

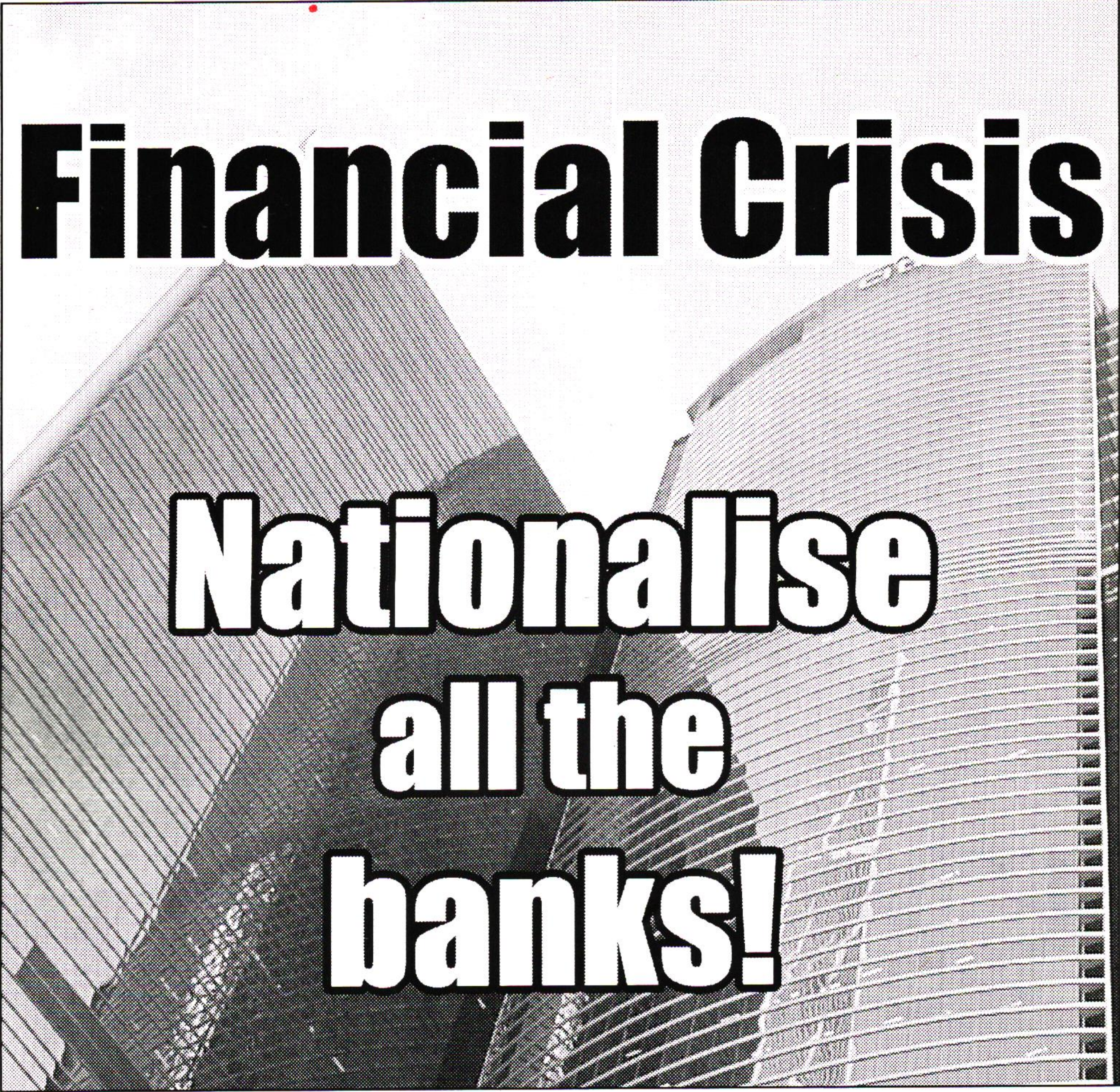
Economy • London Elections • China • Environment

Socialist Appeal

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Financial Crisis



**Nationalise
all the
banks!**

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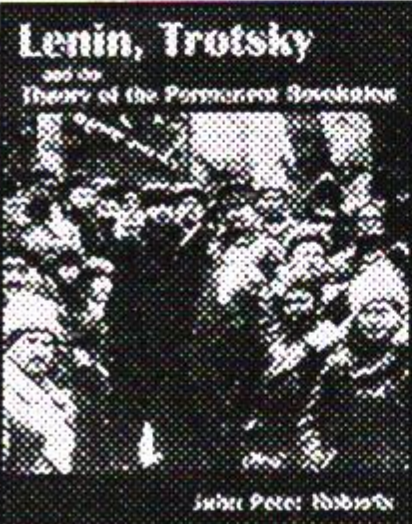
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Take over the banks!

THERE CAN be no doubt the capitalist class are gripped with panic on account of the financial crisis. Here's an extract from John Mauldin's Newsletter, praising the Federal Reserve for forcing JP Morgan Chase to take over stricken bank Bear Stearns. If they had let it go to the wall, he says, "Credit markets would simply have frozen this morning. As in ground to a halt. Hit the wall. End of the world, impossible how to get out of it type of event."

Does this man sound as if he's ideologically committed to free enterprise capitalism? He's much too intelligent for that.

Capitalists are committed to staying rich. That's all.

Likewise Martin Wolf, writing in the Financial

Times, has been calling for the nationalisation of Northern Rock ever since the crisis broke, while Brown and Darling dithered. Martin Wolf surveyed the world financial crisis, this 'rising auction of scary scenarios,' on March 11th with a mixture of awe and dismay. He comments, "Losses of \$2,000bn-\$3,000bn would decapitalise the financial system. The government would have to mount a rescue. The most plausible means of doing so would be via nationalisation of all losses."

Losses

Note that the representatives of the bourgeoisie don't have an ideological objection to nationalisation.

Ideology is something you tell to the children. They are all in favour of losses passing into the ownership of the nation, as long as profits remain in their pockets.

Wolf goes on with his scary scenarios, "While the US government could afford to raise its debt by up to 20% of GDP in order to do this, that decision would have huge ramifications. We would have more than the biggest financial crisis since the 1930s. It would be an epochal political event."

The point about high finance is it puts us all in the same boat. Events in one part of the world have repercussions all over. So the question is: who is going to pay for this 'epochal political event,' or

mess as most of us would call it? The bosses want to make sure it's not them. But it's their mess!

We need to take over the banks to bring order out of chaos and growth out of stagnation. In future months they will urge the need to nationalise loss-making financial institutions. We are not just interested in nurturing losses. Those who incurred the losses can look after them - and that's not us. We need to take over the lot. We need to separate the fat cats from their wads. We need to run the banks in our interests as part of a socialist plan. We need to run them under democratic workers' control and management. And we need to start organising ourselves to do this now. □

Budget - Britain in a hole

NOW GORDON BROWN has handed over the reins as Chancellor to Alistair Darling, it transpires that for the past ten years Gordon has been displaying the fiscal prudence of a drunken sailor. The British government has the biggest hole in their finances in Europe, a whopping £43bn - and it could get up to £50bn. Where has it all gone?

Larry Elliott was forced to accept that the real problem with the Brown splurge "was that the money was being blown on PFI projects, useless IT systems, management consultants and the rampant increase in team leaders, strategy co-ordinators and change supremos...There was the £2bn bailout for Metronet, the doubling of

the NHS IT project to a staggering £12bn, the loss of hospital beds to pay the shareholders of companies that have built PFI hospitals, the £2bn a year Whitehall spends on external management consultants" (Guardian March 10th). Quite a party for some. Now it's over.

So what are they going to do? They have to rein in public spending. That will actually make the economic situation worse. One reason why the budget deficit has gone up is because the economy is slowing down. That means less people paying tax and more on benefits. So what has Darling done so far? He's put up tax on fags, booze and petrol. Not very imaginative, is it? And it's completely inadequate to get

the country out of the pickle it's in.

Mess

Public spending is to be cut. Consumer spending, based on borrowing off the back of a house price bubble, will go into reverse as house prices dip. And the City is starting to take a hit as the financial crisis bites. All this is going to hit economic growth. Darling pretends in his speech that there's just going to be an economic slowdown in growth of ½% a year for two years. Can't he hear the sounds of panic from across the pond? Bush and Bernanke can see the US economy dipping into recession. Britain will follow.

What is he going to do about it? The main impression Darling gave in his budget was one of total inadequacy. He is living in a fantasy world, sitting around scratching various parts of his anatomy. New Labour hasn't got a clue.

There's a financial crisis. Britain has got more eggs in the finance capital basket than any other major country. There's a credit crisis. We've got more consumer debt even than the USA.

For years they've lectured us about 'prudence' and 'no return to boom and bust.' Now we can see it's all a lie. They were just lucky, that's all. Now their luck has run out. Let's make sure we don't bear the burden. □

Vote Livingstone for Mayor - Socialist policies for London

by Steve Jones

MAY 1ST, May Day, will see one of the tightest and most important elections to hit London for some years. The election of London Mayor is being hotly contested between Ken Livingstone for Labour and Boris Johnson for the Tories.

Does this election matter? Well yes it does. When the position of Mayor of London was created by Labour following its election in 1997 with the stated intention of returning sizeable sectors of London government to local control, power was placed not in the hands of an elected council but under the sole control of one person. Many of the powers that had been exercised by the old Greater London Council (GLC), abolished by Thatcher in the 1980s, were now to be controlled by the Mayor alone with the newly elected Greater London Authority (GLA) only operating as a powerless inspectorate and budget setter.

Given the huge scope and financial multi-billion pound clout of the Mayor's office - more than some countries - the government has ended up creating one of the most powerful political positions in Europe let alone the UK. In the first 2 elections - held in 2000 and 2004 - 'Red Ken' Livingstone, the former leader of the GLC, won easily, the first time as an independent following New Labour's efforts to stop him being the Labour candidate and the second time as the official Labour candidate.

During his eight years in office, he has carried out a number of reforms, which marks him out somewhat from the general trend of New Labour, which has carried out mainly counter-reforms. People can rightly point to measures such as better deals for public transport, action on climate change and pollution, more social housing being made available, wider recognition of London's diverse communities and so on. His support for President Chavez and the Venezuelan revolution is also to be welcomed as is his consistent opposition to the war in Iraq.

Iraq

Despite this, he has found himself trailing in some polls to the Tory in the run up to May 1st. How can this be? Well first it should be noted that Johnson has had a massively well-funded campaign with a lot of money being spent before the official start of the campaign, where limits then apply.

To this must be added the long-standing campaign which has been waged against Livingstone by the reactionary Evening Standard, which as London's only capital wide newspaper (excluding the freebies) operates from a strong position. Every day they are carrying page after page of stories attacking Livingstone and uncritically praising Johnson.

Central to the Standard's campaign over the last few months have been accusations of cronyism and cor-

ruption inside the Mayor's office. Whatever the truth about all this - and cronyism has always been a by-product of the Mayoral system of government both here and in other countries - the intention is to ensure that if enough mud is thrown then some will stick. We would demand that if there are any questions to be answered then it should be the Labour movement which does the investigation not the likes of the Standard, acting as judge and jury.

In particular the resignation of adviser Lee Jasper has hit the Livingstone campaign hard. The Standard has won a scalp. But whatever the Standard insinuates, the police have found that Lee Jasper has no case to answer.

It should also be noted that Livingstone's tendency to veer to the right politically has not helped his re-election campaign. In particular his attacks on the rail unions for taking industrial action has alienated a number of key supporters.

Others have been put off by his uncritical support for the leadership of the Met police following the 'shoot to kill' murder of John Charles De Menezies at Stockwell tube station. The way that the London Olympics is being used as a cash cow by developers has also been noted.

Livingstone should be reminded that if you call yourself a socialist then you must act like one all of the time. Otherwise you stand in danger of being grouped in with the rest of New Labour and therefore suffer-

ing the same drop in support currently being suffered by Gordon Brown and the rest of the government.

Despite all this, Livingstone must be supported in his campaign to be re-elected as London Mayor. At the end of the day it comes down to Labour versus Tory, Livingstone versus Johnson - no other option matters. We should be clear that Johnson is a reactionary representative of his class who will hand London over to the developers, carry out measures aimed at the middle class whilst ignoring the deprived in inner London boroughs, cut funding to key projects, destroy public transport and provide more benefits to big business at our expense. Do not be fooled by his village idiot act.

Village idiot

Some liberals, with a small L, have - under pressure from the effects of the smear campaign - come forward and said that they cannot vote for Livingstone. These people should be told - there is no middle ground. It is Tory versus Labour. The labour movement must act now to keep Johnson out and stop the likes of the Evening Standard from scoring a big blow against the workers of London.

London can only be a secure base for Labour when the Labour Party decides to implement socialist policies that benefit the working class. □

The menace of Boris

by Pam Woods, Islington UNISON (personal capacity)

IT IS a frightening possibility that, on May 2nd, Londoners could wake up to find they have an extreme right-wing Tory as Mayor of London. This is a truly scary scenario. Opinion polls show Boris the Bumbling Buffoon - whom most regarded as a joke candidate when he threw his hat into the ring - is creeping up on Ken.

Boris has the support of the Evening Standard and the Standard Group's freebie evening papers. The Standard has waged a relentless campaign against Ken Livingstone and his close collaborators on the GLA. Some may justifiably say Ken's moonlighting as the Standard's restaurant reviewer was a serious error of judgement, to put it charitably.

Muppet

However, let's take a look at what his blond, bicycling General Pinochet-badge-wearing rival stands for. Well, heavy on rhetoric but thin on substance. He will clean up London's streets, abolish crime, get us to work on time. Yes, London will be a happy paradise where we all live happily. Transport workers will no longer want to go on strike, because they will be.....well, happy. Teenagers will no longer stab other teenagers because they will also be happy. Happy middle-class families will happily travel through the streets of London in their 4x4s once the tyrannical House of Ken is brought tumbling down - damned Bolsheviks!

Some have hinted that behind Boris's outward buffoonery lies a razor-sharp political brain. Hmmm.

Buffoon

Let's just take a quick

look at his policies on public transport. Yes, let's. Only they seem to change by the day. 'Bring back the Routemaster!' was his opening clarion call. Yes, that beloved, iconic London symbol. Remember? Those buses where you froze your arse off in winter. Where you risked a sudden and ignominious death if you happened to be standing on the platform when the bus moved off. Oops. Someone must have whispered in his ear that maybe it wasn't such a great idea after all. So, what are people complaining about? Oh, yes. People sometimes get assaulted on buses and teenagers get all gobby on their way home from school.

Clown

So bring back the conductor! That figure of authority, the big, tough geezer with muscles and tattoos will scare them. Nay. Maybe that won't work. Some of them might be puny. Some might even be women - and

feminists! Boris can't stand feminists. Even, even...some might be "picaninies with watermelon smiles" (to quote Boris on black people). No, that won't do at all. A police officer! Yes, a police officer on the top deck of every bus! Well done, Boris! We can see how you deserved your place at Oxford.

There will be no more strikes on public transport once Boris is elected. RMT, Unite and Aslef members please note: you will no longer have the luxury of losing pay and standing around on picket lines in the freezing cold under Boris. He's not having it. It's boring.

And what about affordable housing, or 'shacks for chavs' as Boris lovingly refers to it? Well, you can forget that. There's no way he's going to tell his entrepreneurial mates to listen to the GLA, bunch of commies, telling them they need to provide houses for people who are too lazy to go out and make millions like they do.

Idiot

We hear on the grapevine that Boris rent his garments and smothered himself in ashes when he learned his muse, the lovely, cuddly Baroness Thatcher had been admitted to hospital. We also rent our garments when we learned the following day that she'd been discharged and was still alive and kicking.

Brothers and sisters, get your workmates, family, neighbours and friends out to vote Labour on May 1st. If they tell you they hate the New Labour government and don't much like capitalism, privatisation and Iraqi kids and British squaddies being blown to bits so they'd have to hold their nose, offer to hold it for them. □



Bojo: extreme right-wing Tory

Heathrow - it's terminal

by Eric Hollies

The government is pushing plans for a third runway and a sixth terminal. The fifth terminal will open soon. The fifth terminal on its own is the third biggest airport in Europe. When the go-ahead for a fourth terminal was given in 1979 Glidewell, the Chair of the Inquiry, stated, "In my view the present levels of noise around Heathrow are unacceptable in a civilised society." Right first time. The fourth terminal was given the nod on the grounds that that was it. No fifth terminal. Ever. It seems all governments, not just the present one, are terminal liars.

New Labour believes air traffic will increase by 50% between now and 2030. That means they will just let it happen. They are running a 'consultation' exercise which is a joke. Local people who have actually been consulted are wondering which part of the word 'no' the government doesn't understand. When Hayes MP John McDonnell wrote asking Ruth Kelly to meet the locals (his constituency covers part of the airport), the Transport Minister showed her utter contempt for the democratic process and the views of 'little people.' This is what John wrote back.

"I received the attached letter from your office informing me that you were attending an event hosted by the private sector body London First at Heathrow this week. You will appreciate, I am sure, the concerns that local people have that the Secretary of State is able to attend an event convened by a private sector body whilst no minister has found the time to meet with local residents whose homes and communities are at risk.

"I am sure that you would wish to render my constituents the same courtesy that you have proffered the private sector bodies like London First that are associated with the aviation industry."

Actually, Kelly wouldn't. She prefers hobnobbing with the bosses.

Twenty rather than fourteen schools locally will experience noise levels above the official nuisance level of 63 decibels if the plan goes ahead. Apart from the noise issue, there is the little matter of the destruction of the village of Sipson with 700 homes. Then poisonous nitrogen dioxide is emitted from planes. That causes breathing problems among local residents.

Above all there is the emission of global warming gases such as carbon dioxide. The government commissioned the Stern Report which declared authoritatively that climate change was happening, that it represents the greatest threat to human life on earth in the twenty-first century and that human activity is partly responsible. Kelly accepts this line. She told the Royal Institute of International Affairs in 2007 that climate change was "one of the biggest threats facing the global community today."

So why is New Labour pressing ahead with a £12 billion project which will increase flights, a major cause of carbon emissions? Here's who's against:

- Environmental campaigners
- Local councils. They are organised in the 2M Group because they represent two million Londoners
- Local people organised in Hacan (Heathrow Association for the Control of Aircraft Noise)

Who's for it? Big business. No contest, really. And guess what? By 2030, when the new terminal is on song,

half of all flights will be for business purposes.

People argue that more jobs will be created. They mean more rubbish jobs like those at Gate Gourmet, where workers were paid about £12,000 a year to prepare aircraft meals. How can anyone buy a house in London on that money? When Gate Gourmet workers went on strike for better wages, no other workers on the airport could take effective legal solidarity action on their behalf. The reason? Since they were not employed by the British Airports Authority directly, but by a subcontracting firm, solidarity action would be 'secondary action'. BAA makes shedloads of money as the monopoly owner of glorified shopping malls, but can't afford to pay its workers a living wage.

If the plan goes ahead flights will go up from 480,000 a year to 700,000. By 2030 air travel will be responsible for 12-15% of all carbon emissions. But actually it's worse than that. Scientists argue that because of 'radiative forcing,' emissions into the upper atmosphere cause much more damage than those at ground level.

Actually the projections for likely increases in air travel are rubbish. They are based on the guess (for that is all it is) that oil will be \$57 a barrel in 2010 and \$53 a barrel in 2020. Does anyone believe that projection now oil is above \$100 and likely to stay there? And does anyone outside the government think a doubling in the price of aircraft fuel will have no effect on the price of, and demand for, air travel?

Even if the projection was right, the government is literally gambling on the survival of the planet. The Climate Change Bill currently going through Parliament accepts that a 60-80% reduction of emissions is necessary by 2050. John McDonnell has argued that sharper reductions are called for. In any case air travel is excluded from the assumptions of the Bill. Why? Because of pressure from big business. There could be no clearer indication that capitalism is the main threat to our environment ■

1979 inquiry: "present level of noise unacceptable"



Academies and strike votes

by Rob Sewell

THE GOVERNMENT plans to establish a new national academy to encourage budding teenage capitalists. This is part of New Labour's commitment to the big business system. Its aim we are told is to "boost the business skills of young people."

In these academies of capitalism, market values will be taught to students aged 16 to 19, with the expressed wish to turn them into successful capitalists. According to Whitehall insiders, Peter Jones, who built a £160m telecommunications empire, has agreed to a multi-million pound sponsorship of the new academy. Apparently Jones suggested this idea to Gordon Brown, who fell over himself in praising the new initiative.

John Hutton has set the tone for the initiative with a defence of 'huge salaries' in corporate Britain. Of

course, this is nothing new for New Labour ministers. According to the latest Sunday Times Rich List: "The past decade of Labour government under Tony Blair has proven a golden age for the rich, rarely seen in modern British history. When the Blair administration came to power in 1997, the wealth of Britain's richest 1,000 stood at £98.99 billion. The £261 billion rise in the wealth of today's top 1,000 represents a 263% jump over the past 10 years." All this alongside 11 million in poverty.

But for John Hutton, our business secretary, we must get away from our prejudice against social class and money-making. Given this pro-super rich message, instead of a shirt and tie, it would have been more appropriate for him to have worn a T-shirt 'I love capitalism', 'Get Rich Quick' or 'Rich bastards Rule'.

Hutton defended aspiration and ambition as "natural human emo-

tions" to justify his pro-big business stance. However, millions of young people have natural ambitions and 'emotions' to develop their talents, but are prevented by capitalism.

Rather than satisfying the aspirations of young people, capitalism acts as a colossal barrier to the latent talents of youth and others. The capitalist market allocates resources not on the basis of human need, but on the basis of profit. As a result of this, the system generates inequalities and scarcities in areas of social need. The motto is: if it isn't profitable, then forget it! If we can make money out of it, privatize it!

The schools minister, Jim Knight, said the investment in 'enterprise' will

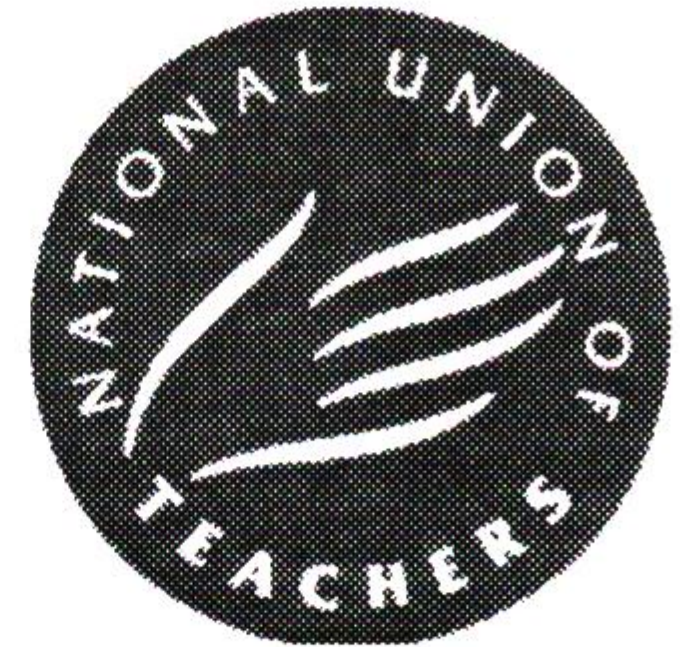
"help young people to be creative and innovative, to take and manage risks and to do so with determination and drive". The problem is only a tiny handful can become capitalists and live off the proceeds of unpaid labour. The

majority of us have to work for a living. We have no choice.

The New Labour hierarchy has bought into this rotten market place ideology. At the same time as setting up Business Academies, the government has promised that it will invest an extra £30m into the expansion of its enterprise education programme, already running in secondary schools, into primary schools and further education colleges. Now they want to indoctrinate children as young as five to believe in so-called enterprise!

Even before the current crisis, the Financial Times noted that "it is easy to assume that the liberalizing processes of the past 20 years are irreversible. But such reforms have little bedrock support... the globalised economy that has helped companies increase their profits is a fragile structure." This structure is now beginning to come apart at the seams. Somebody should tell John Hutton. □

Academies: teaching market values



TEACHING UNIONS have had a busy week. The National Union of Teachers is already voting on a one day strike for 24 April and delegates at their conference voted to ballot on further industrial action over pay and class sizes.

With over a quarter of a million members in England and Wales and an offer nearly half a per cent above the government's 2% limit on the table, the NUT's anger gives an indication of the head of steam boiling up in the public sector.

Class sizes

Class sizes are a vital matter for both teachers and society as a whole. How can teachers provide the kind of education we want our kids to receive when they are struggling to keep the attention and interest of overcrowded classes? Conference called for a reduction to maximum 20 per class by 2020. In England the average is currently over 26.

NUT leaders attacked Academy sponsors for backdoor privatisation and their attempts to force teachers to choose between signing an official commitment to the 'values' of the sponsors, or leaving their jobs. The National Association of Schoolmasters/ Union of Women Teachers (NASUWT) conference also voted to ballot on strike action against proposed Academies where staff oppose the transfer, plus legal action in defence of their rights under European TUPE Regulations

Incapacity Benefit under fire

by John Smithee

SPONGERS, SCROUNGERS and SCUM. These are just three of the many words used by the red-top newspapers (the tabloids) in describing the 2.7 million people on incapacity benefits.

Many male manual workers made redundant from heavy industries in the 1980s and 1990s now spend the rest of their lives on incapacity benefits.

Since 1997, the acute stress imposed on workers in the workplace, means that figures for long-term illness and depression have soared. Recent figures show that 1.2 million of the 2.7 million people on incapacity benefits are unable to work due to mental health problems. The rising number of claimants who suffer from mental disorders is a reflection of a service-dominated economy. For example, research shows that ten per cent of workers in call centres are clinically depressed. Call centres are just modern versions of the dark satanic mills of old.

In 2006 New Labour had a target of reducing the number of people on incapacity benefits by one million by 2016. To achieve this goal would involve the government in a statistical sleight of hand.

There are currently 850,000 claimants of incapacity benefits aged

over 55. Therefore within ten years these people would either be dead or retired. All it would need to reduce the number of incapacity benefits claimants by one million would be for the Department of Work and Pensions to get 150,000 current claimants off benefit, together with reducing the flow of new claimants.

Young people

However, a major spanner in the works has come from the number of young people, aged 16 - 35 who have moved onto incapacity benefits over the last five years. There are now 500,000 young people, aged 16 - 35, now claiming incapacity benefits. This is higher than those claiming Job Seekers' Allowance. A second generation of

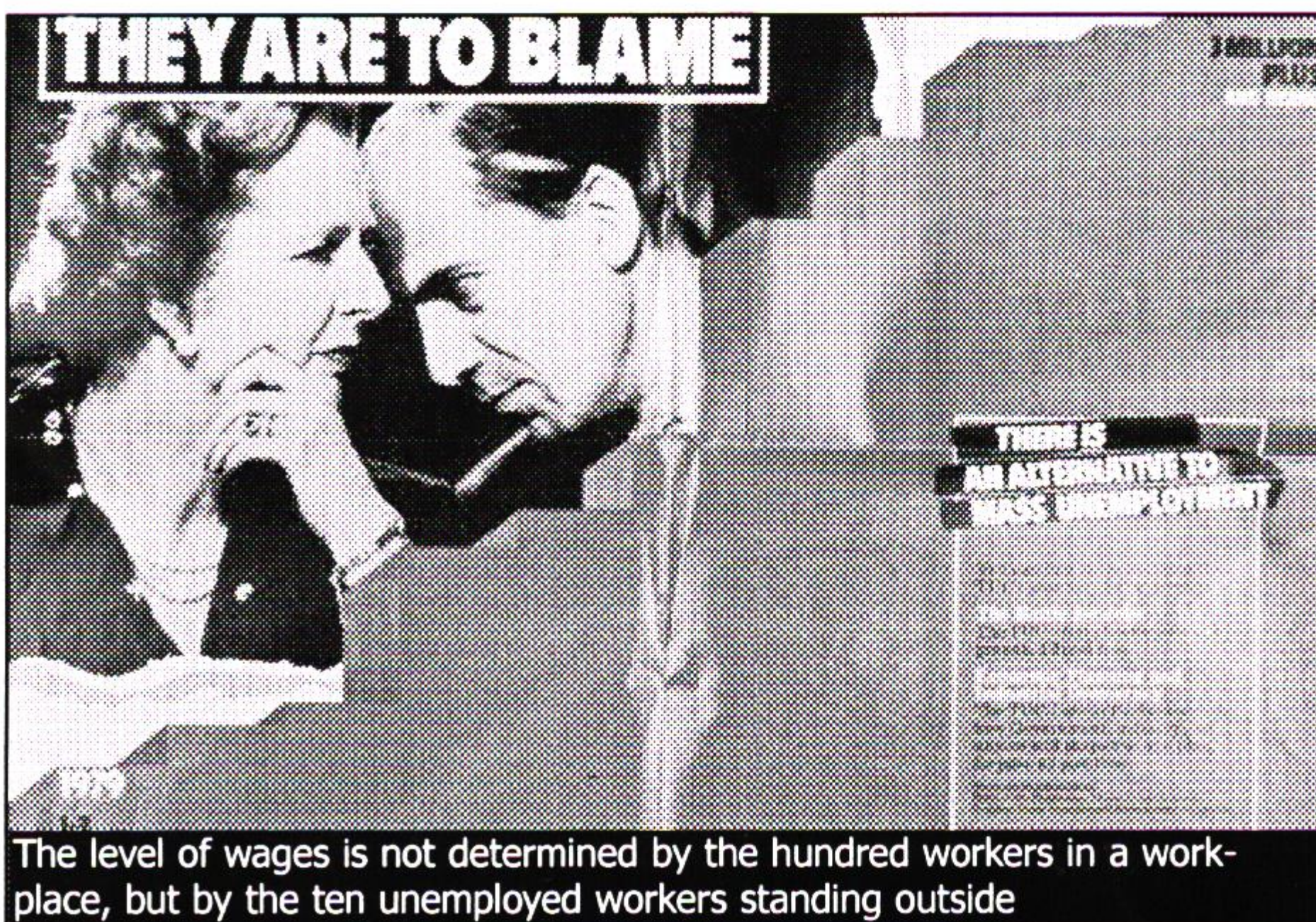
people is now coming onto incapacity benefits due to mental illness. This is a reflection of the despair and hopelessness amongst a section of youth.

There is evidence to show that if someone is on incapacity benefits for two years, they are more likely to die or retire than go back to work. To counter this, the government has introduced Pathway to Work pilot schemes, which have been very successful in helping many thousands of people come off incapacity benefits and into work. Pathways to Work will soon be rolled out across the whole of Britain.

However, because the government has run out of money, it has taken on David Freud, a city investment banker, as an adviser to the

Department of Work and Pensions. David Freud wants to pay private companies up to £62,000 in getting the average person on incapacity benefits into the world of work.

All capitalist politicians now talk about the era of full employment. However, in true Orwellian language, full employment is the name given to mass unemployment. While there are 2.7 million on incapacity benefits who would like to find work, we cannot talk about full employment. The capitalist politicians want to talk about the era of full employment, whilst at the same time using mass unemployment as a means of driving down wages. To paraphrase Marx: the level of wages is not determined by the 100 workers in a workplace,



The level of wages is not determined by the hundred workers in a workplace, but by the ten unemployed workers standing outside

An oath for the Queen?

by Nathan Joel Morrison and Ewan Gibbs

but by the ten unemployed workers standing outside the factory gate.

One way to drive down wages is through the employment of the 1.3 million migrant workers, mainly from Poland and other Eastern European countries, who have come to Britain since April 2004. This has had a side-effect of displacing mainly young male British-born workers onto Job Seekers' Allowance and then onto incapacity benefits.

Incapacity

Another way is by bringing the one million of the 2.7 million people on incapacity benefits, who say they would like to work, into work or into a pool of surplus labour.

It is only right that all people with physical disabilities or mental health problems have the chance to work, if they want to.

The labour movement should therefore have policies to enable this to happen and counter any extreme exploitation by employers.

- Participation of claimants of Incapacity Benefits on Pathways to Work to be entirely voluntary, with no benefit sanctions on people who refuse to take part.

- Pathways to Work to be under the supervision and control of the PCS trade union and local trades councils.

- Participation of incapacity benefit claimants on Pathways to Work work experience placements to be at trade union rates of pay.

- The national minimum wage to be raised to £8 an hour, as a step towards two-thirds the average wage, to eliminate the

IN A report he issued on British citizenship Lord Goldsmith has stated that school-leavers should take an oath of allegiance to 'Queen and Country' and suggested that schools should hold citizenship ceremonies for leavers. Additionally to this, Goldsmith has also proposed for a national holiday dedicated to 'Britishness'. One apparently progressive measure did appear in this report; the removal of archaic penalty laws for 'treason' to the bourgeois state. Modern anti-terror legislation seems to have done a more than adequate job in superseding this.

Goldsmith argued that school-leavers taking this oath would somehow give teenagers a sense of belonging to something. We might have little option but to face huge student debts or low paid insecure service sector jobs but at least we'll know we're doing it for Britain!

Goldsmith

Peers of Lord Goldsmith came out criticising this measure with Baroness Kennedy saying "I think this is a serious mistake - I think it's puerile and I think it's rather silly. The symbols of a healthy democracy are not to be found in empty gestures and I'm afraid I see this as an empty gesture." Let's not forget that the symbols of a healthy democracy are certainly not found in an unelected legislative institution like the House of Lords itself.

The report also called for the disenfranchisement of citizens of the Commonwealth nations from voting in British elections. In practice this means that people who have lived and worked in Britain for decades, many since they were children, will be denied votes. This is a disgusting attempt to cuddle up to racism and fears of 'overcrowding' by immigrants diluting 'our culture', and yet another failure to stand for working class unity against bigots by the Labour right.

My contact with others supposedly in line to take this oath has shown a large



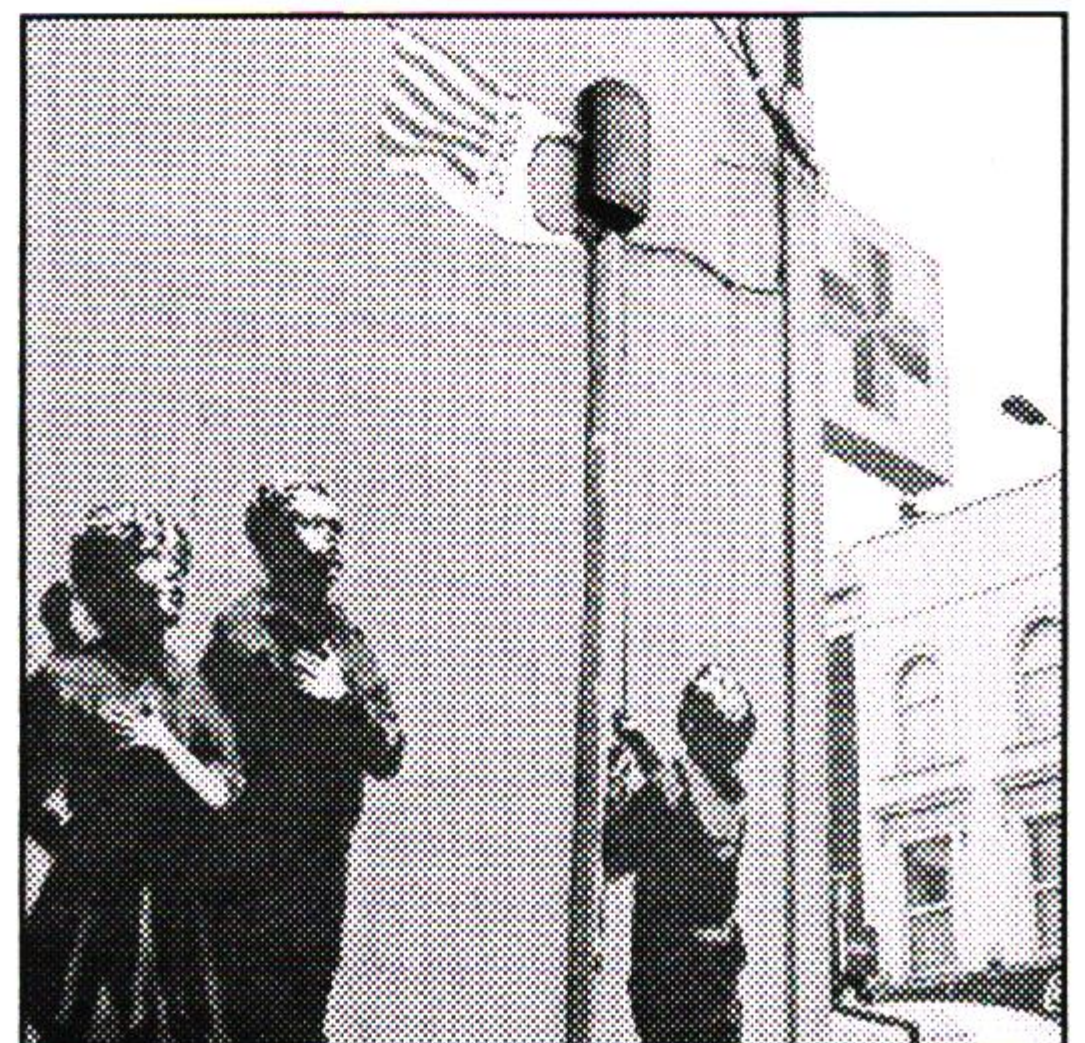
Lord Goldsmith

degree of disdain towards it, all declaring that they would be unwilling to take it. This is not surprising; this proposal was not made to appeal to working class youth who may well be pushed in the direction of nationalist parties in Scotland and Wales as a result of this rampant chauvinism. This is far more concerning

than most of the proposals themselves. It is quite likely after their usefulness as headline grabbers has gone they will be conveniently forgotten.

Big Business

These proposals were made by a Labour government that has pandered to the demands of big business at the expense of working people. In an effort to cover the glaring cracks now appearing in our public services, below-inflation pay rises, the imperialist military adventures in Iraq and Afghanistan and the Northern Rock farce, it has resorted to flag waving and giving those unruly kids some sense of pride. This may satisfy the Daily Mail and a wing of 'middle England' but it will do little to answer the problems for workers and youth. This oath will not stop the economic downturn or the growing radicalisation of the workers and youth. Socialist policies are the only solution to this situation and the very thing that those who wrap themselves in the Union Jack fear most. □



'White' - making racism respectable

by Ian Aylett

THE DOCUMENTARIES and one drama in the BBC2 series 'White' were made by different people and companies. But the strand has been initiated and the proposals selected from amongst many by one Commissioning Editor. So it's reasonable to assume some sort of overall intention.

The programme which was overtly reactionary was 'Rivers of Blood', written and narrated by Denys Blakeway who has worked with Thatcher and John Major. This was a not unsympathetic account of Enoch Powell's infamous 1968 speech attacking immigration and predicting it would lead to bloodshed in Britain.

The real problem with the series was more general than a viewing of individual programmes would suggest. They were each very different but with the overall aim of developing one view about the white working class.

Right wing ideas are often smuggled into the political discourse under cover of 'objectivity' and 'impartiality' and defended as 'freedom of speech'. We must oppose them but also be careful not to deny realities like the existence of racism or deny ordinary people the right to express their fears. But this series didn't simply 'reflect' white fears. It was an ideological exer-

cise. These documentaries assumed what they appeared to prove. They were selected and edited to show that the white working class feels excluded and blames immigrants and the Labour Party.

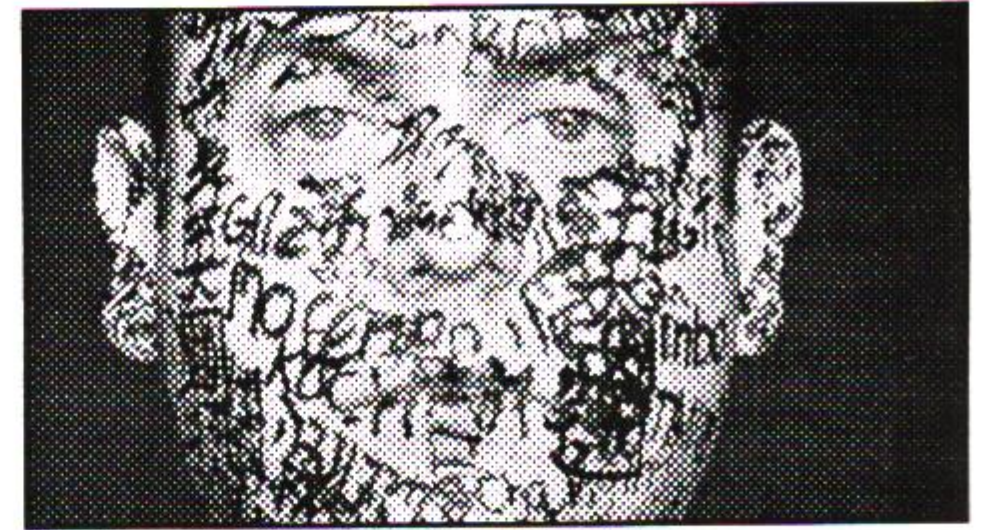
The other intention was to show that the 'liberal' policy of 'multiculturalism' has led to a failure of integration; causing separateness and hostility between ethnic groups and different nationalities. It presented specific areas of high immigration as representative of the general situation.

The widespread attack on 'multiculturalism' ignores the failure of 'integration', the traditional state policy in France. The truth is that capitalism causes the conditions in which racism breeds - and that is the real problem.

'White Girl' was clearly there for classic BBC 'balance', but with its middle class lack of realism couldn't have been better designed to alienate working class or potentially reactionary viewers, rather than counter their prejudices in a realistic way.

The film-makers all depicted a poor and alienated working class, whether it's the old people in Barking or the inarticulate young guys outside the job centre in Peterborough who don't want the jobs the immigrants are doing but blame them nonetheless.

There was a very selective choice



of subjects - barely a single white working class person with a steady job for instance. There's also not a single normal cross race or cross national relationship in the entire series. The idea of working class solidarity is out of bounds.

There was also a clear assumption that racism is a working class phenomenon, which is a typical middle class prejudice. Indeed, historically racism finds its political base amongst the frightened middle layers.

This is not to pretend that huge problems don't exist in many areas or that racism isn't a common problem. Successive governments have failed the white and black working class. And racism will tend to rise as economic crisis hits.

Above all, this series fuels the problems by making racism respectable and writing working class solidarity out of history. □

Cathy is back

UNLIKE 'WHITE', Ken Loach's legendary 1966 drama about homelessness, 'Cathy Come Home', got 12m viewers and caused public outrage. It even prompted the formation of a national campaign - Shelter.

Just over forty years later and Ken Loach has been denouncing Shelter management, who are trying to impose an extra two and a half hours work a week on their staff for no extra pay. Over 70% of the 468 Unite members voted for strike action.

Given the current deluge of ageing hippies and ex-lefties reminiscing about 1968 it is worth saying here that the nostalgia brigade only see one side of things.

It is indeed a disgrace that the original idealism of the kind which launched Shelter should be reduced to the well-paid management of a nearly £50m turnover

business attacking its own staff.

What none of them see is that the disappearance of the old identifiable areas and lifestyles actually has the opposite significance. The working class is less visible now because it is the overwhelming majority of the population.

Another important lesson is that after forty years of reformers' admirable efforts to help the homeless we are about to see the whole miserable nightmare explode again.

Thatcher sold off the best council houses and the private sector has failed to provide affordable housing on the scale needed. Now the financial crisis will destroy the dreams of many who did get a mortgage - and deny even that opportunity to many more young people.

We have to spread a vital message. The working class isn't the hopeless ageing or workshy minority which 'White' portrays. It's the biggest power in the land once it stands up. The defeats of the 1980s are history. A new generation will avenge them in the new struggles approaching. □

EADS - towards a trade war?

by Terry Crow

Two giant firms employing two of the most brilliant teams of workers on the planet could be helping to make the world a better place. Instead they are producing killing machines. That's capitalism for you. Instead of co-operating, they are squabbling over market share. As Karl Marx said, "It's one thing to share out profits and quite another to share out losses." Could this be the start of a trade war?

THE US AIR Force has announced that EADS, the European defence company which owns Airbus, and Northrop Grumman, a US aircraft manufacturer, have won a contract to supply the Air Force refuelling tankers. The contract is worth \$35bn initially but could eventually be worth more than \$100bn.

Originally the Air Force had selected Boeing, the US aircraft manufacturer, in 2002, but Congress cancelled the deal after it emerged that the top Air Force procurement official had held job talks with Boeing during the bidding process. Subsequently, the Air Force official and Boeing's Chief Financial Officer both went to prison for corruption while Boeing's CEO resigned. (Financial Times - 3 March 2008)

EADS has said that it will assemble the tankers in Mobile, Alabama and it is half-promising to assemble cargo aircraft at the same facility. Alabama's two Republican Senators sit on the Senate armed services committee and the defence appropriations committee. Boeing maintains that US jobs will be lost at their plant near Seattle and that US national security will be damaged by giving the contract to EADS.

Boeing

Boeing have formally protested the decision with the Government. Members of Congress, particularly those with Boeing plants in their constituencies are threatening to block the decision by means of legislation. Presidential contenders Hillary Clinton and Barack Obama have both



expressed concern about the decision. John McCain, who was instrumental in overturning the original 2002 decision has been silent. It has emerged that two of his advisers lobbied on behalf of EADS/Northrop before joining his campaign staff (The Times - 12 March 2008).

Despite the noise coming from Congress, it is doubtful that this decision will be blocked on technical grounds. Because it's an election year, with the US plunging into recession and jobs being lost in all sectors of the economy, it's possible, if unlikely, that politicians in Washington DC, afraid of losing their comfortable jobs and their benefits from big-business, will force the Air Force to reconsider their decision.



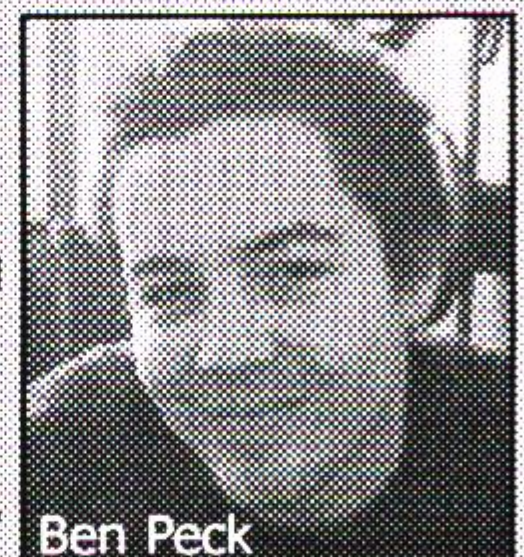
More to the point though is the what this hissy-fit demonstrates about the capitalist system. Boeing is willing to play the jingoistic card in order to retain orders and profits; EADS seeks to reinvent itself as an American company to win the same orders and profits. Ominously this incident has also raised the spectre of trade wars and protectionism at a time when the world capitalist economy is facing severe difficulties. Both the US and Europe have filed complaints with the World Trade Organisation that Airbus and Boeing are receiving subsidies from their respective governments.

In the meantime, while the capitalists on both sides of the Atlantic exchange insults, workers in both the US and in Europe suffer with job losses and cutbacks. Only with the ending of capitalism and a socialist planned economy can the incredible technical achievements of the workers in both Airbus and Boeing be used for the benefit of all humanity. □

Ben's Round-up

Last month began with a meeting a little out of the ordinary - editor of Marxist.com, Alan Woods, was invited by the George Orwell society at Eton to talk on the relevance of Marxism today. Socialist Appeal comrades continued to promote revolutionary ideas elsewhere - at the ULU Marxist society in London meetings were held on Feminism and International Women's day, the Middle East and Venezuela. Francesco Merli of the IMT spoke for the Hands Off Venezuela campaign on the recent developments in Latin America at a HOV meeting in Dublin, where there is also a growing interest in the revolution. There was also good news for the Venezuelan revolution in Norwich, where the UEA students union voted to affiliate to Hands off Venezuela thanks to the work of our student comrades. Representatives of the union will take

this resolution to the NUS conference at the beginning of April calling for the whole student body to extend their solidarity to the people



Ben Peck

of Venezuela. Comrades also organised an excellent first meeting at the University of Wolverhampton, where Darrall Cozens spoke on the subject "Capitalism in Crisis - More of the same or Revolution?" Socialist Appeal was also present at the Stop the War demos in London and Glasgow, where there was a great deal of interest in revolutionary socialist material. As we go to press we are preparing to intervene in the Socialist Youth Network's annual conference, the youth wing of the LRC, as ever working to spread Marxist ideas among labour and youth. □

US slides into recession

by Mick Brooks

LAST MONTH 100,000 American private sector workers lost their jobs. This is the third monthly rise in the unemployment figures in a row. Bizarrely, the actual unemployment rate went down from 4.9% to 4.8%. This is because 450,000 people were deemed to be 'not looking for work' and were taken off the figures. It's good to know that it's not just the British government that fiddles the figures.

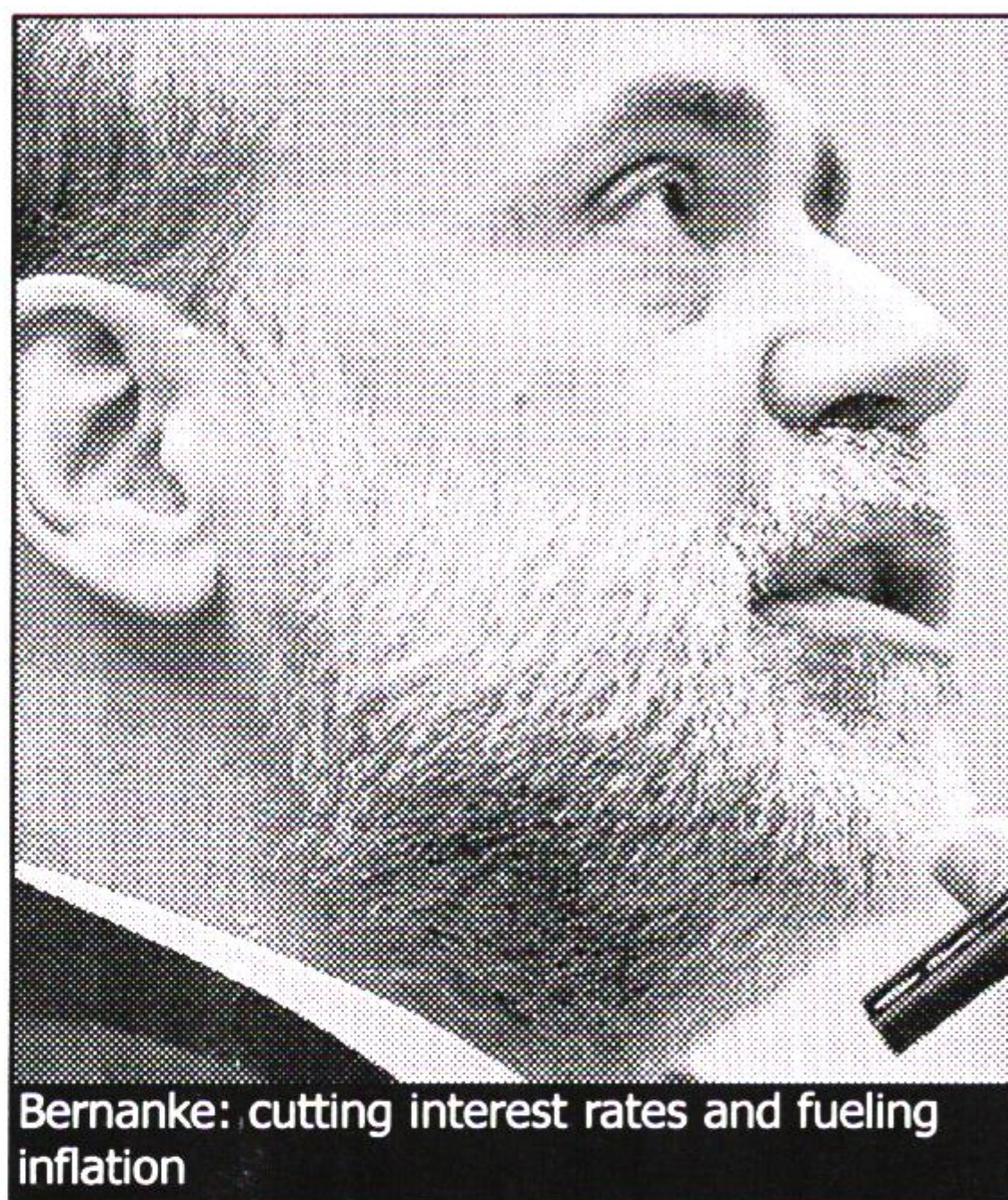
The financial crisis is worsening the recession, which was coming anyway. The crisis started with the sub-prime mortgage scandal.

People with no income, no job and no assets were offered mortgages which they couldn't possibly afford. Often they started paying on low 'teaser' rates that were yanked sharply up once they'd been hooked. This fiddle was only possible in the feverish atmosphere of a housing bubble, where the illusion spread that house prices would just go up and up for ever. But what goes up must come down.

As Michael Roberts explains these sub-prime mortgages were sliced and diced with other financial assets and sold on all round the world as pieces of paper that would pay the owner an unearned income. Nice for some. The problem is that the sub-prime mortgage holders can't pay and are being evicted, literally in their millions. So these bits of paper are worthless and the sub-prime scandal has been 'globalised' to continents unconnected with

the scam.

The sub-prime crisis did two things. It pricked the housing bubble, which has definitively burst. Now all house prices are down. The housing market has collapsed. Since the crisis began last summer, a third of a million building workers have lost their jobs. Last year saw 1.5 million repossession proceedings. And it will get worse. Every



Bernanke: cutting interest rates and fueling inflation

unemployed building worker is a 'consumer' who won't be buying a new car. Every unemployed car worker is someone who won't be moving in to a new house.

Secondly the sub-prime crisis produced a credit crunch. Banks had used the bits of paper which wrapped up

the dodgy mortgages as assets on which they could let out money. Now lending has dried up. Banks are reluctant to lend to one another or to potential lenders. The Central Bank has responded by cutting interest rates to 3% compared with 5.25% last summer, and the odds are that they'll be cut again. Since this rate is less than inflation, they are effectively paying you to borrow money. But, as Keynes said, 'you can pull on a piece of string, but you can't push on a piece of string.' He meant that raising the rate of interest can be effective in restraining overheated capitalist growth, but cutting interest rates when they're already very low doesn't have much of an effect in reflatting the economy.

The powers that be are doing their best. But it's not good enough. Despite the joke that only two people in the USA don't know the country's in reces-

sion - Bush and Fed Chief Bob Bernanke - they are trying to prevent capitalism from slowing down and coming to a stop. George W. Bush is delivering more than \$150bn in tax cuts to perk up the economy. But what use is a tax cut if you haven't got a job? So their measures don't seem to be working.

But Bernanke's rate cuts are having an effect - on the foreign exchange markets. Speculators have the choice of putting their money in dollars or somewhere else. If the USA offers a low rate of interest they'll put their money elsewhere. That's what Bernanke has engineered. So the dollar has plumbed all-time lows on the foreign exchanges. This makes US goods cheaper and more competitive abroad. But it makes imports more expensive, feeding inflation. This is hurting the American consumer, who has been the driving force of economic growth all over the world for the past five years. No more. US consumer spending was all based on the house price bubble, which has now definitively burst.

The crisis spilled over from sub-prime mortgages to a credit crunch. Because banks became very suspicious of dodgy bits of paper they stopped lending to each other as well as to customers. So now the Fed is upping the money it lends to the commercial banks (it's called a Term Auction Facility) up to \$100bn one Friday to make inter-bank lending easier. Then on Monday they doubled it again to \$200 bn. Panic! The banks need the money to purge the toxic sub-prime out of their asset portfolio. Giant Citigroup has announced it may have to write off another \$18 billion in bad debts.

Equally scary is what has been going on in commodity markets. Usually, you either get inflation or unemployment under capitalism. It looks like we're getting both - 'stagflation' - the worst of all worlds. The commodity price index has gone up by 288% in the six years to February 2008. For energy, it's up 358%. This seems to be a long term rise in the

demand for commodities and energy, and it's outside the control of the US government. Nearly a third of the extra demand for oil comes from China.

Tim Bond writes in the Financial Times March 6th, "The financial markets require a recapitalisation of the banking system, with estimates ranging from \$300bn to \$2,000bn. By contrast prospective capital requirements in the resource markets dwarf the current needs of the banking system. According to the International Energy Agency, the global energy sector alone needs a real \$22,000bn over the next two decades to meet the anticipated rise in primary energy demand...Predictably, the scale of response to each of these crises is in inverse proportion to their

respective magnitudes. In the US, the credit crunch has elicited an instantaneous fiscal package to the tune of \$168bn, or 1.2% of nominal GDP. In contrast, the latest annual budget appropriation for renewable energy spending is just \$1.72bn - 0.01% of GDP."

Capitalism has taken us to the brink of disaster. We need to plan the future, and that means changing the system.

Nouriel Roubini was written off as a professional doomsayer, but his predictions so far have all been remarkable accurate. He sees "a rising probability of a catastrophic financial outcome." Step one is the worst housing recession in US history. He suggests house prices will fall by 20-30%, wiping out \$4,000-6,000bn in household wealth. Stage two is sub-prime mortgage losses. Step three is the credit crunch spreading to consumer credit. Stage four is the monoline crash. Monoline is the name given to people who insure bonds for local government projects. It sounds safe and boring. The monoline financiers got so bored they started betting on other things. They lost - big time, billions. If wanted a little flutter, they should have stuck to the Cheltenham Gold Cup.

Now these are all happening before our eyes. Roubini then outlines the further stages in a financial meltdown - the commercial property market collapses, a bank goes bust, there's a wave of corporate defaults. If it all comes to pass, "Total losses in the financial system will add up to more than \$1,000bn and the economic recession will become more protracted and severe." Roubini's thoughts are no longer dismissed as ravings. Goldman Sachs economists now agree with him. Coming from the big business mainstream, they totted up total possible losses as \$1,156bn.

When insufferably smug capitalist commentators come over all apocalyptic, then you know something's really up

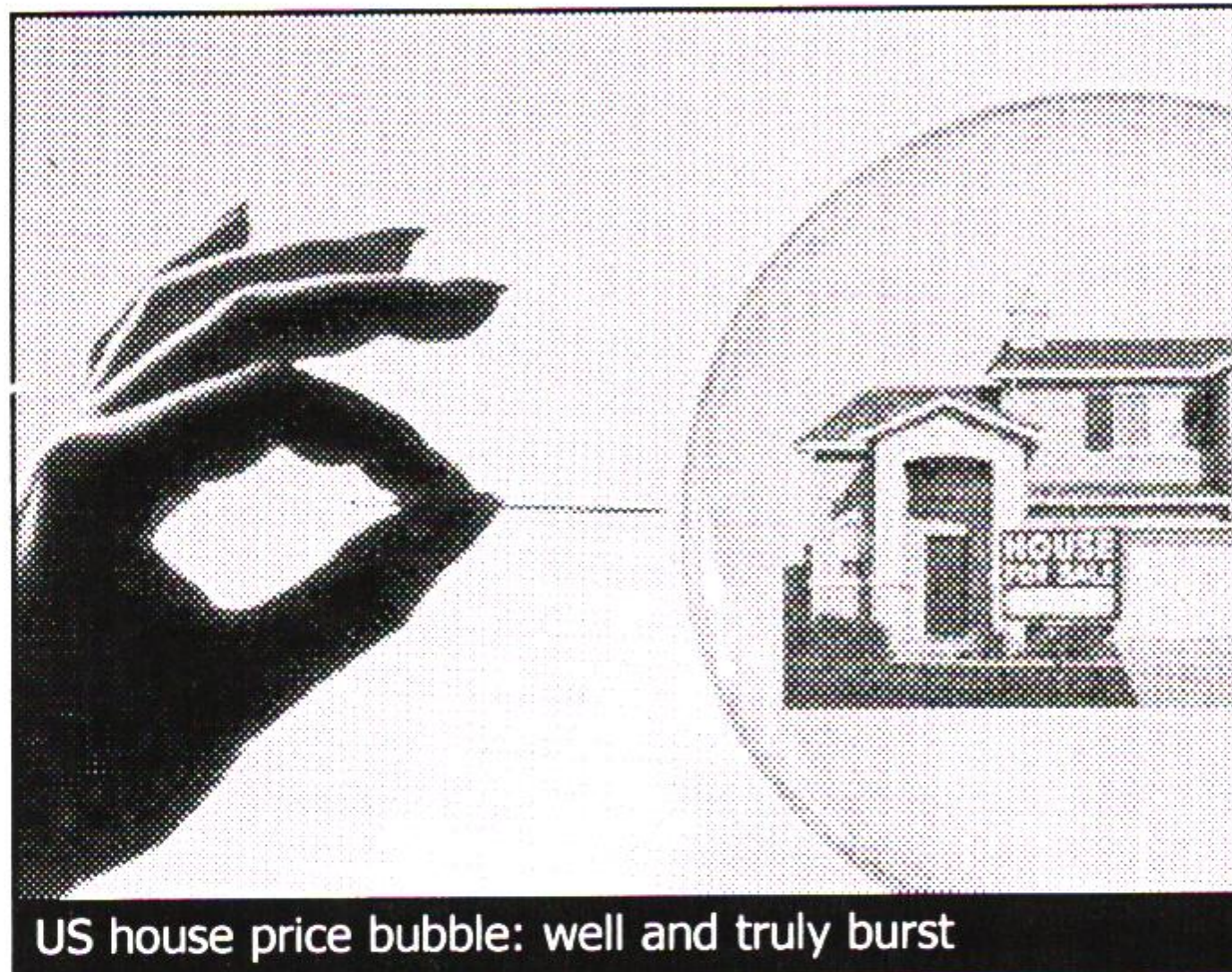
with their system.

A month later Roubini was back. He'd done some more sums. On plausible assumptions, he now reckoned total losses might hit \$3,000bn (that's \$3 trillion). Martin Wolf surveyed this 'rising auction of scary scenarios' in the Financial Times of March 11th with a mixture of awe and dismay. As he comments, "Losses of \$2,000bn-\$3,000bn would decapitalise the financial system. The government would have to mount a rescue. The most plausible means of doing so would be via nationalisation of all losses." Note that the representatives of the bourgeoisie don't have an ideological objection to nationalisation. They are all in favour of losses passing into the ownership of the nation, as long as profits remain in their pockets.

He goes on, "While the US government could afford to raise its debt by up to 20% of GDP in order to do this, that decision would have huge ramifications. We would have more than the biggest financial crisis since the 1930s. It would be an epochal political event."

Could this happen? Sure. Capitalism is out of control. It's not delivering the goods. And it's not just in the USA. The alarm and consternation that has greeted every bit of bad news from the States in Tokyo, London and Shanghai shows that (as we predicted, issue159) the idea that the rest of the world can decouple

and float away on its own from the economic problems in the USA is a fantasy. Even if capitalism doesn't fall over and crush you this time, it will always be a threat to the welfare and happiness of workers all over the world. It's high time we got rid of it. □



US house price bubble: well and truly burst



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Bear Stearns - down and out

by Michael Roberts

AS I write, world stock markets are still reeling from yet another shock to the system brought on by the so-called credit crunch that has enveloped capitalist financial markets since last summer.

The latest shock was the biggest yet. Late on Sunday night, 16 March, the US Federal Reserve Bank announced that Bear Stearns, America's fifth-largest investment bank, was bust. So it had agreed that JP Morgan-Chase, an even bigger bank, would take over Bear Stearns. JP Morgan was to pay just \$2 a share and it would not be paying cash, but just offering JP Morgan shares to Bear Stearns shareholders. At the same time, the huge loans and bonds of \$30bn that Bear Stearns had on its books would be guaranteed by a loan from the Federal Reserve to JP Morgan.

In effect, JP Morgan was getting Bear Stearns and its business for virtually nothing. It was paying \$256m (and not in cash) for a bank that had buildings alone worth \$2bn and whose shares were worth over \$100 each just a few months ago! And the risky loans that Bear Stearns had, and which had forced it to the wall, were going to be guaranteed by the Fed. What a deal for JP Morgan!

The US state authorities were doing this because they knew that Bear Stearns could not meet its obligations to other banks and creditors. It had run out of cash and nobody in Wall Street, New York's financial centre, would lend to it. If it went bust, however, then all the other banks in Wall Street and in Europe too would incur huge losses on their loans and contracts to Bear Stearns and per-

haps force some of them into bankruptcy too.

The Fed had to act in bailing out the great capitalist financial system. So it has taken on a considerable obligation to the rest of the banking system on behalf of the taxpayer – that's us.

This shows that the credit crunch has reached such proportions that large banks are now going to the wall. No wonder former Fed Chairman Greenspan called the global financial crisis the worst since the 1930s. The financial sector of capitalism is tottering.

How did it get into this sorry state? The key to understanding the crisis is the changing relationship between the productive and unproductive sectors of capitalism. Capitalism is a system of production of things that people need for profit. Production is not for need, but for profit. If there is no profit, there is no production even if people need things or services.

Marx

By that definition, the productive sectors of capitalism are those that generate profit. Marx explained that only the power of labour can generate value and profit arises when the value of goods or services sold on the market exceeds the cost of employing labour and investing in plant and raw materials to make goods or services.

Some sectors of capitalism may seem to make a profit, but in reality are really just extracting or redistributing profits actually generated in other sectors of the economy. Thus, real estate companies can make a profit on buying and selling properties and on the fees they charge. But

nothing has been produced in that process. Profits are also made when private builders build a house and sell it. But here something that people need is produced. From the point of view of capitalism, the productive sector is house-building but the unproductive sector is real estate, because house-building is where the profit that real estate agents make is originally generated.

For capitalism, the productive sectors that generate profit are broadly manufacturing, mining, transport and communications. But these sectors must buy the services of lawyers, estate agents, advertisers and above all they must borrow from the banks and financial institutions to finance investment and pay their employees. These sectors are necessary to lubricate the wheels of capitalism, but they are unproductive because they do not generate profits for the whole economy, but merely get a bite out of the revenues produced by the productive sectors.

Just as 'necessary' and unproductive for capitalism are the government sectors of health, education, police and the armed forces. They are necessary to preserve the health and skills of the workforce and keep 'law and order'. But they do not generate surplus-value or make a profit in themselves.

What has happened over the last 25 years particularly has been a massive expansion of the unproductive sectors of the capitalist economy (at least in the mature advanced capitalist economies of North America, Western Europe and Japan). As capitalism has matured it has become increasingly less oriented to production. The shrinking productive sectors have had to

finance an ever-growing unproductive sector, or mature capitalist economies have had to extract profits from the fast-rising productive sectors in China, India and Latin America.

As a result, economic growth in the mature economies has slowed to a trickle compared to the golden decades of the 1950s and 1960s. Sure, economic growth has not been as convulsive and volatile as in the 1970s, but it has averaged no more than 3% a year in the advanced economies compare to 5-6% in the post 1948 period.

That's because more and more investment has been diverted into unproductive sectors that have given only the appearance of better profitability. And worse, as profitability declined in productive sectors, the monetary authorities tried to boost growth by lowering interest rates and printing more money. Money capital grew, giving the appearance that there was plenty of capital or profit to reinvest.

Fictitious capital

But as Marx would say, this was fictitious capital. It was not real because it was not based on profits made in the productive sectors of capitalism, but merely the result of the printing of paper money, or the making of contracts for bonds, mortgages and other financial instruments. In the last 15 years, completely new and ever more exotic financial instruments were created to finance the buying of stocks and shares, buildings and homes and even some investment in real production.

This fictitious capital reached astronomical levels. The world's annual output was worth about \$53 trillion in 2007. However, bank loans reached \$40 trillion, the stock markets of the world reached \$50trn, the bond and mortgage markets reached \$70trn and most astounding of all the derivative markets (contracts to buy or sell bonds, stocks or loans by a certain date) reached \$500 trillion, or ten times world GDP!

Clearly, world capitalism had become unreal. This could not last. The trigger was housing. This, after all, was one the biggest parts of fictitious capital. Cheap mortgages and a

huge influx of money enabled even average earners to get onto the housing market from about 15 years ago. Everywhere the housing market took off: rising prices bred even bigger mortgages and even higher prices. The appearance of prosperity led homeowners to borrow money on their houses and spend like there was no tomorrow.

Housing

And the banks not only provided ever more mortgages to people who could not afford them; they also sold on those mortgages as bonds to other banks and investors greedy for the higher interest and prices that they earned.

Then about mid-2005 American house prices began to stop rising so fast and even started to fall. Prices had got so high that more and more people could not afford to buy, even with cheap and easy mortgages. The productive sectors of the economy were just not generating enough wage increases and profit rises to pay for high house prices. Just as the stock market bubble had burst in 2000, leading to economic recession in 2001, now it was the turn of the housing market bubble.

House prices in the US have now slumped over 10%, with falls as big as 30% in key states like California and Florida. People began to default on their mortgages. Banks that held them were forced to write off these debts. But many of these mortgages had been packaged off as bonds to others. Investors now found that their bonds were worthless. They had borrowed on the value of these bonds and now could not pay back their creditors. Soon the credit crunch was swinging right through the financial sectors of America, Europe and Asia. Eventually we have come to Bear Stearns.

When banks have to pay losses with their shareholders' money, they are forced to find more investors or they must cut back on lending. That's because they cannot lend more than say ten times the value of their investor's capital or the deposits they hold. Most of the time, investors and depositors don't want their money all at once, so banks 'leverage' up,

assuming that they only need to pay out on about 10% of their liabilities at any time.

So if their capital disappears as they pay off losses and if depositors all demand their money back at once, they face bankruptcy. They must be careful and cut back on their lending or go bust like Bear Stearns. Therefore they must deleverage.

Banks and other financial institutions are now deleveraging like mad. They won't lend to home owners or manufacturers, or they will lend less and at higher interest rates. Fictitious capital is disappearing and the poor state of real capital is being revealed beneath a welter of worthless paper.

This spells economic slump. As I have argued in this column many times, capitalist profitability goes up and down in cycles according to Marx's law of the tendency of the rate of profit to decline. This is a tendency: profitability does not always decline. Indeed, in the US, the UK and Europe, it rose from 1982 to 1997. But now we are in the middle of the down phase in profitability that is likely to last until 2013-15.

Down phase

In the down phase, falling profitability can sometimes lead to an actual fall in the mass of profits generated by capitalism producing a bout of economic recession where production slows, unemployment rises and investment falls until profitability is restored.

This process is now happening. US corporate profits are now falling and soon European corporate profits will too. Then investment will slow or stop and unemployment, which has been falling in the US and Europe since 2002, will start to rise - and fast.

The last economic recession was in 2001 and it was very mild because, although profits fell, the huge boost of fictitious capital into the housing market kept up consumer spending. Now we are entering an economic recession when housing markets everywhere are heading downwards and credit has dried up. This is going to be the worst economic downturn for capitalism since 1991 or 1981, maybe as bad as 1974-5. ■

Where is the working class going?

by Terry McPartlan

THE CLASS struggle arises from the conditions of life of human beings. It's a struggle of living forces; there are complicated and complicating factors. Different industries have different conditions; there are different traditions of struggle, different forms of organisation, different political conditions over time and different leaders.

But under capitalism it is also entirely true to say that the development of big industry, and also the development of technology, means that the conditions of life of workers are similar, that working class consciousness is a product of capitalism and that the working class of all countries have far more in common with each other than they do with the bourgeoisie of any country.

The key to understanding the fundamental processes at work in society begins at the point of production. How do we live and how do we reproduce our labour power.

Proletarianisation

To quote some figures from our latest British Perspectives:

"The most significant trend in the world today is proletarianisation. Global head counts are hard to come by and figures come with a time lag. The last estimate of numbers seems to have been by Filmer for the World Bank in 1995. He worked out there were

880m workers in the world. Since we know the 'South' has been industrialising fast, there are almost certainly now one billion humans who make their living exclusively by working for a wage."

Together with their families, they are now a majority of the world's workforce for the first time in history.

Deindustrialisation?

On a day to day basis it seems quite clear that something particularly serious has happened to British industry. Instead of coal-fields the countryside is littered with clean rivers, country parks and newly landscaped colliery yard shaped lakes and so on.

Welsh Valleys and County Durham villages struggle on with no visible means of support. As the Ashington-born conservative thinker John Gray pointed out in his book 'False Dawn' - work is the glue that holds communities together. Take it away and you are left with huge social problems.

Shipyards

Shipyards and docks close down and huge car factories are swept away. Steel works and printing plants disappear. Although it's obvious that this process is hugely destructive to the communities dependent on these industries it is also true that in many cases, although the numbers of employed workers has fallen, the effect of increasing

productivity has been that more goods are actually produced by fewer workers.

Increases in the productivity of agriculture have meant that although the number of farm workers in the OECD countries has fallen dramatically since 1900 and the service sector has massively expanded, according to Feinstein the proportion of workers in manufacturing has stayed stable at around 30%.

[Feinstein, C.H. (1972) National Income, Expenditure and Output of the United Kingdom, 1855-1965.]

In fact manufacturing grew in all the OECD countries between 1950 -1995 faster than national income, everywhere apart from the USA. What was produced in Britain in the 1960s by 8 million workers can now be produced by less than 4 million.

By concentrating production and increasing productivity the workers who remain in industry have more power in their hands relatively than ever before. In many cases small groups of workers or sections in key parts of a factory can paralyse production and profits.

The middle class

Bourgeois academics and the right wing in the Labour Movement like to talk about the middle class and the service sector, as a counterweight to Marxist ideas, as if they had discovered the philosopher's stone, or a mistake in Marx's writings.

The intermediate layers

in society - the mass of small industrialists and shopkeepers that existed in Marx's time - have, as he brilliantly predicted, been squeezed by mass production and forced out of existence.

Napoleon called the English a nation of shopkeepers, but with the rows of estate agents and charity shops on the High Street he would have been forced to do his shopping at TESCO like the rest of us.

Teachers, doctors and many other 'professions' are now under much the same pressures as the mass of white collar workers. Unions like the NUT are likely to begin balloting for a political fund, while doctors' contracts are under pressure to increase productivity.

Workers like bus drivers and train drivers are fairly clearly workers and have always identified as such. Yet together with many others they are thrown into the official category of "service sector workers".

Service sector

Traditionally difficult to organise and low paid, the service sector has also been subject to the general development of capitalism and technology. Many service sector workers are thrown together in call centres and huge office complexes like Canary Wharf. Far from being isolated they are very much part of a social system of production. It's no surprise that unions like the old ISTC (Iron and Steel Trades Confederation),

reshaped as Community, have orientated their recruitment towards them.

The experience of civil servants and local government workers has been of increased unionisation and a developing class consciousness over decades.

When the CPSA (now called PCS) swung to the left in the 1970s and 1980s it wasn't down to Trotskyist infiltration, it was down to a developing class consciousness and understanding of the programme of privatisation, cuts and closures that the Tories imposed. Under those conditions, the Marxists were seen as the best, most consistent class fighters.

If you were to describe a workplace full of dozens or even hundreds of women doing the same mundane

demands of employers have meant that within the service sector there is a much greater emphasis on training and qualification than previously. Conscious development of "core workforce policy" has strengthened the hand of sections of workers in the service sector.

Many things have changed since Marx's day, but the fundamentals remain, the working class are those who have only their labour to sell. The days of frock coated managers with troops of servants have gone. The working class now represents some 80% to 90% of the British population.

Many of the old working class communities may have gone. But now nurses live next door to fire fighters, teachers live beside

plumbers and joiners. The working class as a whole live in the city and towns, they shop in the same supermarkets, drink in the same pubs. The distinctive mining and shipbuilding areas reflected pro-

duction in the past. With public transport and cars, people travel to work now. But at the point of production, the factory office or hospital the social relations between the classes are fundamentally framed by the same issues.

An uneven process

Stephen Jay Gould managed to explain many of the contradictions in evolutionary theory by explaining changes in species didn't happen gradually and predictably, but that in reality

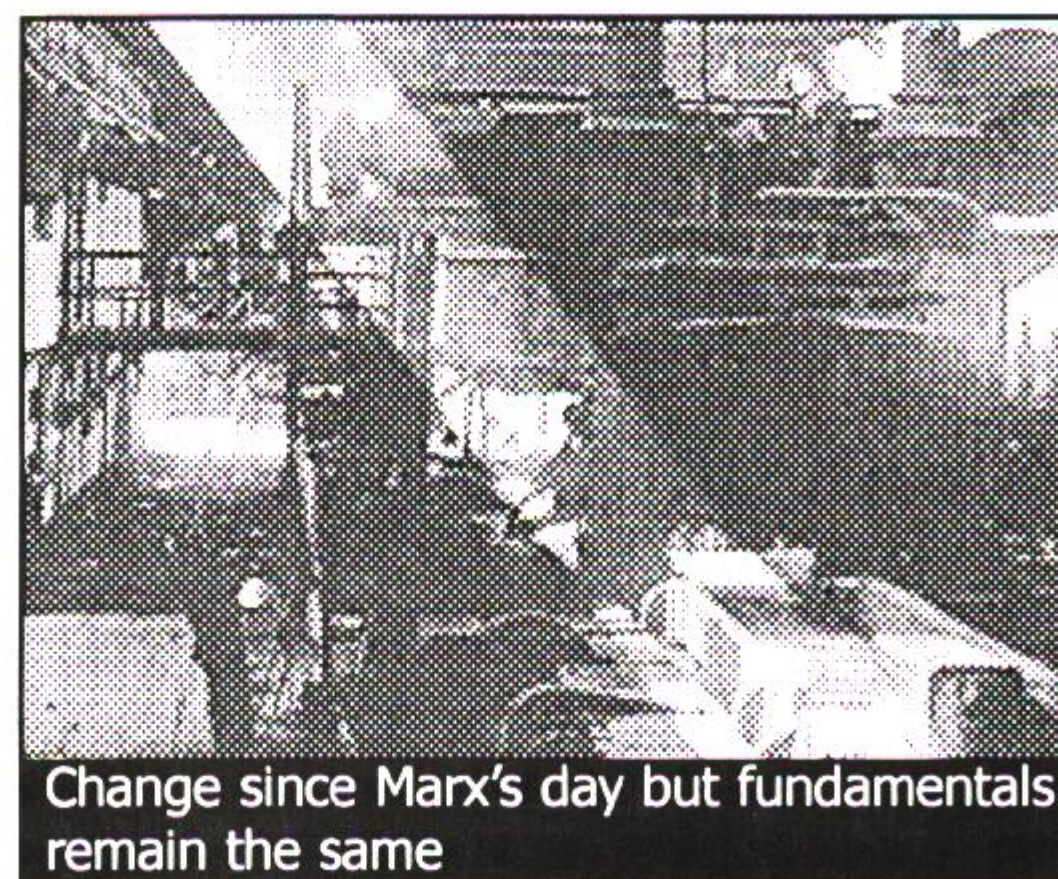
there was a 'punctuated equilibrium' where big shifts and changes took place in response to changes in the environment. Likewise the development of industrial and political struggle in Britain isn't even. It's very, very far from the Tory view that we do things 'differently' in Britain.

As early as 1798 the bourgeoisie outlawed trade unions in the 'Combination Acts'. This was incidentally at the time of huge movements in Ireland as well. The Peterloo massacre in 1819, the Tolpuddle Martyrs and the Chartists represent the development of trade unions and working class movements, at a time when industry was in its very early stages.

Capitalism in the sense of big factories and industry was in its infancy in the 1830s and 1840s. Conditions were appalling in the towns and cities as Engels pointed out in his 1844 masterpiece 'The condition of the working class in England'.

Political struggle led to a widening of the electoral franchise, but prior to 1890 Engels was able to talk about the British working class having been asleep for 40 years.

The 1890s was the beginning of the period of the development of General Trade Unions, starting with the struggle of the gas workers, the dockers and the Bryant and May match girls. Previously the trade unions had been restricted to the craft sections of the working class. The unskilled workers were seen as being



Change since Marx's day but fundamentals remain the same

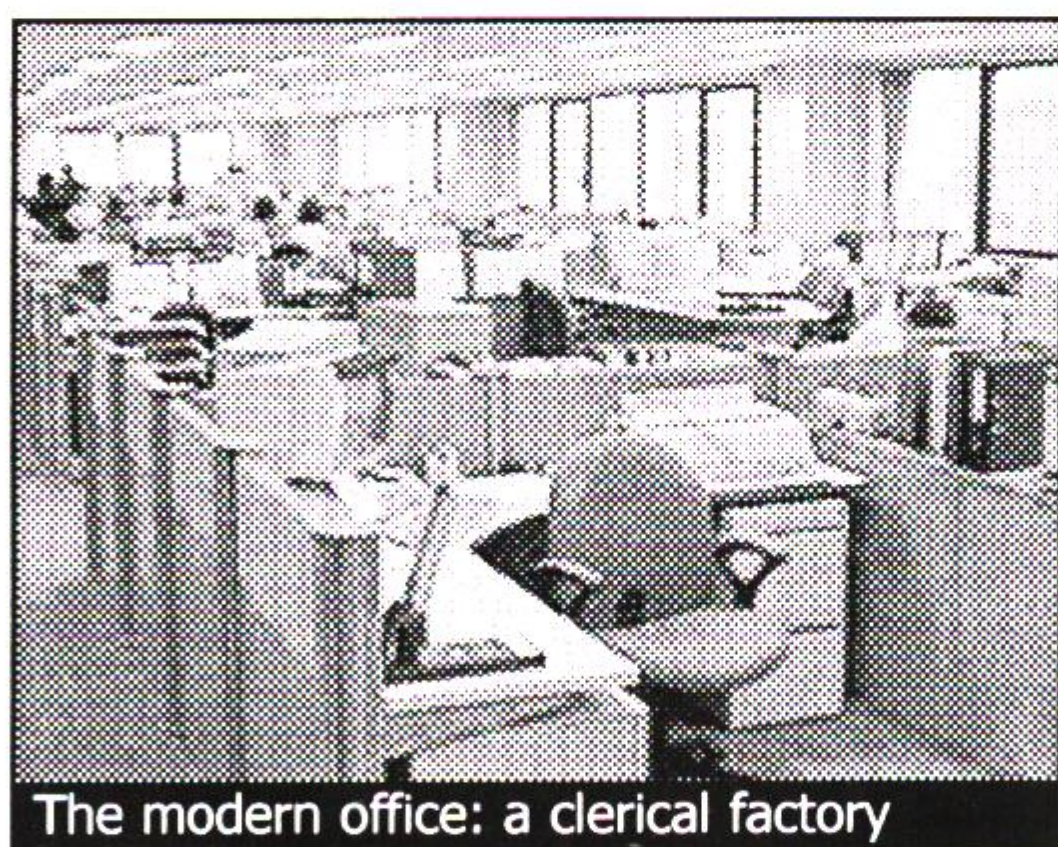
impossible to organise. In the same way that in more recent history the right wing argued it would be impossible to organise women workers.

The movement that developed before the First World War was cut across on the outbreak of hostilities but there are some clear examples of industrial militancy. Particularly in Ireland with the development of the Irish Transport and General Workers Union led by Connolly and Larkin and the Dublin lock-out in 1913.

After the war, there were a whole series of movements including the famous 1919 police strike and the great 1926 General Strike - the last ripple of the Russian Revolution. The defeat of the General Strike led to a downturn and to a terrible revenge particularly on the part of the coal owners. But the movement swung onto the political plane with the Labour election result in 1929.

The depression of the 1930s held back the movement, but by 1938/39 the British bourgeoisie were making preparations for the possibility of civil war in Britain. Again the Second World War cut across the developing class struggle. ■

Part 2 next issue



The modern office: a clerical factory

job day after day, you would have to assume that it was a sewing factory, a mill or a factory. But in fact the DHSS ran on the basis of millions of punch cards and thousands of operators, a clerical factory at Longbenton in the North East.

Common conditions create common consciousness. No wonder the Tories and New Labour have sought to divide the work force into this agency or that agency, this employer or that employer on the same site.

The complexity of much of this work and the

How the working class went global

Live working or die fighting: by Paul Mason, Harvill Secker £12.99

reviewed by Julian Sharpe

"The theoretical conclusions of the Communists are in no way based on ideas or principles that have been invented, or discovered, by this or that would-be universal reformer.

They merely express, in general terms, actual relations springing from an existing class struggle, from a historical movement going on under our eyes."

(Marx and Engels:1848
"Manifesto of the
Communist Party")

THIS IS A book that every young activist, trade unionist or socialist will want to read. Paul Mason, a journalist on BBC2's Newsnight programme, takes nine examples from labour history over the past 190 years or so and compares them to struggles that are taking

place today. He demonstrates that the issues and problems facing workers today are similar to those faced by workers over the past two centuries.

Obviously the world in 2008 is different to that in the early nineteenth century, and specific tactics and strategy which applied in the past may not apply to the current situation, but the same basic problems faced by workers of earning a living under capitalism remain. This is the view of Paul Mason in this book, and trade unionists in Britain today would agree with him.

The title of the book came from the weavers' revolt in Lyons in 1831 which is the subject of the second chapter of the book. The weavers would rather die fighting than live working.

If this book did no more than be an invaluable guide to some of the main events in the history of the labour movement then it would be worth reading. But Mason also believes that many of the lessons learnt in the past, particularly about how workers should organise in the workplace, are pertinent to struggles today. This aspect makes the book an

important addition to the armoury of trade unionists and socialists everywhere. Mason does this by telling the stories of how individuals are directly affected by these great events. For the historical episodes he uses diaries, memoirs and histories, for today's events he himself has interviewed the participants.

The main section of the book itself is divided into nine chapters. Each chapter opens with a brief account of the experiences of workers today, gathered by Mason from all around the world during the past 5 years. Each contemporary experience is then followed by an account of an episode in labour history where workers faced similar problems to those of today. Obviously, what worked in the past cannot be applied mechanically today disregarding huge differences in time, place and culture, but it is instructive nevertheless to examine both the similarities and differences. Thus:

- Shenzhen, China in 2003 is paired with the Peterloo Massacre, Manchester 1819;
- Varanasi, India, 2005 with the silk weavers' revolt, Lyons 1831;
- Amukoko, Nigeria, 2005 with the Paris Commune, 1871;
- Basra, Iraq, 2006 with the American workers inventing May Day, 1886;
- Canary Wharf, London, 2004 with the rise of unskilled unionism in 1889-1912;
- Huanuni, Bolivia, 2006 with the German workers' movement before

and after the First World War;

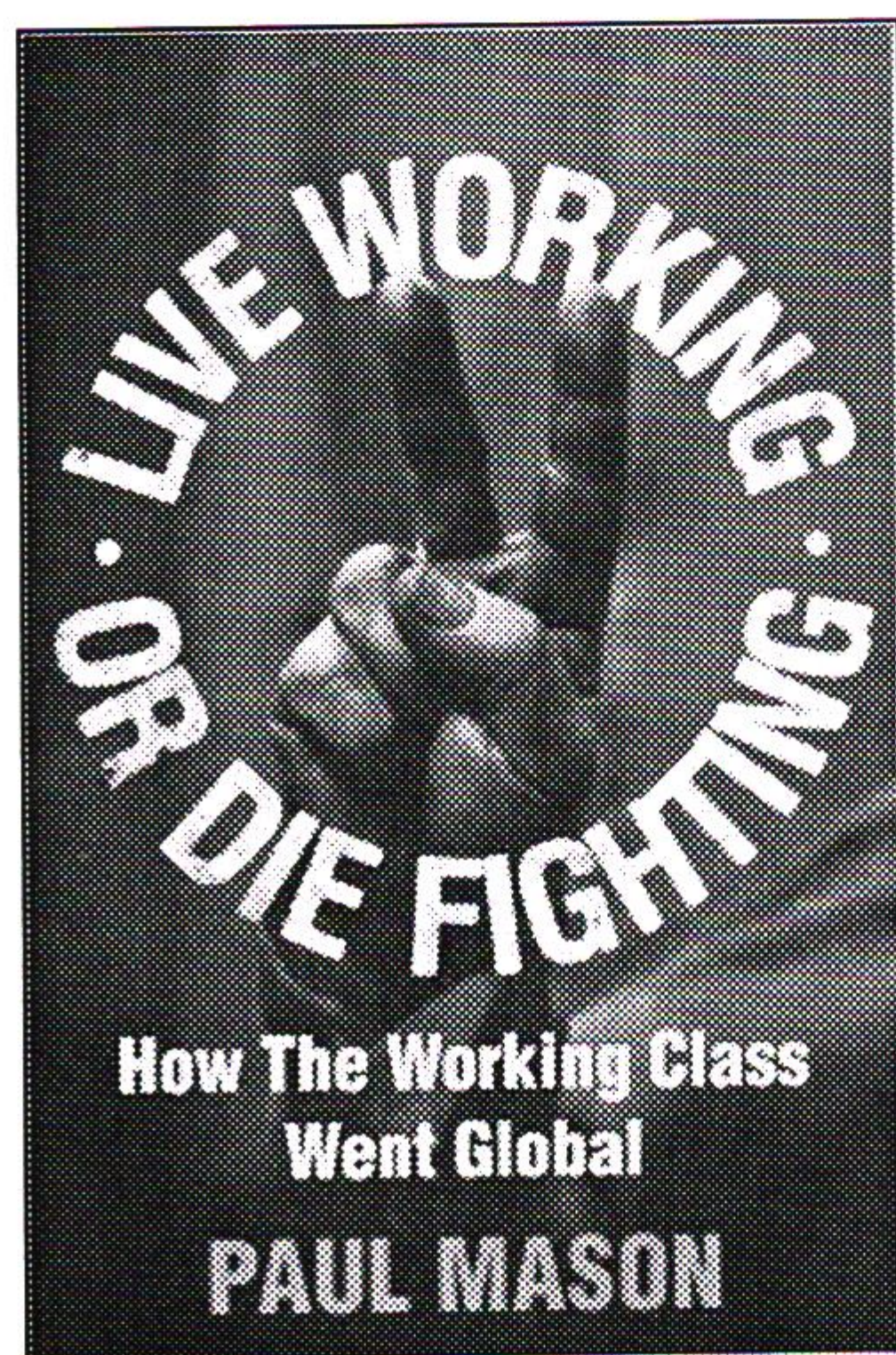
- New Delhi, India, 2005 with the 1927 Shanghai revolution;
- El Alto, Bolivia, 2006 with the experience of Jewish workers in the Bund;
- Neuquén, Argentina 2006 with workers' control in Italy in the 1920s & France in the 1930s.

Much to my regret, there is no room in this review to give a flavour of the richness of the experiences of workers in all the examples given - all of them are worth reading. In every example rank and file workers demonstrate their willingness to create a better world for themselves and demonstrate their capacity for self-sacrifice.

There are many fascinating stories in this book. The chapter on the Paris Commune is the best brief account I have read, but this is probably surpassed by the section on the Chinese workers in Shanghai in the 1920s, which should be essential reading for anyone wishing to understand what happened in China during that time.

Shanghai

The account of how an SPD worker lived his everyday life before the First World War is an eye-opener. Perhaps the most poignant history is that of the activities of the Bund, the Jewish workers' organisation, in the years before the Second World War. The standout part of the book is the account of the Shenzhen workers in China in the



current day. If you have any doubt that current day Chinese workers face some of the most exploitative conditions in the world today you should read this part of the book.

At the end, Mason also provides a brief history of the labour movement since the Second World War in both the Western 'developed' countries and in the developing world. Space precludes a detailed analysis, but clearly Mason is no Marxist.

Syndicalism

If there is a weakness to the book it is in a rather contradictory approach to theory. Paul Mason makes a powerful argument that activists today can and should learn important lessons from the past and apply those lessons to their current predicament.

Unfortunately, in so doing, he is dismissive about the importance of theory. For example, in the section on the new general unionism which organised unskilled workers at the end of the 19th century, Mason refers to "the great attraction of syndicalism, as against the intellectual creeds of socialism and anarchism, was its roots in

the working class". In other words what was important was not theory but practical organisation. Mason has a point, but how can workers, both in Britain and around the world, learn lessons from previous struggles without drawing general conclusions, that is theoretical conclusions, about the nature of class struggle, capitalism, working-class organisations and so on?

Inevitably, workers can and do arrive at theoretical conclusions. For a majority this will be as a direct consequence of struggles they themselves participate in. A very small minority will draw theoretical conclusions as a result of reading and discussion even in the present day. Ironically Mason cannot avoid reflecting this discussion about theory amongst workers, but is somewhat dismissive of it.

For example, at the start of the chapter about the German working-class movement, Oskar Hippe is a 14 year old member of the German SPD who takes part in an anti-War march days before SPD Deputies vote in favour of the First World War. By the end of the chapter, in 1933 Oskar is a member of the Trotskyist opposition in the German

Communist Party. Clearly, even on the individualist basis Mason takes in the book, important theoretical debates have taken place amongst workers, debates that are of relevance today, but Mason gives no real indication, even in brief outline, of these debates. His jaundiced view of intellectuals is a laudable instinct, rooted in basic class consciousness, but wrong. Intellectuals can, have played and do play an important part in the labour movement, provided they base themselves on the working class. Mason himself gives an approving example in the case of Louise Michel, a schoolmistress in Montmartre. She based herself upon the working class, played an heroic role during the Paris Commune and ended up an anarchist in London.

Louise Michel

So Marxists will want to supplement this book with the writings of Marx, Engels, Lenin and Trotsky, and the Marxists since Trotsky's time in order to bring out and illustrate the lessons from the history of the labour movement. Theory is not something alien to the experiences of workers, but as Marx and Engels explained in the Communist Manifesto, theory is the general expression of actual class struggle; the class struggle so vividly



Zanon: occupied factory in Neuquén, Argentina - showing what workers can do

outlined by Paul Mason in his book. Despite its shortcomings, this hugely ambitious book is well worth reading.

The final word should be given by one of the workers themselves. I could have chosen the fine words of many workers in this book, but the last chapter proper deals with the occupation by its workers of a tile factory in Neuquén in Argentina following the devaluation crisis in 2001 when many factories were occupied. The workers have reduced the working week and taken on 50% more employees. Whereas before the occupation there were around 300 accidents a year; there have been 33 accidents since the occupation. The leader of the workers at the factory, Raul Godoy, a Marxist, says:

"We feel more free, especially because of our struggle. You start to feel free when you start fighting, when you can see the problems and identify the enemy, understand what the bosses do, and the union bureaucracy. We can show the world what we have done; although we are only a grain of sand on a huge beach, our experience shows what workers can do...." □



Theory: not alien to experiences of workers but an expression of actual class struggle

9/11 - the real conspiracy

by Beatrice Windsor

PUT 9/11 into your search engine and you'll uncover a wealth of conspiracy theories about that terrible day. Some make interesting reading, others border on the bizarre.

But there is one conspiracy that the authorities took part in, yet has never made the headlines. It was one that could have reduced the death toll to hundreds rather than thousands.

When building the World Trade Centre, a greedy, short sighted cabal of entrepreneurs, speculators and get rich quick merchants by-passed basic safety measures to maximise profits.

Their defence of 'who'd have thought a bunch of fanatical terrorists would fly planes into the Twin Towers' holds no water. When you build massive skyscrapers, planes flying into them is something to consider. In 1981 an Argentine airliner was only 90 seconds from crashing into the World Trade Centre after it lost contact with air traffic control. Fortunately contact was resumed just in time to avoid a horrific accident.

The countdown to disaster began with David Rockefeller's vision to revitalise the area after the financial success of his Chase Manhattan Bank project in 1960. He successfully won over the city's burghers to the World Trade Centre project, which included the Governor of New York, one Nelson Rockefeller, er, David's brother.

But there was an

obstacle to the possible massive profits to be made - the city's 1938 Building Regulations. These demanded all skyscrapers had adequate stairways to shift thousands of people in an emergency, as well as 'Fire Towers' - a central reinforced stairwell - that reached from the bottom to the top of any skyscraper. And, sensibly, that all stairwells should be as far apart from each other as possible.

Vested interests

After the vested interests of real estate speculators, the Rockefellers and the leaders of the construction unions (who no doubt feared 'sleeping with the fishes' if they didn't deliver) got to work, the 1938 Regs were 'reformed' in 1968.

Not everyone was happy. New York's Pan Am building had narrowly missed out on benefitting from the new code - its owners bitterly complained that had they been allowed to build the skyscraper under the 1968 code, they would have had two percent more space to rent on each floor, worth even in 1968 an extra \$1.8 million a year.

The net result of these 'reforms'? The Empire State Building, constructed to the 1938 code, had 102 floors, 2.25 million square feet of office space and 15,000 occupants. It had five stairwells (in each corner) down to the sixth floor that then spread into nine stairwells to the base, plus a Fire Tower throughout.

Each tower of the World Trade Centre, built to the 1968 regs, had 110 floors, four million square feet of profitable office space, and 20,000 occupants. And no Fire Tower. And only three stairwells. Oh, and all the stairwells were in the centre on the building to allow more open-plan rentable office space. When the planes hit on September 11, they severed the central stairwell system. And that was that for the people stuck above the area of impact.

The 1968 Regs also 'reformed' standards of fire proofing. Solid masonry and fire proof bricks were demanded before. Now you could even use wood, as long as it used new spray on fireproofing methods. The new World Trade Centre used the these methods, including fire proofing sprayed onto gypsum board - but never tested them. Not once.

Profiteering

Engineers for the buildings had been unhappy by the lacsidaical attitude of those who were profiting from the building and finally got them to agree to improve the fire proofing of the building's infrastructure. But by September 11, only 30 floors out of a combined total of 220 had been re-treated.

Tests on the 1968 code requirements for fire proofing were not carried out until 2004 as the post mortems into the horror of

9/11 built up a head of steam. It was found a 'fire-proofed' 35 foot length of steel, as used extensively throughout the World Trade Centre, would not last even two hours before the proofing was broken and the fire took effect.

Trade Centre

As the profits rolled in, there was much chest beating about the safety of the building. Even after Al Qaeda attacked the World Trade Centre for the first time in 1993 with a car bomb (bit of a clue there for the CIA and intelligence agencies about Al Qaeda's intentions) the centre's structural engineer Leslie Robertson was still claiming that the building was designed to "have a fully loaded 707 crash into it."

When planes were flown into it, both towers collapsed like a pack of cards. The North Tower came down in 101 minutes, the South Tower in just under an hour.

The blood of the innocents is certainly on the hands of Al Qaeda. But the blood of many more who could have escaped, not to mention over 300 New York firefighters who rushed into the building after three decades of propaganda that the buildings would never collapse, is on the hands of those who traded the chance of massive profits for basic health and safety measures. □

Marxists defiant and ready to fight

THE KARACHI regional conference of The Struggle took place on Friday, February 29, 2008. There were 350 delegates attending the meeting, the largest ever attendance at a Karachi regional conference of The Struggle. There was a mood of both immense anger against the dictatorship and its fascist toady the MQM, but also of immense enthusiasm for the struggle.

Comrade Lal Khan opened the conference with a lead off on international and Pakistan perspectives. Comrade Riaz Lund, who lost the election in Karachi because of ballot rigging, spoke next. Below are transcripts of the speeches of Ali Wazir, who stood in lawless Waziristan, and Manzoor Ahmad, who also lost his seat because of electoral fraud.

Comrade Ali Wazir

The Pakistan army began operations in South Waziristan when the election campaign started. The Taliban and military are not attacking each other but are consciously aiming their weapons against the people of Waziristan. They burnt the houses of the ordinary people and provided no alternative shelter for them in these harsh weather conditions.

I want to share an example of their brutality with you. During these operations two little girls were killed because no one agreed to give them any protection. Their home was burnt and their parents killed during this operation.

We launched our campaign on the basis of our ideas and revolutionary slogans: on education, employment, water, health, peace. In one meeting I replied that I want to remove the miseries of my people and that is why they call me a communist. So I admitted that I am a communist. The youth gathered there also loudly announced 'yes we all are communists'. You must bear in mind that this area was the launching pad of the American sponsored Jihad against the USSR in Afghanistan.

The state, the army, the ISI [Pakistan Secret Services] and the Taliban have no solutions to the problems of the masses. To give you an idea of how fraudulent the result was, the Taliban kidnapped the presiding officer and falsely registered a large number of votes against me.

I assure you that situation in Wana will be different in the coming days. We now have mass support in the area. So we will fight, and we will win.

Comrade Manzoor Ahmad

Comrades, was the parliament our target or was it something else? If election to parliament was our aim then we were defeated. But if our goal was bigger than that then we were not defeated. We were much more successful than in the previous elections held in 2002. In 2002 we only had one comrade contesting and this time there were four in the race [including a close sympathiser of The

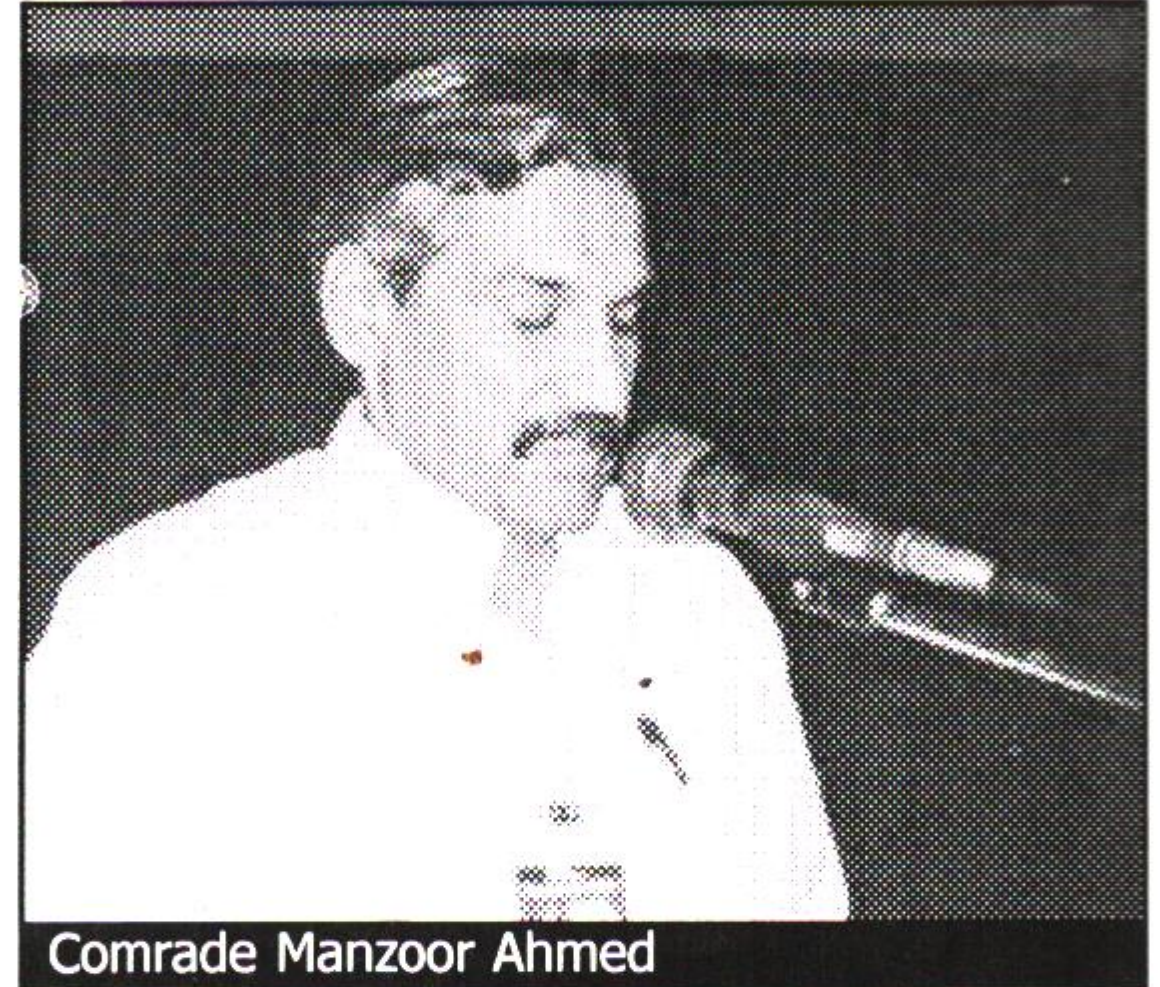
Struggle]. The ISI knew us well and that is why they rigged the elections.

In these elections we can see how they carried out a calculated, engineered, selective rigging. In the Punjab 40-45 seats were consciously given to the PML(N) (Sharif's Party) so that the Pakistan People's Party (for whom Manzoor was standing as a candidate) would not be able to get a clear cut majority. If the PPP had won a clear majority then their tune would have to be different.

For 40 days after Benazir Bhutto's assassination the PPP leadership suspended their election campaign. This was a blunder. It led to people saying that the PPP was a party without leadership. If the PPP had organized a full-fledged campaign the results would have been much more favourable for the PPP.

The local PPP leadership, the PML(N), PML(Q) (Musharraf's Party), and some other left groups were all distributing money against us. 140 million rupees were made available by the other parties to purchase votes, and on polling day each vote was purchased for up to Rs. 2000.

I want to share with you an example of rigging that took place. One of our com-



Comrade Manzoor Ahmad

rades was polling officer in the constituency. He told us how before polling day they came to his house and offered him any amount of money he wanted in exchange for 3 copies of his ballot paper pad. They also threatened him and said that other agents were helping them.

Comrades, some people lose after success, but we have won after a defeat. If we were already a point of reference in Pakistan after winning 29,000 votes in 2002, then we are an even more important point of reference after we won 150,000 votes.

We have faced up to the dark forces of reaction including the ISI, the fundamentalists, including the Taliban and Jamat-e-Islami, the fascists, American imperialism, and we have to continue fighting against them.

We have to work even harder now and base ourselves on the work we did during the election campaign. We must use this to win more workers and youth to Marxism and mobilize the masses in struggle. □

The riots in Tibet - what's going on?

by Heiko Khoo

FACED WITH RIOTS and bloodshed in Tibet, the Chinese Government responded by casting the blame on the Dalai Lama and the campaign by Tibetan exiles to raise the Tibet issue internationally, in advance of the Olympic Games. There is no doubt that the Dalai Lama, with his followers and friends, wants to exert political pressure on Beijing in the media spotlight.

Chinese reporters at the Xinhua news agency reported the scene in Lhasa:

'Dense smoke blanketed the cloud dotted blue sky, burning wreckages emitted an irritating smell and hundreds wailed over the bloodshed.'

'Vandals carrying backpacks filled with stones and bottles of inflammable liquids smashed windows, set fire to vehicles, shops and restaurants along their path'

Friday March 14th in Lhasa is described as 'a day when the capital was left in chaos after an outburst of beating, smashing, looting and burning, which officials say was "master-minded by the Dalai clique".'

Although the attacks on people and property had no political content, they were sparked off by monks' protests on the March 10th. According to the Peoples' Daily 300 monks from Zhaibung Monastery confronted security forces and provoked physical clashes. Onlookers then took up the torch and mobs "set off on a destruction rampage and spared nothing and nobody on their way. Rioters set fire to buildings, torched dozens of police cars and private vehicles and looted banks, schools and shops. Innocent civilians were stabbed, stoned and scourged. At least 10 died, mostly from burns."

All reports of the violence speak of youths in their 20s being involved in the rampage. A Muslim steamed bun shop owner, who was stabbed, reported that several vandals broke into his shop in the tourist zone.

"They came to beat us directly and we didn't dare put up any resistance, only begging," he said, "I know some of them. They were nice people

before."

The explanation of the national and local Communist Party is hollow, although the spark for the riots and bloodshed was the monks and the Dalai Lama's campaign; the real cause of the riots was something totally different. Tibet has seen an influx of Chinese businesses; the wealth accumulated all over China by the newly rich has opened opportunities for investments large and small. Those who fail to benefit are the Tibetan unemployed and migrant workers from the villages.

In the state sector in Tibet, where employment opportunities are booming, Tibetan nationals are unlikely to get the jobs. They are easily out-skilled by the vast pool of potential recruits from every corner of China, fostering nationalist resentment.

The 'average wage' in China represents the earnings of a specific group of employed people in China, known as 'staff and workers', including layers of public employees from upper-ranking cadres down to workers in public utilities or state-owned factories. (It therefore excludes migrant workers or workers in small factories or workplaces)

The 'average wage' in China's cities as a whole is 14,000 Yuan a year (\$1,800 US), but wages in Tibet are nearly double the average, higher than in Shanghai and second only to Beijing. State sector employment accounts for nearly 94 percent of employment in Tibet as opposed to 66 percent in China's cities on average.

Such relatively well-paid state employment is disproportionately allocated to people of ethnic Chinese backgrounds. Higher wages are justified on the basis that living in Tibet takes you far from family and friends and often causes serious health problems due to the effects of high altitude. Tibetans, whose skills are generally lower than the ethnic Chinese migrants, look on them as a deliberately privileged layer.

Alongside the influx of state employees, engaged in administration and infrastructure projects, has come an influx of ethnic Chinese traders and

to a lesser extent Hui Muslims, whose businesses thrive on the high spending power of state employees and tourists. Their nationwide networks mean Tibetans can't compete with them. The boom in Tibet has encouraged all manner of migrant entrepreneurs to open shop, including beggars' rackets and sex workers. Tibetans often think they too are subsidized by Beijing. Thus it is easy to see wherein the roots of ethnic discontent lie.

All over China the wage levels of workers have not risen in line with the economic boom. Under pressure from the army of migrant workers and the rapaciousness of private sector employers, wages for many have been frozen. According to the All China Federation of Trade Unions (ACFTU) 26% of China's workers have not received a pay rise for 5 years despite the economy growing at an average of 10.6%. Officials in Lhasa and Beijing, claim that the 'Dalai clique,' 'organized, premeditated and masterminded' the bloody riots and discontent of young Tibetans. This claim is pure foolishness! It is the growing income and opportunity disparities that foster explosions of discontent, here in an ethnic riot or a labour conflict, there in a peasant revolt.

It is almost comical, that with absurd income disparities fueling the anger of tens of millions, the slogan of 'build a harmonious society' should have become the Party mantra.

A Marxist policy would sensitively develop the nation and its minority regions on the basis of a democratically planned economy. Instead of this the Communist Party of China pursues a bureaucratic plan to open Tibet to the market.

The riots are not simply a plot by the 'Dalai clique' but the direct consequence of the policies of pro-capitalist forces in control of the party. This will bear bitter fruit all over the nation. While looking at the burnt out scene in central Lhasa, a Tibetan trader by the name of Rawan told the People's Daily, "It was once a shopping heaven, but now it is all deserted, like a hell." □

Race and Class: No lie can live forever

by Ben Peck

"You can't talk about solving the economic problem of the Negro without talking about billions of dollars. You can't talk about ending the slums without first saying profit must be taken out of slums ... we are treading in difficult water, because it really means that we are saying that something is wrong ... with capitalism ... There must be a better distribution of wealth and maybe America must move toward a democratic socialism."

Martin Luther King,
November 1966

THIS MONTH marks 40 years since the assassination of Dr. Martin Luther King Jr., shot in the face on the 2nd floor balcony of the Lorraine Motel in Memphis, Tennessee. James Earl Ray was imprisoned for the assassination, though never granted a trial for his murder. Given the US government's targeting of radicalised black leaders at this time, whoever pulled the trigger did the state's dirty work for them. The King family never accepted Ray was responsible.

King rose to prominence in the Black movement when he became leader of the Montgomery bus boycott in Alabama in 1955. The boycott sought to wring vital concessions from the state, such as the dropping of the segregationist Jim Crow Laws, by flexing the economic muscle of the black working class that made up 2/3 of Montgomery bus pas-

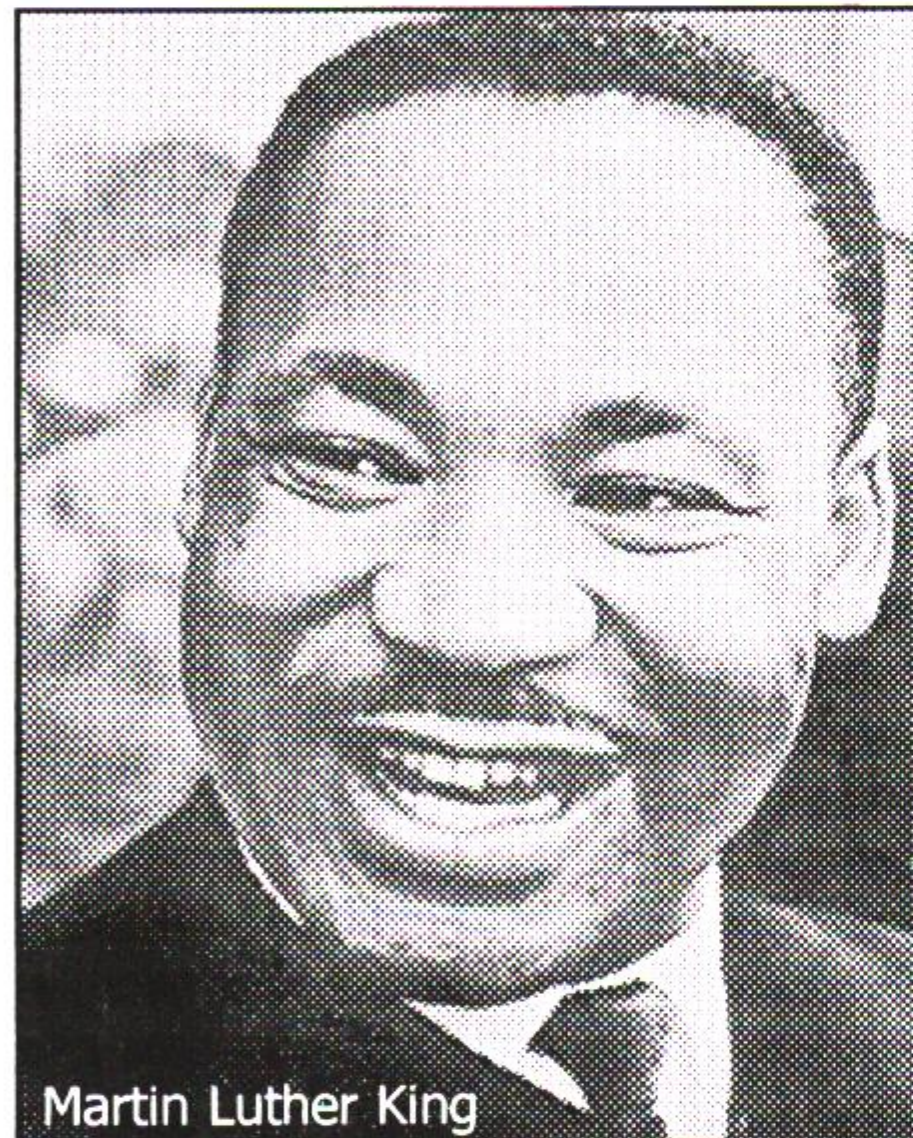
sengers. Originally the leading church ministers in the community showed reservations in participating. The local president of the NAACP (National Association for the Advancement of Coloured Peoples), E.D. Nixon, who had organised the boycott, threatened to expose the ministers' cowardice. The church was saved when King offered himself as leader.

Although black people had won formal independence from slavery following the American Civil War, almost a century later they remained in a socially inferior position. The working class, once split by racist propaganda, split politically too. The white workers, against the Republican party of triumphant big business, identified with the Democrats of the defeated South. The black workers cut adrift from the main current of the American working class, naturally identified with the Republican Party of Lincoln who had freed the slaves.

Craft union mentality in the US also hindered integrating black workers. Newly freed slaves emigrating to the urban North naturally entered on the bottom rung of the work force. A division between skilled and unskilled workers fighting for a larger slice of the pie was a feature of craft unionism. The entry of an unskilled black workforce alienated white unskilled workers by depressing their

wages. But it also alienated skilled workers by strengthening the hand of the unskilled unions.

As capital and its labour stooges sought to block industrial unity between black and white workers on the industrial front, so the aspirations of black workers eventually expressed themselves through community and single-issue organisa-



tions, like the NAACP, which made up the civil rights movement.

The history of the labour movement wasn't a total black-and-white issue however. For example in Alabama, an area notorious for its deep-south mentality, the issue of unionising black workers in the mining industry at the beginning of the 20th century was met with severe resistance by local employers. The United Mine Workers, a union not so affected by a narrow craft outlook, fought long and hard in the area, and by 1948 had a 45% black membership. The miners even employed entryist tac-

tics - when the Ku Klux Klan (local businessmen in sheets) started mobilising against black unionisation in the area, the white miners infiltrated it and rendered it impotent!

Martin Luther King went to lead the Montgomery bus boycott to victory, successfully led the battle against segregation and the March on Washington for Jobs and Freedom, where he made his famous 'I have a dream speech'. As time went on many leaders of the civil rights movement, while making progress in highlighting the need for formal equality, didn't address the deeper-rooted problem of black impoverishment. Opposition to the war highlighted the disproportionate amount of economic conscripts from non-white working class communities - just as we see today in Iraq - and radicalised the likes of King and Malcom X, bringing new militant elements into the movement, like the Black Panthers, who began to lean towards Marxism.

After the state moved to crush the new militancy in the black movement it was derailed into reformism, such as 'positive discrimination', which has certainly benefited a layer of the new black middle class. But the fact remains that black liberation is inseparable from the liberation of the working class as a whole.

This can only come through the segregation of humanity from capitalism, a system drenched in racism. As King said, "How long? Not long. Because no lie can live forever." □

Irish Republican Socialist Youth School

by Ewan Gibbs

ON THE 23rd February three comrades of the International Marxist Tendency attended the Republican Socialist Youth Movement's winter day school in Belfast. The school was split into several discussions on various subject matters, with debate being encouraged throughout.

The day began with a lead off on the question of loyalism by longstanding Irish Republican Socialist Party member Jim Daly. He argued that republican socialism could not compromise with loyalism. In the tradition of Connolly and Costello, republican socialists had to be unequivocally opposed to loyalism and understand that it stands in opposition to a united socialist Ireland and in support of the continued partition of the island. Jim reiterated that the aim of republican socialists was to unite the Irish working class both protestant and catholic.

Jim then demonstrated the incorrect positions that Stalinism and reformism had offered in relation to this. Sinn Fein has now effectively given up on a united Ireland or talk of revolution. The Irish Communist Party had split its sections into north and south and only campaigned on economic issues, in an effort to win over loyalist workers. Such a position offered no real solution to the divisive national question and was akin to the position of economism that Connolly had dubbed "gas and water socialism".

After this Sean McGowan, a leading comrade of RSYM gave a speech on the central role of the Irish working class. He firstly pointed to this being the tenth year of the Good Friday Agreement. This was something that strengthened the union between the north of Ireland and Britain and engrained sectarianism in the state. Stormont was also being used as a vehicle through which to launch economic attacks on the working class. This was shown through the recent introduction of privatisations (PFI).

Sinn Fein

Sean cited a Sinn Fein pamphlet dating to the turn of the twentieth century that revealed they had always leant on middle and ruling class elements, with appeals to men to encourage them to use Irish tailors. The IRA had been used by Sinn Fein's leaders to set back the

lowed were used as a barrier to conscious working class tendencies forming. Yet, within the provisional republican movement there had been the formation of the League of Communist Republicans within the H block prisoners. The leadership sidelined this and the mass movement that had built up around the hunger strikes, as its sole focus on armed struggle saw no need for a mass movement. Only the Irish Republican Socialist Movement had tried to seriously mobilise around this.

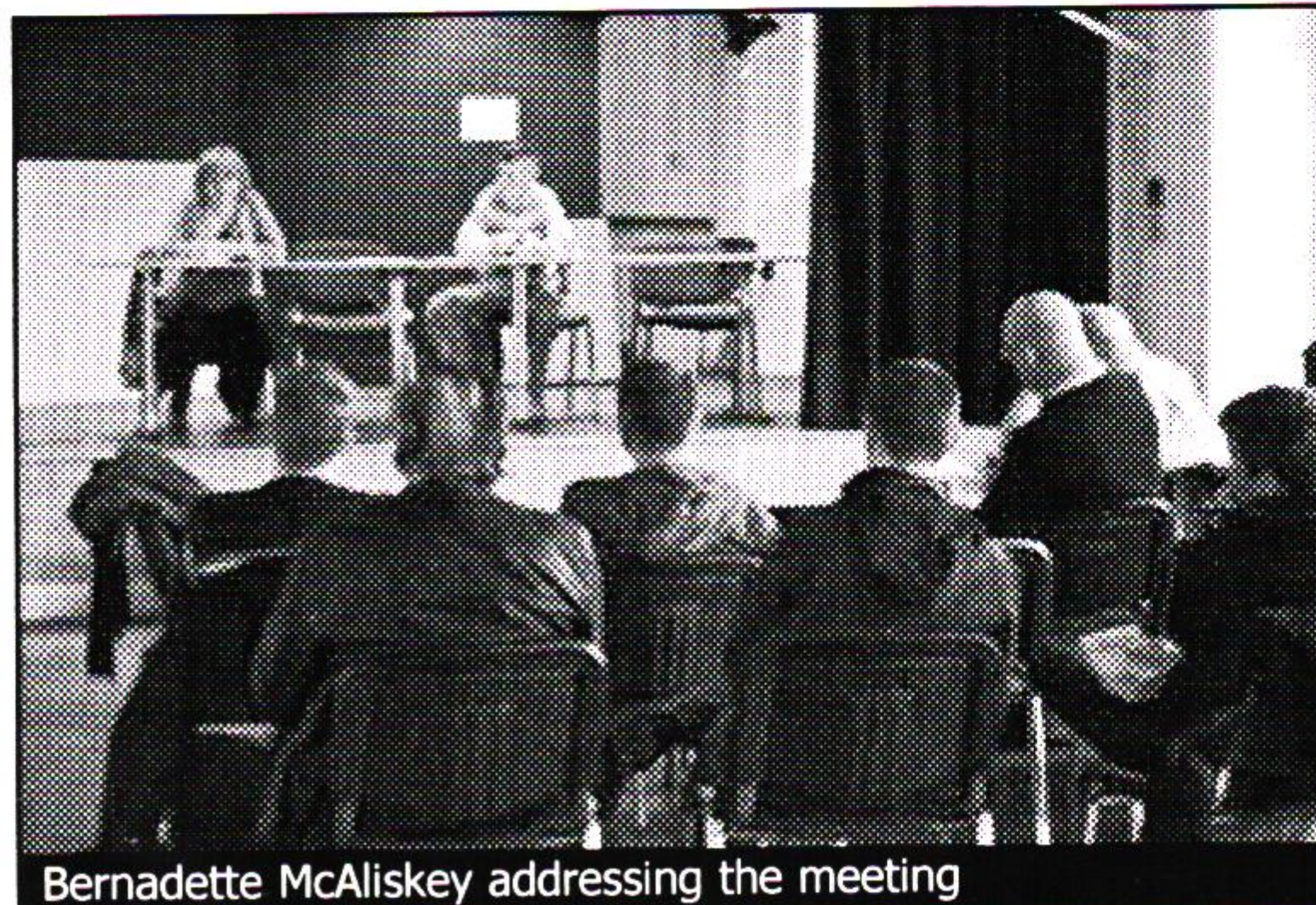
Wolfe Tone

Sean summed up by stressing that the lessons pointed out by Ta Power remain largely unlearned; the need for a mass revolutionary party to unite the working class in its own interests and lead it to a united socialist Ireland. There remains no alternative for the working class but socialism.

A broad range of points were raised in the discussion that followed including republicanism's origins in the struggle of the oppressed classes, Wolfe Tone's appeal to "the men of no property".

The final discussion surrounded the compatibility of republicanism and socialism.

It was introduced by veteran socialist and republican campaigner Bernadette McAliskey. She began by stating this was an important question in the Irish left due to recent debate over whether republicanism was a hindrance to socialists. She



Bernadette McAliskey addressing the meeting

moves of the most advanced sections of the working class in the 1920s through actions such as smashing soviets and factory occupations.

The militarist structure and leadership of the republican movement in the years that fol-

Latin America Meeting

by Rob Walsh

firstly felt that it was important to define what republicanism was.

Like socialism, republicanism is not an Irish creation. Socialism extends republicanism's ideas and argues for the rights of the working class and explains the economic process of the exploitation of the working class.

Bernadette went on to explain that socialism in Ireland can only be carried through on a republican basis. This is a question of material conditions. In Ireland republicanism necessitated separatism as part of achieving national liberation. By the same token, though, the unification of Ireland could only be achieved on a socialist basis. The experience of cross-class alliances and fighting for national unity had been a failure.

However, it was emphasised this was more than just a failure it was an inevitability. Sinn Fein had always been on the path towards where it headed now. It did not have a class conscious outlook and the very people that initiated the call to armed struggle had abandoned it.

The discussion that followed raised the question of the armed struggle and the role of arms within the republican struggle. Bernadette argued that, while not militarists, republican socialists defend the right of the people to bear arms in defence of themselves and the gains that they have made. This is not a point of principle however.

The day itself was characterised by openness and discussion that is often missing from stage managed events that I have attended previously. A willingness to discuss was shown throughout, yet there was also a firm but comradely pressing of Marxist ideas. This is an admirable approach and equally impressive was the attendance of young comrades of school age. This lays the foundation for further advances for the Republican Socialist Youth Movement. □

A SUCCESSFUL public meeting on the Latin American Revolution, was held in Central London following the Stop the War rally on Saturday 15 March.

The meeting had been called by Hands Off Venezuela, Colombia Solidarity Campaign, the Movement of Ecuadorians in the UK and the Bolivia Solidarity Campaign, as a response to the military incursion launched by the Uribe government of Colombia against Ecuador and the renewed threat of imperialism.

About 70 people packed the meeting room and heard speakers from the different campaigns describe how the struggle of workers and peasants in Latin America for a better society is opposed fiercely by imperialism and the few hundred wealthy families who control the economy and dominate the privately-owned media in these countries.

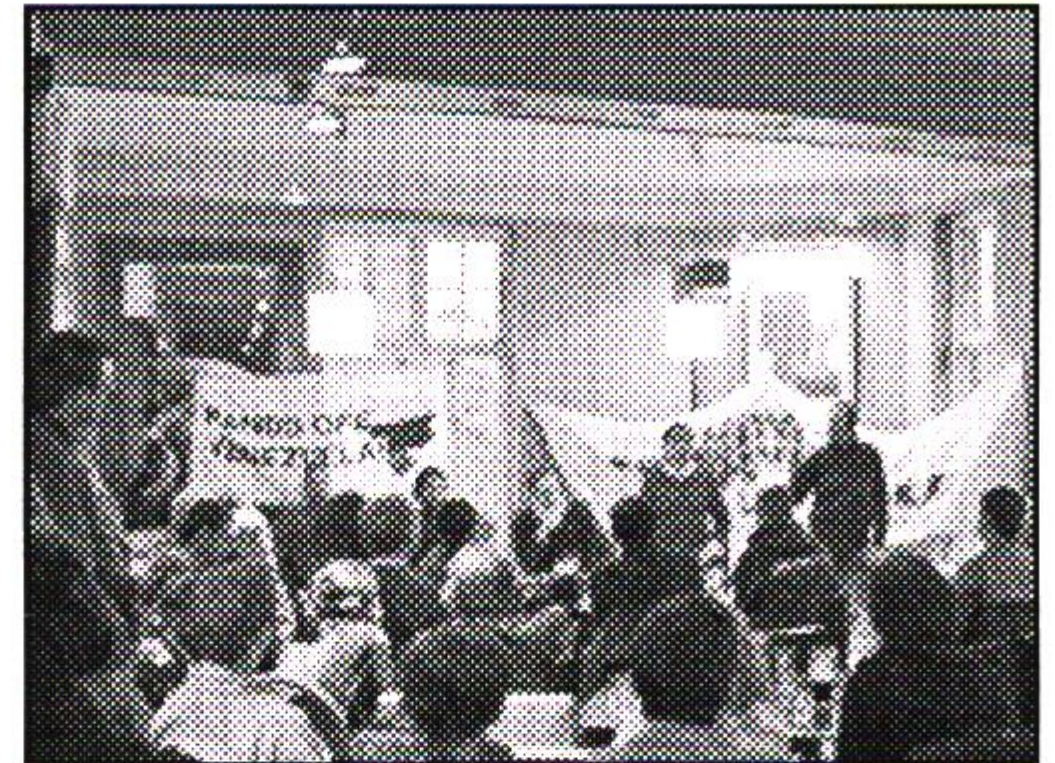
Fidel from Movimiento Ecuador Reino Unido (Movement of Ecuadoreans in the UK) explained how the people of Ecuador are very good at getting rid of bad presidents, but up until now have not been very good at getting a good one in. He explained the different steps through which Rafael Correa came to power against the opposition of all traditional parties, the oligarchy and the media.

Jorge Martin from Hands Off Venezuela, explained the latest threats of imperialism against the Bolivarian revolution: Exxon's legal case against PDVSA, the attempt by Bush to list Venezuela as a "terrorist" country and the on-going campaign of sabotage of the economy on the part of the oligarchy. He also made



Amancay Colque

an appraisal of the recent congress of the newly formed PSUV, in which the revolutionary democratic spirit of the Bolivarian rank and file had made itself heard loudly, despite attempts of



the bureaucracy to silence it. He warned that the 100 families which compose the oligarchy have largely lost political power but still have economic power. The other danger which faces the revolution, he said, is the internal bureaucracy and the right wing of the Bolivarian movement who block the revolutionary initiative of the people and many times the rulings of the president himself.

Andy Higginbottom and Juan Gabriel from the Colombia Solidarity Campaign spoke next. Andy started by explaining how two activists had been detained by the police during the Stop the War demo just for chalking slogans on a building. He then went on to explain that the right wing government of Uribe in Colombia was groomed as imperialism's staunchest ally. Juan Gabriel gave a detailed explanation of the mood of fear and intimidation which prevails in Colombia against any form of left wing activity. Four of the organisers of the March 6th demonstrations against paramilitarism and violence had been shot dead.

Amancay Colque from Bolivia Solidarity Campaign also spoke explaining how the issue of "autonomy" which had been raised in Santa Cruz and other provinces was used by the right wing in order to undermine the Evo Morales government, but above all to keep control over the rich gas and oil fields in this region.

At the end a collection was made that covered cost of the meeting room. There was a general feeling that the meeting had been a good example of co-operation between the different solidarity campaigns, something that needed to continue in the future. □

odds'n'ends

Guardian journalist Stephen Armstrong has worked out that Britney Spears has 'earned' a total of \$50 billion in ten years. This is equal to the GDP of Kenya, a country of more than 30 million people.

Bob Crow, General Secretary of the RMT, states that the privatised rail industry "is profiteering on £1.3bn in unpaid tax, and is using a deferred-tax loophole intended to encourage investment to fund massive increases in dividend payouts to shareholders. This tax is unlikely ever to be paid, and is effectively a hidden subsidy that dramatically increases profit levels."

We will work an average of the first 70 days of this year just to earn the money needed to pay interest charges on our debts (not to repay the debts). We collectively pay £1.5 billion on interest each year.

Cheatneutral is a spoof website that takes the mick out of the idea that we can save the planet by trading carbon emissions. Here's the comparison. "At Cheatneutral, we believe that we should all try to reduce the amount we cheat on our partners, but we also realise that fidelity isn't always possible. That's why we help you neutralise your cheating...By paying Cheatneutral, you're funding monogamy-boosting offset projects - we simply invest the money you give us in monogamous, faithful or just plain single people, to encourage them to stay that way."

American insurance group Marsh has demanded that 12 contract cleaners be suspended from duty in their City of London office after they held a protest demanding better pay and conditions. As one of the (mainly Polish) cleaners said, "We just wanted to be treated like human beings." Too much to ask?

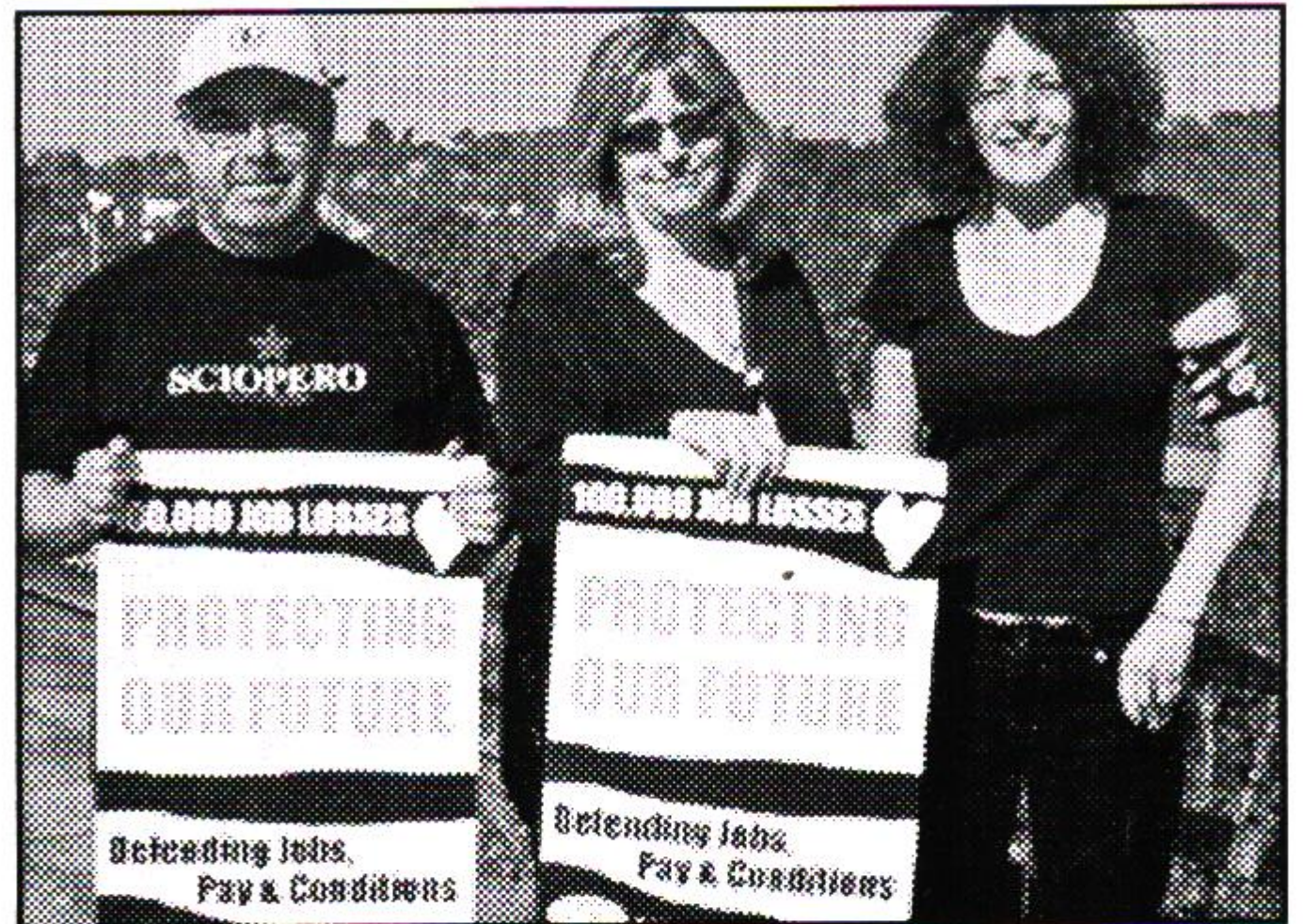
Marks and Spencer boss Stuart Rose comments, "the West End can't get enough diamonds. But the poor are getting poorer. The Institute of Fiscal Studies found 47,000 citizens had incomes over £350,000. They sum up by saying "income inequality is currently at its highest level since the late 1940s." Is this what you'd expect after ten years of Labour government?

From the Times 6th March 2008-03-17: The big six energy companies are charging the poorest customers up to £330 a year more for gas and electricity. Tariffs for prepayment are up to 45% higher than internet customers.

More than 4.5 million people are in fuel poverty, i.e. spending more than 10% of income on heating their home.

Did you know?..that for all the fuss about asylum seekers, only 2 in 100 apply to come here...that 90% of asylum seekers speak two or more languages and 65% three languages?

PCS takes action against low pay



Rachel Heemskerk, PCS East of England Chair DWP, (personal capacity)

ON THE 17TH and 18th March there was a well supported strike by PCS members in the Department for Work and Pensions, which was a further two days of strike in protest at an imposed pay offer. The imposed offer means 40% of staff receive no rise this year and the lowest paid staff receive an increase that will only take their wages to 24p above the National Minimum Wage.

All out

This strike is one of many within the whole Civil Service against below-inflation pay offers. There has been strike action in the Maritime and Coastguard Agency, the Department for Transport, the Driving Standards Agency, the Highways Agency, the Driver and Vehicle Licensing Agency, the Vehicle and Operator Services Agency and the Vehicle Certification Agency.

What is needed is to co-ordinate national PCS strikes throughout the whole Civil Service to campaign for an end to the 2% pay cap that is hitting the lowest paid in the public sector. Many will be getting an 8% pay cut in real terms in the offers that cover the next three years. PCS needs to step up the national campaign on jobs, rights and services and show a real commitment to fighting these derisory pay offers. Further industrial action must be taken as well as uniting with other public sector workers who are also being hit by below inflation pay offers. The NUT is balloting on strike action over their pay offer and PCS still has a mandate from its members to take action. This should be co-ordinated at a national level and we should strike on the 24th April together with the teachers. □

London Olympics building workers go for gold

Steve Kelly, Amicus UNITE
(personal capacity)

THIS RESOLUTION has been passed to go to Amicus UNITE Conference. It's an important issue and we hope for the widest sympathy and active support for its sentiments.

London Construction Branch believes that the London Olympics 2012 provides a national opportunity to demonstrate its effectiveness by ensuring that union organisation throughout the site is a model for the construction industry as a whole.

Conference calls for:

1) A union organising campaign at the site with a dedicated team of full-time organisers and a long term plan. The plan should maximise lay involvement including construction stewards and activists, construction branches and the Regional Council. We want a campaign that is as high profile as the TGWU section's cleaners' organising drive.

2) The aim is 100% membership with a full complement of accredited stewards and union facilities, direct employment of all workers, British and non-British, under the terms of the appropriate national agreements

3) A campaign to ensure that the ODA/LOCOG implements Ken Livingstone's pledge of 'all contractors working on Olympics 2012 must use directly employed labour.' This should be a requirement statement in all signed contracts. We also demand that all contractors be specifically prohibited from using blacklists to prevent union activists working on the site.

This motion is from UNITE London Construction Branch, and we urge support from other construction branches

NUJ: Stand up for Journalism and journalists

by Jeremy Dear, General Secretary NUJ

THE NUJ'S annual conference meets at a crucial time for the union. After 7 years of membership growth a wave of redundancies has hit the union hard - both numerically and financially.

There is a stark choice facing the union - retrenchment and cuts to union services or organising to resist the employers' cuts. Our annual conference should be the opportunity to put organising centre stage and begin to build a wider resistance to the bosses' offensive.

Over the past two years more than 6,000 media jobs have been lost. Despite industrial action at the BBC, in local newspapers and threatened action in other sectors - which has been successful in ensuring redundancies have largely been voluntary - employers are using the move to multi-skilling and multi-platform working to cut staffing and reduce editorial budgets.

Voluntary cuts are better than compulsory ones - but they are still cuts and those left behind are expected to work harder while companies continue to rake in massive profits. And such cuts pose a threat to the union and members' ability to protect their terms and conditions - and as

such a co-ordinated, union-wide fight must be waged against them.

It is these threats which drove the union to launch its Stand up for Journalism campaign last year and the union's first national day of action for more than a decade. Now we need to build on that, backing motions that call on the union to co-ordinate pay claims across media companies, put recruitment and workplace organisation at the heart of our policy and plan further national



Jeremy Dear: time to build the fight-back

actions to build the confidence of members in their workplaces to oppose job and budget cuts.

And media freedom issues, in the face of police actions against photographers or threats to force journalists to hand over film or sources, will feature highly. It is important they are not just issues strong letters are written about but

that professional issues become causes around which members organise in their workplaces.

The conference will also set the scene for the biggest fight the union faces over the coming 18 months - the future of public service broadcasting. The BBC has seen thousands of jobs cut, whilst ITV have axed local and regional services. More cuts are planned. And the regulator and government are allowing them to happen. Reviews into the future funding of public service broadcasting open up the prospect of further cuts over the next few years. Building an alliance of workers and readers and viewers committed to putting public service before either commercial concerns or government-imposed cost-cutting is crucial to building the type of campaign which can force the employers to back-down and the government to ditch plans to top-slice the licence fee.

But our campaign shouldn't just be about preserving the status quo - it should be about building genuine public service broadcasting - publicly-funded, catering for all and democratically accountable.

It's time to build the fight-back.

UNISON: Equal Pay or something less?

by UNISON Socialist Appeal Supporters

WHO WOULD have thought it possible? Three years ago Peter Doyle the Regional Officer for UNISON in Carlisle pulled off a huge victory in terms of Equal Pay for Work of Equal Value worth potentially £340 million. The amount was so big partly because the case had dragged on for years and also because of the extent to which the 1,500 women had been underpaid.

Far from taking up the cudgels and repeating the process using the 'off the peg' comparators that Peter had used, UNISON nationally took the view that they would only deal with individual equal pay claims and even then under sufferance. That represents a sell out of hundreds of thousands of low paid women workers.

Kerrrrching!

Now, the GMB and UNISON are being sued by Stefan Cross the "No win no fee" solicitor or rather the "You win, we take a big cut..... kerrrrching" lawyer. The reason behind this is the Union's "alleged" failure to fight for the "best" outcome on equal pay, in other words, the Carlisle option rather than Agenda for Change or Single Status (the new pay structures that the national union is supporting). At the moment the legal issues seem to be revolving around whether the union is obliged to offer the equivalent advice that a solicitor would offer or whether its major role is negotiation. The legal wrangles could go on for years.

Equal pay and particularly Equal Pay for Work of Equal Value has been a ticking time bomb ever since it was made into law in 1970. But the full implications of the act were never really tested until the Carlisle case. Now UNISON has lodged 40,000 claims and Stefan Cross has around 35,000 in the pipeline. But the union isn't taking the lead on organising the fight for equal pay; it's been forced into this position on the back of the Carlisle case on one hand and the threat of being sued on the other hand.

Agenda for Change seeks to address equal pay on the cheap. Single Status, which has been going since 1997, is ostensibly a process to unify the conditions of manual and administrative, professional, technical and clerical staff. There are big anomalies in both (as the case of the Newham bin men who have lost £4,000 a year indicates).

The terms of the Equal Pay Act however are much broader than that afforded under either scheme and as such Equal Pay for Work of Equal Value is potentially a much better deal, i.e. the "best" deal referred to by Stefan Cross.

Rocking the boat

It's a confusing situation for activists and it's made much more so because of the position of the UNISON leadership. As we've explained on many occasions the current situation

- a boom (until recently) and a Labour Government - is effectively "all for the best in the best of all possible worlds" for the bureaucracy and as such they regard any struggle as rocking the boat. As we've also explained this inevitably sells the members short. It also explains the witch hunt against sections of the left (primarily the SWP) in the union.

In this context it's clear to see through Agenda for Change as a cheap way around Equal Pay for Work of Equal Value in the NHS and Single Status as broadly similar in local government. In this context surely the Carlisle option is the only way ahead.

As in all situations within the class struggle the role of leadership and even of individuals is crucial. In Carlisle the equal pay campaign was lead by an experienced Marxist fighter with a history in the Marxist Tendency going back to the early 1960s. Peter also had the advantage of being 'under the radar' of the bureaucracy in preparing the claim, since he had been sent to Carlisle to 'keep him quiet' - which was very unlikely to happen. Having said that, he was subjected to a huge amount of personal pressure by the bureaucracy and was hounded for his campaign.

Carlisle

But the huge amount of work that was done around the Carlisle campaign doesn't need to be repeated in every case. As explained before, it's an 'off the peg' claim that can be applied in any hospital or PCT. The reason for this is that the NHS is fairly homogenous. A cleaner in Brighton does more or less the same as a cleaner in Sunderland. A nurse in Blackpool does more or less the same as a nurse in Colchester. The comparators are relevant to every area, although the bureaucracy's line is that Stefan Cross is having more success in the acute Trusts - but they are the easiest ones to market the claims to.

Marxist

The UNISON bureaucracy's reasons for not going hell for leather on this issue are completely political. Basically the view of the bureaucracy is that a domino effect of equal pay claims would put huge strains on the NHS and might affect jobs. But of course, how much has been wasted on bailing out Northern Rock, rather than immediately nationalising it? The banking crisis will affect the NHS much more than equal pay. How many billions are being wasted on PFI which is nothing more than a licence to print money for the capitalist contractors?

There is a degree of support for this line among the activists as well. But the underpaid women in the NHS have a somewhat different view. There are thousands of cases in the system at the moment and people like Stefan Cross are making a fortune out of it. For many low paid women workers equal pay is a way out of the poverty they suffer on a day to day basis.

The Marxists have to be absolutely clear in respect to this question. We would have to say that this situation is a product of the bureaucracy trying to arbitrate between the membership and the management, instead of coming down on the side of representing the members properly. It is inconvenient for the Labour Government to have to pay out on equal pay, but it's a lot more inconvenient to live in poverty. Of course we don't condone the actions of Stefan Cross in taking unions to the high court, but we can identify many occasions when the bureaucracy have acted like a wet blanket or have attempted to hold back the members.

Fight poverty!

Marxists have to be the best fighters in respect of economic and political demands and on that basis the best option has to be the Carlisle option. This was a united action by 1,500 women, a clear example of 'collective' struggle. Fair enough once the case had been through tribunal then claiming the money becomes an individual action, but the reason for the success of the Carlisle case over 8 years was the unity of the women. Agenda for Change and Single Status are 'collective agreements' but they hardly compare in their outcome to the Carlisle case. UNISON nationally came up with the worst possible position when they reacted to the news reports of the Carlisle case and sent out hundreds of thousands of letters telling members that they may have an individual case for an equal pay claim. That turned a collective action into an individual decision for members. In other words it was a cop out and a frantic attempt to cover their backs.

Cross

Inside UNISON however it is unlikely that the bureaucracy would tolerate an individual branch organising a similar campaign to the Carlisle campaign and would endeavour to smash it up as soon as possible. However it remains an important lesson and an important weapon that Marxists should campaign for wherever possible. The fight needs to be taken into the union as a whole, equal pay is a huge issue. Where it is impossible to take the campaign forward on that basis however it is important to fight for the best outcome in any negotiation and equal pay claims represent an important bargaining weapon as well as being an end in itself. In some areas however, such as Manchester, the union has agreed that management will buy out the option of making equal pay claims and many workers have taken this up. However attractive this option might seem compared to equal pay it is still only a partial solution. □

Birmingham - fighting the Martini option

by a Birmingham City Council Unison Steward.

The determination of Birmingham City Council workers to fight 'Single Status' shows no signs of abating.

The Tory/Lib-Dem coalition-led City Council - the largest local authority in Western Europe - is trying to impose new contracts on its 40,000 staff, under the guise of 'fair play'. To believe their propaganda, they are cutting salaries for the 'over paid' and transferring it to improve the wages of the low paid.

That's not quite the full story. There's no doubt middle management have been clobbered with thousands of them having their wages slashed by anything between £1,000 to an incredible £18,000 a year.

And the so-called winners in this transfer of wage wealth? Well, 4,000 cleaners are getting a mere £1 per week pay rise. Beaten only by 1,700 school meals staff who are getting a rise of... one penny an hour! Meanwhile, after this wonderful windfall, 2,100 care assistants will still only be receiving £13,500 a year, while refuse collectors, road workers and street cleaners could in reality be facing real pay cuts of 50 per cent following shift changes and so on.

But even those who may have 'benefited' from the pay transfer are sceptical because of all the strings that are being attached - known as the Martini Option, as employees will be expected to work 'anywhere, anytime, anyplace'. Social workers for example, could be finding themselves

working anytime between 7 am and 7 pm, including Saturdays and Sundays, as part of their normal working week.

The Tory/Lib-Dem coalition council were belligerent when they first launched Single Status - the good turnout to the strike called for 5 February took them down a peg or two; already they are now offering to extend the period of a protective salary freeze for those facing pay cuts from three years to four. Nor have they been helped by exposés of the heaps of money they are paying to outside consultants from Capita to Axon Global at the same time as this wages cull.

The fight back continues, with a series of well attended mass meetings in all areas of the authority, and canvassing and leafleting by the unions in wards where Tory and Lib-Dem Councillors face a close vote in the coming local elections.

At one of the mass meetings at the Coxmoor Leisure Centre, social services steward Maureen Wade was cheered when she called on the national local authority unions to organise a national campaign against Single Status now. The Single Status battle is rattling around throughout the country. But the union leaderships are fighting back in a piecemeal, defensive way, with each local authority battle isolated from the other. Rather than let local authorities be picked off one by one, they should be drawing all the struggles together for one national fight. □

Peterborough fights NHS Privatisation

by Ron Graves, President Peterborough Trade Union Council

ACTIVISTS FROM Peterborough Trade Union Council (PTUC), representing Unite, GMB, PCS, UNISON, CWU and Peterborough Pensioners' Association, recently picketed a meeting called by Richard Branson's Virgin Group. The pickets carried placards bearing the PTUC logo and slogans such as "Health Not Profit" and "Keep the NHS Public". Also present was the UNISON Health Branch banner that shows the slogan, "The Right to Life is Higher Than the Rights of Private Property".

The ticket-only meeting was aimed at Peterborough's G.P.s and surgery staff, whom Virgin want to persuade to sign up to their plan to build and administer NHS health centres using sub-contracted G.P.s.

Virgin has tried to portray this as a benign interest in providing health care, but the reality has more to do with the rich pickings private companies can see waiting for them in the NHS budget. Virgin will be quite prepared to offer "incentives"

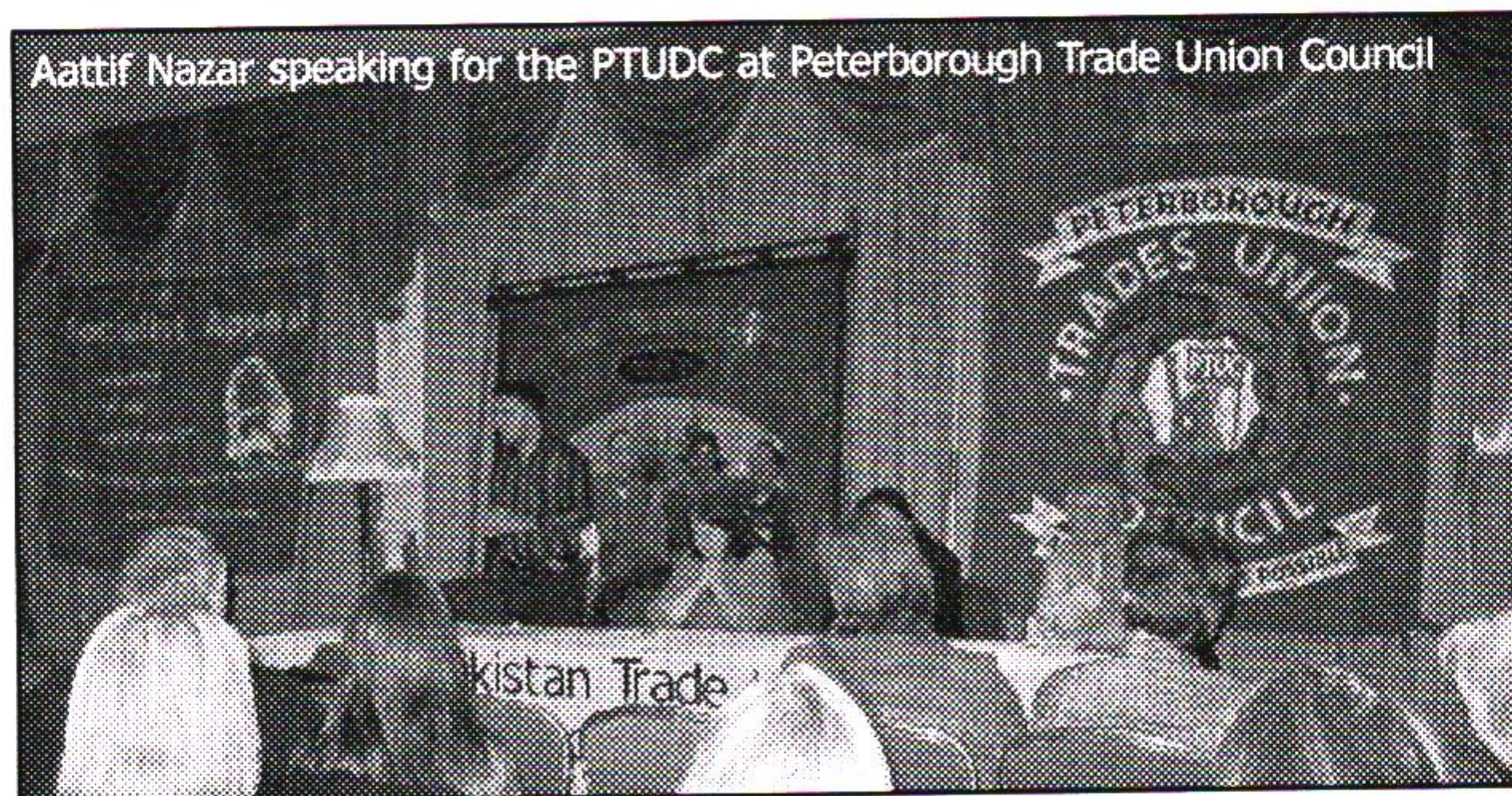
to G.P.s in order to break into what it sees as a potentially lucrative market where profit can be made.

Department of Health Director of Commissioning, Mark Britnell, has confirmed that £250m a year had been earmarked for the new services. He said: 'There is a potential business here worth more than £1bn for Virgin, Assura, Boots and other private-sector providers to bid into, alongside existing G.P.s and foundation trusts.'

The NHS trade unions have already come out in opposition to what clearly amounts to more privatisation of public services. A UNISON spokesperson has said, 'UNISON is absolutely opposed to the move by Virgin Group into G.P. surgeries. It is

deeply alarming that a private company such as Virgin will be marketing its additional services to potentially vulnerable patients when they are in need of medical care. By providing private services alongside NHS services, Virgin completely undermines the whole ethos of the NHS - a health service free at the point of need.'

The Government has also introduced a scheme in which private business can bid for Alternative Provider Medical Services contracts (APMS), where private companies take over whole G.P. practices. Health Secretary Alan Johnson plans 250 new APMS surgeries and G.P.s are already feeling the negative effect of these privatisa-



Aattif Nazar speaking for the PTUC at Peterborough Trade Union Council

tions.

After building up his Hounslow practice over seven years into training and research practice, Dr John Edwards was outbid by Greenbrook Healthcare, a G.P.-commercial company set up specifically for the bid and based in a neighbouring Primary Care Trust.

PFI

Dr Sam Everington, former deputy chair of the BMA and current European G.P. of the Year, lost out to private company Atos Healthcare in a bid for an APMS practice. Tower Hamlets PCT rejected a bid by Dr Everington for a former PCT-run prac-

tice in Tower Hamlets, East London, near his own award-winning practice in Bromley-by-Bow.

Virgin is trying to convince G.P.s that an arrangement with them is a safe alternative to APMS. The reality, however, is that both moves amount to privatisation of NHS services - and that isn't good for either G.P.s or patients.

G.P.s going into the Peterborough meeting accepted leaflets from the picketers setting out the points made above. One said, "To be honest, I've only come to heckle" and others made it clear that they were at least suspicious of Virgin's plans.

Inside the meeting, Virgin let it be known that they were very unhappy about the presence of pickets at the entrance to the building they were using. Afterwards, a worker who had been able to get a ticket to attend the meeting told the pickets, "You've obviously rattled them (Virgin) because they couldn't stop referring to 'those foolish people

outside".

There is a process, partly open and partly concealed, of privatisation going on in the NHS. There is nothing foolish about fighting against this and arguing for a fully publicly funded National Health Service. This is not merely a matter of sentiment, but a hard-nosed practical necessity if we are to hold on to the health achievements of the last century and extend them in the current one.

All trade union activists should be campaigning against privatisation and organisations like Peterborough Trade Union Council provide an excellent means of bringing together activists from different unions in co-ordinated action. □

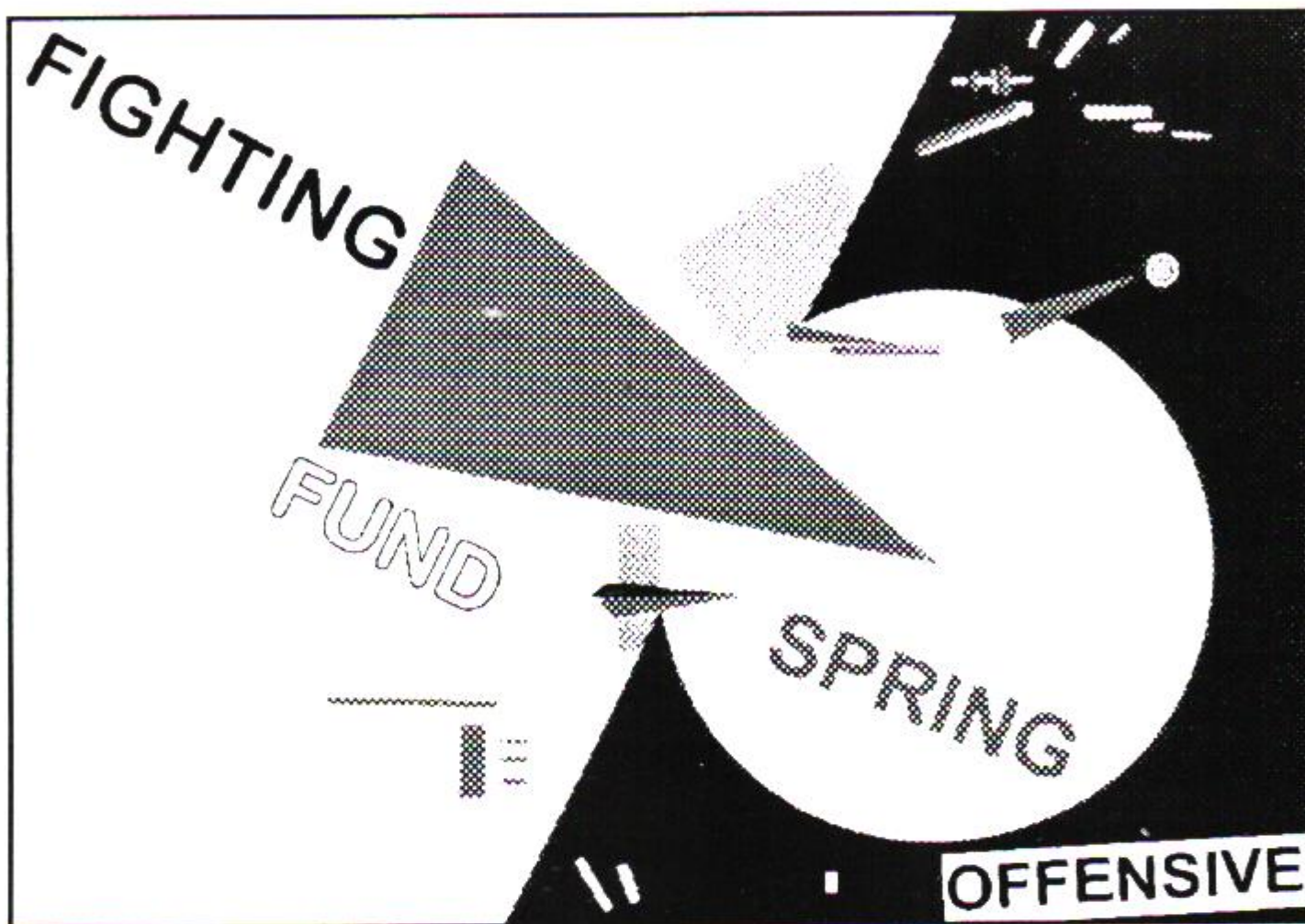
Fighting fund - spring offensive!

The Socialist Appeal editorial board have set a target of £4,000 to be raised this quarter, culminating at conference at the end of the month. We still have some way to go to meeting this target, which is vital for building

the forces of genuine Marxism in Britain. To continue advancing Marxist ideas in the Labour movement we can not afford to stand still for a moment. The more money we have in, the more effectively we can intervene and build a strong Marxist tendency.

received in March. Every reader should follow these excellent examples, and reach for their credit cards and cheque books before the end of this month.

We are confident that every reader and seller - and that means you - will respond to this appeal. Remember you are the only source of finance we have or want.



So, a big thanks to the Tyneside Socialist Appeal supporters' group for their £200 donation, Davy Brown, Edinburgh with another £200, Ron Graves in Peterborough and Nick Toms, London for their £100 each and all the others donations we

You can donate online, by visiting the Wellred website at wellred.marxist.com and use your credit/debit card. Cash payments can be made over the counter at any branch of Abbey (National) by paying into account K2018479SOC. Cheques can also be paid into this account using this method. Alternatively you can send a cheque (UK banks only please) to us at SA, PO Box 50525, Poplar, London, E14 6WG

Socialist Appeal Stands for:

- ✦ **For a socialist programme to solve the problems of working people.** Labour must break with big business and Tory economic policies.
- ✦ **A national minimum wage of at least two-thirds of the average wage.** £8.00 an hour as a step toward this goal, with no exemptions.
- ✦ **Full employment!** No redundancies. The right to a job or decent benefits. For a 32 hour week without loss of pay. No compulsory overtime. For voluntary retirement at 55 with a decent full pension for all.
- ✦ **No more sell offs.** Reverse the Tories privatisation scandal. Renationalise all the privatised industries and utilities under democratic workers control and management. No compensation for the fat cats, only those in genuine need.
- ✦ **The repeal of all Tory anti-union laws.** Full employment rights for all from day one. For the right to strike, the right to union representation and collective bargaining. Election of all trade union officials with the right of recall. No official to receive more than the wage of a skilled worker.
- ✦ **Action to protect our environment.** Only public ownership of the land, and major industries, petro-chemical enterprises, food companies, energy and transport, can form the basis of a genuine socialist approach to the environment.
- ✦ **A fully funded and fully comprehensive education system under local democratic control.** Keep big business out of our schools and colleges. Free access for all to further and higher education. Scrap tuition fees. No to student loans. For a living grant for all over 16 in education or training.
- ✦ **The outlawing of all forms of discrimination.** Equal pay for equal work. Invest in quality childcare facilities available to all. Scrap all racist immigration and asylum controls. Abolish the Criminal Justice Act.
- ✦ **The reversal of the Tories' cuts in the health service.** Abolish private health care. For a National Health Service, free to all at the point of need, based on the nationalisation of the big drug companies that squeeze their profits out of the health of working people.
- ✦ **Trade unions must reclaim the Labour Party!** Fight for Party democracy and socialist policies. For workers' MPs on workers' wages.
- ✦ **The abolition of the monarchy and the House of Lords.** Full economic powers for the Scottish Parliament and the Welsh Assembly, enabling them to introduce socialist measures in the interests of working people.
- ✦ **No to sectarianism.** For a Socialist United Ireland linked by a voluntary federation to a Socialist Britain.
- ✦ **Break with the anarchy of the capitalist free market.** Labour to immediately take over the "commanding heights of the economy." Nationalise the big monopolies, banks and financial institutions that dominate our lives. Compensation to be paid only on the basis of need. All nationalised enterprises to be run under workers control and management and integrated through a democratic socialist plan of production.
- ✦ **Socialist internationalism.** No to the bosses European Union. Yes to a socialist united states of Europe, as part of a world socialist federation.



Socialist Appeal

Marxist voice for labour and youth

Don't let the Tories back

THEY'RE BACK from the dead. We thought we'd driven a stake through their rotten hearts in the Labour landslide of 1997. Now they're 13 points ahead in the polls.

Perhaps people have forgotten what the Tories did. Under Thatcher and Major they ran Britain from 1979 to 1997.

- They took on and destroyed the miners, whose numbers went from 140,000 then to about 6,000 now. This was cold blooded murder of working class communities.
- At Orgreave during the 1984-85 miners' strike we saw police used as footsoldiers in a civil war against the working class.
- Thatcher's legacy - child poverty went from one in seven to one in three
- Thatcher took unemployment to three million, partly as a deliberate policy to weaken the unions. As Chancellor Norman Lamont said, "If unemployment is the price that has to be paid for getting down inflation, then it is a price well worth paying." The Tories are the party of mass unemployment.
- On 'black Wednesday' September 1992 the same Lamont in effect threw schools and hospitals into

the sea as he wasted £27 billions of our reserves trying to prop up the pound.

- The Major government then descended into farce, with MP Neil Hamilton asking cash for questions in the House of Commons, an orgy of sleaze and a 'back to basics' ethical campaign which became 'carry on bonking' for Tory ministers.
- When Thatcher introduced the infamous poll tax, the Tories justified it by asking, "Why should a duke pay more than a dustman?" That's still their attitude. That's why Boris Johnson doesn't want gas guzzling Chelsea tractors to pay a higher congestion charge than cars owned by ordinary folk.

They were evil, disgusting and ridiculous. They still are. They should be history. So why are they making a comeback? Because New Labour have been rumbled. They said they were being prudent with the economy. They talked about, 'no return to boom and bust.' Now we can see that they were just lucky. If they



carry on the way they have been running things, bust is coming our way and there's nothing they will be able to do about it.

Don't let the failure of New Labour be the opportunity for the Tories. Reclaim the Labour Party. It was set up as our party, as a party for the working class. Fight the Tories with socialist policies.

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