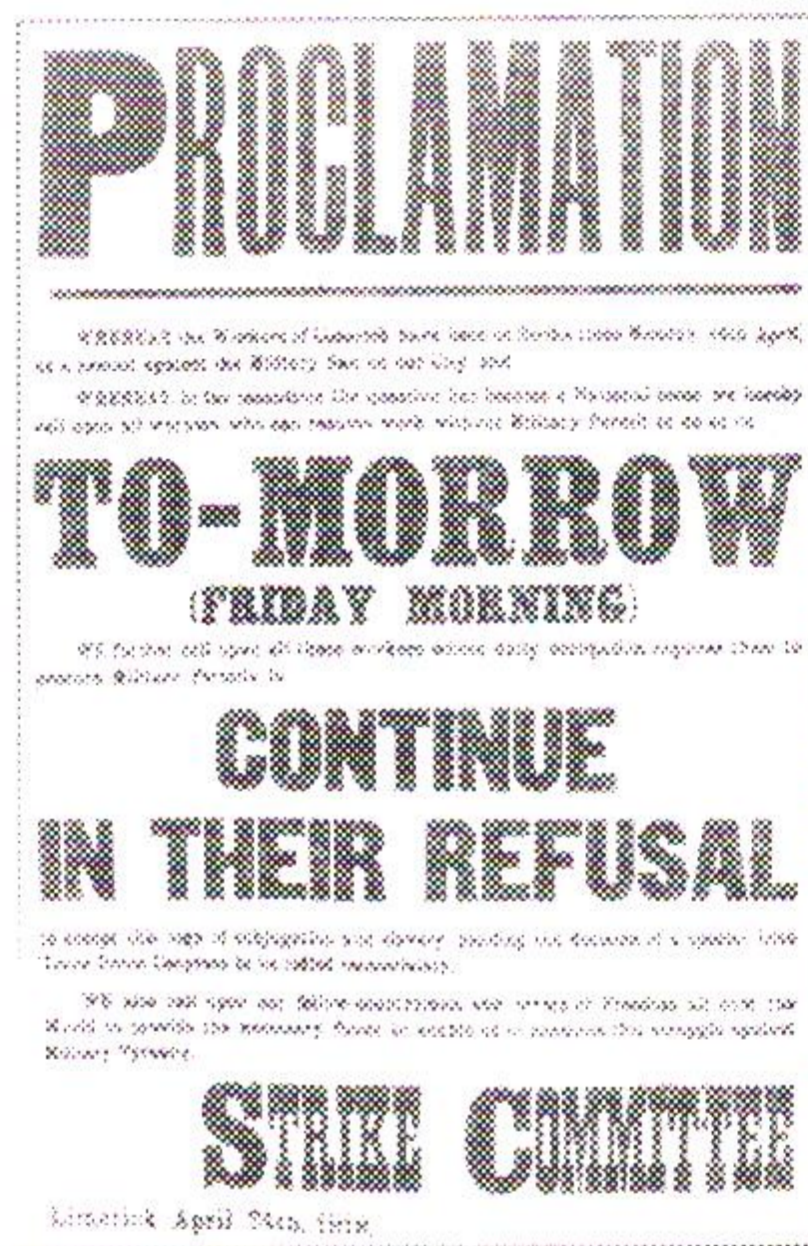
punished with later opening hours the following day. Permits were issued by the strike committee to allow merchants to carry products including food and coal to and from the railway station.

Embryo of Workers' Government

The local capitalists were angry at having to tolerate the disturbance to their businesses that the SMA entailed but were far more concerned by the threat of the emergence of the embryo of a worker's government. This was particularly true after day four of the strike when the army offered the employers a concession in the form of the opportunity to distribute permits to their workers. The strikers resolutely rejected this, incensed that the bosses - of all people - should be given the right to determine who had access to their town.

The fundamental class contradiction between labour and capital expressed itself firstly through a dispute with the coal merchants. On the Thursday when the offer from the army was made, the merchants refused to open their shops after being instructed to do so by the strike committee, having done so the previous day. Faced with the RIC and the British army the strike committee was left with little option but to accept this decision. This weakness exposed the short life that a situation of dual power can hold. In the case of Limerick it was clear that either the strike committee, dubbed a soviet by the press, could succeed through escalating the strike or succumb to the resistance of the employers and the state. The strikers had no arm, and, although most enterprises were following the orders of the soviet, they did not actually control them. As long as big capital remained in private hands, incidents such as those with the coal merchants made it impossible for the soviet to plan the economy of even a small town like Limerick over a short period of time.

The experience of the soviet



Poster calls for a general strike of workers in Limerick in April of 1919

Question of Power

It was evident that this was not a normal strike but one that was pushing the question of power to the fore. The strike committee planned to keep basic utilities running, although the street lights were switched off. The only shops which were allowed to open were the bakers and grocers, between 2pm and 5pm. The strike committee appointed patrols to ensure this was obeyed, with those who chose to breach the rules being

demonstrated not only the ability of the working class to run society for itself, without bosses, but also its ingenuity in the face of adversity. Faced with a lack of currency the strike committee issued its own currency, with values of one five and ten shillings. The propaganda committee also arranged the distribution of a 'workers' bulletin', famously inscribed as having been "Issued by the Limerick Proletariat". At first it served as a basic information sheet for the strikers but gradually evolved into a more general publication resembling a newspaper and included humour and propaganda.

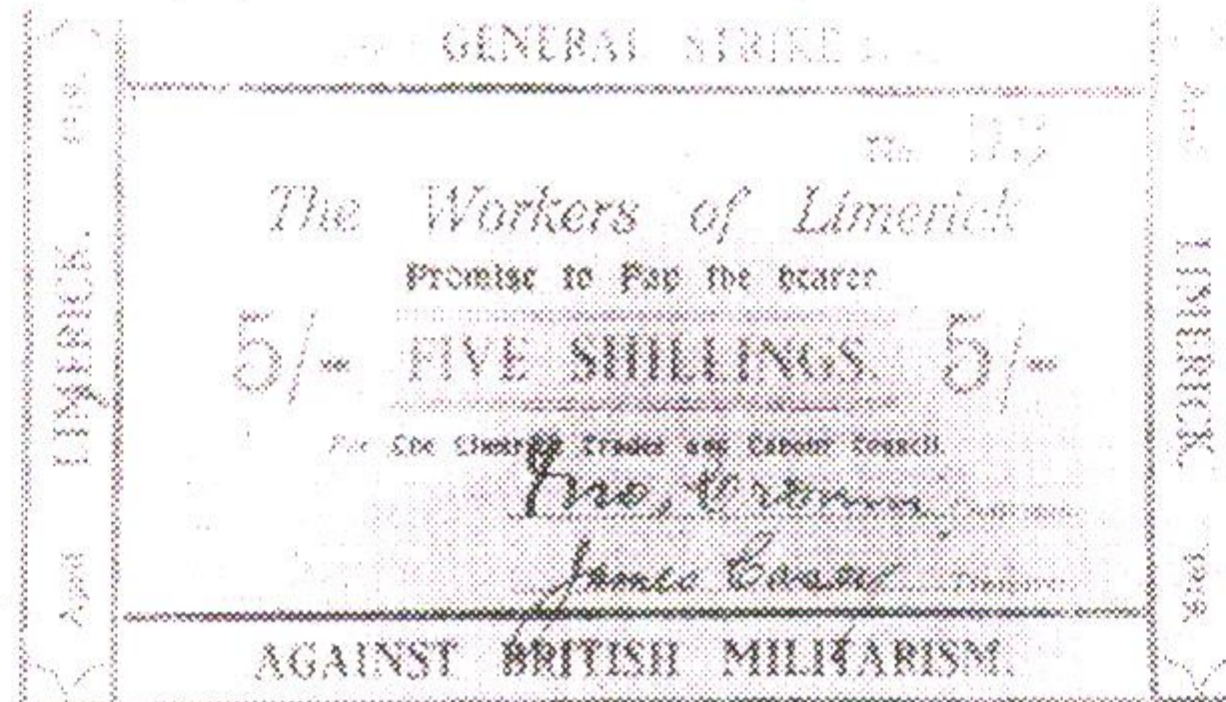
Audacity and bravery

The audacity and bravery of the strikers cannot be in doubt. Not content merely with the achievement of having partially taken Limerick in the face of the biggest military power in the world at the time they also attempted to extend the strike and challenge the workings of the SMA. The Sunday after the strike started, which was also Easter Day, arguably marked the high point of the Limerick soviet. Approximately a thousand inhabitants of Limerick went just out of the city boundaries, supposedly to go to watch a hurling or Gaelic football match, but many survivors have since said in reality this was ruse. On their way back home, attempting to re-enter the town through the SMA, the crowd were asked for permits which they did not hold. They then moved round circling the troops and making way for another citizen to ask to leave. The workers' bravery went to the extent of defying armoured cars and they only dispersed hours later, as soldiers threatened to fire on them.

Mood of Solidarity

The mood of solidarity with the soviet extended beyond Limerick itself, as the collection of food from local small farmers demonstrated. However, perhaps more important is the support that the soviet received from the Irish labour movement, with trades councils in Cork, Wexford, Tralee and Ennis all pledging support. The soviet also received a donation of the then considerable sum of £1,000 from the

Dublin ITGWU. Support was also extended from the Scottish Trade Union's Congress, the Independent Labour Party, the British Socialist Party and Sylvia Pankhurst's socialist newspaper 'Worker's Dreadnought'.



The Strike Committee printed its own currency

Yet it was the labour movement's leadership itself which failed the workers of Limerick. The Irish TUC indicated that it was prepared to mobilise the Irish working class in support of Limerick. The promises of reformist leaders proved to be words of little substance. The betrayal by the trade union leadership will be no surprise to Irish workers; just as the ITUC leaders of 2009 pledge to organise a general strike ended in betrayal so did that of the leaders of 1919. Under pressure from the British trade union leaders, Sinn Fein and the Catholic Church the ITUC leaders betrayed the working class and refused to mobilise for a general strike, instead proposing a complete evacuation of Limerick as an alternative protest. This was rejected by a dismayed strike committee as unworkable and ineffective.

The strike ultimately collapsed when the local Bishop, Doctor Hallinan and the Sinn Fein Mayor, Alphonsus O'Mara, who had been relatively supportive of the action up to this point, wrote a letter to the strike committee requesting the strike be brought to an end. After more than a week on strike in isolation and faced with the full strength of the state mobilised against them the strike committee called an end to the action and those workers in Limerick who could go to work without a permit returned to work on April 25th. After May 5th, when the SMA was lifted, all the workers of Limerick returned to work.

It is of no surprise to Marxists that the church or nationalist politicians betrayed the workers of Limerick. The

failure of the Irish labour leaders in this instance is fundamentally rooted not in this or that detail but with their tail ending of Sinn Fein. Arthur Griffith, the founder of Sinn Fein, had warned his fellow party members in January 1919 that, "The General Strike is a weapon that might injure as much as serve. It would be injudicious at present and might be injudicious at any time."

The actions of the union leaders were bound up with the Labour Party's decision to collaborate with Sinn Fein rather than standing independently in the 1918 elections and the support that the Labour and trade union leaders subsequently offered them led ultimately to the partition of Ireland in 1921. This was not in the interests of the Irish working class and small farmers but the big bourgeoisie who remain to this day the gate keepers of British and international imperialism. Only three years after his death the ITUC leaders had forgotten the teachings of Connolly who famously stated, "The cause of labour is the cause of Ireland, the cause of Ireland is the cause of labour. They cannot be severed."

Class Struggle

Once again Ireland is entering a period of intensified class struggle and once again the Irish union leaders have attempted to put a break on the working class by postponing indefinitely the one day general strike that was due to take place in March. Sinn Fein, having spent the period since the Good Friday Agreement administering a right wing program of cuts side by side with the unionist parties, attempted to demagogically co-opt the struggle of the Visteon workers in Belfast. The lessons of Limerick are clear; only the independent militant action of the working class can deliver a socialist, united Ireland. In recent months the Labour Party has seen its support double as the working class has taken to the streets, as in 1919 it is only by fighting on a socialist programme and rejecting coalition with the parties of bourgeois and petty bourgeois nationalism can the working class emerge victorious in the struggles ahead. ■

Thatcher - decline and fall

by Terry McPartlan

IN 1983 Labour lost the election by a landslide. This gave the right wing in the Party their opportunity to fight back. The New Labour cry that the 1983 Labour Manifesto was the "longest suicide note in history" is utter nonsense. If anything the manifesto was less radical than the 1974 manifesto. There was a huge amount of Tory luck in the 1983 general election, Thatcher had managed to pull off a military victory and the SDP traitors had divided the Labour vote.

The period after 1983 saw the right wing in the Party trying to take on the left, starting with the witch hunt against Militant. The polarisation in the Party reflected the aftermath of the failed policies of the right wing Labour Government of 1974-79, but it also reflected an attempt by the right wing to regain control and begin to roll back the democratic reforms inside the Labour Party that had been won over a whole period in the 1970s and 1980s.

Assault on Public Sector

Thatcher's assault on the public sector was accompanied by a greater and greater concentration of power in the hands of central government and the cabinet. The huge unpopularity of the Tories throughout the working class areas meant a radicalisation within the Labour Party that was reflected in the local authorities. Thatcher and her environment minister Michael Heseltine began a war against 'municipal socialism'. Sales of council houses and privatisation were key to this, but over time a whole series of measures were introduced to cap spending by local authorities, create new school management structures to take power away from elected councils and close loopholes that allowed for creative accounting by councils, and eventually led to the introduction of the poll tax. If the councils came up with a new ploy the Tories would introduce new regulations to ban it. This process reduced massively the councils' capacity to meet local needs and resulted in the

powers of local authorities being hugely curtailed. Local democracy was turned into an empty shell. The GLC and the Metropolitan County Councils were abolished, ostensibly to save money and get rid of 'waste', but in reality the main reason was that Ken Livingstone and other municipal leaders were in opposition to Tory policy.



Thatcher - hated by working class people

Anti-union Laws

Law after law was passed to try and tie down the trade unions: laws against secondary picketing, laws about ballots, how many pickets you could have, postal ballots, trade union elections, the closed shop and the political levy were all introduced in attempt to smash the power of the trade unions. The Tories passed regulations allowing the courts to sequester trade union assets and funds and to ban trade unions at GCHQ. The trade unions are the defensive organisations of the working class. By 1979 the TUC organised some 13 million workers, around 50% of the working population. The Tories were terrified of the potential power of the working class, particularly after the experience of the 1970s. But the fact that Thatcher got away with this attack was certainly not inevitable. It reflected the weakness and cowardice of the right wing trade union leaders and of the Labour leadership.

Weakness invites aggression, so the Tories just piled up the legislation.

The role of the trade union leaders was most dramatically evidenced during the Great Miners' Strike of 1984-85. The Tories threw every law in the book against the miners and their union, the National Union of Mineworkers, in particular. Not only that, but the Tories effectively created a new national police force which once again concentrated greater and greater power in the hands of the government. The response of the trade union leaders and particularly the Labour leaders was to hide behind Thatcher's new laws and to denounce what the Tories termed 'picket line violence'. The truth is though that it wasn't the unarmed miners in their trainers, but the riot police and troops in their full body armour or sitting on horses wielding truncheons who were the main protagonists in the picket line violence that went on. The miners had mass support among the working class. Even if the trade union leaders had lifted their little finger; there is no doubt that the miners could have won the strike. The lorry drivers, power workers and the dockers could have shut off the supplies of coal and power within weeks. The role of the leadership was absolutely crucial, but none came. As Bernard Ingham, Thatcher's Press Secretary, commented recently, "it was a close run thing". It was the Labour and trade union leaders, the forerunners of New Labour, who managed to turn it into a defeat.

Miners Defeated

The defeat of the strike had a demoralising effect on the trade union movement, but especially on its leadership. The idea of new realism, sweetheart deals and no strike agreements were posed against militant action. After all if the miners couldn't win how could anyone else, went the argument? This was the justification for two decades of class collaboration and the steady drift to the right within the Labour Party under Neil

Kinnock.

Kinnock sought to disprove the general belief that Labour was a left wing party. He attempted to present Labour as moderate and modern, ditching policy after policy, rolling back the reforms, closing down the youth wing, the Labour Party Young Socialists, and attempting (highly unsuccessfully) to witch hunt Militant and other sections of the left. Kinnock famously stabbed Liverpool and Lambeth Councils in the back when they fought the Tory spending cuts. But all this manoeuvring and tacking to the right just invited more attacks.

Economic Boom

The latter part of 1980s is associated with economic boom and the generation of 'Thatcher's children', yuppies carrying mobile phones the size of bricks, financial deregulation and the collapse of Stalinism. However, despite the boom, the reality was very different for most workers. The North-South divide was accentuated as the financial boom in London sucked in jobs. There was a housing boom which collapsed after Britain fell out of the ERM in 1992 under John Major, leaving hundreds of thousands in negative equity, but that's another story. Despite the boom, the financial and economic straitjacket on the public sector in particular meant the hardship carried on.

But the boom had the effect of underpinning the ideas of reformism in the Labour movement. Many of the New Labour leadership bought massively into the idea that capitalism had solved its problems, after the economic crash in 1987 was prevented from turning into a slump by the co-ordinated action of the western governments. As the Marxists explained at the time, this only had the effect of making the recession all the worse when it eventually arrived. The rush to the right in the Labour Party was so dramatic that as Dave Nellist, Labour MP for Coventry (and a Marxist), said at the time the easiest way to end up on the left of the party was to stand still. Former 'lefts' like David Blunkett and Margaret Hodge led the charge rightward.

Thatcher's Luck Running Out

But Thatcher's luck was beginning to run out. The Tory party was deeply divided over the question of the European Union and what role Britain was to play in it. This reflected the conflicting interests of different sections of the ruling class; the industrialists who were trading with Europe and the bankers who placed their trust in trading in sterling and close relations with the USA for example. The tensions within the Tory Party were evident and it was becoming clear that the trappings of high office and eleven years in power were resulting in the Tories becoming associated with sleaze.

Poll Tax Protest

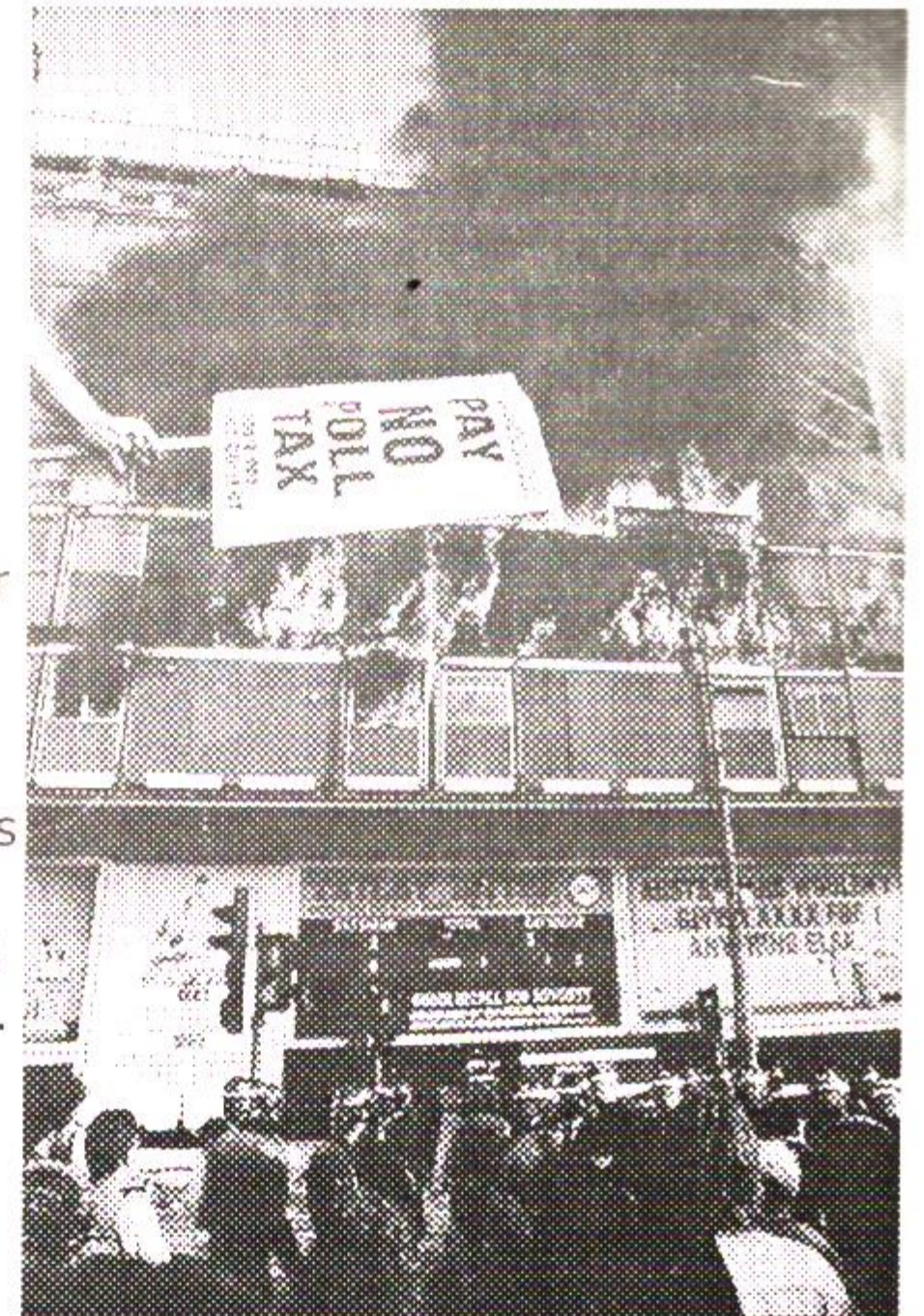
But the first nail in Thatcher's coffin was driven in by the 16 million people who refused to pay the poll tax. Thatcher saw this as one of the flagships of her 1987 government. Why, she said, should poor little old ladies living in 5 bedroom mansions pay the same rates as a family of

6 living in a three bedroom council house? The rates, a broadly progressive local tax on property values, were always a source of grumbling among the Tory party rank and file, numerous letters were written to the Daily Telegraph and local newspapers by 'angry rate payer' and company, mostly bemoaning the council spending money on terrible Bolshevik policies like nurseries or translation services. So in an attempt at populism Thatcher decided the rates had to go.

The poll tax proposed to replace the rates was a flat rate tax on local residents. Why should a duke pay more than a dustman, asked Tory Minister Ridley? The effect was dramatic. The Community Charge, as it was known, meant enormous bills for the poor and overcrowded and big discounts for the rich. At the same time, it also meant that the local authorities could only control directly around 25% of their budgets, whereas previously they had controlled around 50% (including rates on businesses, which were now set by the government).

Peaceful Demonstration

The effect was immediate and dramatic. Anti poll tax unions sprang up in every town and estate. Millions of people simply couldn't afford to pay and many more refused to do so. Thousands were dragged to court and many ended up being jailed. It was one of the most obvious pieces of anti-working class legislation in decades. On 31st March 1990 the Tories organised a police assault on what had been an overwhelmingly peaceful demonstration of 250,000 people. Young and old, political and 'non political', the march was gigantic. What's more it was organised without the support of the leaders of the unions or the Labour Party. The Labour leaders had placed all of their eggs in the basket of fighting for this or that amendment to the legislation, break the law? Heavens no! The march turned into a pitched battle, South Africa House was set alight and the riot vans moved in. But the poll tax was doomed, Thatcher's popularity plummeted and Kinnock suddenly found himself in the lead in the polls. The anti poll tax movement spread to every corner of the country. It was compared with the peasants' revolt of 1381, which had developed in opposition to a medieval version of the poll tax. The fight against the poll tax was the biggest act of civil disobedience in British history. The end was nigh for Thatcherism.



Anti-poll tax riot

Thatcher's mantra was, 'there is no alternative'. The fight against the poll tax showed that wasn't true. If stood up to Thatcherism could be beaten. It was not inevitable, but none of the official leadership had the guts to stand up to her. That's how she got away with it for so long. We toppled her over the poll tax because it was a unique movement that the official leadership wasn't in a position to take over and sabotage.

Divisions within Tory Party

Eventually, the divisions over Europe within the Tory Party resulted in a leadership challenge against Thatcher. After she failed to win outright on the first ballot, she was eventually persuaded to resign. As the car pulled away from Downing Street a tear appeared in the corner of her eye, but it was drowned out by the cheers of millions of working people. She was gone at last.

The New Labour myth machine would have us believe that Thatcherism was necessary, that it was in some way inevitable. It was necessary yes, from a bourgeois perspective to attack the working class to ensure their profits. It was necessary to try and shackle the unions, to try

and destroy any points of opposition. Thatcherism and Reaganism in the USA were part of a period of 'mild reaction' and a drift towards 'parliamentary Bonapartism'. They reflected the fact that capitalism had changed, that the great boom in capitalism after 1945 had ended and the relations between the classes had changed. Capitalism could no longer afford reforms. The days of the 1950s and 1960s were long gone; consensus politics, the so called 'Butskellism' (the bipartisan policies of the Tory Butler and Labour politician Gaitskell), was a thing of the past.

Dogmatic and Stubborn

Thatcher has always been portrayed as a strong leader. She was certainly dogmatic, stubborn and inflexible, but her longevity in power was achieved in part as a result of accident and in large measure as a result of the absolute incapacity of the Labour and trade union leaders to seriously challenge the Tories. Weakness and prevarication invite aggression and the Labour leaders helped to create the conditions whereby the Tories were able to lay in to the working class for over a decade. Thatcher was no great thinker either. Her social base within

the Tory Party was the nouveau riche, the petty bourgeois upstarts and the yuppies, the city slickers and the wide boys, the very same people who brought us the credit crunch. Large parts of the country were decimated, whole industries wiped out of existence. Dogmatic monetarism drove the Tories' politics and it was the working class that suffered.

Tony Blair admired Thatcher, particularly for her determination and what he as a bourgeois politician considered her achievements. The fact is though that from a working class perspective Thatcherism was an unmitigated disaster. The 11 years that she was in power certainly changed British politics, in fact it underlined Britain's position as an ex world power, completely in the thrall of the 'special relationship' with the United States. Thatcher created discord where there was harmony and polarised British politics. Her reign represented a desperate attempt by the British ruling class to return to the days of the empire, where their rule was unchallengeable. By the end she was isolated, leading a deeply divided party having been hounded out on the back of the campaign against the poll tax, the biggest movement of working people in Britain since 1926. □

Thatcher damned

Letter in 'The Times' from David Brandon

LORD POWELL of Bayswater ("The Iron Lady's legacy will not rust easily", Opinion, May 2) argues that Britain benefited from policies that she initiated. On the contrary, the neo-liberal policies she espoused were significant contributors to the dire economic and social problems facing the UK today. Her vision of a successful deregulated British economy lies shattered. Britain has become a rentier economy where much of the manufacturing base has been destroyed and little real wealth is actually produced. The foolishness of deregulating the financial institutions is evident for all to see. There is a very heavy price to pay for the personal greed that she thought so virtuous.

Acquisitiveness

Her encouragement of individualism and acquisitiveness created aspirations that cannot be fulfilled. What happened to the "ordinary people" who were encouraged to become mini-capitalists by buying shares in denationalised industries? What about all those people who got

themselves ensnared by the financial institutions when they were persuaded to take on mortgages that they simply could not afford? What about those who were told that they could become rich by running their own small businesses and whose hopes have now been shattered by incompetent banks?

The deliberate running-down of manufacturing has left part of Britain with little real function, riddled with unemployment, crime, drugs, antisocial behaviour, misery and despair. Thatcher's attacks on trade unions created an insecure and low-waged, low-skilled, low-motivated workforce. Managerial practices are more reminiscent of the Industrial Revolution. Her policies, continued by New Labour, established a temporary paradise for spivs and speculators. For much of the time she was in office, she was deeply unpopular. Her immediate political future was saved by entering into the Falklands war.

Lord Powell claims that the country remains better and stronger for her policies. Not so. She and her lineal descendants in New Labour have created an infinitely more divided, disillusioned and insecure society. Her "cures" for the problems of the British economy were even worse than the disease.

David Brandon, Peterborough. □

Inequality grows

by Michael Roberts

ALONGSIDE THE waste of resources from capitalist slumps comes inequality and injustice. Branco Milanovic of the World Bank has analysed the level of inequality of income and wealth in the world of capitalism. In 2002, he found that if he divided the world's population into three groups: those with incomes greater than the average income of Italians could be regarded as rich; those with incomes less than the poverty levels of the advanced capitalist economies could be considered poor; and those in between could be categorised as middle-class. Milanovic found that 78% of the world's 6bn population were poor and 11% were rich, with another 11% being middle-class. In 2007, Milanovic redid his sums and he found that he had underestimated the inequalities. It really was a 20:80 split between rich and poor. Indeed, the top 10% of the world's population had 39 times more income than the bottom 10% - and it was getting worse.

Inequality in the USA

The United States of America is the greatest capitalist economy in the world. What does capitalism bring? One thing it does not bring is equality of income and wealth.

The last 20 years saw a massive boom in stock markets for the rich and a huge reduction in the welfare state or social safety net for the poor and weak. Given the current collapse in capitalist economies into the greatest recession since the Great Depression of the 1930s, we now know it was not worth it.

The extent of the inequalities in income and wealth in the US has now been revealed by the US Federal Reserve Bank. Hidden in an obscure working paper, the Fed's researchers have found that the top 1% of wealth-owning households own 33.8% of all US household wealth (namely property, stocks and shares and cash). That's up from 30.1% in 1989. The top 10% of wealth-own-

ers own 71.5% of all personal wealth! That's up from 67.2% in 1989.

Much of this wealth has been accumulated from the rising value of stocks and shares and bonds (namely financial wealth rather than in property). The top 1% of wealth holders own 52% of all shares and 62% of all bonds, up from 41% and 52% respectively in 1989. The top 10% now own 90% of all shares and 98% of all bonds!

American Dream?

Inequality of income among American households is less than it is for wealth, but it is still very unequal. The top 1% of households got 17% of all income earned in 1989. Now that figure is over 21%. The top 10% got 42% in 1989, but they now receive over 47% of all income.

The share of income taken by the bottom 50% of American households has fallen from 15.6% in 1989 (yes - that's all they get) to 14.6% now. And as for wealth, the bottom 50% can forget it. Many don't own homes and none have stocks and shares. Their 'wealth' is restricted to a bit of cash savings. In 1989 the bottom 50% had just 3% of all America's household wealth; now they have just 2.5%.

So much for the American dream.

Inequality in Britain

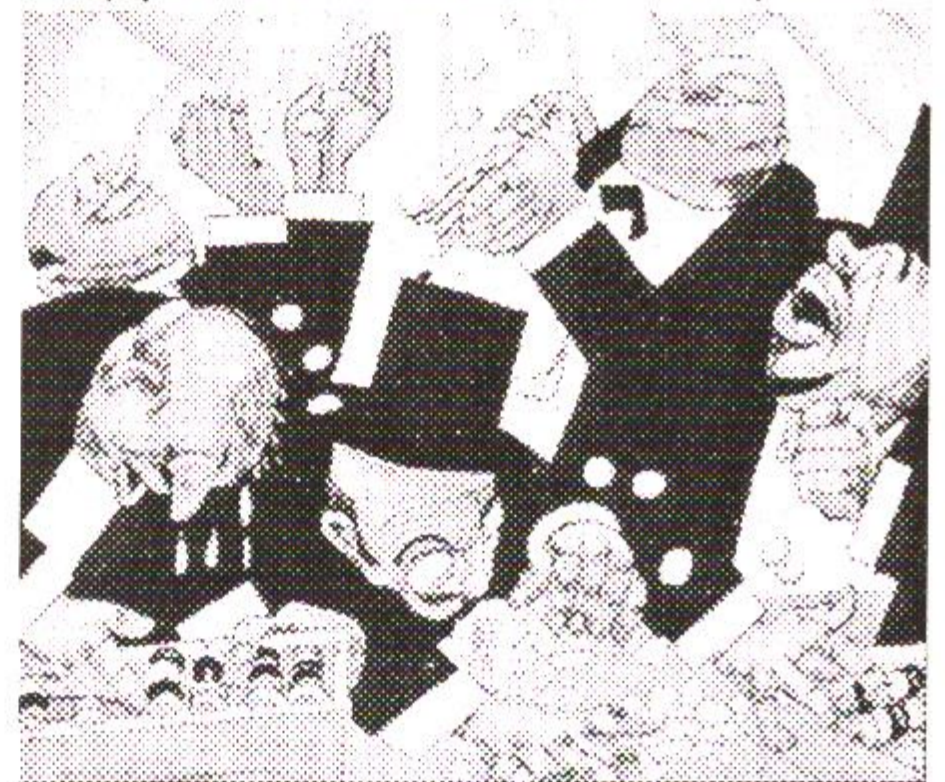
The only good news to come out of the UK budget announced by New Labour Chancellor Alastair Darling last week was the slight increase in tax rate that would now be levied on those earning more than £100,000 a year.

Raising the top rate of tax to 50% will only affect just 1% of UK income tax payers. Given that the average mean annual wage for full-time workers in the UK is only £26,000 a year, the tax will affect people who are earning around four times more than the average. It's not much to ask.

The main argument of the rich against the 50% tax rate on incomes

is that the top 1% of income earners already pay 23% of all income tax revenues, way higher than in the 1980s. But the reason for that is obvious: the income and wealth of top 1% has risen so much more than the average income earner that their share of tax revenues, even at the current low rates, has risen. They have got so much more money that they have contributed more revenue.

But that is only direct taxes. When you add in indirect taxes like VAT, petrol and customs duties, the



The rich get richer

proportion paid by the top 1% on all taxes affecting the 25m households in the UK falls to just 18%. That's because indirect taxes are regressive and put a heavier burden on the poor and a lighter one on the richest.

There are 2.5m households that receive over £100,000 a year, of which nearly one-third comes from non-wage income like investments and profits. They are now being asked to pay perhaps another £7bn a year in tax, or about £3,000 a year more. It's not much to ask. And yet even this produces a howl of anger and open calls to evade paying.

If you read the newspapers, you would get the impression that everybody is against this tax hike. Yet every opinion poll taken on the subject shows a clear majority in favour - the tax hike is seen as 'only fair'. One TV reporter visited the City and interviewed a series of banking executives about the tax hike. They were unanimous in their condemnation. As he left one City building, he stopped and asked the security guard what he thought. The guard exclaimed that the tax hike was right - and as for the people 'upstairs', "what do you expect from those bastards?" □

Support workers in struggle

from the marxist.com website

IT IS now four years since the nationalisation of the Inveval valve factory in Venezuela. Since then, the workers of Inveval have been running the factory under workers' control, showing the way forward for the building of socialism in Venezuela. After the expropriation of the company in 2005 by president Chávez, they set up a democratically elected, accountable and recallable factory council to coordinate production, organised a trade union in order to link up with the rest of the labour movement, and built links with the communal councils in the state of Miranda, where they are based. They also organised the Revolutionary Front of Occupied Factories (Freteco) together with the workers of other companies occupied or nationalised (INAF, Gotcha, MDS, Vivex, SIDOR and others).

Workers can run Factory

The workers of Inveval have shown that workers can successfully run a factory. For the last 4 years they have kept the company going by repairing broken valves, and have prepared it for the production of new valves. However, they have not been able to produce new valves because of the constant hurdles put in their way by the state functionaries, who are acting directly against the decisions of president Chavez. The state bureaucracy does not want workers'



Orders by Chavez to expropriate Acerven are ignored by bureaucracy

control in Inveval to be successful for very simple reason: they do not want it to become an example to workers in other companies.

A socialist company should be part of a democratic plan coordinated with the other state-owned companies, including having its own budget covering raw materials, financing, etc. But the state bureaucracy is working to suffocate Inveval economically. They are refusing to give the factory a budget for 2009, on top of the fact that Inveval's budget for 2008 has still not been transferred to the company. The workers of Inveval have not been given any reason for this. This means, in effect, leaving Inveval in bankruptcy.

Additionally, in 2008, president Chavez gave the order to expropriate Acerven in Tinaquillo, Cojedes, a company that makes the casts which

would allow Inveval to go from simply repairing valves to manufacturing new valves for the oil industry. To this day, Chavez's order has not been implemented. Meanwhile, the oil industry is importing valves. This is a lucrative business for some people who are putting pressure on the state functionaries so that Inveval is not allowed to manufacture new valves.

This whole situation of inefficiency and outright bureaucratic sabotage has created enormous stress for the workers of Inveval. Four years after the expropriation, functionaries of PDVSA and the Ministry of Light Industries (Milco) continue to prevent the orders of president Chavez, which would allow Inveval to work to full capacity, from being implemented.

Gotcha, INAF, MDS, Vivex

After the expropriations of Inveval and Inveval, the workers of the Gotcha textile factory, of the bathroom fittings company INAF, and the trans-



Assassination of Toyota trade union leader

THE WORKERS of Toyota, a car company in Cumaná, in the state of Sucre, have been in struggle in defence of their collective bargaining rights and in solidarity with the struggle of Mitsubishi workers in Anzoategui. As part of their struggle, on March 6, 2009, they decided to occupy the installations of the company, an occupation which they maintained for several weeks.

On Tuesday, May 5, the general secretary of the union of Toyota workers (Sintratoyota), Argenis Vazquez, was assassinated when he was on his way to a meeting with management. This is a new case of assassination of mili-

tant trade union leaders in Venezuela, after the assassination of the 3 UNT trade union leaders in Aragua in November 2008, and the killing of two Mitsubishi and Macusa workers at the hands of the police in Anzoategui in January 2009 (an attack which was directed against Felix Martínez, the general secretary of the Mitsubishi workers' union Singetram).

We demand a full inquiry into this assassination and that those responsible be brought to justice. □



port company MDS, also occupied their factories, in response to attacks from the bosses, the lack of payment of social security contributions, and the abandonment of production.

Appeals for Expropriation

The workers of these companies have made repeated appeals for these companies to be expropriated, but so far they have received no answer from the ministry in charge. There are some 150 workers who have been resisting for the last 3 or 4 years in very difficult conditions.

Finally, there is the case of Vivex, an auto parts company in the state of Anzoategui. In November 2008, the workers were faced with the refusal of the boss to pay the full benefits pay to which they were entitled. Responding to the appeal by president Chavez, who said that the workers in companies where the bosses were denying them their rights should occupy them, more than 300 Vivex workers took over the plant. They have been in occupation for 6 months without receiving any wages, and without receiving any response to



their appeals to functionaries of the Presidency who are dealing with their case.

There is an urgent need to demand the expropriation of these companies to safeguard the jobs and source of income for hundreds of families.

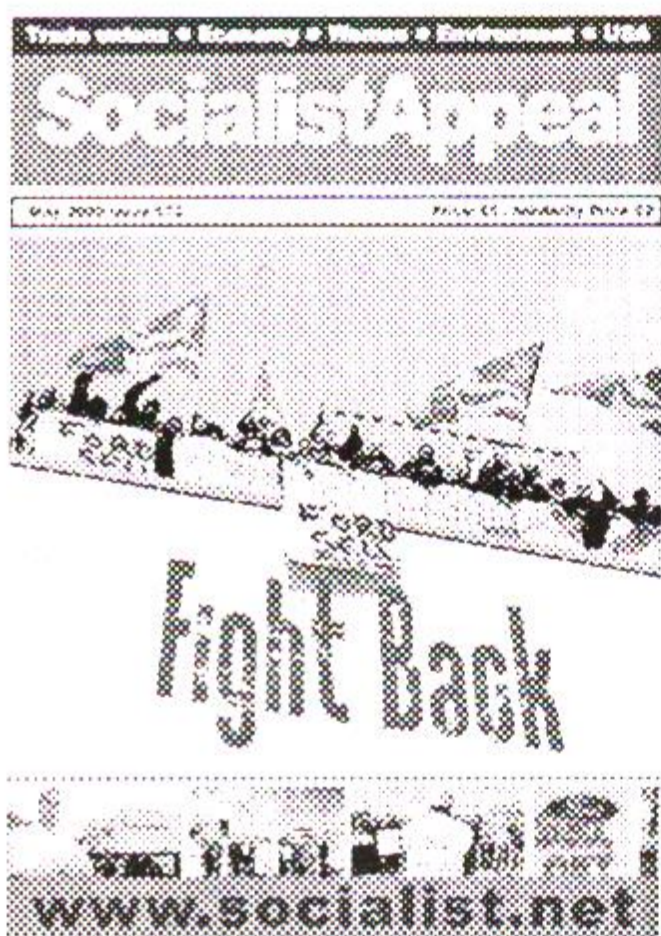
Send messages of support to president Chavez asking for the expropriation of Acerven under workers' control, not to leave Inveval

at the mercy of the capitalist market, an end to the bureaucratic sabotage, the expropriation of Gotcha, INAF, MDS and Vivex and a full inquiry into the killing of Argenis Vazquez.

- **No to bureaucratic sabotage against Inveval!**
- **Nationalisation of occupied factories!**
- **No more killings of trade union leaders! □**



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Linamar Swansea: Defend Rob Williams and union rights

by Steve Jones

ROB WILLIAMS, a well-known union activist and Unite union convenor at the Linamar car parts site in Swansea, was called into the management office on Tuesday 28th April and without warning given the sack. Why? Officially because of a 'break-down in trust and confidence' (whatever that means!) but in reality because of the role of the union in challenging the bosses attempts to run the factory down.

Rob promptly locked himself into his office refusing to leave whilst at the same time 100 workers walked off the factory floor in solidarity with him. Later that day the police arrived - having nothing else to do evidently - in order to attempt to remove Rob by force. Once they saw the workers

surrounding Rob's office they backed away.

Management Tricks

Linamar has been steadily laying workers off over the last period, 140 in the last few months alone, and have been more than keen to try and weaken union resistance.

Linamar took over the South Wales plant in 2007 from Visteon, which in turn was spun-off from Ford in 2000. Linamar is a global components supplier, known to be virulently anti-union.

Management are trying to get rid of Rob because he is in their way. They want to reduce wages and conditions (which are based on Ford standards) by buying down contracts with a one-off payment, and have

softened up the remaining staff with their programme of redundancies. They also want to renege on their promise of a final salary scheme on the Ford model for workers who were there in 2000, when they were part of Ford. And they've refused to match the Ford pay offer of 5.25% for Linamar workers.

Messages of Support

Messages of support have flooded in, not least from those who occupied the Visteon sites, and a number of the workers from the Belfast Visteon site have recently dropped in on the Linamar factory to give solidarity.

A week later management decided to 'confirm' the sacking despite negotiations between Unite officers and the company. The doors to the union office on site have been removed and workers threatened with the sack if they protest at the sacking. The workers are now balloting on strike action. □

Workers win at Visteon

by Rob Fitch, shop steward at Visteon, Basildon

WORKERS AT Visteon, following a four-week battle, have gained a victory. After the occupation of the Visteon plants and 24 hour picketing when the company announced its liquidation, Ford/Visteon bosses were finally forced to concede to the workers' demands. Workers in Enfield, Belfast and Basildon have already voted in favour of the deal. **Rob Sewell** interviewed **Rob Fitch**, shop steward at the Visteon plant in Basildon, who was also one of the national negotiators that secured the new deal. Rob was asked his view of the outcome.

"I am very pleased. This final offer comprised 52 week's closure payment plus 12 weeks pay in lieu of notice. In addition it included the Blue Book terms and conditions on our service to the company, plus outstanding holiday pay. All this was then paid at the shift rate at the time we were all sacked. This means a lot for the workers. For example, myself, with 12 year's service, will get £39,000 after tax.

It is a great relief for all the workers and their families who held out for justice.

Militancy Pays

More importantly we, the workers, stood our ground with the support of many people over the last four weeks.

We remained solid at the three plants: Basildon, Enfield and Belfast. We were, it must be said, inspired by the example of our brothers and sisters in Belfast who staged the first occupation of the plant. Following their example we stood our ground and finally won.



The press has tried to make militancy a dirty word. But for me, it means standing up for what you believe in. It means a worker standing up and not taking things lying down. We were very proud to stand up and fight for our rights. This victory shows that militancy does pay."

The pickets are still on at Enfield and Basildon as we go to press. The workers have won a victory, but they're not going home till the money is in the bank! □

Friends of Socialist Appeal - join up now

by Rob Sewell

THE IDEA behind this was originally put forward by Pat Wall, who was the Militant MP for Bradford North but who unfortunately died in 1990.

Pat's initial suggestion arose from the large periphery of supporters around the Militant tendency who, for various reasons, wanted to help out but did not want to get too involved. Pat asked: why don't we organise these supporters on a more formal basis to help the movement financially and in other ways? Today, at this time of deep capitalist crisis, we are resurrecting this idea for sympathisers of Socialist Appeal

First Class Marxist Analysis

Socialist Appeal provides a first-class Marxist analysis of events in Britain and internationally. The unfolding crisis of world capitalism – the deepest since the 1930s and the Great Depression – is a confirmation of the ideas of Marxism.

The mood in the working class is being transformed by these events. If we do our work properly, this will provide

the Marxist tendency with enormous opportunities. Of course, this will not just happen. We need to organise these forces and generate the necessary resources to raise our ideas inside the Labour and trade union movement.

Basically, facing these tasks, we need as much help as possible. We are urging you to become a 'Friend of Socialist Appeal'. What does this entail? If you are prepared to make a regular monthly contribution to Socialist Appeal – preferably through a standing order – we will arrange for you to receive a regular update on the progress of the tendency and its work. Add a subscription and we will send you a copy of the journal and other publications.

Mood being Transformed

By becoming a 'Friend', this will allow us to build up and plan our resources more effectively. If you do not wish to sign up to this project then please consider making a donation to our Fighting Fund.

If you decide to become a 'Friend' please drop an email to rob@socialist.net or write to our address. □

Socialist Appeal Stands for:

✦ **For a socialist programme to solve the problems of working people.** Labour must break with big business and Tory economic policies.

✦ **A national minimum wage of at least two-thirds of the average wage.** £8.00 an hour as a step toward this goal, with no exemptions.

✦ **Full employment!** No redundancies. The right to a job or decent benefits. For a 32 hour week without loss of pay. No compulsory overtime. For voluntary retirement at 55 with a decent full pension for all.

✦ **No more sell offs.** Reverse the Tories privatisation scandal. Renationalise all the privatised industries and utilities under democratic workers control and management. No compensation for the fat cats, only those in genuine need.

✦ **The repeal of all Tory anti-union laws.** Full employment rights for all from day one. For the right to strike, the right to union representation and collective bargaining. Election of all trade union officials with the right of recall. No official to receive more than the wage of a skilled worker.

✦ **Action to protect our environment.** Only public ownership of the land, and major industries, petro-chemical enterprises, food companies, energy and transport, can form the basis of a genuine socialist approach to the environment.

✦ **A fully funded and fully comprehensive education system under local democratic control.** Keep big business out of our schools and colleges. Free access for all to further and higher education. Scrap tuition fees. No to student loans. For a living grant for all over 16 in education or training.

✦ **The outlawing of all forms of discrimination.** Equal pay for equal work. Invest in quality childcare facilities available to all. Scrap all racist immigration and asylum controls. Abolish the Criminal Justice Act.

✦ **The reversal of the Tories' cuts in the health service.** Abolish private health care. For a National Health Service, free to all at the point of need, based on the nationalisation of the big drug companies that squeeze their profits out of the health of working people.

✦ **Trade unions must reclaim the Labour Party!** Fight for Party democracy and socialist policies. For workers' MPs on workers' wages.

✦ **The abolition of the monarchy and the House of Lords.** Full economic powers for the Scottish Parliament and the Welsh Assembly, enabling them to introduce socialist measures in the interests of working people.

✦ **No to sectarianism.** For a Socialist United Ireland linked by a voluntary federation to a Socialist Britain.

✦ **Break with the anarchy of the capitalist free market.** Labour to immediately take over the "commanding heights of the economy." Nationalise the big monopolies, banks and financial institutions that dominate our lives. Compensation to be paid only on the basis of need. All nationalised enterprises to be run under workers control and management and integrated through a democratic socialist plan of production.

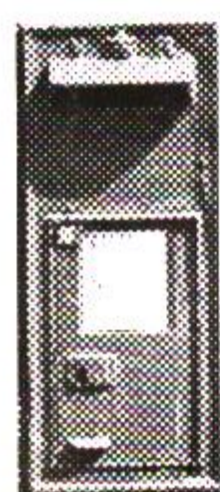
✦ **Socialist internationalism.** No to the bosses European Union. Yes to a socialist united states of Europe, as part of a world socialist federation.



Socialist Appeal

Marxist voice of labour and youth

KEEP THE POST PUBLIC



LORD MANDELSON'S proposal to part-privatise Royal Mail has been met with outrage. The proposal comes forward despite a clear manifesto pledge in the 2005 election to keep the Royal Mail wholly in the public sector. 75% of the public are utterly opposed to the scheme. Nearly 150 back bench labour MPs, fearful for their seats, have decided the plan is the last

straw and are threatening to rebel. Doesn't the government think it's unpopular enough already?

More and more evidence piles up on the stupidity of the plan. The Post Office has doubled its annual profits over the past difficult year to £321m. Between 1981 and 1999 the PO handed over £2.4bn in profit to the Treasury. Shouldn't New Labour be whooping for joy that a nationalised industry is doing a good job of work and making us so much money at the same time?

'Ah' argues Mandelson. 'The trouble is the pension is running a whopping deficit of £6.8bn this year, up from £2.9bn last year.' The pension issue is a massive red herring in the argument about privatisation. Half a million past and present postal workers have paid in to the pension fund and were promised a decent pension. (Not like Fred Goodwin of RBS's £700,000 reward for failure, obviously, but enough to live modestly on.) New Labour is honour bound to keep that promise, whether Royal Mail is part-privatised or not.

In fact the government has a dirty trick up its sleeve. If the sale of part of Royal Mail goes through they'll change the pension from one that is funded to pay as you go. In plain English the Treasury will scoop up the pot and have a tidy £24bn windfall. Meanwhile the rest of us will pay from current and future taxation for the pensioners' fund that the government has stolen.

Mandelson argues that only the private sector can provide the 'expertise' to pilot Royal Mail through the future. Is this the same private sector 'expertise' that ran the banks into the ground? The rotten outfit that Mandelson has in mind for the job is TNT. TNT runs the Dutch postal monopoly. TNT is not even very good at making money despite its monopoly position. They reported a 50% FALL in

profits for the first 3 months of this year. This is despite the fact that they charge twice as much for a 50 gram letter and three times as much for a 100g letter as Royal Mail. They face industrial action in Holland after they threatened to cut wages by 5%. They weren't able to push that deal through, so they're going for 11,000 job cuts instead.

It's clear that what TNT really wants is to get their hands on our money. Well, they're not having it! Even Swiss bank UBS which is negotiating with them on behalf of the government stated that TNT "was making unreasonable demands". As a spokesperson for the Communication Workers' Union comments, "If TNT is making less money and faces industrial action from its workforce, what's so great about their management?"

The government's drive to privatise defies common sense. But they're coming up against stiff opposition. As a political leadership they are utterly discredited in parliament, their own rank and file is in revolt and the CWU is balloting for industrial action. One rebel MP declares, "If Gordon Brown continues with these proposals he will be signing his own suicide note." If the government tries to push the measure through Parliament with the support of the Tories, the latter will be canny to vote against them in committee and trigger a general election just when they really don't need it. Are they really that stupid? We can win this one – provided we keep up the pressure. □



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