

Socialist Appeal

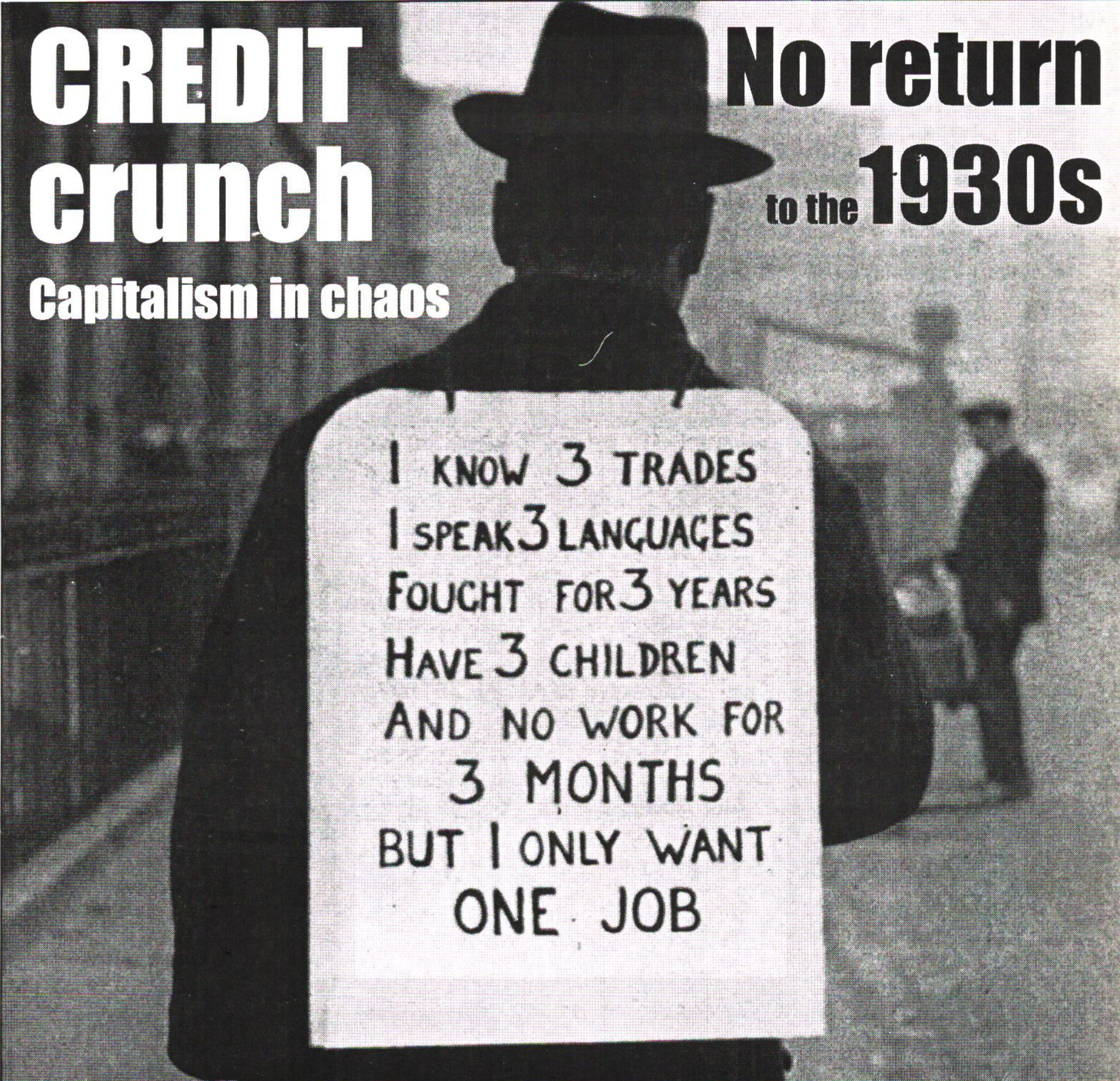
Dec-Jan 2007/8 issue 158

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CREDIT crunch

Capitalism in chaos

No return
to the **1930s**



I KNOW 3 TRADES
I SPEAK 3 LANGUAGES
FOUGHT FOR 3 YEARS
HAVE 3 CHILDREN
AND NO WORK FOR
3 MONTHS
BUT I ONLY WANT
ONE JOB

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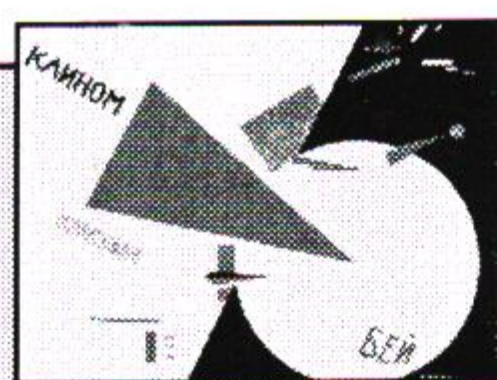
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Northern Crock: the rottenness of British capitalism

LAST AUGUST Northern Rock was the subject of the first run on a bank in this country for a hundred and forty years. People queued up all night to try to get their money back. But, of course, their money wasn't there. Where had it gone?

Former chief executive Adam Applegarth could provide part of the answer. Over the past five years he's sucked £10 million out of the company. In January he cashed in shares worth £1.6 million to add to his collection of luxury sports cars. Then each share was worth £12. Now they're saying each share could be worth just 1p. Did Adam know something he wasn't telling the rest of us?

The government is looking tired and incompetent. The wheels are falling off New Labour. So Chancellor Darling dithered as Northern Rock crashed. Gradually it dawned on him that he couldn't let the bank go to the wall. It might drag great chunks of the British financial edifice with it. That is what finance capital does: it links us all together, all our fates and all our fortunes in a great money chain. But we only realise this when things start to go wrong.

Northern Rock was dragged down by the US sub-prime loans scandal (see Michael Roberts' article). The sub-prime loans were handed out to 'trailer park trash,' as working class people are routinely referred to in the States. They had no chance of repaying.

But the Rock didn't have a single such loan on its books. What happened was

this. American sub-prime loans were bundled up in SIVs - 'structural investment vehicles', pieces of paper sold to banks all over the world as financial assets. So an American financial scandal was 'globalised.' Thanks a lot!

Now these toxic SIVs have caused bank lending to dry up all over the world. It's called a credit crunch. That's what caught out Northern Rock.

Huge figures

Darling has shown the fiscal probity of a drunken sailor in his efforts to keep Northern Rock afloat. Huge figures have been bandied about, but it seems Northern Rock has already swallowed £40 billion of our money, round about £667 for every man, woman and child in the country.

Gordon Brown refused to tell Parliament how much he'd pumped in, burbling about 'commercial confidentiality' in Prime Minister's question time. Not when it's our money you're wasting, it's not! The opposition are having a

field day. LibDem Vince Cable said the government has spent enough money to build thirty millennium domes, and we haven't even got a rock concert out of it.

What should the government do next? They are right to assume that a collapse of the financial system doesn't bear thinking about. But the fact they want to stop Northern Rock sinking below the waves means capitalists can take them, and our money, for a ride. Take the predators like Richard Branson, who have been circling round. Their plan is simple. Northern Rock has got assets of £50 billion in mortgages. They want that. They are prepared to buy that. Then they will dump the Rock's liabilities on Josephine and Joe Public. We should not be surprised at this. We socialists already know that the capitalist class are greedy and useless. But the government are pandering to their worst instincts.

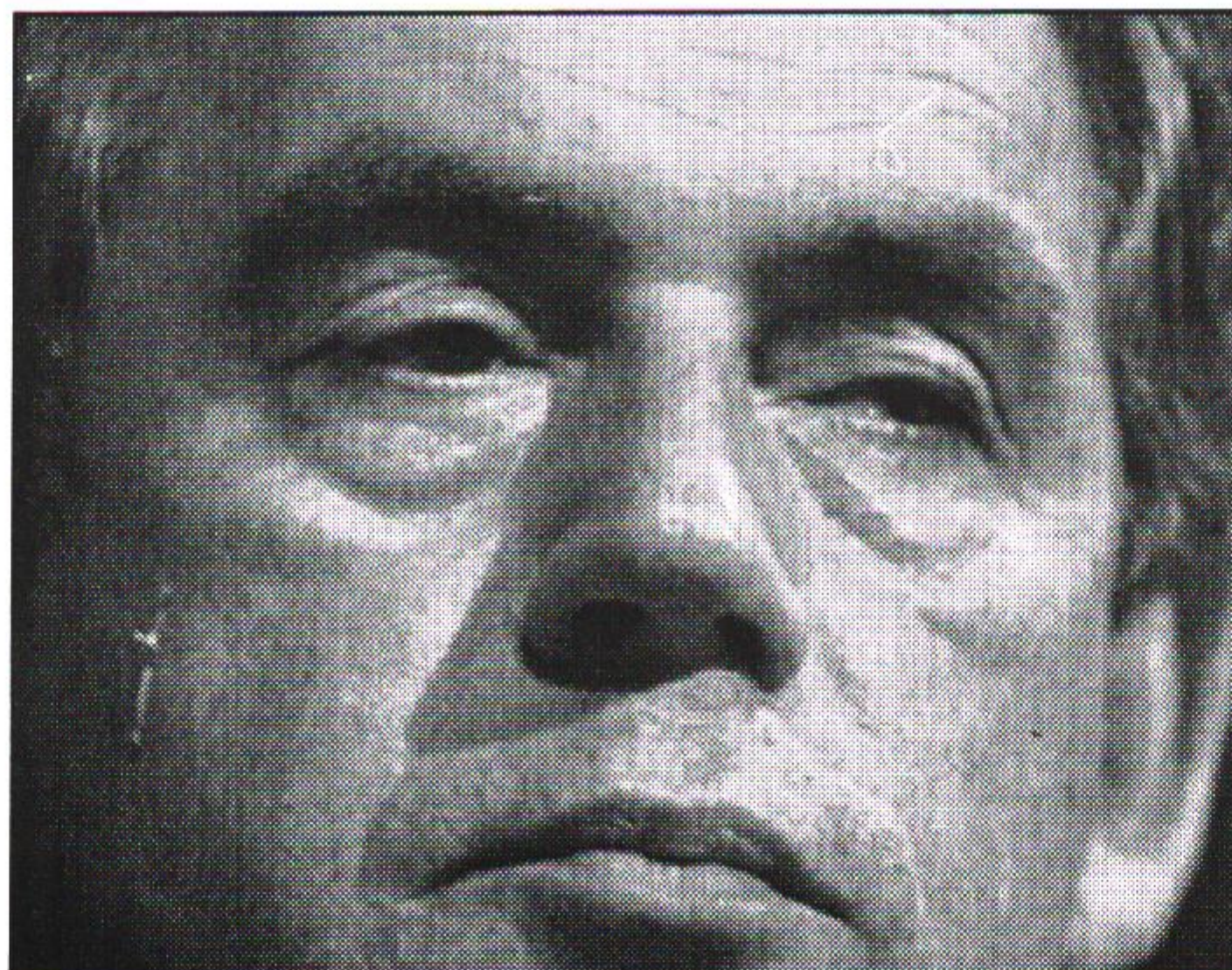
Even mainstream commentators are outraged. Will Hutton comments in The Observer, "The amaz-

ing amoral asymmetry of the way the government has approached this affair - the taxpayer picks up the bill while the bankers and shareholders are in the driving seat in the service of making private fortunes - has been progressively unmasked."

The other shower who are playing the government like a violin are the Northern Rock shareholders and the new board of managers. Not surprisingly, they want the taxpayer to foot the bill to keep their share prices up. But shareholders, we are told, take risks: they may occasionally have to take a hit if things go pear-shaped. That is why they are entitled to a profit.

It's all a fairy story. Really, these people have no right and no power over the government. They backed a loser. Hutton gets so furious at them he becomes uncharacteristically demotic, "The Bank of England and government have a de facto veto on any plans. The City must think them a bunch of muppets, but given the Treasury's behaviour, the attitude is amply justified."

Get rid of the influence of the predators and the shareholders. Get their hands out of our pockets. Nationalise Northern Rock. Since the government is intervening to prop up the banking system as a whole, we don't just want to take over the loss-makers. We want the lot. Take over the banks. Then we can guarantee the rights of depositors and mortgage holders, and make the future secure for all of us. □



Defend Karen Reissmann

An injury to one is an injury to all!

On June 15th psychiatric nurse Karen Reissmann was ordered off the premises and suspended in the middle of a delicate and difficult consultation with a patient. Manchester Mental Health and Social Care Trust charged her with 'bringing the Trust into disrepute'. They seized her mobile. Patients are given the mobile number to ring in emergencies.

What Karen is guilty of is telling the truth. "What I'm guilty of is defending the National Health Service and

its service for staff and patients, and I cannot stop doing it. I believe in the NHS, that's why I want to work for it." she told the Manchester Evening News.

In November the Trust dismissed her, and 150 fellow community health workers in the Trust have all walked out on all-out strike in her support. They'd already been on strike for 14 days in protest at her suspension. They are likely to be followed soon by the entire 700 strong branch membership of Unison.

Obviously Karen could take the Trust to a tribunal, but management knows a tribunal can't demand her reinstatement. Management cannot be allowed to get away with this!

Why are they trying it on? The background to the dismissal is the management plan 'Change in mind'. This puts more and more pressure on the workforce. Some are made to see 25 patients in the course of a week instead of 8. You do the maths. With travel, nurses are only spending about half an hour with each vulnerable patient and some are not being seen at all. Some wards with twenty beds are juggling patients so they can house twenty-four patients. Yet it is Karen who is 'bringing the Trust into disrepute'. The same day she was suspended, Karen received a letter promoting

her to senior psychiatric nurse. Even the Manchester Evening News can smell a rat there.

The Trust is running a deficit of around £2 million. The Manchester Trust is ranked 173rd of 175 mental health trusts. The government has put it on turnaround - made it implement cuts to you and me. Karen knows why. "The only way to tackle this and provide services is to stop overspending on expensive PFI projects, which have sent costs rocketing." She says PFI costs four times as much. Once again it is the Private Finance Initiative that is bleeding the health service to death.

Health workers have a right to speak out and we have a duty to support them when they speak out. Don't let them sack Karen Reissmann! □

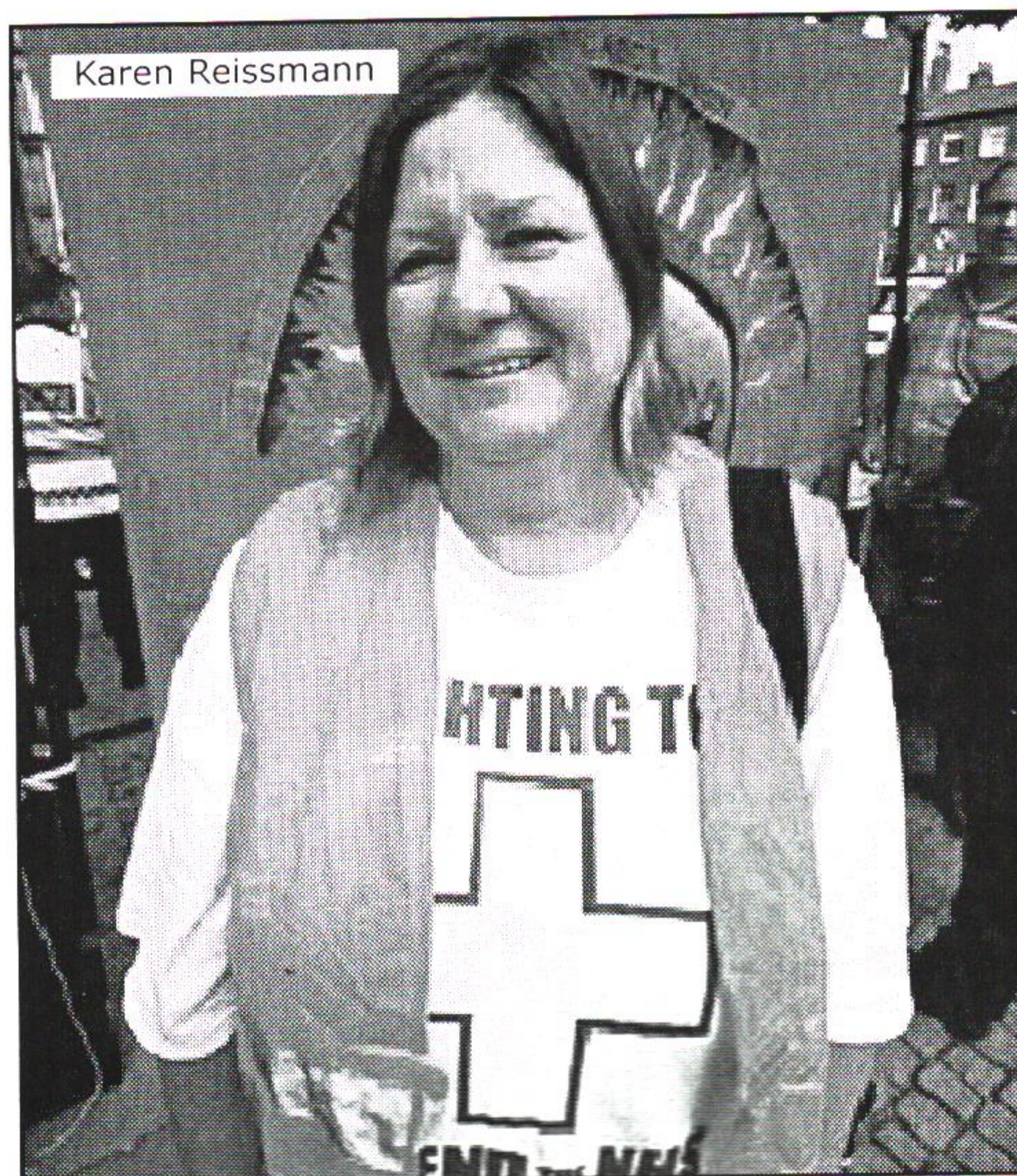
GLASGOW CITY COUNCIL LEAVE CARE WORKERS WITH NO OPTION BUT TO STRIKE

by Kenny McGuigan

Two hundred day care workers in centres across Glasgow are now entering the second month of an indefinite strike, after the Council refused to negotiate pay and conditions until the workers agreed to 'modernisation of services'. The day care centres provide support and education for people with disabilities and learning difficulties and are crucial not only for the clients who use them, but for their families.

This 'service modernisation' means downgrading staff skills to just a basic training level, that fails to recognise the skills required, and the complexity of the job. Downgrading could mean workers losing up to £3,000 a year in pay. The Council's plans would also mean more than 1,500 redundancies and the closure of half of the city's day care centres. 6,000 workers, mostly members of Unison, are involved in the dispute.

At the time of writing, the Council have announced they will "continue with the modernisation plans and will not talk to the union until the strike is called off". However, the dispute is only one aspect of attacks on Glasgow City Council employees and our desperately needed services. The Council intend to push ahead with the privatisation of janitors, while social workers in the city have still not received their agreed back money following their own successful strike action last August. □



Karen Reissmann

Remploy - join the crusade

FOR THE past sixty years, Remploy has offered skilled work to disabled workers who otherwise would, frankly, have been dumped in a corner and forgotten about by capitalist employers.

Now the government plans to close half the 83 factories that offer their unique contribution from Aberdare to York. Remploy currently employs about 5,000 in its factories.

Phil Davies, GMB National Secretary, has summed up the situation well in a sharp satire of Kinnock's 'anti-Militant' speech in 1986. "We have the grotesque chaos of a Labour government, yes a Labour government, scuttling around delivering redundancy notices to disabled workers in 43 Remploy factories."

Remploy was set up after the Second World War to teach disabled workers a skill and give them a purpose and sense of dignity to their working lives. The rundown of the service began under Thatcher, when the Ministry of Defence was instructed to outsource work formerly offered to Remploy. This was ironic, since many of the Remploy workers were ex-service people who had been injured fighting for their country. As ever New Labour is anxious to finish what Thatcher began.

At the same time the government is trying to cull the numbers on incapacity benefit because they are sick or disabled. They believe 800,000 to a million are employable if they are helped. So now they're kicking the ladder from under these people. Not really joined up government!

If the workers are sacked, where are they supposed to go? Prejudice and discrimination is going to count against them in the labour market. In many cases their skills will be lost forever.

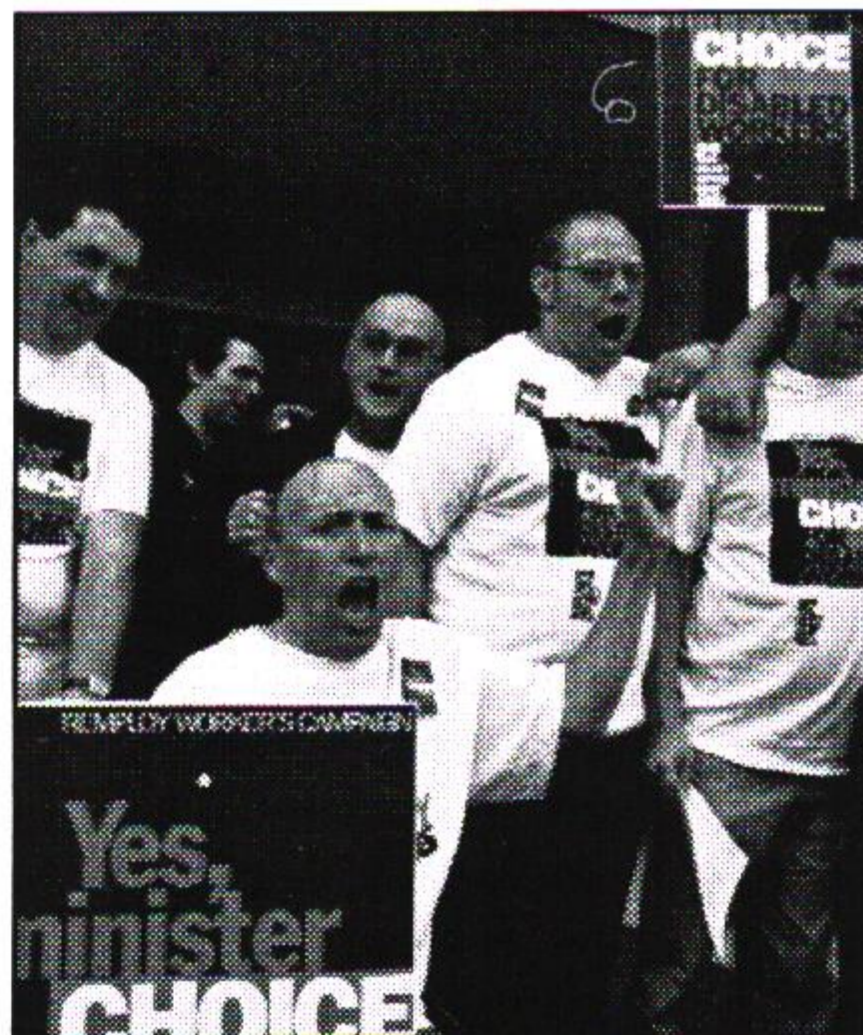
The workers have launched an imaginative crusade against the sackings. If you see their Mr.

Blobby, show him your support! The crusade demonstrated outside charity shops MIND and Scope in Bournemouth in the week of Labour Party Conference. The charities argue that all Remploy workers should be sacked and the factories closed down to integrate them into the wider work force! Under capitalism there are no guarantees of a job, particularly for the disabled. The unions believe disabled workers should be offered the choice of mainstream or 'segregated' employment.

At the Party Conference the government appeared to climb down and promised to consult. Now they're saying they 'only' want to close or merge 28 factories. But Remploy have carried out no assessment as to whether the workers can be put into mainstream employment.

Whether it is better for disabled people to be integrated into the workforce generally is a decision each and every disabled person must take. But we should not let them kill off an opportunity for learning a skill that has served so many so well in the past. Closing factories down is not 'choice'.

When Remploy was set up, Britain was a desperately poor country, bankrupted by the War. We could afford it then. We can certainly afford it now. □



odds'n'ends

HOW WELL prepared was US imperialism for the invasion of Iraq? Was their planning based on high precision satellite spy technology?

According to Barbara Bodine, formerly of the State Department in the TV programme No plan, no Peace, their main instrument for information about the country was a 1990s version of the Lonely Planet Guide to Iraq.

From the Guardian October 25th: "Last week India's biggest real estate dealer made a paper fortune of £500m in a day. Government figures show that the average expenditure of countryside household India to be just 500 rupees a month or about 20p a day."

In the present financial volatility, American bank Merrill Lynch has lost between \$8 and \$12 billion. The man who made it all happen by betting on the sub-prime mortgage market was chief executive Stan O'Neal. He's got to go. The bank is paying him \$159 million to go. The reward for failure?

The papers have been reporting that people all over the country have been pulling out their own teeth with pliers and filling their cavities with Polyfilla. It seems they can't find a NHS dentist anywhere near where they live. What happened to a health service free at the point of use?

Metronet bosses have been paid out £1.2 million to get rid of them. Metronet went belly up in the summer leaving us with a farewell present of £2 billion debt. Metronet got the contract to maintain two thirds of the tube network, despite the opposition of Mayor Livingstone and pretty well everyone who lives in London. Metronet is not actually a firm. It's a consortium of companies such as Balfour Beatty and Thames Water. They contracted the work out to firms who actually did the repairs, firms such as Balfour Beatty and Thames Water. Presumably they cut cards to share out the work. What a racket!

Labour Research has looked at the 2006-7 pay round. We're getting poorer! "the median (midpoint) increase in pay was 3.6%, well below the 4.1% average Retail Price Increase growth reported over those 12 months." So over the past year wages have fallen behind the rise in prices. □

A pay deal is for life, not just for Christmas!!

**Rachel Heemskerk Chair of PCS DWP
East of England Personal Capacity**

MANAGEMENT IN the Department for Work and Pensions (DWP) are imposing a three year pay deal on staff in their November salaries. This is because they believe that staff want money for Christmas, which is true, but we must not be fooled into thinking short-term. The pay deal is being hailed as a great offer by management who, in an unprecedented move, have been putting pressure on local managers to promote the deal and sell it to staff.

This is only helping to push members into voting yes for industrial action. Members working for the DWP in Jobcentres, Benefit Offices, the Pension Service and Child Support Agency (CSA) have already borne the brunt of the government

decision to axe 80,000 jobs in the civil and public services. They are angry over the imposition of this three year pay offer, which sees cost of living increases for longer serving staff members of 2% this year, 0% next year and 1% in the final year. The pay offer averages just 1% a year over the three years and sees approximately 40% of staff getting 0% next year. This offer does nothing

to improve the cost of living for some of the lowest paid workers in the civil service, who don't even earn enough to meet the European Decency Threshold, which in 2006 was £7.40 per hour. Many members working in the DWP have to claim in-work benefits such as Tax Credits, which the government put in place to help remove the property gap in society.

The strike ballot within DWP comes as PCS nationally enters into 'meaningful talks' with the Cabinet Office in an effort to reach a negotiated agreement to a civil service-wide dispute over jobs, pay and conditions. These talks were only offered after 68% of members in the national consultative ballot voted for national strike action as part of the union's campaign, which has already seen two strongly supported national one-day strikes this year.

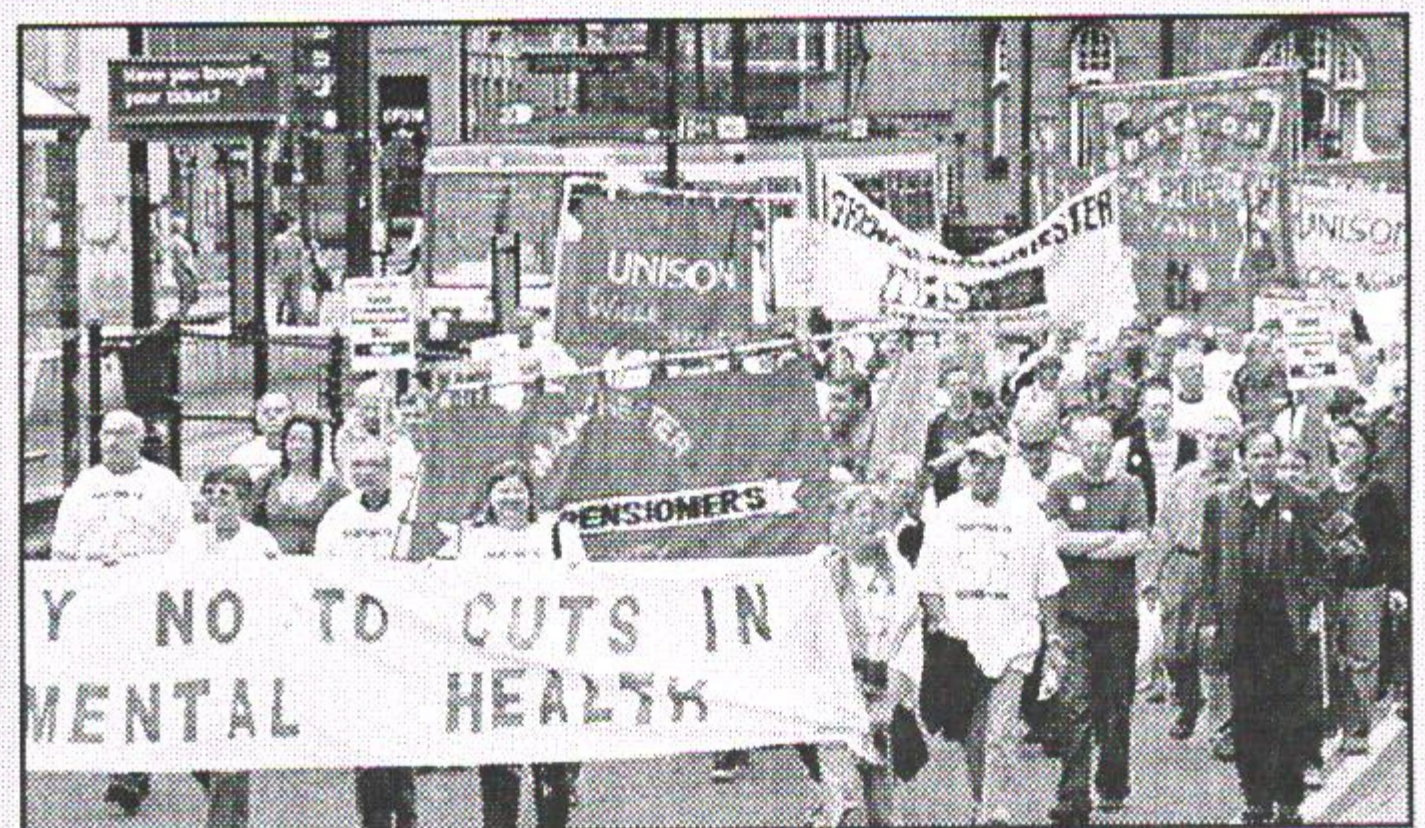
The result is a clear demonstration of PCS members' resolve to reach a fair settlement with senior civil service management and the government over jobs, pay and conditions. If these talks fail, then national strike action will take place. □



Reinstate Michael Gavan

On Wednesday 21st November we heard the news that Michael Gavan, Chair of Newham Unison, had been sacked by the Council. The day before his disciplinary began Newham Unison Branch voted by 85% to strike in his defence. Hundreds demonstrated and picketed outside Council offices. The grounds for Michael's dismissal are as bizarre as those for Karen Reissmann (see the story on page 4). Michael was told he was representing the views of Unison members, not those of the Council. But that is what he was elected as Chair of the Branch to do!

The fact is, Michael organised a meeting against planned privatisation in the Borough. Privatisation hits services, and it hits the pay and conditions of council workers. It is becoming a pattern that privatisation is a source of strife in local government. While the council leaders have clearly had Michael in their sights as an obstacle to their plans,



rank and file councillors have approached him and the union with private declarations of support. They are scared to stick their heads above the parapets because of the climate of fear within the Labour Group.

On Tuesday 11th December there is a lobby of the House of Commons in the evening, in support of Michael and Karen Reissmann. Come along if you can and show your support! □

Fight the blacklist

Support the Manchester sparks

THREE ELECTRICIANS in Manchester were picked out, victimised and sacked by the use of the blacklist on May 12th 2006 from the eight year project at Bovis' Manchester Royal Infirmary site. They are still bravely fighting on to try to get their jobs back and for the right to work. They are also fighting for what should be a basic human right to join a trade union.

They have won industrial tribunal hearings, which found they were unfairly dismissed because of their union activities, but they remain unemployed. There will be a Remedy Hearing to decide what should be done about the blacklisting and sacking of these workers, and the prolonged period of unemployment they have suffered since.

Unfortunately Industrial Tribunals, or Remedy Hearings arising out of these, do not have the legal powers to force employers to reinstate workers who have been victimised and sacked, on this occasion by use of the blacklist. Only industrial action by their fellow workers and trade unionists on site can do that!

Free country? Tell that to the blacklisted workers!

These workers have highlighted the existence and use of the blacklist against trade union activists and militants in the construction industry with their brave struggle. They have even forced electrical contractors have to admit there is a blacklist, which is a first. Yet still they remain unemployed

Main lessons learned

The main lesson learned from this struggle is that we need to defeat and counter the insidious use of the blacklist, and sinister denial of the democratic rights it entails, as soon as it is used against a building worker or workers on site. There should be a strike and pickets mounted on that site by their fellow workers and trade unionists, and employers told in no uncertain terms that the strike and picket remain until the victimised and blacklisted worker or workers are reinstated. It is then and only then that employers will think twice before using the blacklist and, if there's enough industrial action over the issue, stop the vile practice altogether.

In the meantime let's all support the Manchester sparks. Their union (now UNITE) have let them down badly. They could have put pressure on the firm that sacked them and challenged the blacklist, which also affects many other sparks and building workers.

At TGWU Conference this year a collection took place. Rank and file members were very generous and the sparks were very grateful. They would also like to thank General Secretary Tony Woodley who, we are told, gave £2. Split between the three sparks' families this might buy three packets of Smarties. By the way Tony Woodley's salary is around £100,000 per year.

The struggle is ours - the right to work and organise must prevail! □

**From Building
Worker, published by
the UK R & F BWC**

The construction industry in 2007

by Steve Kelly, UNITE, AMICUS Construction

I have worked in construction since 1983. I am an electrician by trade. The construction industry in 2007 has gone backward. Employment rights are non-existent, safety and welfare facilities are very poor, especially on small building sites. Seventy-seven workers were killed in the year 2006-7, with thousands more injured, some seriously.

The ragged trousered philanthropist is alive and well in 2007. If you are a building worker and have not read this book by Robert Tressell, then you must. You will find the story is re-lived on many of today's UK building sites.

I managed to stay on the cards (PAYE) until 2000. It is virtually impossible to get a job on the cards now, due to the blacklist. Most workers are forced to work for companies or agencies that pay through a payroll company. Tax of 20% is deducted, and then you pay your own National Insurance. No holiday pay or sick pay. You are called self-employed which is nonsense. Self-employed means working for yourself, not for some horrible greedy capitalist who doesn't give a damn about your welfare or safety. All he wants is for you to work faster, get the job done quicker and pay for his new Mercedes or private jet. You may get paid if you're lucky, provided the cheque doesn't bounce.

There are very few organised sites at the moment, with rank and file elected stewards or safety reps. This is partly due to workers being scared of taking stewards' positions and being sacked. Also the unions are not defending their members properly, often leaving them hanging out to dry as the Manchester electricians have been since May 2006.

The best sites I have worked on in the past were organised sites, such as the Jubilee Line extension. Workers at present need to stand up and be counted, join unions, elect stewards and take strike action in support of their stewards if they are sacked, and set up picket lines. It's been done in the past and has always worked. Unofficial action will not go down well with the bureaucrats and appointed stooge convenors. But all picket lines are official and must never be crossed. It's the golden rule of trade unionism.

Migrant workers are often verbally attacked by fellow workers. This is fundamentally wrong and racist. Attack the bosses who are exploiting your fellow workers, unite and fight together. The Olympic sites must be organised by rank and file trade unionists. The best buildings are always built by union labour. □

The marvellous book Steve mentions, The ragged trousered philanthropists, is available from Wellred books at £12 including postage

Labour - how the right wing gained control

by Barbara Humphries

THERE HAS never been a golden age of 'old Labour'. If you look at the record of past Labour Governments, they have all been responsible for cutting living standards and carrying out an imperialist foreign policy.

Myths of the Blairites

The Blairites claim that Blair and his right wing policies made Labour electable. The defeats of the 1980s led many activists to despair. However the conclusion that dominance of the Party by the left was responsible for the defeats needs careful scrutiny, as it is completely at odds with the facts. Like all other aspects of history, the story of the 1980s has been written by the so-called victors and what actually happened needs to be investigated.

How the reforms in the Party were reversed

Neil Kinnock was elected leader after the catastrophic election defeat in 1983. Under Kinnock's leadership the Party was transformed and dropped most of the left-wing policies which had been adopted in the 1970s and 1980s. Much of the centralised regime of the Blair years had already been set up by the time Kinnock left office. Crucial to this was the reversal of the democratic gains made by the left and the restoration of power to the shadow cabinet, in which there was a right-wing majority. Kinnock installed a Shadow Communications Agency, comprising of many of the figures to be in the forefront of New Labour in the 1990s - Tony Blair, Peter Mandelson and Gordon

Brown. In 1986 Peter Mandelson was appointed as Director of Campaigns Communications. This inner circle came to have more power than the Party's National Executive Committee. The whole structure of the Party apparatus was 'reformed' so that full time staff worked for the Leader, not the Party. These people campaigned to change Party policy on tax, trades union reform, re-nationalisation and unilateral nuclear disarmament. This was all achieved over the course of the 1980s.

How was all this achieved, considering the growth of the left in the previous period? Firstly the Party had never been under the complete control of the left. Secondly the left itself was divided. The traditional left, around Tribune had effectively been taken over by right wingers. By the 1980s it comprised 50% of the Parliamentary Labour

Party. The so-called 'soft left' included people like David Blunkett and Michael Meacher. They aided Kinnock in his internal battles with the 'hard left', which included supporters of the Marxist newspaper the 'Militant' and also the so-called 'loony left', which included leaders of Labour Councils in Lambeth and Islington and Ken Livingstone, leader of the Greater London Council. The emergence of the 'soft left' completely changed the balance of power within the Party.

Once the right wing had the National Organisation of Labour Students firmly in their hands, it was used to counter-balance the Labour Party Young Socialists, which supported the policies of the Marxists gathered around the 'Militant'.

The drift to the right by the Labour leadership aided the Thatcher government in its attacks on the labour movement. The 1984/85

miners' strike was supported by the Labour Party, but not by Kinnock, who sat on the fence. The defeat of this strike which was a watershed in the class struggle in Britain was not inevitable, but it was to change the political landscape in Britain for decades.

Similarly the Labour leadership not only refused to support Labour Councils who were campaigning against rate-capping and to implement the policies on which they were elected, but attacked them. Liverpool and Lambeth Councils and the Greater London Council had different approaches to their campaigns against the Tories, but all attracted popular support (which the Kinnock leadership was still failing to do). Many of the equal opportunities policies for which the GLC was lambasted by the Tories and criticised for by the Labour leadership, have now become mainstream 'welcoming diversity' issues. But that wasn't the point. The right needed issues on which to attack the left. Thus a major witch hunt was launched against 'Militant' supporters in the Party and other left-wingers, using the same kangaroo court, the National Constitutional Committee, (set up by Labour's NEC) which was later used against MP George Galloway for his stand on the Iraq war.

Defeats for the labour movement on the industrial front and in local government augmented the power of the 'modernisers', as they came to be called. Their policies of accommodating to what was acceptable to British capitalism became a self fulfilling prophecy.



Resistance was seen as futile. Kinnock invented the term 'dented shield' as a strategy for Labour local authorities, meaning accommodation with the Tories, rather than confrontation.

Membership of trades unions declined as jobs were lost through the destruction of industries such as mining. The sale of council houses was undermining Labour's traditional power bases. Some of this was deliberate gerrymandering, as in the borough of Westminster where council flats were done up and sold to potential affluent Tory voters. This of course was used as evidence by the 'modernisers', some of whom claimed that Labour could never win an election again and it was time to do a deal with the Liberals.

What is new about New Labour?

To be successful in carrying out these reforms in the Party it was critical that Kinnock should have roots within the labour movement and the full support of the trades union movement.

In spite of his shift to the right which was supposed to make the party attractive to the electorate (according to their own thinking), Kinnock and his inner circle failed to make Labour electable in 1987 and 1992. Even after the Tory defeat on their flagship policy of the poll-tax and the subsequent removal of Thatcher, Kinnock, who had failed to endorse the anti-poll tax campaign, could not win an election! But, again, that was not the main aim of this clique. The point was that it had been successful in reversing many of the democratic changes within the Party.

Kinnock and Labour lost the 1992 election, despite all the counter-reforms. Kinnock was forced to resign as Party



leader and John Smith took his place. Smith was another right winger, but had a different consensual style, consulting with the trades unions and others within the Party. In September 1992 the Tories' economic credibility was shot to pieces as the pound bombed out of the European Exchange Rate Mechanism. The Tory Chancellor Lamont lobbed billions of pounds (money that could have been spent on schools and hospitals) at the foreign exchanges to no avail. Labour under John Smith took a commanding lead in the opinion polls, and stayed there till Smith died in May 1994. It is simply untrue that Blair 'made Labour electable.' It remains the case that the few real reforms introduced by the Labour government over the past ten years (such as the minimum wage) were adopted as policy under John Smith.

Neoliberal coup

Smith's untimely death meant that Blair, a dogmatic 'moderniser' became Party leader as part of a neoliberal coup by Blair, Brown and

Mandelson to change the face of the Labour Party altogether.

Blair coined the expression 'New Labour'. He invented an ideological excuse for accommodation with capitalism, 'the third way'. He successfully campaigned to have Clause 4, part 4 (calling for the nationalisation of the means of production, distribution and exchange) eliminated from the Labour Party constitution. Many of the policy changes were already in place. But Blair wanted more than that. He wanted to finish off the Labour Party and to detach it from its trades union roots.

Loss of members

The trades union influence within the Labour Party has declined. The loss of members due to job losses alone would account for that. As most of these jobs were lost in industry, the percentage of trades union members is now higher among white collar workers, who traditionally have not paid the political levy to the Party. Reforms such as OMOV (one member one vote) had the

aim of limiting the influence of the trades union block vote.

It was John Smith who had initiated a culture of business donations. Labour millionaires like Lord Salisbury have given millions of pounds to the Party. Firms such as MacDonald's, even private health insurance companies, pay thousands of pounds for stalls at annual party conferences, whilst some campaigning groups cannot get a foot in the door.

Many of the rich Labour backers are a minority of self made millionaires. They do not represent the British establishment as a whole. Their support is conditional on Blair and his clique maintaining overall control over the party and also keeping the trades unions at bay. In spite of the huge sums provided to the Blair leadership of the Labour Party, the bosses of Britain are still on course to provide much more funding to the Conservative Party. Also, in spite of these donations, the Labour Party remains financially in a mess. Blair's last years in office were mired in corruption scandals about 'loans for lordships'. Trades union subscriptions have been the main source of revenue. Thus Blair's attempts to turn the Party into one of big business have failed.

What Blair did was to make Labour in office virtually indistinguishable from the Tories. Labour has been in government for more than ten years. Core working class voters are deeply disappointed and apathetic. Blair's real legacy is only part of the long right wing ascendancy inside the Party. He has done his utmost to destroy the best traditions of Labour of crusading for the poor and downtrodden. It is time to reclaim those traditions. ■

Stand up to the supermarket bullies!

by Mick Brooks

THE COMPETITION

Commission has been deliberating for eighteen months. They have decided that the four big supermarket chains (Sainsbury's, Tesco, ASDA and Morrisons) that sell three quarters of all food in the country offer us all plenty of 'choice'.

- Tell that to the people of Sheringham! For ten years they have been resisting plans for a huge town centre Tesco. Tesco made a secret deal with North Norfolk council officials to let the development go ahead. Who elected these officials? Who elected Tesco? The details of the deal are shrouded by a confidentiality clause. The whole thing stinks. Even without the whiff of corruption, supermarkets like Tesco use their long pockets to keep challenging planning regulations and wear local councils down.

- Tell that to the dairy farmers - if you can find one. In 1995 there were 35,000 in the country. Now it's down to 19,000 and a thousand more leave farming every year. No wonder. The price they got from the supermarkets for a litre of milk has gone down from 24½p to 18½p over the past ten years. The price in the supermarkets went up 10% over the same period. As we know from a previous Competition Commission report, this is because the supermarkets were running a racket on milk prices.

- Tell that to the impoverished workers on plantations in the third world. They pick the bananas they sell in British supermarkets. Supermarket buyers are canny enough to bid the price right down. Who pays?

Banana Link has revealed that Fresh Del Monte sacked all 4,300 workers on its Monte Libano plantation in Costa Rica in 1999. Then they recruited a new workforce on reduced wages and benefits. Such was the cost-cutting success of this blitzkrieg that they are doing it all over. Not to be outdone, Chiquita has cut labour costs on its plantations from 5% of the total in 2004 to just 2% in 2006

Supermarkets can sell cheaper than small independent shops because they can buy cheaper. They use their bullying power over small farmers and other producers. Supermarket buyers can be posted from wines to perfumes at a moment's notice, and don't feel the need to know anything about either. All they know is the bottom line. If they promote a supplier's stuff, they have to 'pay to play,' for instance for a special promotion. It's actually very difficult to find out about these deals. The suppliers won't talk because of a 'climate of fear,' as Joanna Blythman points out in her book *Shopped*. And the voluntary code of practice the supermarkets boast about is just a figleaf for their bullying

behaviour. The Competition Commission admits the supermarkets have a 'complex monopoly' over their suppliers, but it doesn't propose to do anything about it.

The Church of England (itself a substantial landlord) has recently complained that the supermarkets are 'squeezing farmers to death'. In one case they put vegetables on special offer and only paid the farmer £7 a tonne instead of £14 for the duration. In effect the farmer was paying for the shop to compete with their rivals.

The Commission also recognises the problem when one supermarket gains a local monopoly. Then they can and do put prices up. Bicester now sports six branches of Tesco. A resident comments, "I probably do 95% of my shopping at Tesco, and that's only because I have no choice." They're thinking of renaming the place Tescotown.

- Supermarkets use their buying power to force down suppliers' prices and thus the wages of workers and living standards of small producers.

- Supermarkets rip the heart out of local communities with out-of-town

developments and by cloning every high street

They're not doing anything that capitalism hasn't always wanted to do. But they are capitalism in its modern form. Many criticisms of supermarkets are really criticisms of capitalism. For instance out-of-town developments mean you need a car to get there. Road-building and the carbon emissions from cars contribute to ruining the environment. But modern capitalism, with shift working and distances from work to home, means you really need a car to get by. It's capitalism that's ruining the environment, not just supermarkets.

What has the Commission got to say for itself? It has noted that the supermarkets have all built up little land banks - 520 squarred away. They do this for two reasons. First they can bully elected councils into letting them march in to town. Secondly they can stop their rivals muscling in on the territory. Idiotically the Competition Commission concludes that planning restrictions should be overridden by the government. (This would require legislation.) So the answer to supermarket power is more supermarkets! No wonder when the Commission whitewash was published, Tesco shares soared in relief.

A lot of people find supermarket shopping convenient. Supermarkets are here to stay. But they're unaccountable and they wield too much power. Shops should not be able to effectively dictate wages and conditions, even to workers continents away. The big supermarket chains should be taken over and run in the interests of the people. □



Banana wars and the supermarkets:

press release from the GMB: letter to the Guardian

by Bert Schouwenburg GMB London Region

IN YOUR exposé of the activities of multinational banana companies there were claims from Dole, Chiquita and Del Monte that they were working with Latin American trade unions to address workers' rights - with the implication that they all supported the principle of free collective bargaining.

The GMB has close ties with those trade unions and the reality of their members' existence is rather different.

At corporate level there is indeed dialogue between unions and companies, but agreements are routinely ignored at the workplace, where trade unionists are often sacked, blacklisted, threatened with violence or even murdered, as in the case of Sitrabi union executive member Marco Tulio Ramirez, who was killed on a Guatemalan plantation on September 23. Only this week, we received reports of a family being evicted from

their home and a pregnant woman being left with a tent for shelter on a Chiquita plantation, in the midst of a campaign to intimidate and dismiss trade union members in Costa Rica.

The banana companies' union-busting activities are motivated by a desire to control wages in the midst of a vicious price war between Tesco and Asda, who use their market strength to drive down the cost of the fruit at the suppliers' expense. Tesco alone makes £1.5m per week profit on

bananas and, despite advocating corporate social responsibility, seemingly cares little for the wellbeing of the workers on the plantations.

There is some hope for our Latin American colleagues in the shape of increased Fairtrade sales in response to demands from the British public, and it is high time that the corporate players in the banana industry lived up to their moral, as well as their legal, obligations. □

No solution to child poverty under capitalism

by Nathan Morrison

AFTER THE government has pursued a series of attacks on the poorest section of the working class in recent years, they have apparently decided to try and give something back to the poor by launching a new Child Poverty Unit. This is a way of the government showing its willingness to end child poverty which was, believe it or not, a stated Labour policy in 2007. In Scotland for instance one in four children still grows up in poverty. This nakedly displays the utter bankruptcy of New Labour's market orientated policy.

What is poverty according to the Brown administration? If you are a lone parent with one child and earning below £217 before the cost of housing then you are officially recognised as living in poverty. If you are a couple with two children and make a net worth of less than £332 before the cost of your housing then you are also officially recognised as being in poverty. Similarly households earning less than 60% of the median for households in a similar position are officially recognised as in poverty. Living on a low income is anything but easy for a household; this is however only the tip of the iceberg as many low income earners will not be included in this new initiative.

The Unit's initiatives

Now to discuss the initiatives of the Brown government to tackle child poverty. Their aims are to break the 'cycles of deprivation' which plague society today as a result of capitalism, by improving healthcare, education and 'getting

people working', Improving healthcare and education are both extremely positive things. However this comes from a government that has done all it can to asset-strip public services and portion them off to private companies. 'Getting people to work' is a questionable initiative as many poor households are already working. This is often the case for immigrant workers from Eastern European countries, who are moving to Britain looking for work and being hired for far below the minimum wage and working exploitative hours. How is it possible for 'getting them working' to alleviate them from poverty?!

No Solution without Struggle

Many of those that do work yet are in poverty are unorganised workers paid below the minimum wage. Workers' conditions will never be improved without struggle and the same is true for benefit payments and other measures against poverty. Only by organising low paid, super exploited workers into trade unions and a more general labour movement campaign for a guaranteed living wage and decent benefits and a job for everyone who wants one can we hope to see the end the horrific cycle of child poverty.

The struggle by these workers needs to go not only alongside but in collaboration with the wider struggle for a socialist society in Britain, as only with a massive redistribution of wealth and a nationalised planned economy can the resources of society be structured in such a way that allows all to live lives free of poverty and oppression. Only if this is done democratically and at a local level can this be put into practice. □

Earth Two or science fiction?

by Seumas Skywalker

THE PRESS have carried a number of stories over recent weeks about the discovery of planets outside of our solar system. But what is the reality behind these "new earths"? Are we about to "boldly go where no one has gone before" or is it a bit more complicated than that?

In recent years the development of new technologies; "the new astronomy"; radio telescopes, earth orbiting telescopes, Mars probes, missions to Jupiter, Saturn and huge developments in computer power have produced a vast array of new information about the heavens.

While as yet no one has managed to actually locate heaven, God, Mr Spock, Darth Vader or any other celestial super beings, the night sky is now a lot more densely populated than it was even 20 years ago, or so it seems.

Within our own Milky Way for example scientists have managed to identify a whole series of dwarf planets known as "Kuiper Belt" objects that lie outside the orbit of Uranus and Neptune. One outcome of which is that Pluto, previously a planet, has been relegated to dwarf planet status.

In recent years technological advances have allowed the discovery of planets orbiting distant stars. They can't be directly seen of course, because they are too small and far away. But their presence can be

measured by minute variations in the motion of the star they are orbiting.

Sometimes however, both the size and in some instances the speed of rotation of the stars can be identified. This gives a picture of where the planet might lie in relation to the star. The limitations of measurement mean that effectively only the biggest planets can be accurately identified. Many of these are "brown dwarf" objects, huge planets composed of gas, that are just not quite big enough to experience the gravitational pressures required to begin the process of hydrogen fusion, that would ignite the planet and turn it into a star. The closest comparison to this in our Solar system is Jupiter.

Water

One product of these new discoveries recently has been a debate around the theoretical possibility of earth-like planets... that could potentially support some

form of life. Indeed one such planet seems to have been identified a mere 40 light years away. That's 240 trillion miles by the way. The argument is that, within the range of possible environments in these distant solar systems, there is likely to be an area of space that is neither too hot nor too cold, where liquid water could exist. Of course, if liquid water exists then life (as we currently understand it!) could potentially exist.

This is a bit more complex than it might appear on first glance. This "goldilocks" zone as it's been termed isn't simply restricted to a "temperate" area. As recent discoveries on earth have demonstrated, life has been proven to exist in some extreme environments. For example organisms have been discovered in lakes deep beneath the Antarctic ice sheets that remain liquid because of the extreme pressures. At the same time, research has taken place into the volcanic activity on the "mid oceanic ridges" that cir-

cle the earth. These represent the active boundaries of "Crustal Plates" which are slowly separating apart, spilling out lava and creating new areas of ocean floor. Scientists have discovered a whole range of creatures that can live in the highly toxic super-heated water surrounding the "black smokers", vents pumping out nutrient-rich material associated with the volcanic activities. Indeed some of the creatures living there get all their nutrition from inorganic material.

Life can exist in the ocean depths, under enormous atmospheric pressures and, most astonishingly, bacteria have been discovered deep underground living inside rocks. It seems that life can exist under vastly different conditions.

Most alien life forms in popular culture tend to have American accents and be humanoid or reptilian. Many live in advanced cultures with globally planned economies where money has been abolished. However the reality of alien life could be much more mundane. After all, a huge part of the history of life on earth has been dominated by simple life forms, single-celled organisms and bacteria.

Using mass spectroscopy, a technique that can identify chemicals by the wavelengths of the light they absorb, scientists have identified complex hydrocarbon



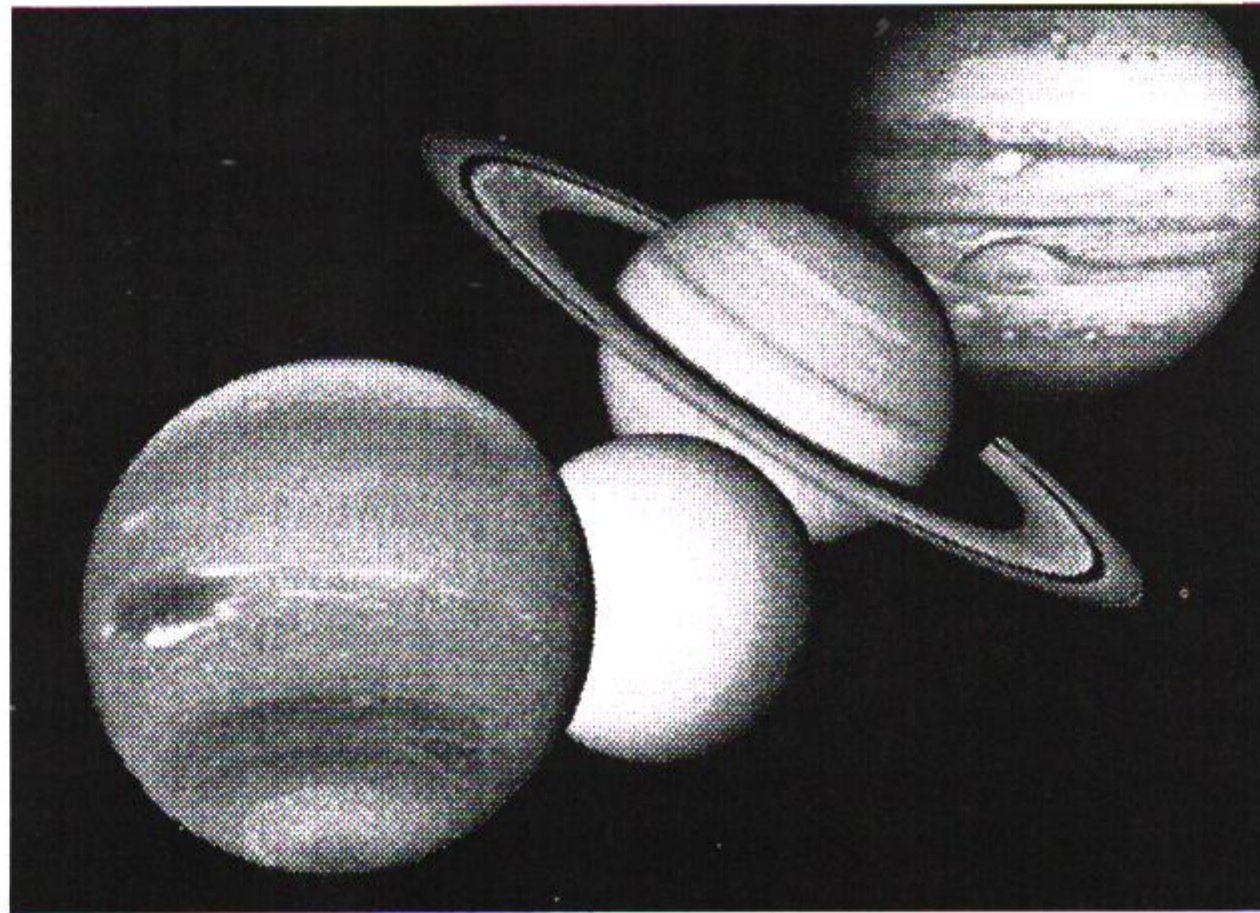
molecules in space, including amino acids, which are essential elements of carbon based life.

With that in mind and the extreme adaptability of life on earth, scientists consider that it's possible that life could have evolved on Mars, Titan - one of Saturn's moons - and even at one stage on Venus, which is now, despite its proximity to earth, an inferno with sulphuric acid rain and a highly toxic atmosphere, brought on by greenhouse gases none the less.

The comparison between Venus and the Earth however brings out an extremely important contradiction in the Goldilocks equation! Although Earth and Venus are close together in astronomical terms, in reality the difference in the conditions between them couldn't be greater.

Chaos theory explains that small differences occurring in dynamically changing systems can bring about huge changes in the eventual outcomes. From a Marxist point of view we can explain that a given phenomenon is subject to a massive number of variable factors, and that all the processes need to be taken into consideration to predict what actually happens. Formal logic isn't accurate enough to explain and predict complex events.

Within the context of the recent discoveries of planets circulating distant stars, there are a whole number of factors that could influence how earth-like a planet might



be. These include for example; the age, size and composition of the star, the age of the solar system and the distance that the planet lies in orbit around the star.

For example, many scientists believe that our sun is a "second generation star". This means that the sun is at least in part made of atoms that were previously inside an older star that blew up in a supernova, a stellar explosion that produces brilliant light.

Supernova

The reason for suspecting this is the presence in the solar system of heavy elements, which are expelled by a supernova. These elements have been formed by a whole series of fusions with other atoms. The argument is that in young stars hydrogen tends to fuse with hydrogen, creating helium. In older stars elements such as iron and carbon are formed when the supply of hydrogen becomes smaller and the star shines as a result of the fusion of more complex atoms, formed themselves as a result of earlier fusion.

Older stars, particularly large ones can grow and expand and

effectively absorb the solar system around them, before blowing up. Not a nice place to be!

The distance the planet lies away from the star influences the amount of light and therefore heat that it receives. This is important from the point of view of allowing water to exist in liquid form; too hot and it evaporates, too cold it freezes. Too little light and processes such as photosynthesis can't develop, while the mixture of gases in the atmosphere of a planet will be affected by the amount of light and heat it receives.

The age of a particular solar system is also important. Any roving planet hopper who approached earth a few hundred million years ago would have found a very inhospitable place covered in volcanoes and with a very different atmosphere to now. The earth itself has been transformed time and time again over the millennia by the actions of vulcanicity, continental drift, mountain building, erosion and of course the weather.

So even if the conditions were absolutely right, the planet was in exactly the right place,

it was potentially nice and sunny and there were the correct conditions to allow for liquid water, you could arrive a few hundred million years before or after the conditions were right for life to be sustained. This would be quite a shame, if you and your ancestors had travelled a few thousand years to get there.

So the reality is that much of the reporting in the bourgeois press is quite sensationalist and misleading. This shouldn't come as too much of a shock to politically active workers. On the other hand the huge development of technique and technology that allows for the discovery of new planets circling distant stars shows the potential for the future of mankind - provided we boot capitalism into the asteroid belt at the first opportunity. □

REASON

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The Post Office - stop messing it about

by Andy Blake (CWU)

IN 1840 Rowland Hill introduced the first modern system of sending letters in the world. A letter could be sent from anywhere in Britain to anywhere else for a penny. Before that a letter traveling only seven miles would cost four pence and a letter from London to Edinburgh could cost a day's wages.

How did they do it? They set up a system - a network of standardised routes, of post boxes and sorting offices. When the network was in place, the more letters were sent, the cheaper it was to deliver each one. The more, the merrier.

The network yielded other advantages. Since postage was the same price everywhere, isolated communities such as Scottish islanders could keep in touch with loved ones. Their postie was in effect subsidised by the huge volume of business letters posted from one London commercial office to another less than half a mile away. It became viable to deliver heavy braille materials to blind people as part of the postal worker's round.

The social obligations of the Post Office didn't stop there. The franchise for a sub-Post Office is often the only lifeline for a village, offering the chance for locals to buy newspapers and food as well. The staff in the local branch used to help people through the form-filling nightmare of living on a pension or benefits for the fee of a shilling (5p).

Now the whole network is in danger of being dismantled. Tony Benn, writing in the Guardian October 11th declares, "Let us be absolutely clear. The Post Office is being systematically and deliberately destroyed. And the British government is standing by and letting it happen."

Actually it's worse than that, Tony. The government is accesso-

ry to attempted murder. While management plans cause mayhem to the service, chief executive Adam Crozier awarded himself a 29% rise - up to a stonking £1¼ million pay package.

Royal Mail shifts 84 million items every day. It generated a revenue of £9 billion last year, and profits of £312 million. But it's under threat from competition willed on by the government. Already parcel delivery has been subject to full liberalisation and Parcelforce has to face up to competitors. The Post Office still has a monopoly on delivery of letters, but that is due to end soon. The government says that is because of European Union regulations. But we know that Brown and co. are foremost in pushing the full neoliberal agenda within the counsels of the EU. They don't have to open up the letters 'market' before 2009 anyway. And, if they think the regulations are wrong, why don't they say so?

Who are the competition?

They are often offshoots of other national postal services within the EU, safely sandbagged at home behind their own government's monopoly rules. For in every country, postal delivery is a government monopoly. Private capitalists have everywhere proved incapable of developing a postal network.

As pointed out earlier, postal services are based on cross subsidisation. Stamps are usually sold at a flat rate for the weight within the country, so remote rural areas are subsidised by densely populated towns. Does anyone have a problem with that? Capitalist competitors to Royal Mail don't want to build up an entire national network in opposition. They just want to skim the cream of business mail.

The Post office would increasingly be pushed back into the loss-making areas of provision. Social obligations would go to the wall.

The same is true of the network of local post offices - 14,000 at present. There is a £150 million subsidy for rural offices (This is a subsidy for the countryside, not for Post Office Counters). The government is to withdraw the subsidy and between 2,500 and 3,000 offices will have to close. Old people in rural areas are going to have to travel for miles to collect their pension. Four million people have signed a petition against the closures. The government couldn't care less.

The Post Office provides a social service. And it makes us money! New Labour is progressively rigging the rules against the service. This year I was unable to pay my TV licence at the local post office. But I was offered the choice of paying at the off licence in the same road. What is the sense in subsidising off licences, not post offices?

The Swedish postal service is already liberalised. Management and New Labour seem to be taking it as a model for the future here. In fact state-owned Sweden Post still handles the vast bulk of deliveries. The opposition is really only interested in cherry picking. The regulator in Sweden admits that improvements from the open market are not obvious. But, "it has been an advantage for Sweden Post to have visible competitors to blame for necessary rationalising measures mostly taken for other reasons."

All pain and no gain for postal workers and customers. Cherry picking and cream skimming by private business. The shape of things to come? Not if we can help it. ■

RESPECT crashes and burns

by Rob Sewell

LAST MONTH witnessed the collapse of another attempt to create a party to the left of Labour. The RESPECT party, which was founded in 2004, was the latest effort to establish an electoral alternative to Labour. It succeeded in winning an MP, George Galloway, as well as a few dozen councillors up and down the country. At the time, this was heralded as a great breakthrough. However, the whole project soon went pear-shaped.

RESPECT finally split in two: RESPECT RENEWAL and RESPECT. The first faction comprises MP George Galloway and his supporters while the second is made up of representatives of the Socialist Workers' Party. Relations reached a new low when one faction changed the locks to the party's headquarters in east London to stop their rivals getting in. The division is believed to centre on arguments around candidate selection and internal democracy. Subsequently, both groups claiming to represent the Real Respect held their conferences at the same time in different London venues, with roughly 350 attending each.

Whatever their initial show of enthusiasm, it is clear the split will serve to eventually demoralise those involved. As we predicted, the project was doomed to failure long before the formal split. All attempts to form new left parties from scratch have ended in failure whether it was the Socialist Labour Party, Socialist Alliance, Socialist Party - Campaign for a New Workers Party, Scottish Socialist Party, etc, etc.

All hoped they would be able to capitalise on the dis-

illusionment with New Labour, but all failed miserably. Despite the bitterness expressed by workers in the failings of the New Labour government, they have not turned to any of the so-called leftwing alternatives on offer. In times of disappointment, workers who previously voted Labour tend to abstain from voting. That is the real picture. In other words, the working class at this stage **does not see any alternative.**

Sectarian groups

Whether we like it or not, the Labour Party cannot be removed from the political scheme by the actions of sectarian groups or such like. The attempt to form a New Workers' Party has fallen flat on its face. There isn't the support to muster a single resolution calling for such a party on any national trade union agenda.

"Ah! But you can't change the Labour Party!" is the refrain. We have heard

this argument repeated millions of times over the last 100 years. In that time, depending on the class struggle, the Labour Party has swung to the left and to the right. The reason for the domination of the right wing today is because the Labour Party has emptied out over the last 20 years. But this will change as the class struggle inevitably develops.

How many times have we heard "you can't change this or that trade union" that was under the control of the right wing? Mark Serwotka, the general secretary of PCS, spoke at one of the RESPECT conferences saying a party to the left of Labour had to be created. However, it was not so long ago that his union was under the control of the extreme right wing. Now the PCS is under the control of the left - that took more than 30 years to achieve! It would have been wrong to have set up a new union, just as it is wrong and utopian to think you can set up some left alternative

to Labour as the solution to the problems of the working class. If only it was so simple!

The point is the Labour Party was set up by the trade unions and financed by them. They are affiliated to the party. That is sufficient to define the Labour Party as a party based on the working class. If the trade unions wanted to, they could clear out the right wing. However, they supported Brown for leader instead of backing John McDonnell, who stood on policies the same as those passed at the union conferences. They have, in effect, capitulated to the right wing. That is where the problem lies.

Radicalisation

Only under pressure from below will the trade union leaders take up the struggle or be replaced by those who are prepared to fight. It was the radicalisation of the unions in the early 1970s that pushed the Labour Party to the left. Similar events will do so again and open up the struggle for real socialist policies. Events, events, events will transform the situation and the balance of forces within the Labour movement.

In the meantime, all efforts to create RESPECT or RESPECT RENEWAL will come to nothing. Those who do not learn from history will be doomed to repeat it. There are no short cuts. Our task must be to prepare for the great events that will impend and the inevitable shift to the left within the mass organisations, both in the trade unions and the Labour Party. □



George Galloway struts his stuff

Credit crunch!

by Michael Roberts

EVERYWHERE THE cry is: credit crunch! You can smell the sweat on the brows of bankers as their necks are squeezed by the tightening credit noose. In all the offices of the great investment banks of Wall Street, the City of London and gnomes of Zurich, you can hear the hissing sound of the global financial bubble bursting and deflating.

Just a few months ago there seemed no end to the upward drive of stock market prices and availability of loans to buy companies, build skyscrapers or invest in ever-mushrooming condominiums from San Diego to Shoreditch and Shanghai; now all has changed. An abyss has opened up before the financial sector of capitalism.

Every day another huge global bank announces that it has had to 'write-off' the value of assets that it has bought. It's \$10bn for Citibank, \$5bn for HSBC, \$8bn for Merrill Lynch and so on. So far, the banks have fessed up to \$60bn of losses.

And heads have rolled. The head of Citibank, the biggest bank in the world, has been sacked and 'forced' into taking a redundancy package worth \$150m. He was followed by the head of the biggest investment bank in the world, Merrill Lynch.

And around the world, smaller banks and financial institutions have not just lost money, but have gone bust. In the UK, it was Northern Rock, a lender of mortgages in the north of England. Big mortgage lenders have gone bust in the US. The biggest American lender, Countrywide, is on the brink with huge losses recorded. Desperately, the big banks are trying to drum up a special fund worth \$75bn to help fund lots of small 'Special Purpose Vehicles' that they originally set up to make extra profit.

Even supposedly 'safe and prudent' financial institutions like

company or local government pension funds have been burnt. Few people in the remote Norwegian town of Narvik, 200km north of the Arctic Circle where the sun has disappeared until January, were likely to have given a lot of thought to the credit squeeze sweeping the global money markets - that is, until it threatens their wages over Christmas.

Narvik, along with three other similarly isolated towns of Hemnes, Rana and Hattfjelldal, has become the latest community to discover just how directly even the most remote places can be affected by the financial turmoil after it made multi-million dollar bets on complicated US-linked financial products.

Citigroup

The towns invested about \$96m (€65m) in complex products linked to unspecified municipal bonds in the US, designed by Citigroup, and sold to them by Terra Securities, the investment banking arm of one of Norway's leading banking groups. Now representatives of the towns have admitted that recent market movements linked to the credit crisis had destroyed most of the value of their investments.

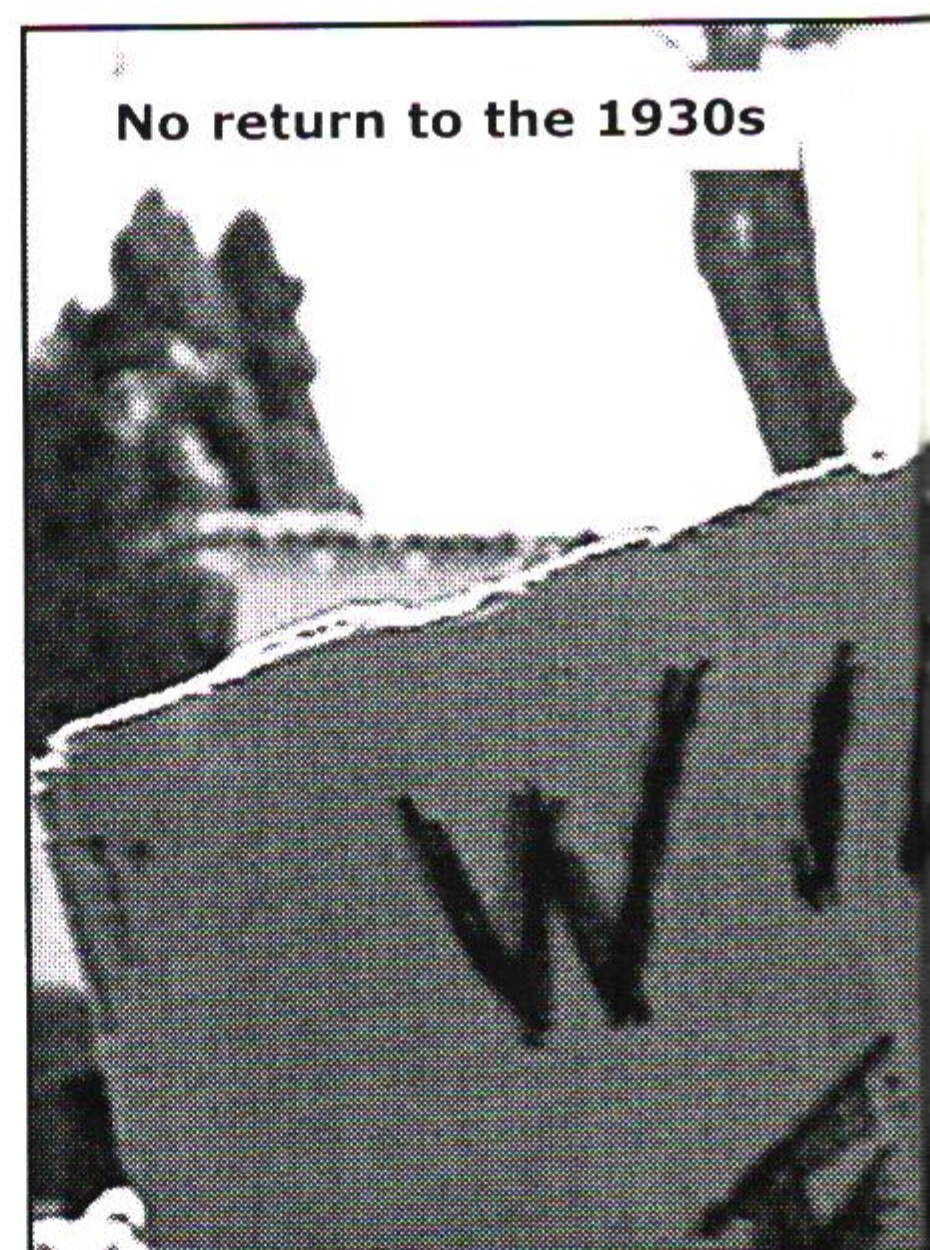
The great credit crunch is not located just in the US, but is everywhere. And it's only just begun. The OECD estimates that the final losses from this credit contraction will be \$300bn. Other bank estimates put the hit at \$400-500bn, or about 1% of global annual output.

It's going to be that big because the start of the problem was in the US housing market. Way back in the early 2000s, a huge boom began in the US residential property market. As money flowed into the property market, mortgage rates plummet-

ed and banks began to offer easier and easier loan arrangements. Banks would lend what they called 'sub-prime' mortgages (so-called because they were made to riskier borrowers) without compunction.

House prices had got so far ahead of incomes that those sub-prime borrowers who had bought without adequate incomes could no longer afford their homes. Defaults on sub-prime mortgages rose from 3% to 15% in a year. Lenders suddenly found that their highly lucrative mortgage incomes were dropping fast. And here is where the problem got so much worse.

In the great new world of the global finance capital, the mortgage lenders had not kept these mortgages on their books. They went to other banks and particularly to smaller financial organisations like hedge funds (funded by blocks of capital set up by some financiers using the money of very rich people and promising them huge returns) and said: look why don't you buy a block of mortgages from us? Some mortgages will be prime (good credit) mortgages and some will be sub-prime. But a batch of this mortgage debt (a mortgage-backed



asset) will pay a lot more than interest at the bank or even interest from a government bond. And don't worry, it's really safe because house prices are going up and up and anyway your batch of mortgages includes lots of good safe ones.

And then the banks went to insurance brokers and said: why don't you offer insurance on these mortgages defaulting? It's not going to happen so you can make money selling premiums to the buyers of our mortgage-backed securities. And they did.

Soon everybody and his dog was buying and selling mortgage securities around the world. Sub-prime mortgage securities reached \$3 trillion globally and prime mortgages reached another \$25 trillion.

Profits and speculation

In the US, the rate of profit earned by all sectors of capitalist investment peaked in 1997 (see our previous articles in this column). As explained by Marx, capitalists

are continually trying to increase the profit they make out of their workers. If they don't, then their competitors will undercut them in price or invest more to lower costs.

This competition drives capitalists to find new ways of raising profits. Once they have exploited the workforce as much as they can with existing techniques, they can only raise profit by using new labour-saving forms of technology. That requires extra capital invested in machinery and plant over labour. This rising proportion of capital to labour (that Marx called the organic composition of capital) begins to drive the rate of profit down just as the mass or overall total of profit rises. Eventually, the falling rate of profit will exert enough influence to stop the mass of profit rising.

That process began in earnest in 1997. Eventually the hi-tech boom of the 1990s burst in a stock market collapse of 2000 and the mass of profit stopped rising in 2001 and there was mild recession. But the recession

was only mild because capitalism tried to keep the system going by the expansion of credit into unproductive areas like finance and property. The boom in property provided a cushion against the collapse of productive forces. This even reversed the fall in profitability for a while, from 2002 to 2006. Employment and economic growth also picked up.

Credit

But to achieve this, there had to be a huge expansion of money credit, indeed the largest in capitalist history. Marx called this fictitious capital. In the first seven years of the decade of 2000, fictitious capital grew at over 25% a year compared to the growth of real production in the capitalist world (up a maximum of 5-7% a year).

As we have shown in this column before, it has been a feature of modern capitalism in its declining phase for capital to be invested more in unproductive rather than productive sectors. For example, the financial sector now contributes 30% of the profits of capitalist businesses in the US. Strip that away and the productive sectors of the economy are not doing well. Indeed, the underlying rate of profit has fallen over a period of decades, even though there are long periods when it rises.

The credit crisis is the other side of the coin. Once the US property market began to collapse from summer 2005 onwards, so the massive credit boom was revealed for what it was - a fantasy, not based on real values.

Now the credit bubble has

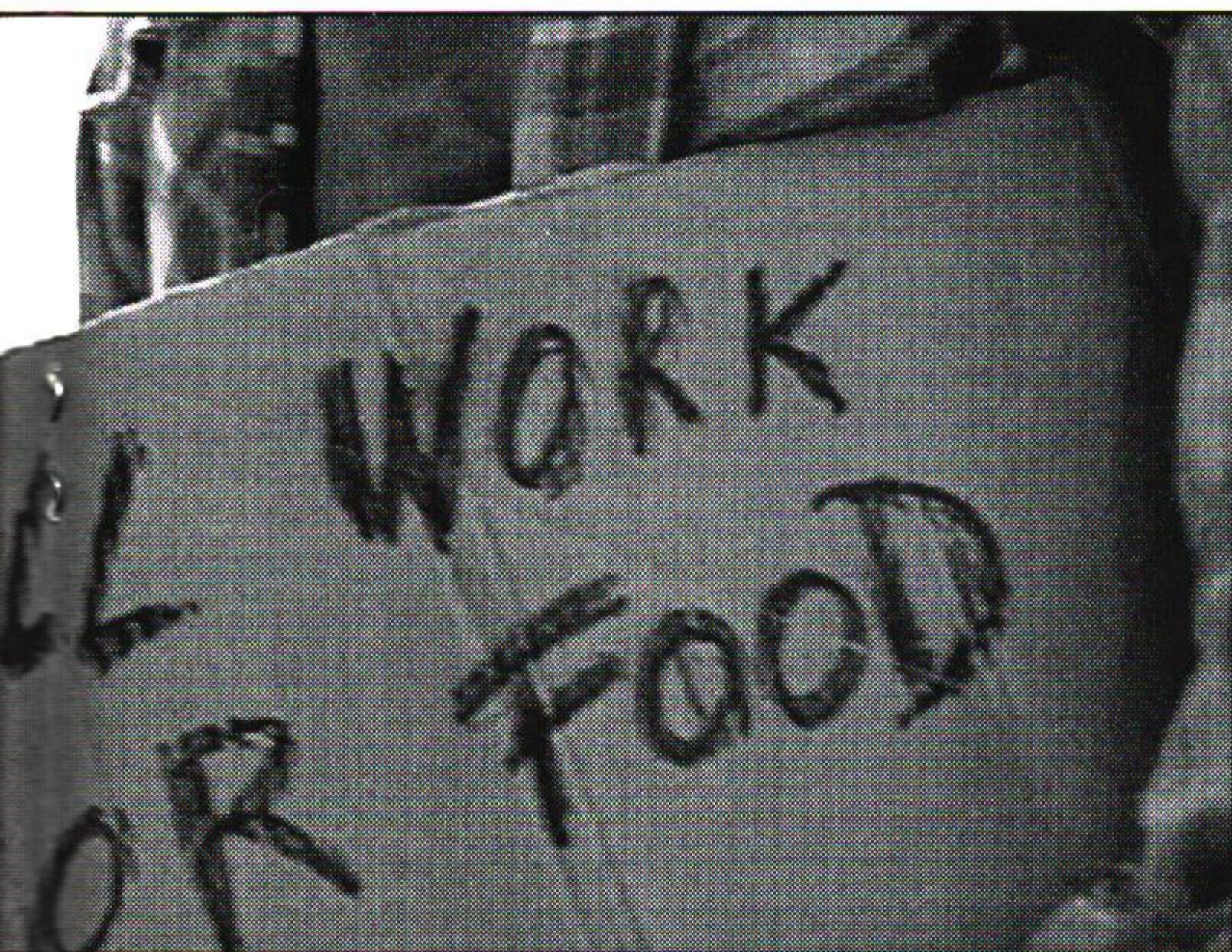
burst just like hi-tech dot com bubble burst in 2000; and just like the savings and loans bubble in commercial mortgages did in the mid 1980s in the US; and just like the credit bubble in Japan did at the end of the 1980s.

Banks are now losing money hand over fist. So are the clever hedge funds and insurance brokers. Credit is contracting fast, as fictitious capital goes up in smoke and the real level of values is revealed. This real value will be found at a much lower level of production, employment and income - and of course, at a much lower level of profit.

The collapse in credit will be just as severe over the next few years as the expansion of fictitious capital was in the last five. And this time, the profit cycle is also in a long-term downward cycle that still has some way to go to reach the bottom. At the same time, we remain in a long-term downward cycle for share prices, which express the confidence that capitalists have in their own system. Finally, the global property market is dropping too, not just in the US, but also in the UK, Europe and later in parts of Asia.

Everywhere the arrows are pointing down for capitalism. This synchronised downturn in profitability, credit, stock and property prices heralds a major economic slump by 2009-10, or even earlier. The credit crunch will lead to the worst global failure of capitalist production since 1980-2 and perhaps even as bad as 1929-33.

A fuller version of this article is on www.socialist.net



Stop ruling class sabotage!

ECONOMIC SABOTAGE is an underexposed and underreported tool of the counter-revolution in Venezuela. It is part and parcel of a general plan of destabilisation of the revolution in the run-up to the referendum. The limits of reformism in combating food scarcity stress the need for bold measures, like nationalisation of the food industry and the mobilisation of the masses. No time can be lost!

A recent report from Datanalisis [the Venezuelan statistical service] revealed what already many people knew and suffered from. Scarcity of basic foodstuff is becoming intolerable. This study established that milk, beef and sugar have become very difficult to find. Other products like chicken, cooking oil, cheese, sardines and black beans are also very scarce. The analysts who compiled the report interviewed 800 people in some 60 different shops, supermarkets and markets, both in the private sector and the public distribution network, Mercal. 73.3 % of the places visited had no milk powder anymore for sale. 51.7 % no longer had refined sugar, 40% had no cooking oil, and 26.7 % no black beans, a basic staple in Venezuela.

Two thirds of the shoppers declared that they experienced food scarcity to one degree or another in the shops where they usually buy. Queues of a few hours, sometimes up to four hours, to buy some milk are no exception anymore. This is reminiscent of the situation of Chile when wholesale economic sabotage was used against the left wing Popular Unity government of the 1970s.

Without giving in to the

by Erik Demeester

panic stories and exaggerated reports of the right wing media, we must understand that this is a serious situation. The bosses have even threatened to extend this situation into 2008. They are taking the revolution by its throat.

The hysterical campaigns of the bourgeois media try to induce panic and more importantly, they want to create dissatisfaction amongst the social base of the revolution itself.

Bosses blame government

Nelson Maldonado, the president of the network of traders in Venezuela, Consecomericio, claims the government is responsible for the scarcity of basic foodstuffs.

"Price controls and control of exchange rates generate scarcity. The more those controls on the economy persists the more scarcity there will be. The traders are not the cause of the situation. This is what you see in all socialist countries."

Then he goes to the core of the bosses' argument. "Scarcity is now the worst in many years. This is a fundamental question. The government claims that there is a crisis in the world market of milk but if you go to Cucuta or Puerto Rico or Miami you will find everything you need. Wherever you go you can find milk. Of course not at 1000 bolivares per litre. That doesn't exist. There is milk available at the price milk really costs."

The core question is indeed that the bosses can no longer make the profits they made before, now that the government has guaranteed low prices. So the industry says: "If you get between me and my profits, I'll starve the population."

The agricultural industry claims to be working at full capacity. Peasant organisations like the Frente Nacional Campesino Ezequiel Zamora, challenge this statement. From their own experience they know that in many places the bosses refuse to buy parts of their crops of sugar cane for instance.

Workers in the newly established public milk processing plants complain that they cannot work at full capacity because the big owners of milk cow herds refuse to sell them the necessary milk. The deliberate refusal to invest and to expand capacity is also a fact. Actually industrial capacity has been drastically reduced.

Government sources indicate that the number of industrial production units has decreased by 35% since 1998. 6000 companies have closed since the beginning of the revolution. The economy is basically fuelled with public money. This lack of private investment amounts to effective economic sabotage.

It is true that price control and all kinds of other controls have disorganised the normal workings of what is still a capitalist economy in Venezuela. Those measures have been taken with the best of intentions: to guarantee and expand access to basic foodstuff for the broadest layers of the population. Thanks to controlled and low prices the most downtrodden layers of the population now have access to these products. In general the purchasing power of the poor has also increased. A recent report of the Venezuelan American Chamber of Commerce and Industry revealed significant increases in income between 2004 and 2006. 58 %, the poorest of the population, had their real income increased by 130% after allowing for inflation. These gains do not include the benefits associated with the different social programs or 'Misiones' which provide free education, health care etc. A common explanation for the shortages by the



government is that the increase in demand - thanks to increased purchasing power - has not been matched by what the market has to offer.

The Minister of Food Division, General Rafael Oropeza, dithers. He declared recently that he didn't know if this situation has been caused for political reasons or by administrative problems. He also pretends not to know if it is done 'on purpose or not'!!!

Bold measures and mass action needed

Rafael Oropeza's appeal to business to 'satisfy demand' is to say the least a bit naive. It also reveals a lack of knowledge of the workings of a capitalist economy. Capitalists do not invest and produce to 'satisfy demand' even if they claim to do so. They do it for one and only reason: to make profit. If they cannot make profits any more they will withdraw investment or reduce it to a minimum. This is what is happening today in Venezuela. All the progressive reforms like price controls etc. tend to disorganise the normal workings of the capitalist economy. It distorts the functioning of a market economy.

Reformists in the Bolivarian movement believe those reforms are compatible with capitalism. The reaction of the capitalists should be a lesson. They are not compatible. That is what they are saying every hour of the day. The main demands of the different bosses' organisations are to remove all the control measures of the government. Then they will be ready to respond to the demands for more goods, they claim.

This situation pleads for the opposite course. The revolution cannot retreat on this or any other question. Bold measures are needed. Nationalisation of the food production and distribution under the democratic control of workers, peasant and communal councils is the best answer to those who are starving the people. The peasant organisation, the FNCEZ, is right when it says to the bosses: "If you refuse to

feed us we will take over your factories". It is time to put those words into practice.

Economic sabotage threatens revolution

The situation of scarcity of food-stuff is not a recent phenomenon, but in the last months it has taken a sharp turn. The timing is of course not accidental. It is part of a generalised campaign to undermine the revolution on the economic front. Especially the poorest are hit by this scandalous campaign. The aim is evident. By organising artificial scarcity they hope to demoralise exactly those layers of the population who constitute the social base of the revolution. Scarcity, and its inevitable side effect of a black parallel market of high priced goods, can neutralise the effect of increased purchasing power and controlled prices. "What is the point of a revolution if you cannot buy milk anymore?" is a feeling the counter-revolution wants to tempt the population with. The politically most backward layers of the revolution can be tempted by this reaction - especially when bombarded daily by panic reports in the media.

The reaction of the government is a combination of appeals to business to increase production, massive imports of the missing goods and distribution through the network of Mercal and efforts to develop a parallel public food industry. To this must be added limited and very partial expropriations of abandoned companies in the chain of food production and mild measures against blatant examples of hoarding, corruption and speculation.

Because Mercal is not working under democratic control it is riddled with corruption. Huge amounts of Mercal products have 'found their way' on to the informal black market.

The revolution in Venezuela is again at a crossroad. It is attacked on all fronts. On the economic front it needs urgently to go on to the offensive. Halfway measures applied half-heartedly

will not be able to combat the threat of economic sabotage. The economy is the Achilles' heel of the revolution. Until now the reformists in the government have been able to answer those weaknesses with massive public investment and imports financed by the oil revenues. All this is done within the confines of a capitalist economy. They hope to postpone and avoid a confrontation with the oligarchy. All to no avail, as the recent situation shows. The socialist battalions, as the local branches of the newly formed mass United Socialist Party are called, should take the lead with a programme of mass action of workers' control of prices, of the chain of food production and nationalisation. □

Mexican Marxist Tendency "Militante" under attack - solidarity needed

In July a comrade from the Marxist Tendency Militante, Adan Mejia, was arrested in Oaxaca. He is still in jail awaiting a trial, together with dozens of other revolutionary activists in this state. In August, 10 comrades from the student organisation MENA were also arrested in Mexico City while fighting for free university education. Most of them were also members of the Marxist Tendency Militante. The MENA students were later released on bail and they are awaiting trial.

Now we have learnt that another 10 members of the MENA and Militante have also received arrest warrants which they can only avoid by paying bail amounting to a total of 90,000 pesos (approximately \$9,000).

We must step up the campaign of solidarity with the comrades of Militante and all the political prisoners in Mexico.

What can you do?

Contact the Mexican embassy in London to protest against the harassment of political activists, mentioning the cases of Adan Mejía and the MENA comrades, and demand the release of all political prisoners. Phone number 020 7499 8586.

Make a donation to the Mexican Legal Defence Fund (online at www.socialist.net, or make a cheque payable to Socialist Appeal and send it to us with a letter making clear who it's for)

New Venezuela constitution - forward to socialism

by Jorge Martin

THE VENEZUELAN constitutional reform referendum on December 2nd is yet another turning point in the Venezuelan revolution.

In the weeks leading to the referendum, the forces of the counterrevolution have engaged in an all-out offensive against Chavez and the Revolution. Having lost the ability to mobilise in the streets in any significant numbers, the oligarchy has been relying on middle and upper class students who have launched a campaign of violent street demonstrations.

Once again the bourgeois media, nationally and internationally, are whipping up a campaign of hysteria against "tyranny" and "dictatorship", alleging, amongst other things, that the reform of the constitution means that Chávez will anoint himself as "president for life". The recent attack by the Spanish King at the Spanish-Latin American summit in Chile is part of this campaign.

This has been accompanied by calls for a stoppage of public transport, an incendiary call by the Conference of Bishops to oppose the constitutional reform, articles in the media calling for a military intervention to prevent the referendum from taking place, etc. Talk of a coup and the intervention of the army is again on the agenda.

At the same time, general Baduel, who until July was the Minister of Defence, and sided with Chávez during the 2002 coup, came out openly in favour of the opposition and called for a 'No' vote in the constitutional reform referendum.

Why do the ruling class and imperialism hate the constitutional reform so much? The proposed reform contains

many progressive points. Amongst the most significant of the amendments are those dealing with the new power structure, in which legal status is given to the powers of local communes in an attempt to do away with the current structures of the capitalist state. The proposed reform contains the reduction of the working week to 36 hours. It talks about the building of a socialist economy.

Socialist economy

It talks about the building of a socialist economy and makes it easier to nationalize banks, landed estates and factories. In the field of property rights there are a whole number of articles which have been attacked by the opposition as being an attack on private property rights while at the same time enshrining new forms of collective and social property. The constitution talks about the formation of Bolivarian militias and workers' councils in the workplaces.

But even beyond the actual wording of the reform, the official exposition of motives for the reform talks clearly about its aim as being to "build Venezuelan socialism as the only road towards the redemption of our people, the salva-

tion of our country and the building of a new world", and this is how it seen by the masses in Venezuela.

The ruling class is well aware of this. This is also clear to Baduel and the reformist elements in the Bolivarian movement. They were never happy with all the talk about socialism. But they brushed up all the old reformist social-democratic arguments to argue that 'yes, they were also in favour of socialism, as long as what it was meant was European or Scandinavian social-democracy'. Now that they see a decisive clash approaching, they jump straight into the camp of counter-revolution.

The balance of forces in Venezuela is still extremely favourable to the revolution. Even amongst the students, the recent demonstration of 300,000 students in favour of the Bolivarian revolution was very significant and destroyed the myth created by the opposition that the "students' movement" was opposed to Chávez.

It is likely that the constitutional reform referendum will deliver yet another victory for the revolution. But the mobilisation for the December 2nd constitutional reform referendum should not be seen as

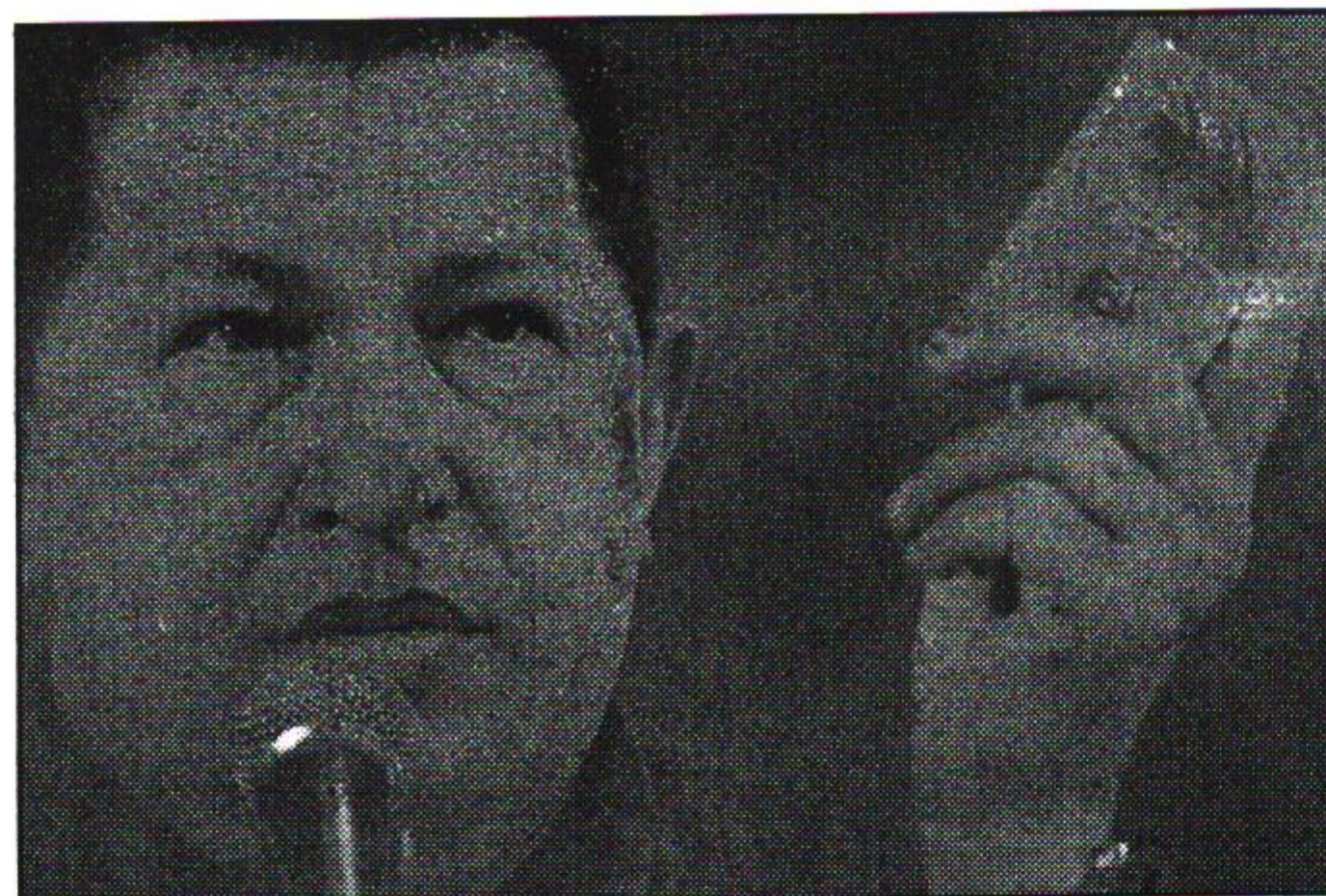
merely an electoral issue. A widespread revolutionary mobilisation must be mounted, not only to win the referendum but also to implement the measures contained in the proposed reform.

Any companies that participate in sabotage of the economy, particularly transportation and the food distribution chain, should be immediately occupied by its workers and expropriated by the government using the laws that already exist. A serious campaign of political agitation should be launched inside the army with the setting up of Socialist Battalions of the new United Socialist Party composed of revolutionary soldiers and trusted revolutionary officers. This should be accompanied by the setting up of units of the territorial guard in all factories and working class neighbourhoods and for these to be given military training and equipment.

Workers' control

These measures should be seen as the first steps towards taking out of the hands of the ruling class the levers of economic power it still has and is using against the democratic will of the majority. These should be put under workers' control and democratically managed to the benefit of the majority. On the other hand, the structures of the old capitalist state must be smashed once and for all and replaced by a network of Communal and Factory Councils with spokespersons elected and recallable at any time which should cover the whole of the country's territory.

Win a massive 'Yes' vote in the referendum, move decisively towards socialism! □



Sicko - the movie

by Terry McPartlan

WHEN YOU watch a Michael Moore film, it doesn't take long to realise just why the US bosses find him so irritating and why his films have never been shown on US mainstream TV.

Moore takes the US health industry, looks at its ethics and how it operates, then makes comparisons with health services in Canada, as well as Britain and France - before, horror of horrors travelling to Cuba!

The differences are staggering. US health care is based on a private enterprise model of health insurance rather than a universal health care system. Operations and procedures have to be agreed in advance by insurance clerks. You have to get permission for travelling in an ambulance, even if you are unconscious!

Sicko deals with the issue of "exclusions" from health care. It shows how people have died for want of treatment and how, even in crisis situations, profits come first and kids' lives second.

At the same time, it shows the complicity of the government; the amounts paid by the Health Management Organisations (HMOs) to Congressmen and senators; the campaign against Hillary Clinton's health reforms... and how she was bought off.

Universal health care is of course a hair's breadth from Stalinism. Moore captures the hysterical nature of the American bourgeoisie's campaign against both, and they look very similar. Some of the health

propaganda is hilarious. Methinks they do protest too much!

The film looks at the experience of ordinary American workers, not the poorest people, on subsidised Medicare. It graphically illustrates the individual tragedies and the gross unfairness of the system. It contrasts the experience of doctors in the USA and other countries. One US doctor talks about how she was on a performance related pay scale, where doctors were paid on the numbers of patients who were excluded from health cover. That's a bit different to a British GP getting paid for the numbers of people packing in smoking and lowering their cholesterol. Maybe that's why they don't like Michael Moore.

Or maybe it's because of his expose of the treatment that the rescue workers who have become ill as a result of their work at Ground Zero, the site of the 9/11 attacks. Many of these workers have suffered terrible respiratory diseases and Post Traumatic Stress Disorders. Moore takes them to Guantanamo Bay, the only place on US soil where you can get free health care. After failing to get in, the boat travels to Havana.

Perhaps the hardest hitting material is the comparison with Cuba. The price of medicine and healthcare is a fraction of the American cost, despite the US spending thirty times more per head on health services. That's big news in itself, but the film goes further

than that and gives a great insight into the attitudes of Cuban workers themselves.

This film is very much aimed at American viewers; it skips over the problems in the NHS, and comparable systems. But with that in mind it delivers a really clear message. Tony Benn pops up and makes the very important point that the NHS exists in Britain because workers fought for it and not even Maggie Thatcher could destroy it.

I'm not going to tell you about the footage of Nixon or Ronald Reagan; you'll have to go and see the film yourself. One American worker, who saw Sicko, was so moved that at the end he stood up and asked the other people in the cinema if they wanted to form a group to fight for a better health care system in the US. Many agreed.

Here is a letter Michael Moore put on his website in July:

Thursday, July 26th, 2007

See the Movie, Start the Revolution ...a letter from Michael Moore

Friends,

I am overwhelmed by the response to "Sicko." And I'm not just talking about all the wonderful, heart-felt letters you've sent me and the stories you've shared with me about the abuse you've suffered from our health care system.

No, I'm talking about how thousands of you are taking matters into your own hands and

using the movie to do something. From Seattle to New England, each day I learn of numerous groups holding meetings or dinners after the movie to discuss it and to plot a course for action. A church in Plano, TX took its weekly bible study group to see "Sicko." 70 people crammed into a Wisconsin coffee shop's back room. Groups are plotting over pancakes in Illinois and microbrew in Missouri. E-mail addresses are being exchanged in theater lobbies. A Connecticut group is inviting legislators to see "Sicko" and keeping a tally on their website. Local groups have been buying out theaters to have special screenings for their members. Information tables are set up, literature is distributed, action groups are formed.

Don't miss it!



SNP - Tartan Tories are back with a vengeance

by Kenny McGuigan in Glasgow

IN LAST May's Scottish Parliament elections the Scottish National Party (SNP) emerged victorious as voters wilted under increasing attacks and cuts in public services - already threadbare after the Thatcher Tory years - by the New Labour-Liberal coalition. It was against this background of increasing political frustration and disappointment with the Labour-led administration that the SNP struck a chord promising what appeared to be a radical, exciting series of policies to benefit working people, pensioners, students and the majority of Scots. Socialist Appeal carried in-depth Marxist analysis at the time (see marxist.com and socialist.net) when we predicted an SNP victory and the factors that had made it possible. The New Labour project led by Blair and Brown at a British level, had a significant impact on the mood of Scottish voters at the last election. As opinion polls had consistently shown for at least a year, the majority of Scots were politically to the left of Labour, the Liberals and of course, the Tories. The Conservative Party in Scotland are a strange breed who would have been completely wiped out had Proportional Representation (PR) not rescued them. For voters, who had decided

not to vote Labour, the choice before them seemed to be to vote for the SNP.

In the run up to the election the SNP claimed, among other things, they would reduce class sizes in primary years 1-3 with a maximum of 18 children in each class, wipe out student debts, give £2,000 to new house buyers, scrap the use of PFI in schools and hospitals, renationalise the bus industry, replace the council tax with a fairer system, abolish prescription charges, and reverse the decisions to close the Accident and Emergency Departments at Monklands and Ayr Hospitals. These promises were enough to secure victory for the SNP on what appeared to be progressive policies favourable to ordinary Scots and their families.

Election

In fact, within a very short time in the pre-election campaign the Nationalists quietly dropped their commitment to renationalise the buses. Multi-millionaire Brian Souter, founder of Stagecoach who owes his vast wealth to bus deregulation, had donated half a million pounds to the SNP campaign. Souter is a born-again reactionary bigot who led the campaign to keep Section

28 against 'promoting homosexuality'. In other words he's a homophobic. He has a disgraceful record in his treatment of his employees, who seem to be in perpetual dispute with him, and he is rabidly anti-trade union. The Monopolies and Mergers Commission has described Souter as a 'predator' whose business methods are, 'deplorable and against the public interest' (Scotsman, April 23rd 2007). The SNP Conference decision of 2006 to take the buses back from the profiteers like Souter was popular and welcome. When Souter reached for his wallet, all reference to re-regulating the bus industry was removed from their website.

Then we learned that business rates were to be slashed. In Monklands and Ayr districts, SNP candidates stood in the election on a platform of 'SNP - Save the NHS'. Now we discover that 'an independent panel is to investigate the reasons given by the Health Trusts for closure' (Observer, June 22nd 2007). The £2,000 grant to first time house buyers 'cannot now be met' while 'the pledge to abolish student debts would not be honoured' (The Telegraph, November 16th 2007). The Telegraph correspondent went further,

writing: 'What Swinney (SNP Finance Minister) has got away with so far is mind-boggling.' In relation to PFI - despite giving the impression they would (as an administration) borrow money for schools, hospitals and social housing at a lower cost with fewer risks than the private sector - the SNP have decided to make local authorities responsible for all matters relating to raising finance for public projects. In the same report in The Telegraph the SNP are accused of 'conning' COSLA (the Convention of Scottish Local Authorities). 'COSLA weren't so much cut down by Swinney as conned'.

Councils

The SNP plans for local authorities are potentially disastrous for Scotland and are straight out of the Michael Heseltine/Norman Tebbit handbook on destroying councils and the vital services they are legally required to provide. BBC news, November 15th, reported, 'Their (SNP) commitment to build thousands of social, publicly owned, affordable new homes has been dumped onto local authorities who will decide on the method of financing the projects.' In other words, the SNP will force PFI on councils

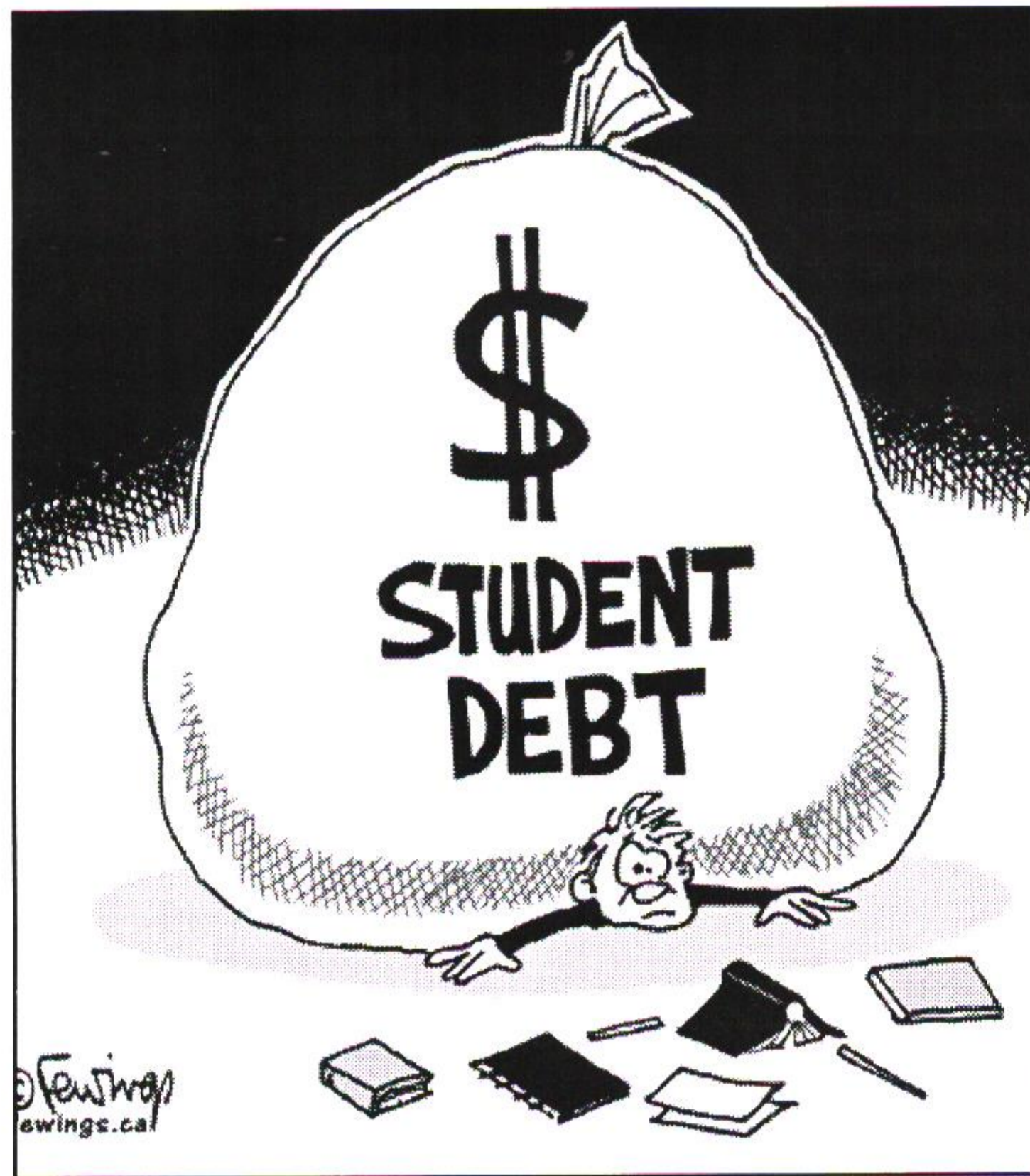
and blame them for the failures.

By putting the onus on councils to raise finances for social projects when they are starved of funding, councillors will be concerned about surcharges and catastrophic consequences leading to bankruptcy and removal from office. All socialists should be aware of the events in the 1980s when socialist councillors, elected democratically, were hauled through courts and removed from office by Thatcher for facilitating house building to replace slums and trying to safeguard jobs. While claiming to be against the use of PFI, the SNP are ensuring that there can be no alternative to this madness and greed. This is not what the Scottish public voted for and confirms the SNP as Tartan Tories!

Students

Students, many of whom have been politicised by events in this generation, are rightly disgusted by New Labour. They will now see how the SNP will attack universities and further education colleges in Scotland. After headlining their election campaign with a promise to write off student debt, Swinney admitted in a verbal reply to a question in the Scottish parliament on November 14th, 'This is no longer in our plans. It is a measure the SNP cannot afford, quite honestly.'

The private sector and big finance are already heavily involved in every area of our public services. For years the SNP claimed they opposed this scandal - until now. All our universities and colleges have been lost as publicly accountable institutions and internal markets are established. Universities and further education colleges need a minimum £168



million extra for the coming financial year, according to the Scotsman, November 16th. The SNP budget has allocated £30 million extra, a cut in real terms. 'There are fears of substantial job losses, or at least non-replacement of staff,' says the article, '(It) will also hit important research projects...' The alarm bell ringing among the working class is the signal for big banks and money men to salivate like Pavlov's dog. Dr Brian Lang, principal of St Andrews University has demanded a return to tuition fees - abolished by the previous Scottish Executive - and institutions be permitted 'to raise their own funds by other means.' (ibid). The abolition of tuition fees in Scotland was a welcome reform and directly linked to the class issue. It came on the back of a steady drop of the poorest students being unable to continue their education because they could not afford to. Attempts to return to excluding working class students from further education must be resisted. The SNP manifesto promise to 'abolish student debts'

was a lie. One tabloid columnist has raised the spectre of working class students being 'excluded from further education' and 'post-code influenced entry'. Places of learning will be unable to attract suitably qualified staff and academics - many of whom could earn more money in the corporate world but choose to make a financial sacrifice for the greater good. There has been a steady increase in the use in some colleges of 'lecturers' whose qualifications are minimal. Invariably they are on short term contracts, are not trade union members and work for less pay.

Nursery

During the bitter nursery nurses' strike in Scotland a few years ago, the SNP leaders visited the picket lines (mostly with a press photographer) and pledged unwavering support. Their election manifesto seemed to indicate they were serious: 'We will increase by 50% the amount of free nursery education for 3 and 4 year-olds,'

announced leader Alex Salmond (SNP website - since removed). This has had to be shelved because, after their 'Budget,' COSLA issued a press release stating that the SNP were telling local authorities how they should spend their money, causing friction. This has still to be resolved. COSLA leader, Pat Watters also claimed local government had no money to cut class sizes, nor could they freeze council tax at its current levels (Herald, November 19th).

Every manifesto promise made by the SNP has been broken. The extent of their trickery is now exposed for all to see just 7 months after the people of Scotland put their trust in them to provide answers for the problems they faced. They have attracted deep controversy in the parliament and among voters. In the future their plans to run public services into the ground will come into collision with the organised labour movement - and make no mistake, it will be in the labour movement these battles will be fought.

The labour movement in Scotland must resist all the attacks on services that the SNP plan. They have only a majority of one in the Scottish Parliament, ensuring a rough ride. But it will not be the decisions made in the parliament that will be decisive in the coming period, it will be the decisions and struggles of the workers, organised in the trade unions and linked to the Labour Party that will force the agenda from the grass roots. The next four years will see mass struggles and campaigns for the working and youth. □

A fuller version of this article is on www.socialist.net

Peasants Revolt

by David Brandon

WHEN SOCIALISTS today revisit past struggles and movements, we do not do so for nostalgic or romantic reasons. There is a need to study historical events in order to be aware of the battles of our ancestors; to take pride in those struggles but, most of all, to arm ourselves with insight and examine the lessons. The Peasants Revolt of 1381-82 was a fight for social justice and the very first time that a large section of English people fought for the idea that 'all men are equal'. This demonstration of people power struck fear into the hearts of the ruling class.

To understand why the revolt happened, we need to examine the economic and social conditions in fourteenth-century England. The country was predominantly rural and agricultural; most of the population obtaining their living - usually a frugal one - from working the land. In the midlands, the south and east of

the country the majority were serfs. The manors in which they lived belonged to the King or a nobleman. The latter required that the peasants to work on his land for part of the week, their unpaid labour in effect acting as rent to the nobleman. The rest of the week they worked on their own holdings.

The lord

However it was always the lord's crops that had to be ploughed and harvested first. A portion of what the serf produced usually had to be given over to his master and if the serf had corn to grind, he had to use the lord's mill - and pay for the privilege. Bread had to be baked in the lord's ovens. The serf was tied to the land. He could not leave the village without the permission of the lord. If he did, he became an outlaw with all the associated risks that entailed.

The only people who benefited from this one-sided relationship were,

of course, the landowners. The serf was also required to pay homage to his lord and, through him, to the King. This was a legally binding act of respect and allegiance on the serf's part; a fundamental cornerstone of feudal society.

The church provided powerful institutional and ideological support to this 'sacred' state of affairs claiming that the monarch was, in effect, God's representative on earth and that the nobles were his local agents. According to this theory, God had created an ideal social system and anybody who dared question, let alone criticise or attack it, would provoke his fearsome anger. Ordinary people were expected to support those who oppressed them, know their station in life and remain loyal to the system that exploited and robbed them.

The state, comprising crown, nobility and church acted as a monstrous incubus on the peasantry. The church dinned into the people the consequences of committing the sin of disobedience against those in authority. The walls and windows of churches were covered in images of sinners who had been judged, descending into the jaws of hell where fiery cauldrons and gleeful, leering demons waited to new arrivals into their eternal home and permanent state of suffering and terror. The mes-

sage for the common people was clear - do as we tell you or else!

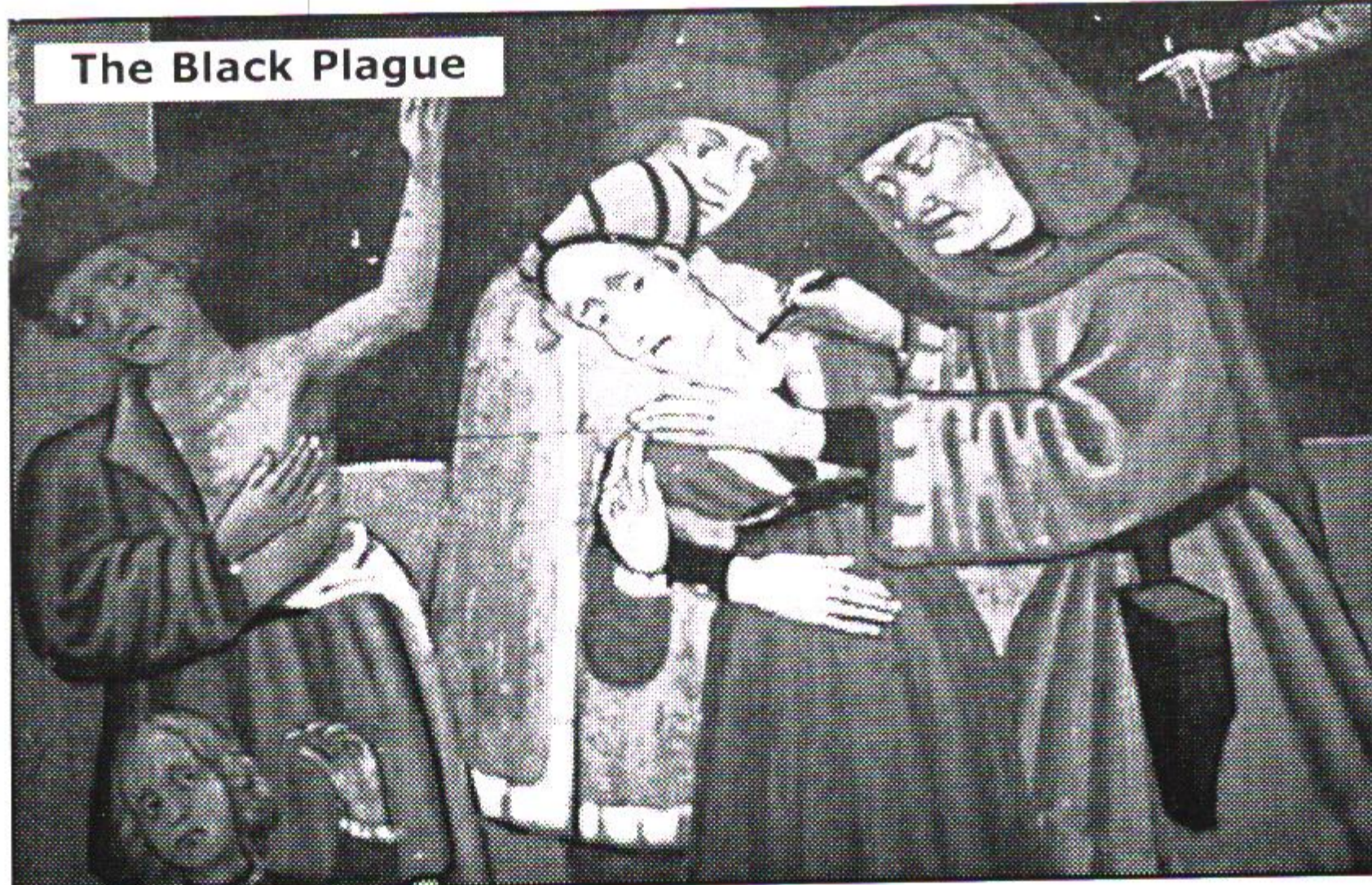
Another scourge of medieval England was bubonic plague. The country experienced a devastating outbreak in 1348-50 and slightly less damaging episodes in 1361 and 1369.

Commonly referred to as the 'Black Death', the plague killed so many that the result was a serious shortage of labour. This was an important development and had a dramatic affect on society. In immediate terms it meant higher wages for some and higher prices for all. The balance of power concerning economic matters was spectacularly altered.

Money payment

Earlier in the fourteenth century a practice had developed of allowing serfs to free themselves from their bondage by making a money payment. Although the freed villager still had various obligations to the local lord, it allowed him more time to work his own plot. More significantly he could now seek work elsewhere, especially in the developing towns with their better economic prospects.

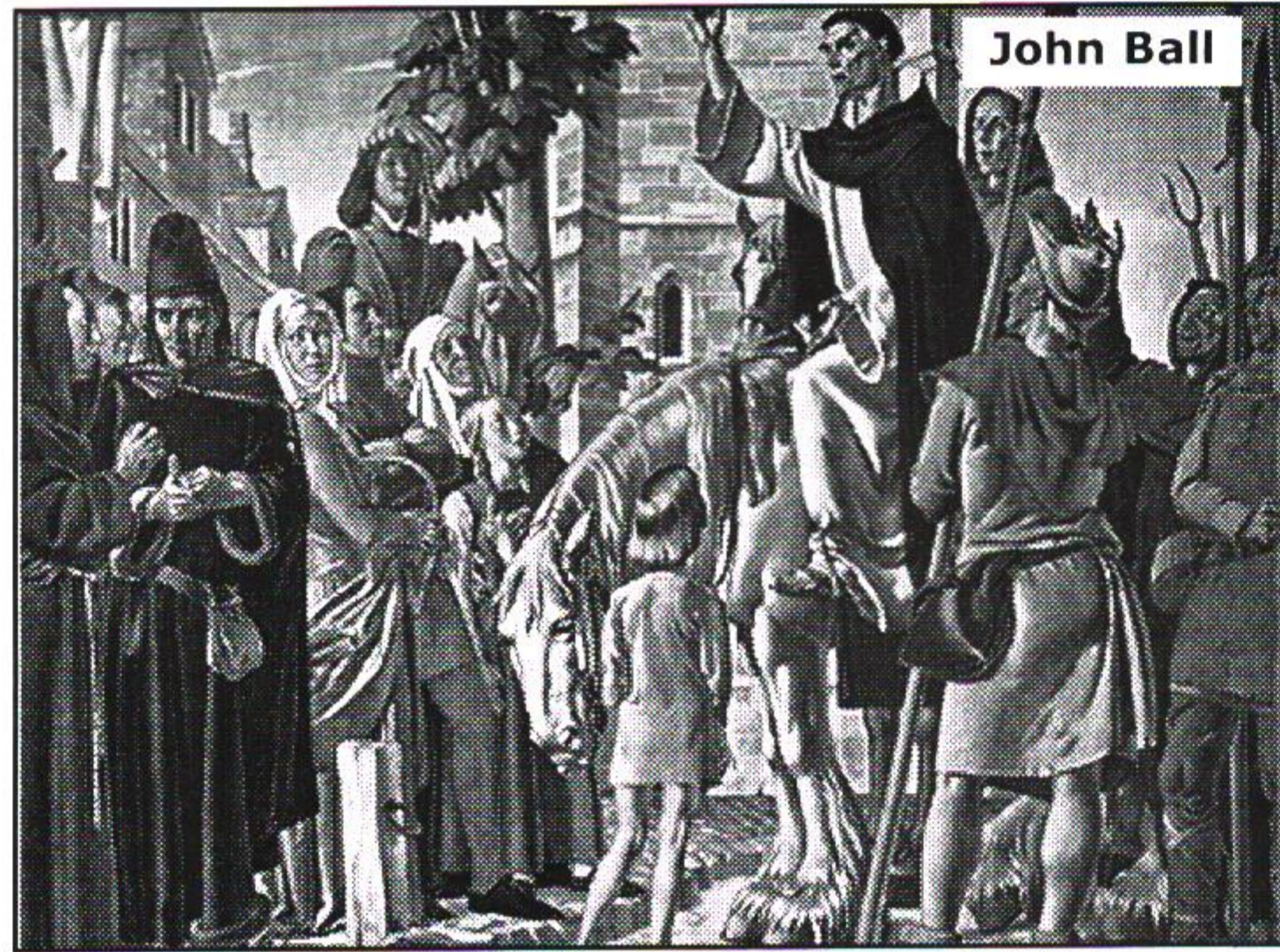
The second half of the fourteenth century was a period of social turmoil. Free workers, many of them previously serfs, had gained from higher wages in the shortage of labour fol-



lowing the plague. They were incensed when the King and Parliament passed the Statute of Labourers Act in 1351. The legislation ruled that wages be restored to the pre-plague levels. Masters who paid higher wages could be fined and workers who accepted higher wages faced imprisonment and being branded. Various discriminatory acts were passed in this period to keep serfs bonded to work on the land.

In the towns the skilled workers or artisans formed secret clubs or guilds, the forerunners of trade unions, to develop and defend their common interests. The merchants did likewise. These two groups were the forces for social and economic progress. Inevitably in pursuit of their own interests, they found themselves in conflict with the reactionary forces of the monarchy, the barons and the church. Reactionary these forces may have been, but they were still immensely powerful and determined between them to keep the common people firmly in their place.

The monarchy always needed money to pay for the opulent and frivolously wasteful lifestyle of the court and its hangers-on. In 1381 the hated John of Gaunt, uncle of the young Richard II, then only fifteen years old, persuaded what passed for Parliament to levy a poll-tax on every person over fifteen years of age. This poll-tax, the third in just a few years, amounted to a shilling (5p today) - this when weekly wages were frequently only about 10 to 15 pence - would have been an enormous burden for the vast majority of English families. The poll-tax was so resented and widely evaded that the government sent soldiers across the country to enforce its collection. It was the dispatch of armed



men to the four corners of the kingdom that sparked off the revolt.

Even before this, a few men had been travelling the countryside rallying those opposed to injustice and calling on them to make preparations for an uprising. One such itinerant was John Ball. Here was a speaker so turbulent that the Church was quick to disown him. However, his simple arguments struck an immediate chord with the humble folk who flocked to hear him. Here is an example: "They are clothed in velvet, and are warm in their furs and ermine while we are covered in rags. They have wine and spices and fair bread, and we eat oat-cake, and have water to drink. They have leisure and fine houses; we have pain and labour, the wind and the rain in the fields. And yet it is of us and our toil that these men hold their state..."

Kings

Unfortunately, Ball embraced the received wisdom of the time that the way forward was for the poor, who had God and justice on their side, to rise up, go to London and acquaint the King with their grievances and he would set about remedying them. The common people regarded kings as wise and kind men, semi-

gods with the interests of their subjects at heart. Ultimately, Ball's naïve analysis and programme for change was to prove fatally flawed.

The authorities also claimed to have God on their side. Presumably they thought they were doing his work when they seized Ball and imprisoned him in Maidstone Jail. Two months later, 20,000 of his supporters led by Wat Tyler first of all captured Rochester Castle and released many escaped serfs before marching on the prison and freeing Ball. Tyler was an experienced ex-soldier and a natural leader. Unfortunately he also believed that the King was an honourable man who would dispense justice. It was just a matter of getting to meet him and to present the case for the common people.

The uprising began at Brentwood in Essex where the locals fiercely resisted the official collectors of the latest poll-tax and drove them away - one of them was killed in the struggle. The authorities sent bigger forces to Brentwood and when they too were driven off, it was seen as divine vindication of their cause as well as evidence of their potential strength.

Throughout the eastern and southern counties uprisings took place bringing together

peasants and town craftsmen with some knights and merchants. The Peasants' Revolt is something of a misnomer. It brought together in common action people from a far wide range of social groups.

Wat Tyler was elected leader of the Kentish rebels by a Grand Council on 7 June 1381. Steps were immediately taken to guard the coast from any opportunist French attacks while the King and his barons were preoccupied with the uprisings. Immediately the houses of lords of the manor were attacked and the manorial rolls destroyed. These were important legal documents containing lists of all the serfs and their obligations. Their destruction was seen as an immediate and practical way of ending serfdom in the villages.

Blackheath

The peasant army then marched on London and camped overnight on Blackheath. Ball and Tyler met a number of London merchants who told them that the ordinary citizens would welcome them. On the following morning, 13 June, a service was held at which Ball gave these immortal words to his followers: "In the beginning all men were created equal; servitude of man to man was introduced by the unjust dealings of the wicked and is contrary to God's will. For if God had intended some to be serfs and others lords, He would have made a distinction between them at the beginning." He told them that they now had a chance to do away with evil lords, unjust judges and lawyers and all others whose activities were against the common good.

A final parley with the King ended in both sides exchanging insults so the

rebels marched on London. Although some rich citizens tried to organize a defence, the London apprentices and journeymen pre-empted them by opening the City gates and removing the armed guard from London Bridge. The rebels attacked and destroyed the palace of the hated Archbishop of Canterbury and also the brothels in Southwark owned by the Lord Mayor of London, Sir William Walworth. He was outraged with this attack on his property and went on play a particularly dishonourable part in the unfolding events, as we shall see.

The rebels were able to enter London without recourse to fighting and then showed remarkable discipline and restraint. They destroyed the buildings and property of certain people they hated such as John of Gaunt as well as the Temple, where the lawyers had their headquarters. They also razed the prisons to the ground but there was no looting and no drunkenness. Some detested individuals - well known supporters of the poll-tax - were executed.

This evidence of the power of ordinary people struck fear into the King and his followers. What were they to do to end this disgraceful reversal of the natural order of things and to put the peasants back in their place? They decided that military action was unwise at this stage and that cunning and treachery were more likely to be successful. Cynically, they banked on the fact that the populace believed in the integrity of the King whose job

was therefore to promise them all they asked for. A meeting with the rebels was arranged, to be held at Mile End.

At Mile End a petition was handed to the King who, after reading it, verbally agreed to the full implementation of its demands and called on his loyal subjects to disperse. The King had apparently agreed to the liberation of his subjects from bondage, to the freezing of rents and a pardon for all rebels.

Tears

On hearing the King's announcement many of the rebels were so relieved they shed tears of joy as they streamed off home to spread the good news. However a substantial number of rebels including Tyler and Ball stayed on, still unconvinced. Why had it all been so easy? What guarantees were there that the promises would be implemented? If the peasants had really won these concessions, why not submit even more demands?

The King, the nobles and the rich London merchants were still faced with a large number of people whose patience with the social order had finally snapped and they feared for their wealth, property and privileges. They quickly made military preparations while calling the rebels to a further meeting this time at Smithfield. Here they lured Wat Tyler well away from the ranks of his supporters and the King and Tyler then apparently engaged in amicable negotiations about a further series of demands.

The King's apparent readiness to agree to these new concessions pleasantly surprised Tyler, but his elation was cut short when the perfidious Walworth suddenly attacked and cut him down with his sword, seriously injuring him. The waiting rebels waited some distance away, oblivious to Tyler's dreadful plight. Then the King approached the crowd and told them he had decided to grant their demands. Tyler had been knighted, he said, and asked them to reassemble at nearby Clerkenwell, where Tyler would address them.

As the rebels happily made their way to Clerkenwell, the dying Tyler was found by some friends who carried him into St. Bartholomew's Hospital. Suddenly the wretched Walworth appeared. He cut off Tyler's head which he impaled on his lance like a trophy. He rode off to rejoin the King and when he appeared with this grisly prize held aloft, the insurgents were stunned and disorientated.

Drained

They dispersed in somber mood, the fighting spirit drained from them. Within a few days the King's forces launched a savage counter-attack, cutting down the poorly-armed rebels and hanging many of them after the most cursory of trials. The teenage King berated them as: "The most vile by land and sea, you who are not worthy to live when compared with the lords whom ye have attacked... you were and are serfs and shall

remain in bondage, not that of old but in one infinitely worse, more vile without comparison..."

Leaders such as John Ball were captured, tried and then hanged, drawn and quartered but they went to their deaths with courage and dignity. The state was revealed as the law of the rich supported by bodies of armed men and they went on to extract a frightful levy of the rebels. Possibly as many as 7,000 were slaughtered. This official reign of terror contrasted sharply with the restraint displayed by the rebels who executed small numbers despite the contempt and degradation heaped upon them over the centuries by the rich and powerful.

The rebellion had been defeated but this does not mean that it was necessarily a failure. The poll-tax was withdrawn and not restored. The monarch and his high-born lackeys learned that in spite of their bold words, it was not wise to try riding completely roughshod over the common people. Serfdom had been dealt a blow from which it never fully recovered, partly under the pressure of changing economic circumstances. But above all, a light had been lit - ideals about freedom and liberty had been forged out of these experiences. These ideas never totally died out and the fight for them has been taken up time and again in England and elsewhere in the world as part of the class struggle between the exploiters and exploited. This struggle continues today. ■

Oh, what a lovely War! The Royan Pocket; January-April 1945

by Jim Brookshaw

THIS SUMMER we took our grandchildren for a holiday to Royan on the Atlantic coast of France. William, who is twelve, has a great interest in the 1939-45 World War and in particular the role of the French Resistance. On the outskirts of Royan we came across a museum dedicated to the 'Royan Pocket.'

The museum is a large hangar. Standing in all the exhibits are dummy figures clothed in various uniforms. There are Germans, Americans, Frenchmen, men of every French colony and more. Among the German uniforms stand those of the Russians and of the Indians. The Russians, mainly Cossacks, men betrayed and abandoned by Stalin, were forced by starvation to join the Nazis. These soldiers mostly took every opportunity to quickly surrender to Allied troops. After the war they were sent back to Stalinist Russia to face firing squads or to disappear into the gulag. The Indian soldiers also suffered from Nazi mistreatment. Some were persuaded that the defeat of the British Empire in the War would mean freedom for India. We are told about these men but where are the films about the thousands of Indian soldiers who gave their lives fighting for the Allies?

On a descriptive panel near the entrance to the museum we read that in January 1945 the War was over in this area. France was free and the War had moved on. The Germans and their allies in the Royan Pocket were going nowhere; the French Resistance sur-

rounded them. Then, we are told, for 'political reasons' it was decided that the pocket should be 'liberated' by Free French forces - presumably to forestall a victory for the Resistance, seen as subject to Communist influence.

According to a town guide "(Royan)...was razed by the allies on the morning of January 5th, 1945 and liberated by the French troops of General de Larminat on April 15th." The 'razing' completely destroyed the town and left 1,000 French civilians dead along with 23 German soldiers. In whose book, I wonder, is that an effective military action? But don't forget, it was done for 'political reasons'! Oh, and by the way, about those French troops. They were the Second Armoured Division composed mostly of men from Chad and Algeria. To find out how they were 'rewarded' for their heroism with systematic discrimination, see the film, "Days of Glory".

Royan had then been 'razed' but on The 14th of April 1945 the Americans bombed it again. The 'Pink Lady' website, an account of

a particular bomber, has the following;

"1,161 heavy bombers destroyed 22 defensive installations consisting of Anti Aircraft positions and strongpoints covering the Gironde estuary".

Of the April 14th raid, in which the Pink Lady participated, Lieutenant Glaskin of the 100th Bomb Group wrote in his diary that, "The mission was a direct request from the ground troops to knock out the naval guns guarding the estuary entrance to Bordeaux at Royan."

On a darker note, the bombing of Royan would be the Eighth Air Force's only use of a new weapon in an attempt to kill Germans in their bunkers: napalm. Known as a Class-C Fire Bomb, each napalm bomb contained 108 Gallons of the petroleum substance, and they were only used in a few missions. A B-17 only carried 4 of them.

As a result of the conventional and napalm bombing of the city of Royan, the city was totally destroyed, with one report citing that only nine houses remained stand-

ing. Among the destructive figures is cited that 1,700 French civilians were killed.

The military success of the operation was minimal, and an official Air-Force report of the mission concluded that, "The sole operational employment of napalm bomb by Eighth Air Force is carried out against German ground installations (pillboxes, gunpits, tank trenches, and heavy gun emplacements) in defensive pocket at Royan by nearly 850 Heavy Bombs. Results are negligible and HQ recommends its discontinuance against this type of tgt. (...)"

So 'HQ recommends' the discontinuance of the use of napalm against this type of target.' Its use against lightly armed fighters and civilians in Vietnam was a different story then?

This horrific destruction of French civilians compares with the militarily useless slaughter of the people and cities of Dresden and Magdeburg in the closing days of the War. Was this a warning to the French workers like the nuclear bombing of Hiroshima and Nagasaki was warning to Stalin: thus far and no farther?

When my dad and his brothers and all that generation went off to War they went to defend their people and liberate Europe from Nazism. On Remembrance Day I think of them and the sacrifices they made. I also think of their cynical betrayal by the capitalist class and its apologists who are still sending young men off to militarily useless actions for 'political reasons'. □



Primary schools: what the kids think

by Steve Jones

PRIMARY REVIEW aims to be the most comprehensive enquiry into primary school education for forty years. 32 reports are to be published by Cambridge University on every aspect of schooling. Other reports deal with testing, and the results are disturbing. Results did improve after the introduction of testing from 1995-2000, but have since stalled. Why? Because schools learned to teach to the tests. The downside of that is a generation of stressed primary school children. That, and their attitude to the wider world, are explored in the first report.



doing enough to respond to the urgency and magnitude of the challenges. Some children also deplored the gulf between the world's rich and poor.'

Varying responses

What the Report has to say about how children view schools is even more revealing; "Our questions about the features of good schools produced widely varying responses, but there were two constants: equity and empathy. Children wanted schools (and teachers) to be fair, to care for their pupils and to encourage them to care for each other. They valued being part of a community, and the interaction which community at best encourages: 'We can say what we think', 'It's good to hear what's on other people's minds.' School councils were welcomed, especially when they were able to meet independently as well as with the teachers."

This is a far cry from the winner take all attitude being pushed as the norm by right-wingers.

Indeed the report shows considerable concern being expressed about the league tables and tests now being used to assess schools and teaching. Many - including children - feel that this approach has put far too much pressure on all those involved. This should come as no surprise to us. The league table system pushed by both the Tories and New Labour has never been about raising the general quality of education but rather has acted as a sop to middle class parents.

Performing

They have used the league table to push their kids towards the highest performing schools at the expense of others who are literally left in the relegation zone. By subjecting kids to endless testing, which in turn has put incredible pressure on teachers and others involved in primary schools, we have seen the development of a variation of the 'intensification of labour' process. Kids will experience this in a more direct form later in life,

as they are pushed night and day to work harder and get through these exams - the first of which hits them at age seven. The government's line that league tabling has pushed up standards is spurious at best. The truth is that only providing better schools, more facilities, more teachers and support staff will raise standards - not fear and pressure.

Pressure

Both in relation to school life and life in general the report shows that kids are not immune from the pressures of the world, if indeed they ever have been. At school and at home, they sense the realities of life today far more than many thought possible. They see the pressures being put on their family and others, the long hours their parents work, the grip of poverty and the corrosive effects of deprivation. Thanks to the TV and the Internet, they are also all too aware of the wider problems facing society. Their attitude is, in the main, not one of ignoring the social issues they are aware of, but rather asking why nothing is being done about them.

The report has been greeted by many as being an indication of how things have got worse for our kids compared to times past. This is a fair assessment but it also shows that kids are aware of issues and instinctively look towards and demand a better, more caring, society. Those of us who are fighting for socialism should be encouraged by this. ■

'Community Soundings', on primary school life today, has raised some serious questions about how children view life under capitalism today. Based on a series of interview sessions with children, parents, teachers, assistants and others around the country, the report starts by noting that there seemed to be a considerable consensus of opinion on the main issues - not least from children themselves.

Indeed, the Report begins with the following telling comment; 'The Soundings Programme as a whole was pervaded by a sense of deep pessimism about the future, to which children themselves were not immune. Many expressed concern about climate change, global warming and pollution, and optimists were balance by those who felt that governments were not

Edinburgh - Schools Under Threat

by Ewan Gibbs

AS WINTER creeps, in students and staff at Edinburgh schools and nurseries have learned of the chilling news that their places of learning and work places may be under threat once again. The Edinburgh Evening News reported on the thirtieth of October that Edinburgh Council intended to reopen a consultation process that would look into the future of schools. It also listed seventeen schools and nurseries that it expected to be earmarked for the process.

Included on the list were three high schools, all of them community schools in working class areas. These are invaluable assets to the areas involved. Not only are they vitally important as locally available centres of education for young school students in the area, they also serve many other purposes, including adult learning. For instance my own school, Drummond Community High School, sees approximately one thousand adult learners use its facilities every week, additional to its five hundred or so school students.

Of particular note is Wester Hailes Education Centre. This is an important resource in a deprived area of Edinburgh. As well as being a school and an important centre for the local community, it contains the city's only single mothers' education unit. To even consider scrapping this shows a complete disregard for a vulnerable section of society. Without this unit being available to them, many single mothers in Edinburgh will simply be

unable to receive an education due to the inconvenience and great expense involved in childcare. Many of the primary schools included in the report are also in working class areas. It is claimed that the threat of closure is due to falling rolls.

This is a shortsighted approach in a city with an ever increasing population, and a large influx of young workers from Eastern Europe who will likely start families in the near future. Perhaps this is all unsurprising, given that the councillor in charge of the whole process sends her children to a private school.

The parties that run the Council in Edinburgh, the Lib Dems and the Nationalists, both promised to improve education, with the SNP during the general election campaign making the explicit promise to cut class sizes. Now that they are in power the true face of nationalism and the Liberal Democrats' 'radical alternative' have been exposed - cuts in public services. For not only are

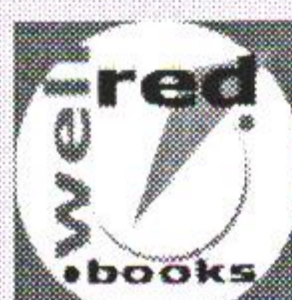
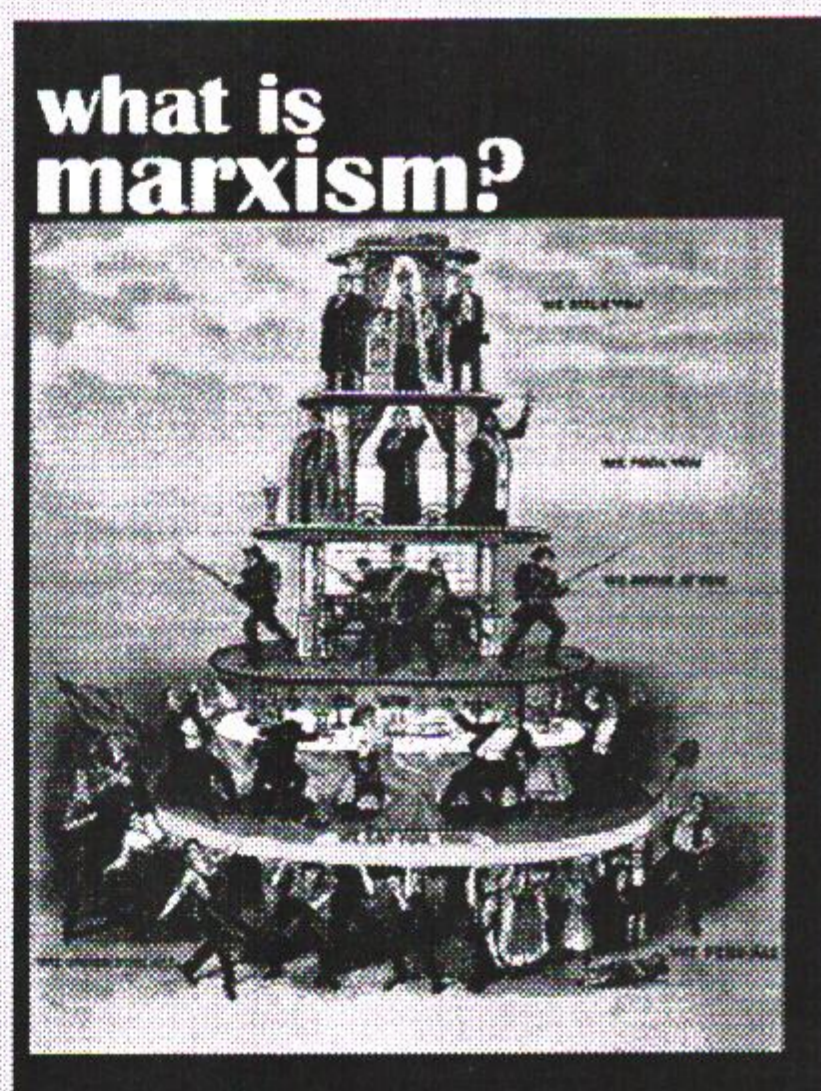
schools to shut, workers in the children and families' department have also been told that their jobs are under threat. Apparently this is due to a black hole in the Council's budget. The figure quoted in justification started at ten million pounds and has been rising ever since. In a centre of wealth and finance such as Edinburgh this is farcical. The Council often allows businesses to pay token rates while they generate huge amounts of profit, yet at the same time is claiming to be short of revenue. Clearly this shows who their loyalties lie with.

When school closures were threatened earlier this year school students, parents and striking local government workers protested together outside the City Chambers under the slogan of 'no to cuts'. This tradition must be continued. Only a united struggle of school students, parents and workers will be able to save schools and prevent cuts in Edinburgh. We cannot afford to stand idly by and watch our hard won Council servic-

es eroded. We must also call on the teaching union, the Educational Institute of Scotland, to come out against these cuts. Last time the leadership scandalously refused to come out against closures. This robbed the membership of a voice, and potentially meant that we would see a lower quality of education in Edinburgh schools without a struggle from teachers.

Cuts in education in Edinburgh predate the current Council. Under the control of New Labour bureaucrats we saw the Council privatise schools. This is just the latest, most drastic manifestation in recent years.

We need a socialist education system run by those who work and use it, as part of an economy in which resources are planned and made available to those who need them. Only then will we see schools run not as financial assets to be traded off as real estate. It would also spell the end for an education system that is under-staffed and stretched to the limit. □



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AS THIS is the Xmas issue of Socialist Appeal, it will come as no surprise to readers that we are making a seasonal appeal for donations to our fighting fund. But this year is special.

We need to raise £6,000 to purchase and install a new collating and finishing machine to help improve the production of the journal. This machine will collate, fold, staple and trim the edges of each journal in double-quick time. It will enable us to produce a better journal, quicker, so we can distribute them to the areas and to our subscribers much earlier than is the case at present. It will also free up resources to develop other material and interventions. But to get it we need the cash.

Capitalist firms can rely on banks and/or rich chums to help them out. We can only rely on the support of ordinary people - and we wouldn't have it any other way. So we are making a special appeal to all our readers and sellers to consider giving a good donation this Xmas. The figure of £6,000 is actually quite modest but only if everybody chips in. If a hundred readers agreed to donate £60 each then the target would be reached before anything else came in. Will you be one of

those hundred?

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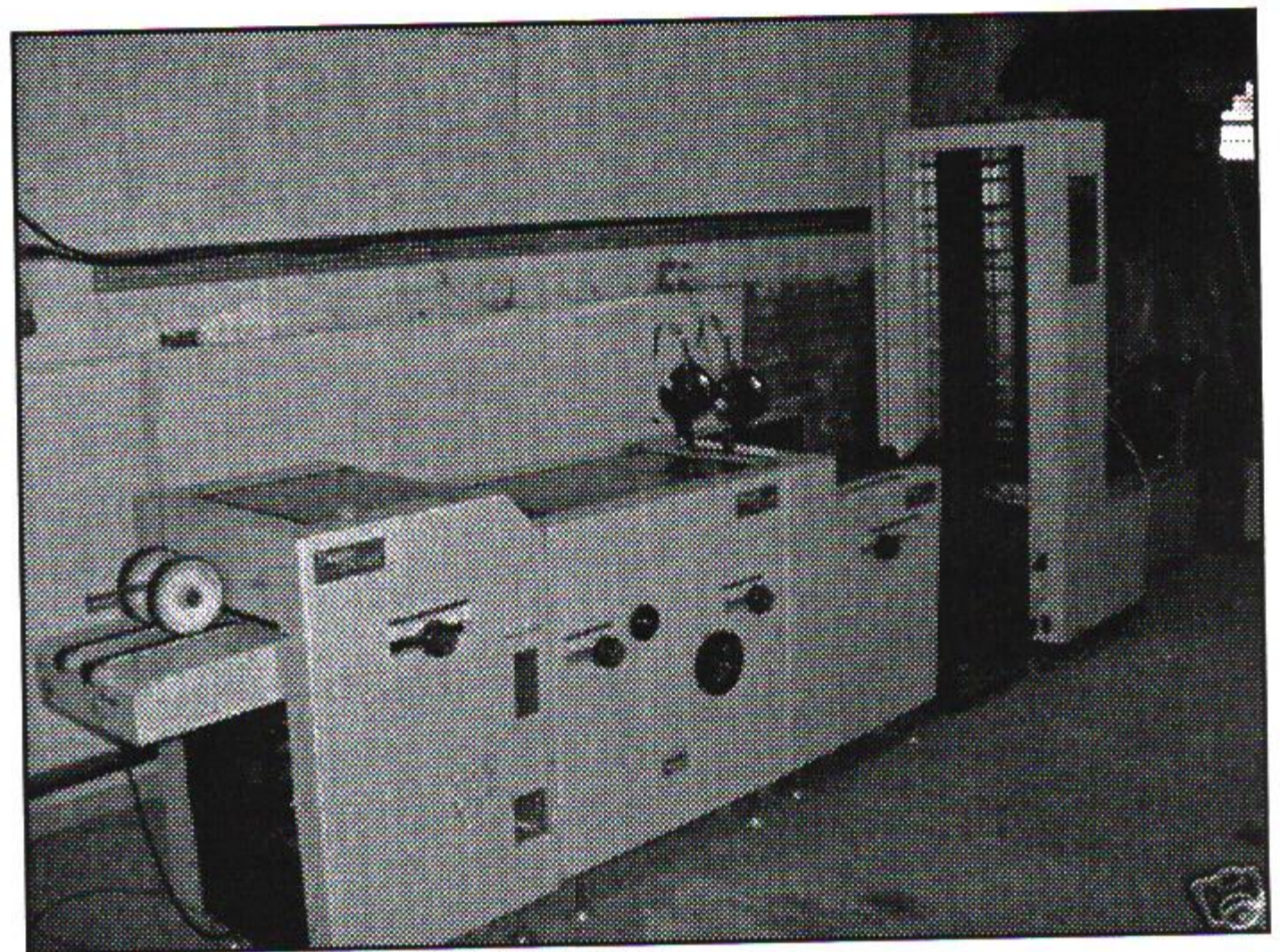
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Please treat this appeal with the utmost urgency. This cash is needed and it is needed now.

Finally I would like to wish all our readers and sellers the compliments of the festive season. Forward to socialism in 2008! □

Steve Jones



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Santa - the inside story

by Gunnar Thiemann

CHRISTMAS IS very close and all the kids are eagerly anticipating what Santa will bring them this year for being good. And parents think it is so sweet when their little ones scribble their wishes down and send them to Father Christmas. Of course, we let them believe in Santa Claus' existence since it is universally accepted that this is a part of childhood.

So Christmas is for the kids. Is it? The so-called free market with all its monopolies never tires of reminding us from August onwards what is needed to create such a special event. They even sell snow in spray cans so that Christmas can be just like in Hollywood.

But who actually is that kind, old man with a bag full of nice gifts for the children called Father Christmas or Santa Claus? According to the legend, the primary inspiration for Father Christmas/Santa Claus came allegedly from Saint Nicholas of Myra. He was a Christian bishop and famous for his gifts for the poor.

Then multinational companies rediscovered him as a great advertisement icon. Coca Cola was not the first company, but their massive advertisement campaign in the 1920s got good old Father Christmas in the Coca-Cola colours red and white into our heads to such an extent that this representative of Christmas managed even to push Christian figures out of the focus of attention on Jesus' birthday party.



So let me get that into perspective. Some folklore mixed with a religious figure made up by a multinational corporation is put in front of our faces from August onwards. And since the stores are filled up with potential Christmas presents from August onwards there is enough time to spend wages over four months on copious amounts of presents from the multinational companies. Of course all the goods are overpriced - justified by the corporations because of the seasonal increase in demand. All that companies are concerned about is using children's pester power to make maximum profits.

And as soon as Christmas is over, everyone is stressed and in debt, and half the presents are not wanted and go to the skip or are being exchanged for vouchers. In the meantime, the big companies are working on a plan to increase the importance of the Easter bunny for a cute childhood.

And we think, we do it all for the kids.

Merry Christmas.

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.

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✚ **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.

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✚ **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 for labour and youth

French workers show the way

For much of November, France has been gripped by a near-general strike. Transport workers on buses and trains have been out since November 13th in defence of their pensions. French workers have built up great pension provisions. Half a million workers have the right to retire early - some at fifty. They are determined to hang on to these rights.

Energy workers followed suit the following day. On November 20th most of the 5.2 million civil servants also took action against threats of cuts in pay and redundancies in the service (does this sound familiar?). Those striking included primary school teachers, fire-fighters, customs officers, tax inspectors, air traffic controllers and the French equivalent of the meteorological office. Printers were also out in a separate dispute.

Once again French workers have shown they are the most militant workers in Europe. And militancy pays.

At the time of writing, it seems as if the transport dispute is subsidising. The trade union leaders have been desperate to dissipate the militancy of the workers into negotiations with management, negotiations that could drag on for more than a month.

Sarkozy can smell the fear of the trade union leaders. Sensing his opportunity, this relentless self-publicist has abandoned his unusual recent period of silence. At last he has come out with what commentators call his Thatcher moment. "We will not retreat." He says, deliberately mimicking Thatcher's, "This lady's not for turning." For the French ruling class, this is the big one.

People have pointed out that scrapping the special pension schemes will only save 400 million Euros. And the French state has a 1,200 billion Euro debt. It's a drop in the ocean. They are missing the point. The French working class has rejected neoliberal 'reforms' time and time again through industrial action. The bosses are deter-

mined to settle accounts with them once and for all.

Will they get away with it? Our sister paper La Riposte explains, "If the truth were to be told, Sarkozy's main asset - and the main source of his 'confidence' - resides in the weakness and ambiguity of the leadership of the trade unions." That is his ace in the hole.

Here is what La Riposte has to say. "For the government as well as for the workers - all workers, whether they are conscious of it or not - the struggle that is about to begin is of key importance." The paper compares what the ruling class has in mind for French workers as the equivalent of the defeat of the miners in Britain in 1984-85.

"Sarkozy is increasing his provocations against the railway workers. If they are defeated, the government will immediately move on to the offensive to go further in dismantling the pension system ...and intensify the ferocity of these attacks on other fronts."

The French workers' fight is a fight for themselves and for workers all over the world.



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