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Socialist Appeal

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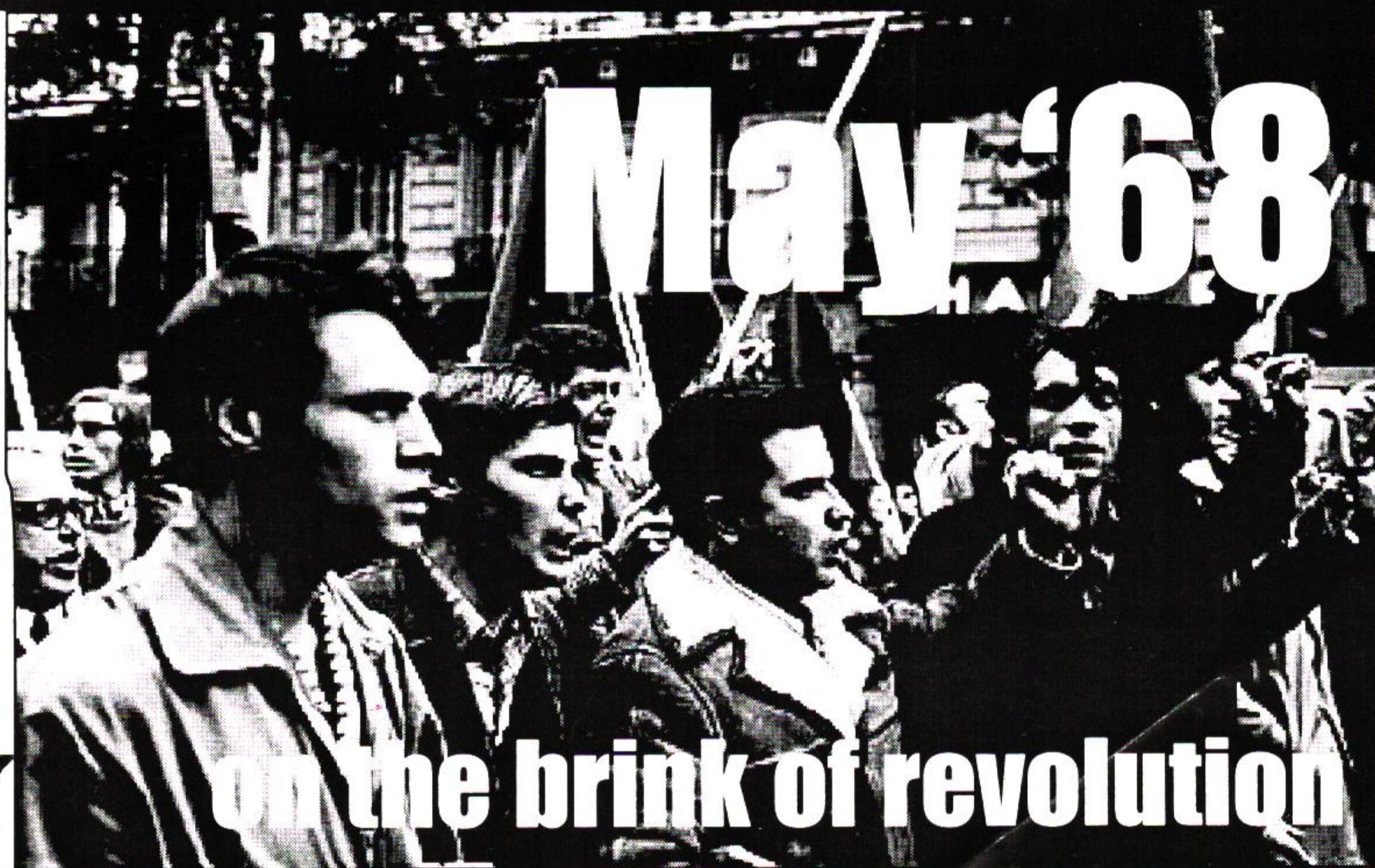
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Hunger soars

Housing slump



Capitalism's global crisis



on the brink of revolution

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HARLOW TUC

Socialist policies: the solution to economic crisis. Nationalise the banks!

Mayday greetings

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The Deadline for Issue 162 is May 23rd 2008

Bulletin Board

ULU Marxist Society

Every Wednesday 6-8pm, ULU, Malet Street, London
 Contact: niklas@niklas.co.uk
 07891858131
 Or the Facebook Group "ULU Marxist Discussion Group"

1968: Year of Revolution

In 1968 the world turned upside down. The long years of the post war economic upswing had led many to declare that class struggle was obsolete, revolution outdated and capitalism invincible. Within a few short months they were all proved wrong.

Saturday, May 10th, 2 - 6:30pm
 ULU building, Room 3B, Malet Street, London

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Public Sector workers - fight together

WHETHER YOU are a nurse who's been offered a 3 year deal starting with 2.75% or a council worker with 2.45%, you are on the receiving end of Gordon Brown's pay restraint squeeze. As threatened last year the government is desperate to try and stick to its 2% target for pay costs. At the moment public sector unions are consulting and there are a lot of reasons why members will vote to reject the offers.

On the back of the financial crisis and the collapse of Northern Rock, there is huge uncertainty with respect to house prices and mortgage costs. Public sector workers are in general low paid and even the higher paid ones are relatively low paid compared to other industries.

Many particularly the younger workers, especially in the South East and London where house prices have risen most dramatically, are going to get hit with a double whammy - falling house prices and increased mortgage costs. Together with the huge increase in the cost of fuel and increases in food and

petrol even the 6% claim in local government looks modest.

Public sector workers are not responsible for the yawning deficit of £43bn in the government's finances. Why should they have to pay for New Labour's incompetence? Public sector workers are not to blame for the rising price of bread, milk and energy. They have to pay the bills like everyone else. Why should they lose out?

Cuts

At the same time cuts in the health service, social services and care provision, efficiency savings and privatisations are threatening jobs and services throughout the country. Public sector workers didn't expect to make a fortune when they took the job. But they did hope to be allowed to do a decent job of work for other people and not be treated like a hamster on a wheel.

In the health service, despite big increases in funding for certain things many trusts are in trouble and a whole number have made big redundancies

when they found themselves in deficit. Staffing crises remain in both the health service and local government as low pay reduces the number of people applying for jobs.

Creaking

The system is creaking and it's not going to get any better, Gordon Brown's spending targets are a huge threat to union members throughout the public sector. At the same time £ billions are being poured into unwinnable wars in Iraq and Afghanistan, £ billions more, were wasted by not nationalising Northern rock straight away and £ billions more are being siphoned off in profits by the PFI parasites.

The political fall out from the war, the financial crisis and 10 years of right wing Blairite policies mean that it's far more likely that the Tories will get in at the next election. The right wing of the Labour Party have squandered the best opportunity that union members could have hoped for under capitalism, ten years of landslide Labour government in a boom! At

the same time the union leaderships have bent over backwards to maintain a cosy relationship with Blair and the rest of the Labour Leadership. As we have explained many times before, this inevitably sells the members short. Worse than that instead of defending the members the UNISON bureaucracy are spending increasing amounts of time either attacking activists inside the union or colluding with management attacks on key individuals. The effects of this debacle are being felt throughout the country in hospitals, schools and offices delivering essential services to the sick, the young and the old. The camel's back is bending under the weight. Sooner or later it'll snap, maybe over pay, maybe over cuts - it depends on events.

The burden of the crisis is placed on the back of public sector workers. We need fighting democratic unions with a leadership worthy of the members. We need to fight together against service cuts and wage cuts. □

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CHECK OUT our new revamped, all-singing, all-dancing website. It's been entirely redesigned. This is what you get - and it's all free.

Audio Files. Our library is growing. Recently we've put up:

- The fall of the Berlin Wall
- 100 years of International Women's Day
- Capitalism and the environment
- The Middle East; what next?
- UNISON activists rally to defend Michael Gavan

This is all educational material that will never appear in our journal or other text publications.

Forthcoming events. Keep up to date. Get involved!

Links. We have links to www.marxist.com and all our sister websites all over the world. We also keep you in touch with the Labour Representation Committee and other labour movement links. You can also visit Wellred

Books and buy books online.

More, more, more.

- We often run expanded versions of articles that appear in 'Socialist Appeal.'
- We run lots and lots of articles that never get printed.
- We can react more quickly to events as they happen and post comments up right away on our website.
- You can read many contemporary articles on the web before they are printed in 'Socialist Appeal.'
- Recently we have published an excellent article on the Rodchenko photographic exhibition at the Hayward Gallery with great photos we couldn't do justice to in our journal.

More up to date. We try to keep you posted as to what we're doing. But that's up to you in the areas. Send in reports, preferably with photos. □

Riots all over world as food

by Andy Viner

THE UNITED Nations has warned that rising food prices will cause further unrest and upheaval. It is acknowledged that the present strife in Egypt and elsewhere in the 'third world' is fuelled by the rising cost of living.

Food prices have gone up worldwide by 75% since 2005. Since Gordon Brown became prime minister (not that long ago) milk prices have gone up by 17%, eggs by 28% and bread by 34% in this country. Other items have shown even sharper increases. Pigfeed prices have doubled over the past year. Farmers are losing £26 on each pig and thousands of farms are going to the wall. There's no sign of any letup. In the same way as we seem to have seen the end of cheap oil, this could be the last of cheap food.

Food has been cheap in the past because farmers in the advanced capitalist countries have been cosseted and protected by the taxpayer. Big business rice farmers from Louisiana have literally dumped their surpluses on 'third world' countries, destroying the livelihood of local farmers in the process.

While agriculture in the advanced countries has been pampered, farmers in less developed countries have been neglected. Productivity on the land has crawled along - 1% a year, compared with 2.2% in the 1990s and 2.5% in the 1980s in the Asia and Pacific region. Big banks are reluctant to lend to small farmers

there.

It is important to realise that most farmers around the world do not benefit from rising food prices. Most of them, though working on the land, have little or no land of their own and have to buy the food they eat. In other words the pattern of agricultural production across the globe has been dictated by the requirements of imperialism. More and more, production has been switched to the world market. The absurdity of this global division of labour is shown by the firm Young's, who fly prawns to Thailand to be deveined (since labour is cheaper there) and then fly them back for sale in the UK.

Rice

So, in countries where they produce rice in abundance, rice is exported and the price of the basic staple is steadily getting out of reach for the poor. And rice is the staple diet of 2½ billion people.

Inevitably, governments are being forced to slap bans on food exports and subsidise its price for local consumers. This is going to them cost more and more. They have no choice. The alternative is food riots, and ultimately revolution. Countries are entering into bilateral deals, such as the one between the Philippines and Vietnam so as to ensure they can feed their people. The talk is of 'food security'. Surely enough to eat is a basic human right? But it seems free market capitalism cannot provide

that. So a 'free market' in food is increasingly coming under strain and under question.

Why are food prices soaring? Extreme weather events in the last year, has meant that crops have been affected. Only half of Australia's usual wheat harvest will be produced this year because of droughts, and in other countries flooding has destroyed crops. But extreme weather conditions are not just a chapter of accidents, but a part of the process of climate change. In the case of rice, now at a 20 year price high, Australian farmers are having a torrid time with drought. Australian agriculture could be the first major victim of climate change, partly caused by human activity in the form of carbon emissions. US rice farmers, on the other hand, are moving into more prof-

in the world's overall grain stocks. The low level of food stocks at a time of food crisis makes a tempting target for speculators, thus pushing up prices further.

Petrol prices

The diversion of resources to producing ethanol while millions go hungry is insane, but that's capitalism for you. The absurdity of the bio-fuel scam in the US is shown by the fact that it is only profitable because there's a 51c tax credit on maize grown for ethanol and a 54c protective tariff against bio-fuels imported from Brazil and made from cane sugar. This is just dishing out subsidies to agri-business. So the food crisis is manmade. It doesn't stem from an absolute shortage of food. It stems from the fact that capitalism is a system where



itable lines of business.

In particular, 30% of US corn is going to make bio-fuels. One SUV fuel tank filled up with ethanol made from maize, would feed one person for a year. The 30 million tonnes of extra maize going to ethanol this year amounts to half the fall

production is for profit, not for need.

Apart from climate change and bio-fuel production, the petrol price hike has put up the price of food everywhere. Oil is now over \$100 per barrel, and likely to stay there. Oil is all-

prices soar

important in modern farming. Petrol is used for planting, for irrigation, for fertiliser and for harvesting. First rising oil prices put up food prices. Next ethanol production is stimulated by rising oil prices; then the land diverted to producing bio-fuels causes food shortage and further jacks up the cost of living. It's a classic vicious circle.

The rich countries have had oil on the cheap for a long time. Fossil fuels that were formed in the ground 300 million years ago have been guzzled by capitalism in a couple of centuries. We could be seeing 'peak oil', after which petrol extraction will go into secular decline. Capitalism, addicted to cheap oil, would have to go cold turkey.

Sustainable

The only 'good news' part of the story of food price rises is that it shows some people are better off. The average Chinese eats 60kg of meat a year now compared with 4kg in 1962. But a permanent improvement in living standards is unsustainable without planned production, as now capitalist farming just gulps up more and more resources. It takes 7kg of grain to produce 1kg of beef. And it takes between a hundred and a thousand times as much water to produce a kilo of beef as a kilo of wheat.

We already have headlines proclaiming 'water becomes new oil' (Observer 9th December 2007). The rapacious and shortsighted devouring of resources has already meant that in much

of the world water is scarce. How is this possible? It takes 27,000 litres of water just to make a T-shirt. Capitalists gobble up natural resources just as they waste the nerves and sinews of working class people in the cause of profit with no concern for the future.

The increase of food price has forced the United Nations World Food Programme to appeal for an emergency \$500m to meet its existing commitments to the world's hungry. Its budget must go up to \$3.4bn just to feed the 73 million people most in need. It's a drop in the ocean.

Protests

33 countries face unrest because of food price rises. Protests have taken place in Egypt, where dairy products went up 20% and oil 40%; in Uzbekistan; in Bolivia; and in Indonesia, where soya bean prices rose 50% in a month and more than 125% in a year. In Bangladesh, where people spend up to 70% of their income on food, more than 50,000 households are getting emergency food after high rice prices.

We believe humanity can face down the problem of food shortage. But we can do so only when we are aware what resources are available, what our most urgent needs are and how we can plan to satisfy those needs. We must take over the land and all the resources on it. People don't count under capitalism if they don't have any money. Socialism is a system where people come first. □

odds'n'ends

PFI ALERT (part 1 million). The Audit Commission reveals that billions are wasted by the public sector on private contracts. It cost £4.26 to cut a key. Or then again it might cost £47.78. It costs £30.81 to change a lock in Halifax and £398.30 in Blackburn. An electrical socket costs £30.81 in Kirklees and £302.30 in Wirral. Ever got the idea you're being had?

For those with more money than sense... Manchester firm F. Duerr has produced the world's most expensive pot of marmalade. It contains whisky, champagne and gold (what for?) in a crystal jar. It costs just £5,000.

The 'Guardian' (February 2nd 2008) did a survey, asking, "Do you trust your boss to give you a proper pay rise." 71% said 'No.' Who are the 29% who said 'Yes'?

The Tories claim that the decision to nationalise Northern Rock (after endless dithering) adds £3,000 in national debt for every family in Britain. We prefer the example of Tory hero Margaret Thatcher, who took over failed Johnson Matthey Bank for just £1.

The TUC reports that long hours' working is on the up. More than one in eight of the workforce puts in more than 48 hours. In London it's one in six.

In the richest country in the world, the USA, 28 million people depend on food stamps just to feed themselves and their families. In Michigan it's one in eight households. Food stamps are just supposed to supplement the cost of groceries. But now food prices are soaring and the value of food stamps is not keeping up.

Gordon Brown was delivered a rap on the knuckles by the House of Commons transport committee. As Chancellor he insisted the contract to upgrade London Underground be awarded to private consortium Metronet. Predictably, Metronet went belly up last year amid much scandal leaving us with a £2bn bill. The committee denounced Brown's "spectacular failure," for which of course us taxpayers will be picking up the bill. Committee chair, old-style right winger Gwyneth Dunwoody, commented on the debacle, "Any reasonable person, looking at the current situation, would find scant evidence to sustain a dogma that the private sector will always provide deliver greater efficiency, innovation and value for money than the public sector." Well, quite. □

The housing tsunami

by Michael Roberts

AS I write, Britain's second-largest bank, the Royal Bank of Scotland, which owns NatWest and has recently bought Holland's largest bank ABN-Amro, has announced that it lost £4bn in the last three months as a result of the world's great credit crunch. RBS says that it must write off £5bn in loans and debt securities that it had on its books as worthless. And it now must ask existing shareholders to stump up more money - as much as £10bn - to buy new shares in the bank so it does not go bust.

Goodwin

And this is happening just a few weeks after the head of the bank Sir Fred Goodwin had declared a whopping great profit for the bank and made it clear to all and sundry that the credit crunch would not affect RBS and it had no need for extra funds.

This news shows that the credit crunch is going to hit Britain in a big way. Up to now, Britain's main high street banks had not seemed to have suffered much - they were all announcing big profits and there was little talk of large 'writedowns' of worthless assets. The collapse and subsequent bailout by the taxpayer of Northern Rock was an exceptional event due to the 'bad policies' of one set of managers.

RBS

At the same time, the government of Darling and Brown, the leaders of industry and the City of London were arguing that the British economy was still growing well and while the financial sector was on a 'sticky wicket' due the housing and mortgage crisis in the US, Britain was well-placed to avoid the worst.

Well, that story now looks shot full of holes. RBS is not a small mortgage lender from the north-east like Northern Rock

that got too big for its boots. It is a major international bank with interests in Europe, Ireland and the US. But when you delve into its accounts, you find that all was not well.

The bank is one the weakest in Europe. Relative to all its loans and debt securities that made or purchased, it had the least amount of shareholder investment. Indeed it had safe funds worth only 4% of all the loans and assets on its books - the barest minimum allowed under international banking regulations. And, more than anyone else, it had bought more of those 'toxic' mortgage securities from American banks that were backed by the value of American homes. So much of its assets and its profits were based on the now falling value of American houses.

ABN-Amro

At the same time, it had just bought another huge bank, ABN-Amro, after a bitter merger fight, for a huge amount of money at the top of the market - before the share prices of all the banks plummeted in the credit crunch. And RBS, like all the other British banks, was now facing up to housing market slump in the UK in 2008 that the US had seen in 2007.

And, boy - is that housing slump coming! After peaking last summer, UK house prices have been slowly

sliding downwards. Now the pace of decline is accelerating. Most expert analyses have come round to the view that house prices will fall a minimum of 10% from their peak last summer - it is more likely to 15%-plus before the market bottoms some time in 2009-10. So a house worth £250,000 last summer will be lucky to be worth £200,000 before the end.

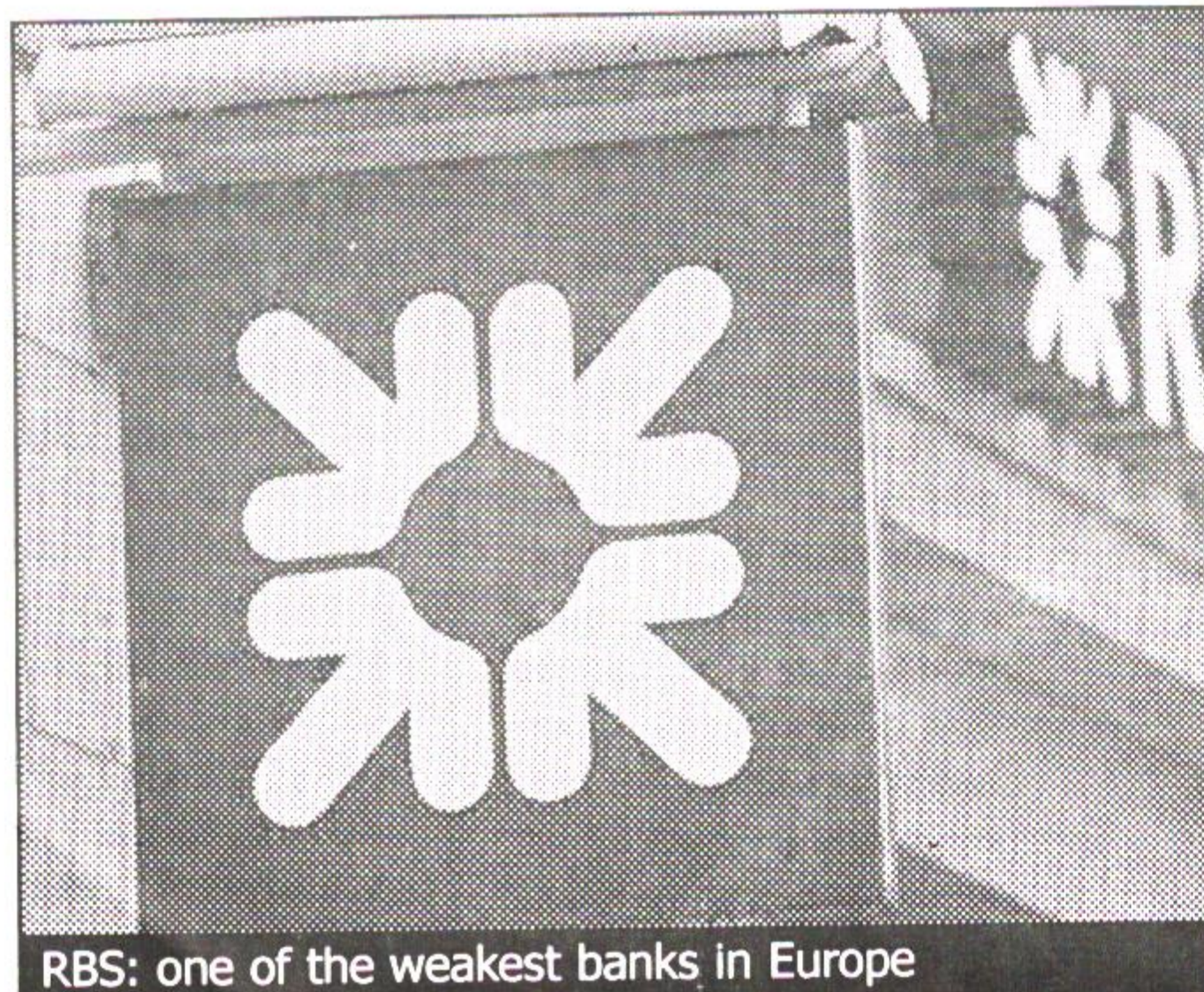
And here is the problem. Over 50% of mortgages issued by the likes of RBS and Northern Rock in the last few years have been for over 80% of the value of the property. And that does not include all those mortgages made to people just trying to make money from renting out flats (buy-to-let, as it is called). So if house prices drop 15%, many homeowners are going to be under water in what is called 'negative equity', where their house is worth less than the mortgage loan they have on it. If these homeowners walk away or default on their payments, the banks are going to take substantial losses.

And it is not just British homes. Many companies that bought their offices on loans from the banks will also be under water and there will be losses on commercial mortgages too.

It is often argued that a housing slump won't have such a big impact as it has in the US because British banks did not go in for reckless lending to people who could not afford to pay it back as they did in America - the so-called sub-prime market.

Sub-prime

Well, the figures don't agree. IMF and OECD researchers reckoned that the UK's level of mortgage debt to household income and level of house prices to income were so high that UK housing is more overvalued than in any other in advanced capitalist world - British houses are facing price subside.



RBS: one of the weakest banks in Europe

A recent survey by a credit agency found that sub-prime borrowers who had taken out mortgages on dubious income statements were ten times more likely to default and there were plenty of cases all over the UK of towns where people desperate to get onto the housing ladder now faced default. Places where sub-prime mortgages were more than 10% of homes included Manchester, Cardiff and Wolverhampton. While in London, more than 25% of all homes with mortgages were buy-to-let loans, facing 'negative equity'.

A huge tsunami of unpaid debt is about to hit British capitalism. What the RBS announcement shows is Britain's bankers are finally recognising that the tide is coming in fast and they are battering down the hatches.

It is unlikely that any big bank will go bust - first they will raise more money from their shareholders to finance their past bad decisions and second the Bank of England (and that means us the taxpayers) will bail them out if necessary.

Bank of England

The Bank of England, having put its head in the sand for months and months, is now waking up to the disaster. It has finally started to cut interest rates (although it remains worried by a rise in inflation that it cannot seem to control). But more, it has decided, on our behalf as taxpayers, to start buying or swapping the bad loans and debt held by the likes of RBS for UK government bonds. So the banks get nice safe bonds for their rotten mortgages to put on their books and they no longer have a problem. The problem becomes one for the government.

Northern Rock

Brown and Darling, after much kicking and screaming, finally took over Northern Rock and had to recognise £50bn of loans to the bank that are now the liability of the state. This new Bank of England measure will put even more liabilities on the government books - another £50bn or more. But it has to be done or there would be a major banking crisis in

2008.

Thus capitalism works its mysterious ways: the capitalists don't want any 'interference' from the state and democratic accountability when they are making huge profits; but when things go pear-shaped, they demand funds from the state but with no recourse and no control.

Who will suffer from the coming UK housing slump? Well, first it will be the workers in the financial sector, the City of London. It is estimated that about 40,000 will lose their jobs for a start.

Goodwin

On the whole these won't be the fat cats on the boards of directors on the big financial institutions like Sir Fred Goodwin (they are always 'knights of the realm'). No, if they get the push it will be with a 'golden handshake' of millions and their pensions intact. The head of Northern Rock took nearly a million and a pension for presiding over a strategy that brought the bank to its knees. Yet thousands of Northern Rock employees are losing their jobs with no handshakes, pensions or prospects of future work.

City

The job cuts in the City of London will be aimed at those in the back rooms. They may be earning £30-50,000 a year - not bad by most people's standards, but not millionaires.

The government reckons UK economic growth will about 2-2.5% this year well down from 3.25% last year. But that is now regarded as very optimistic. The IMF, basing itself on the global credit crunch and housing collapse in the UK, reckons growth will be closer 1.5% for the next two years. It is likely to be worse than that.

But all these forecasts lead to one conclusion - everybody, not just City workers, is going to suffer. The UK is more dependent on the financial sector in its economy than any other major capitalist country (unless you count Switzerland as major). Job losses and rising unemployment will be the order of the day. □

How many unemployed?

by Michael Roberts

AS I write, the government has announced another fall in the jobless figures. Of course, this is mainly a statistical trick. The numbers who claim jobseeker's allowance are under 800,000.

But this is not a true reflection of the real level of unemployment in Britain. Indeed, the total number of people in work has hardly changed in the last 30 years despite an increase in population and in people of working age.

There are millions who are in 'full-time' education where they are hopefully getting qualifications that will get them work.

Also, there have been millions of women that have come into semi-skilled work over the last few decades while millions of older unskilled men have just gone.

Where have they gone?

Incapacity benefit

Well, the Tory myth is that they have all signed on for 'incapacity benefit' claiming that they are ill or disabled and cannot work. This benefit is not means tested and worth more. This myth that there are 2.6m loafers and shysters not willing to work has been accepted by New Labour and they are cracking down!

When the statisticians checked, they found only about 0.5% were faking. Sure, many of these millions were capable of doing some work, but most lacked skills, half were over 50 years, or they had sick family members to look after, or needed transport to get to jobs.

The reality is that if you added to the 750,000 claiming job seeker's allowance another 1.5m claiming disability allowance who could work but cannot get a job, then Britain's unemployment rate is not 5% but probably double that already. And the hard times are still to come. □

On the brink of revolution

by Terry McPartlan

This year sees the 40th anniversary of the May events of France 1968, which culminated in the biggest general strike in history, involving more than 10 million workers. TV programmes and newspaper columns will mark the occasion but few, if any, will give a real reflection of the role played by the main actors and actresses, the working class.

The movements of workers in 1968 shook capitalism and Stalinism to their very foundations, after many years in which 'official society' had poured scorn on the ideas of Marxism and revolution. Yet within a few weeks the contradictions riddling French society had erupted to the surface, so that all the conditions for a peaceful socialist transformation of society existed, except for one - a leadership capable of understanding events, explaining their implications and guiding the French workers to taking power into their own hands.

In 1958, President Charles De Gaulle came to power posing as the saviour of France, promising to cure France's economic ills and win the war against the Algerian independence movement.

Claiming to stand 'between capitalism and communism' as a 'third way', De Gaulle, in reality, instituted a form of 'parliamentary bonapartism.' Lacking any real social base, he balanced between the classes.

Using state intervention in industry to benefit big business at the expense of the petty bourgeoisie,

imposing strict censorship of the press and media, disregarding parliament and ruling by decree, he sought to save France for capitalism. The post war boom had been delayed in France, not least by the conscious policy of French capitalism to hold back the development of a strong working class. Nevertheless, the economy had developed significantly under De Gaulle. The working class had recovered from the defeats of the pre-war and immediate post-war periods. But economic growth had exacted a tremendous price. Unemployment had risen to 700,000 by 1968. The introduction of Value Added Tax, the deregulation of rents and a 45% rise in prices over the previous decade had eroded living standards. Low wages and an average 45-hour week imposed further strains, while three million lived in slums. The Economist described the interior of the Renault Billancourt Plant as "a sight from hell." Capitalist 'progress' meant intense pressures on the minds, sinews and nerves of workers.

Likewise, in the universities, the conditions faced by students were growing intolerable. A fourfold increase in student numbers over the previous 20 years, coupled with repressive college regimes, resulted in 75% of students failing to complete their courses. The social base on which De Gaulle's regime rested was weak, indeed the social base for capitalism was growing rickety. The evidence for this was first demonstrated in

the movement of the students - the 'gilded youth'.

1968 saw student movements throughout the world. What tipped the balance in France, detonating the general strike, was the brutal response of De Gaulle.

In early 1968 demonstrations against the outdated and restrictive education system resulted in the authorities calling in police and riot squads (the notorious CRS) to 'put down' the discontent.

Brutal Clampdown

In early May, a number of students from Nanterre University were to be tried for 'disruptive behaviour' in the University Courts. On May 2nd, the University Director closed the faculty, expecting trouble. The following day, a peaceful demonstration outside was attacked by the CRS. Lectures were suspended at other Paris universities fearing a repeat. As the temperature rose the university teachers' union called a strike which was banned by the Education Minister, Peyrefitte.

On May 5th students arrested on previous demonstrations were jailed and fined. The strike in the universities spread to secondary schools. Each attempt to smash the move-



ment by repression resulted in more anger and wider participation.

The next day a 60,000 strong demonstration through the Latin Quarter was brutally attacked by the CRS. Students were forced to set up barricades. Not since the rising of Parisian workers against the German army in 1944 had these defences been seen on the capital's streets. The actions of the CRS provoked widespread anger, and support for the students. That night, 739 lay injured in Paris hospitals, while hundreds more found refuge in local residents' homes.

The unease of the middle classes was reflected in the press. Polls showed 80% support for the students. Peyrefitte blamed a "handful of troublemakers". The Communist Party (CP), the biggest workers' party at that time, denounced "groupuscules, Trotskyists, anarchists and CIA agents" in a disgraceful show of mimicry.

The next few days saw demonstrations, street fighting and more barricades. Young workers began to mingle with the growing

student numbers. The CP leaders were taunted by demonstrators and banners demanded "police out of the Latin Quarter," "reopen the universities," "free our comrades" and "students' and workers' solidarity".

The Communist Party leaders expounded the theory that socialism was impossible in France until the living standards of workers in Stalinist Russia rose to the levels of Western Europe.

On the night on May 10th, the 'Night of the Barricades', 60 or more were built. Students tore up the cobbles, assisted by workers with pneumatic drills. The demonstrators were met with tear gas, CS gas and smoke bombs. Angry residents poured buckets of water out their windows so the students could wash their stinging eyes and skin. Gas seeped into the Metro, affecting passengers. In the aftermath, angry doctors demanded the police be prosecuted. A wave of revulsion and disgust pressured the leaders of the workers parties and the unions to call a one-day general strike for May 13th. Prime Minister Pompidou's announcement of the reopening of the Sorbonne University and withdrawal of the police couldn't stem the tide. The scene was set.

It is vital to understand that the one-day general strike and the titanic movement which followed did not drop from the sky, but was rooted in the conditions pertaining.

The trade union leaders hoped to dissipate workers' anger and called the one day general strike to let off steam.

Although the initial response of French workers to the students' call for support had been muted, deep

discontent flowed through the working class. During late 1967 and early 1968 strikes and lock-outs had occurred in engineering, the car plants, steel industry, shipbuilding and the public sector. An estimated 80% of workers involved were outside of the trade union movement.

At the Renault Billancourt factory, there had been 80 cases of trade union action between

March and May '68.

On Mayday, 100,000 had marched through Paris. A tense mood gripped the factories.

During the first week of May a printers' strike threatened, Paris bus workers struck, sugar factory workers walked out, taxi and post office workers planned strike action. By May 7th the police trade unions were drawing up a list of demands, air traffic controllers threatened action, and a 24-hour strike took place at the Berliot lorry factory over bonus payments. Workers at the Weather Centre discussed taking action, striking iron ore miners blocked the Route Nationale motorway for an hour and occupations took place at a foundry and clothing company.

Mounting Pressure

Mounting pressure from the workers' movement and widespread disgust with the activities of the police and CRS in trying to suppress the students had forced the

workers' leaders to shift their position. The CP leaders, who days previously had sniped at "groupuscules", were forced on May 11th, to call a 24-hour general strike around the demand for an end to repression.

Mitterand, then President of the Left Federation, after initially offering half-hearted support for the students, was calling for the creation of a provisional government by the end of May. The trade union leaders hoped

to dissipate workers anger and called the one day general strike to let off steam.

But the general strike of May 13th, instead of heading off the movement, crystallised the workers' anger and carried the struggle forward onto a higher level. One million marched through Paris with 20,000 stewards around the march from the CGT (Communist trade union federation) alone. 50,000 demonstrated in Marseilles, 60,000 in Lyons, 40,000 in Toulouse and 50,000 in Bordeaux. Yet only 4 million were organised in the trade unions. In Paris, the police stood aside; there was no rioting, no looting just a tide of angry workers, becoming aware of their power. The students left the march and occupied the Sorbonne and the Censier Annexe. The doors were flung open to workers; a no-holds barred discussion developed. A huge experiment in democracy began. Endless debates ensued, numerous committees sprang up. Soon most

French universities were occupied. The students began to feel a sense of power, that they were leading a revolution. But real power lay in the movement of the working class, the decisive force in society.

The day after the general strike, 200 workers were on strike. Five days later on May 19th, two million were out. By May 21st, strike movements encompassed 10 million workers. Young workers at the Sud Aviation plant provided the spark. After a long running dispute with management, they became infected with the mood of the students' struggle and the spectacle of the Paris demonstration.

Beginning by spreading the strike to other parts of the factory, they then moved on to call for other factories' support. Twenty managers were locked in their offices at the plant as loudspeakers played them the Internationale, so they might learn how to sing it!

On the 18th, strikes and occupations spread to Renault, the shipyards, the national theatres and the hospitals. The day after, all 60,000 Renault workers had downed tools and the six factories were occupied, guarded by mass pickets - with 3,000 at one plant. Marseilles and Le Havre ports were closed and 3,500 were attending daily strike meetings at Orly-Nord airport.

Despite the trade union leaders not calling a general strike, it grew like wildfire, touching every sector of industry and every corner of France, even to the women of the Folies Bergere. France was on the brink of revolution. ■

Part 2 next issue



Protesting in Paris

Japan - the lost decade: bubble economics

by Mick Brooks

JAPAN IS the second biggest industrial economy in the world. In the 1980s it experienced a huge speculative bubble, just like the housing bubble that has burst in the USA and is on the point of bursting in Britain now. When the bubble burst the Japanese people, who up till then were regarded as living in a 'miracle economy,' experienced a decade of recession - a 'lost decade'. Hillary Clinton has warned in the USA, "(We) may be drifting into a Japanese-like situation." Could it happen again?

Post-War growth

After the Second World War Japanese capitalism was a smoking ruin. But within a few years it had reconstructed itself and by the 1950s was growing at an annual rate of 10%, a speed which no other capitalist nation had achieved till then. This growth was export-led. Japan was widely recognised as an economic miracle. Rivals muttered bitterly about the 'yellow peril,' sensing that a great capitalist nation was emerging.

Japan was a different type of capitalism from the Anglo-Saxon model. Firms were organised in groups called keiretsu, held together by an interventionist bank or banks. The banks provided the funds for long term investment, under the direction of MITI, the Ministry of International Trade and Industry. These banks were like the German banks described by Hilferding in his book 'Finance Capital', which influenced Lenin

when he wrote 'Imperialism, the highest stage of capitalism' in 1916. By contrast, British and American banks were historically unconcerned with industry and reluctant to lend long-term to manufacturers.

After 1945 world trade was conducted by means of fixed exchange rates against the dollar, which was the world's reserve currency. For much of this early post-War period there were 360 yen to the dollar. This proved to be a very competitive rate, central to Japan's export success.

It was for a time the most competitive capitalist nation in the world and built up huge surpluses with other countries, particularly the USA. The emergence of dynamic capitalist powers such as Japan and Germany challenged US hegemony. Eventually the edifice created at Bretton Woods cracked, as the international balance of forces changed in the course of the post-War economic boom. The USA, no longer able to pay its bills, floated the dollar in 1971.

The world moved to a floating exchange rate system. The yen appreciated and exports became dearer and less competitive. By the mid-1970s the dollar would only buy 210 yen, not 360. By 1988 it bought just 120 yen. Japan was still able to achieve 5% growth rates throughout the 1970s, and 4% in the 1980s, but the rising yen was hurting.

Under Reagan, the American economy was in a worse and worse state. At the Plaza Accord in 1985 the Americans decided to pistol

whip their 'trading partners' and rivals into letting the dollar slide and pushing up their own currencies in order to correct the US deficit. This meant putting the yen sky high.

Japanese banks had their arms twisted to liberalise, to lend more money. Interest rates in Japan were slashed from 5% to 2½%. The Japanese government supported this as they felt it would stimulate growth at home now the export market was under threat.

Bubbles

Liberalisation led to two classic bubbles. Borrowing drove prices up for land and for shares. The loans were often secured by land as collateral. This was the prime cause of the land price bubble after 1985. More lending increased the demand for land, so its price went up. So people borrowed still more money to buy land, in order to borrow even more. (More recently our house price bubble fuelled the uncontrolled lending splurge in the same way.) From 1985 to 1990 land prices soared. By the end of this period the land beneath the emperor's palace was 'worth' more than the whole of California. Land in Japan was 'worth' more than all the land in the rest of the world put together. Sky high land prices are

Nikkei share index soared to 40,000



not good for business. "At the height of the land price explosion the market value of the land owned by the non-financial corporations (NFCs) exceeded the value of the machinery, buildings and inventories, thus halving the profit rate

and bringing it to a very low level by the end of the boom." (Andrew Glyn 'Capitalism unleashed' p. 141)

At the same time the Nikkei share index soared to 40,000. We can see now that all this was madness. Yet people who can see this clearly in the case of Japan were unable to spot that the recent house price boom in the UK, the USA, Ireland and Spain was also a bubble.

The bubble in Japan did stimulate economic activity for a time. In the late 1980s Japan was regarded as a world leader in cars, in consumer electronics and in robotics. Commentators began to talk about a 'new paradigm.' The next time the phrase was used was during the IT share price bubble that burst in 2001. When the sages speak of a 'new paradigm' it's time to sell the shares!

While the bubble is blowing up, people feel rich. They're actually living in a house of cards. When the bubble finally bursts they really do get poorer.

It was rising interest rates that pricked the bub-

ble, which burst on the last day of 1989. Over the next few years asset prices fell in Japan as much as they had done in the Great Depression worldwide. House prices fell to a tenth of their top level. Commercial property was worth a hundredth of what it had been in the bubble. Over the decade the Nikkei lost three quarters of its 'value.' It was at 15,000 in 1992 and 12,000 by 2001. More important the modern dynamic Japanese manufacturing sector could generate growth of only 1.5% a year over the decade. Business investment in 2002 was no higher than it had been in 1990. There was indeed a lost decade.

Interest Rates

The evaporation of paper claims to wealth had real effects on people's income. As land prices collapsed, the banks found they didn't have enough capital backing for their loans and reined in lending. But the 'main banks' of the keiretsu were too committed to the firms they serviced to drive them to the wall. Japan stagnated, but production did not collapse.

It will be interesting to see if the Anglo-Saxon banks, committed to nothing but feathering their own nests, will be as reluctant to enforce bankruptcy on insolvent firms in the future; or whether these banks will just collapse from their own profligacy, bringing chunks of industry down with them.

The government had connived at the blowing up of the bubble. But they couldn't magic away the consequences. In the same way Bernanke in the States is now engineering below inflation interest rates to reflate the bubble in the housing market. He realises

that the alternative - a banking collapse - doesn't bear thinking about. But capitalist bubbles - once they have blown up - are not under the control of the authorities.

The Japanese government tried hard. It tried Keynesian methods of spending money it didn't have and cutting taxes to get consumers back in the shops. This fiscal boost was worth 1% of Japan's (big) GDP every year. The government spent 100 trillion yen in ten years. A lot of this money went to construction firms linked to the ruling LDP or to rural projects benefiting the traditional LDP-voting farmers. All that happened from the boost is that the government was lumbered with a massive deficit by the end of the decade Japanese national debt was 182% of GDP last year. The real situation is probably worse. The Japanese national debt is a murky affair, supplemented by all manner of slush funds and off-balance sheet transactions.

They tried monetary policy, reducing interest rates to just 1/2 %. (Are you reading this, Ben Bernanke? This is what you're trying now. It didn't work then.) The Japanese weren't attracted into borrowing by these low rates. They just led to the development of what became known as the 'carry' trade. Speculators borrowed money at very low rates in Japan and invested in other countries such as the USA, where returns were higher. You can take a horse to water, but you can't necessarily make it drink. Capitalism is essentially an unplanned system. It can't be controlled. The Japanese boom and its aftermath are a warning to us all. □

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Crisis - is Britain immune?

by Eric Hollies

THERE'S AN old saying that, 'When the USA sneezes, we all catch cold.' Alistair Darling and Gordon Brown know that the USA is already in recession. They know that the financial crisis is causing the hatches to be battened down all over the world. But, they say, Britain is immune. They've even commissioned a Treasury report to try to prove it.

Don't believe them. The chill winds of economic crisis are coming our way. The parallels between the US, which is already in the mire, and the UK are stark.

- Both economies have had consumer booms that were fundamentally unsound, based on a housing bubble.

- A housing bubble is when house prices go up because people are buying, and people are buying because prices are rising.

- A housing bubble means people feel richer. They can borrow on the basis of the rising price of their house. In effect they can use their house as an ATM.

- In both the USA and the UK consumers, who

weren't really getting much better off, went on a spending binge based on their rising paper wealth.

- In both countries the government built up massive deficits by spending more than they were getting in tax.

- Both countries accumulated huge debts with the rest of the world, in effect living at their expense.

- In both countries, the currency took the strain of the trade deficit, and went into an uncontrolled slide.

- Now the bubble has burst

This has already started happening in the States. It's just a matter of time before it's played out here.

According to John Authers (Financial Times April 3rd 2008) "Since 1988 US house prices have risen 155%." (They've taken a dive recently, and they're going to go lower). "UK prices, in spite of a slump in the early 1990s, have risen by more than 300%."

As we know, reckless bankers in the States lent out sub-prime mortgages to

poor people who couldn't possibly pay back. Now they've defaulted, the bubble has burst, and the banks are in schtuck. House prices have already fallen sharply. Financiers were up to the same trick over here. Capital Economics reckons we could see a worse fall in house prices here than across the pond - down 25% by 2010. Why not?

Consumer debt

US consumers racked up debt that was 128% of household income. UK consumers have gone one better. We managed 175%. Pity they don't give Olympic medals for consumer indebtedness. We'd get gold. Households have traditionally been the sector of the economy that was always in surplus. Yet in both Britain and the USA households have moved into deficit - by 4% of GDP in our case.

It's a financial crisis, right? In recent years the British economy has been booming in (guess what?) finance. A third of all growth in the economy has been generated in finance, mainly in the City and Canary Wharf. Now that's gone into reverse. Tens of thousands of jobs will go.

It's not just the consumers that have been partying like there's no tomorrow. Governments on both sides of the Atlantic have been spending money as if it were going out of fashion.

Bush's profligacy is well known. He's been wasting huge sums on weaponry and dishing out tax cuts to the rich, with no thought for how to make the figures add up. He'll leave a legacy of government debt that stands at \$9.2 trillion and is still going up every day

State spending

Meanwhile gormless Gordon Brown has wasted £170bn of our and future generation's money on bent PFI schemes. This is the direct equivalent of Bush's tax handouts to the rich. From a government surplus amounting to 2% of GDP in 2002, Britain has moved to a deficit of 3% - in a boom! This is important, because the government can't now reflate its way out of the pickle we find ourselves in, as they are trying to do in the US with tax cuts.

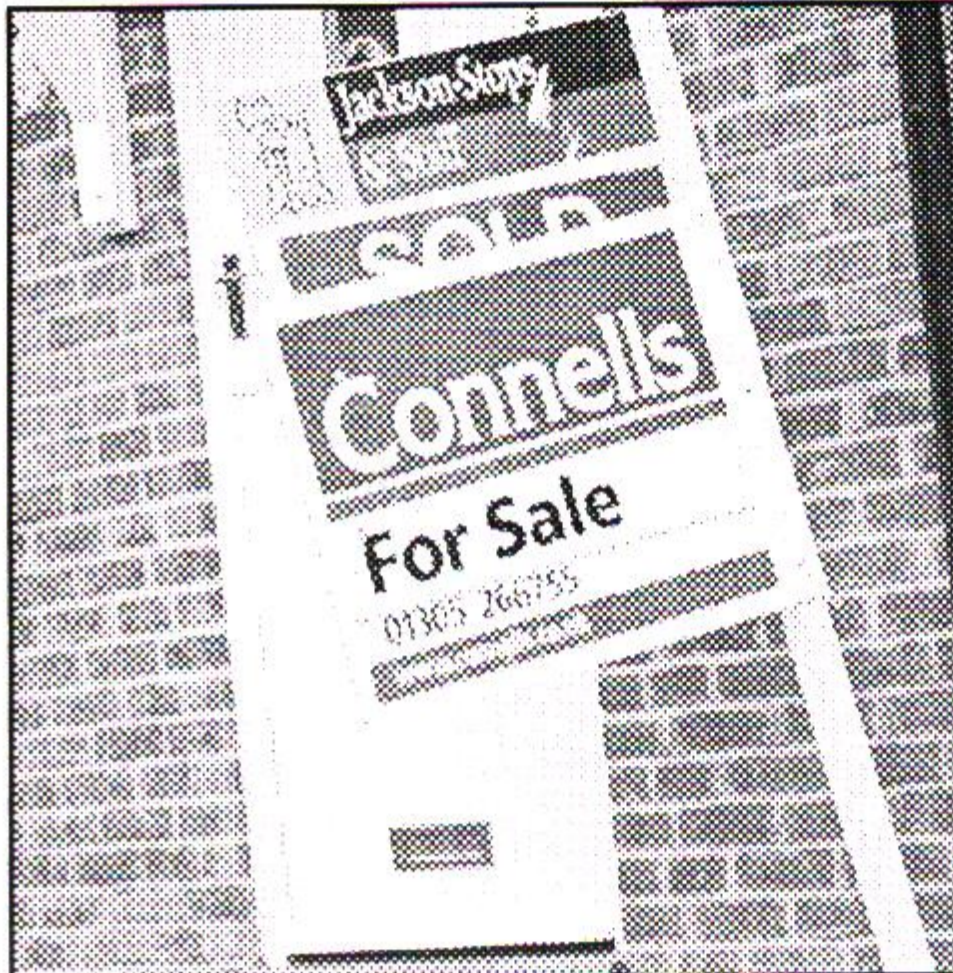
Not only have the consumers and governments gone on a spree - so have both countries. Enabled by these wonderful new global capital markets, both nations have built up huge deficits with the rest of the world. Britain and the USA both have current account deficits of 6% of GDP. That means that we as a nation and the Americans are spending \$106 for every \$100 we earn abroad.

Devaluation

In the old days you just couldn't do this. The Labour government in 1967 was forced to bow the knee, devalue and tear up its reform programme on account of a much smaller deficit - about 2% of nation-

Consumer debt in the UK: 175% of household income





House prices: March saw prices down 2.5%

al income run for a few months. More recently Britain has been permitted to run a deficit of 5-6% of national income for years at a time by borrowing the difference. No doubt the bankers will want their pound of flesh in time. Now the international banks are just like the high street version. They're basically factories churning out debt. Their livelihood actually depends on our collective financial irresponsibility.

Deficit

The current account deficit means that foreigners are building up claims on UK assets to cover the difference between imports and exports. Traditionally both Britain and the USA, as imperialist countries, have relied on the export of capital to maintain their control and exploitation of other countries. (The export of capital was identified by Lenin as a key feature of imperialism.) In simple terms, imperialist countries make their living by plain old parasitism. Britain has enormous overseas assets of £5,000bn in 2005 (4 x GDP that year), a world record. But the net asset position is being nibbled

away in both countries, as both countries live beyond their means and fall into debt. The layers of fat are melting away.

So both Britain and the USA are spending more than we earn, consuming more than we produce and borrowing to make up the difference. It can't go on forever. We can see that from what is now happening in America.

Assets

Then there's the dollar's slide. If a country is spending more than it's earning, then it has to pay for the difference in its own currency. Since a currency's value is determined in the global marketplace, a country with a deficit like the USA can expect the dollar to be worth less against other currencies. Now there is one way they can prop up the dollar. That is by jacking up interest rates so holders of dollar-denominated assets will get a better return. But Bernanke at the Fed is desperately driving rates **down** to try to stave off the recession. Bernanke is reckless - he could forfeit the confidence of foreign owners of US assets. Then the dollar slide would become an avalanche. As it is, every day the dollar hits new lows against other currencies.

Inflation

Since Britain is a country with as big a deficit as the USA, there is as much pressure on the pound as on the dollar. Sterling has fallen against the Euro from 1.45

in November to about 1.25 now. A Euro gets you 80p. There's one important difference with the States. The Monetary Policy Committee of the Bank of England is charged with setting interest rates so as to stop inflation getting out of control. This rule comes from the monetarist dogma that monetary policy should be directed solely at the threat of inflation, and it can't be used to influence the level of economic activity in a capitalist country. The real effect of raising rates will be to dampen economic growth though, especially investment, and that is supposed to cut inflation. It's a pretty blunt instrument.

Really inflation is more than 4%, way above the permitted maximum. So the MPC can't do a Bernanke unless it fiddles the figures - which is exactly what it is doing. It doesn't have a lot of wriggle room. Britain is a 'small' economy, dependent on what happens elsewhere in the world, above all in the USA. Raising rates will hurt. But even cutting them would accelerate the decline of sterling against the Euro. And that will hurt too, by making imports dearer.

If the sterling goes down in value, as it has been, that makes exports cheaper and imports dearer. In theory, that should correct the deficit over time - but that's economic theory, not the real world. It hasn't helped the Americans. And it won't get us out of a hole.

Crash

Just as it made us feel rich, so the housing market will take us into recession.

House prices are now falling in Britain as well. March saw prices down 2.5%, the biggest monthly

fall since 1992. There are predictions of three million households in negative equity next year, trapped in homes they can't afford just like in the 1990s. The Citizens' Advice Bureau reports a worrying 35% rise in borrowers coming to them asking for help with their mortgage arrears. Dispossessions loom.

Dispossessions

Britain is subject to the same processes as those that have already laid the USA low. The structure of British capitalism is very similar to that of the US, specially the out-of-control role of finance capital. In both cases house prices have been in a bubble that is bursting. The same house of cards of unstable credit structures has built up in both countries. They gave a false feeling of wealth. It was only this dance of the millions that kept the boom going.

House prices

Now, when house prices collapse, they will bring real impoverishment to millions of people. So the banks that dished the money out are struggling (see 'The housing tsunami pp 6-7'). House building is the first part of the 'real economy' to take a hit. What is happening in the USA now will happen to us later on. That's for certain.

The bankers and their system have screwed up. They were the ones responsible for blowing the bubble up. Now they are laying low, waiting for us to take the hurt and sort out the mess. No way. The system has got to go - here, in the States and all over the world. □

The Poverty of Life in Britain

by Ed Doveton

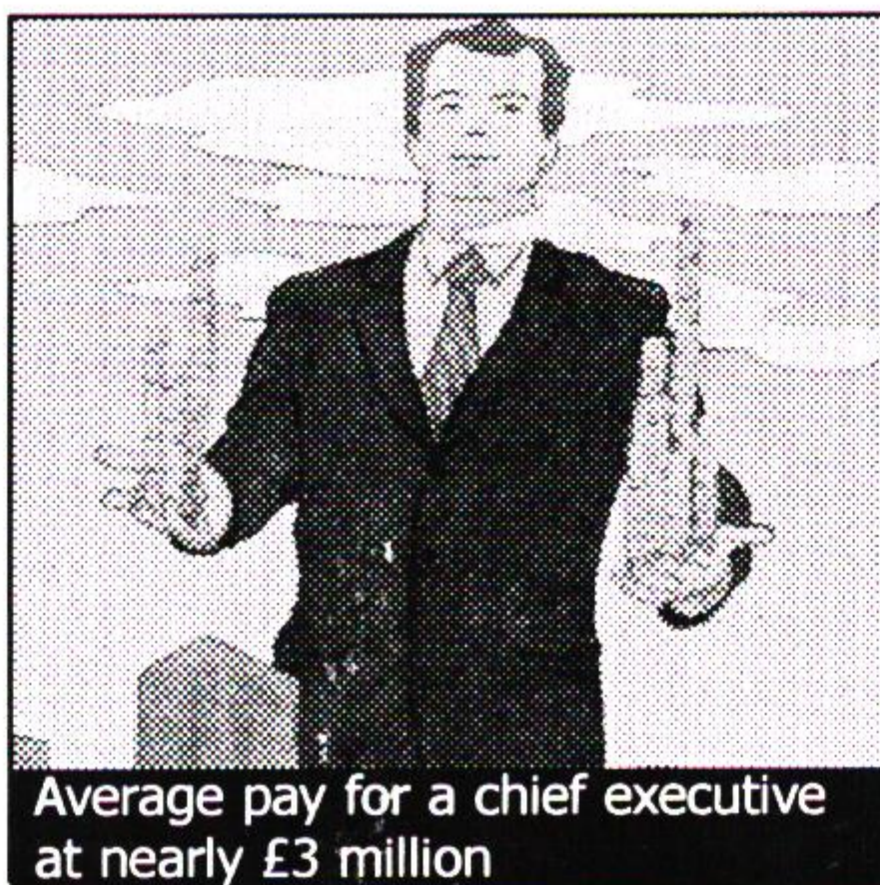
THIS IS the first of two articles looking at the decline in the quality of life for working people in Britain today. This first article focuses on the workplace, where there has been relative decline in wages and deterioration in the conditions of employment. The second part looks at the attack on the 'social wage'. This consists of the services and facilities we access such as health care, education, public transport and local services - all of which contribute towards the quality of life for working people in modern society. They form the provision in society of things working people, unlike the rich, could not afford to buy individually but provided on behalf of people by the State. Together the two elements - direct wages and the social wage - provide our quality of life, but both are now under attack, creating an impoverished life in Britain for working people.

Decline in Wage Levels

The first, and most obvious, experience working people are having today is a decline in the purchasing power of wages. This occurs when prices of the goods and services we need to buy increase at a greater rate than wages. In terms of purchasing power, the wages that working people have received has been declining in Britain over the past few years. The published figures announced by the government hide the true situation by not including items that form a large part of working class budgets, such as rent, mortgages or council tax rises.

However, a more honest measure of real incomes can be gained looking at alternative figures. The 'take home pay index' compiled by VocaLink, for example, provides information for the banking industry so that it can know the actual spending going on in the economy. VocaLink's evaluation for 2006 was that "the growth in take home pay is falling, at a time when

households already face higher mortgage and credit card costs from rising interest rates". This loss in wage income was compounded during 2007 when they concluded that "growth of take home pay has been modest throughout 2007, averaging just 3.5 per cent". Yet during 2007, people experienced a real inflation in prices in excess of 6%. This means simply that wages buy less and less, requiring cut-backs in what we can afford or pushing us to work longer hours (assuming, that is, that overtime is available).



Average pay for a chief executive at nearly £3 million

In terms of our direct wages, we are clearly getting poorer.

This situation contrasts sharply with the bank accounts of the rich and the huge expansion in executive salaries. As the 'Guardian' survey last year revealed, executive pay went up by 37%, with an average pay for a chief executive at nearly £3 million - paid out by businesses, and justified by government ministers. Last month, Labour Minister John Hutton stated that huge salaries should be celebrated; and Northern Rock former chief executive Adam Applegarth is being given a £760,000 'golden goodbye'. In sharp contrast to this is the attitude taken towards the more modest claims of working people; Alistair Darling says public sector pay is to be limited to between 2-3%, with anything higher condemned as inflationary and unreasonable!

It's not surprising that this situation

has led to an increase in income inequality; the figures clearly indicate this. In 1996, just prior to Labour's election victory, 10% of the population owned 63% of the wealth (excluding housing); now 10% own 71%. Britain under New Labour has become a more unequal society.

Faced with this situation, it is important for trade unions to fight clearly for wage increases that both match current inflation and make up for lost earnings over the past few years. It shows also the importance for unions and individual trade unionists to work actively in the Labour Party, and not leave the party in the hands of those who are clearly anti-working class, presiding over a decline in our living standards.

Casualisation of labour

Poverty of life in the workplace is not only experienced through declining wages, but also in terms of conditions of employment. In Britain there are some 1.4 million agency and temporary workers, whose ranks are growing year by year, and some of this growth comes directly from the privatisation of the public sector.

As the government pushes marketisation, jobs cease to be managed by government departments or local councils, where there is more security of employment and nationally agreed pension arrangements. In their place private firms take over the same tasks; they then employ staff through employment agencies, rather than direct employment. These workers then experience worse pay and conditions, ranging from lower basic wages and overtime, to lack of sickness benefits, holidays, maternity rights or pensions. Outside of the ex-public service sector, there is also a huge growth in casual employment in the manufacturing and service sectors such as hotels and catering. And this type of employment is not just in backstreet sweat shops. For example the majority of the

Tax attack hits poor

THE 10P lower rate of income tax, paid on the lowest band of earnings, is to be abolished later this month. Critics claim this could mean hardship for up to 5 million poorly paid people. And this is to come into effect just before the local elections. Genius!

The author of this latest act of poisonous stupidity is not Alastair Darling, though he has the charisma of a dumb waiter. It is Gordon Brown. It is a gift to the nation from his last (2007) budget.

Brown abolished the 10p rate, which applies on pay just above £5,400 and before the standard rate kicks in. He 'compensated' by cutting the standard rate, which applies above that level, from 22p to 20p in the £. He did not realise or did not care that people who only earn £18,000 a year or less will lose out. For them it is all pain and no gain.

Now it is true that families on low incomes will usually not lose out. They will continue to survive in the cat's cradle of tax credits created by Brown as Chancellor since 1997. But for the low paid without dependents, this is a hammer blow. To add insult to injury Brown (salary £190,000 plus expenses) lectured people on less than a tenth of that money, claiming nobody would lose out. He has had to climb down on that since.

The Tories have naturally seized on this blunder. Cameron says, "This is not the right time to be hitting some of the poorest families." But the Tories are hypocrites. They would abolish the web of tax credits created by Labour since 1997.

Tax credits are really paid for by taxpayers who don't get their benefit, which is most of us. Are we really subsidising low-paid families? No problem if we are. No, we are actually subsidising stingy employers who are not prepared to pay a living wage to bring a family up on.

The problem with Brown's tax credits is that they are means tested. They're complicated and they are demeaning. You have to apply, and council tax benefit take-up is less than two thirds of those entitled.

Who benefits from the scheme overall? The better off who pay the standard rate of tax on a big slice of their income; and even more so, the rich on the higher rate of income tax. This is redistribution away from the poor towards the better off. No wonder Labour MPs are hopping mad. They are asking, 'If the 10p starter rate of income tax was such a bad idea, why did Gordon Brown introduce it in 1999?' ■

workforce at BMW's Hams Hall engine plant in Birmingham are made up of agency workers.

Even in the teaching 'profession' casual employment is increasingly being used by management; it is now common to only employ part-time staff through agencies, rather than directly through the school or college. These people lose their employment rights and can be made redundant at the end of a sequence of short-term contracts, even though these contracts may end up running for several years. That is, there is really a permanent job that is being carried out, but the commitment to employment rights and pensions, which the employer should take on board, are avoided by the use of agencies.

While Gordon Brown took the pledge this year at Davos, with global capitalist friends, swearing allegiance to the ideology of the free market, millions in Britain face a poorer quality of life as a result of casual employment and poor working conditions.

Overtime and long hours

The poor conditions of employment that arise out of job casualisation also affect those in more permanent posts. The growth of a casualised workforce is used to help force down wages and demand extra work. In Britain this is particularly reflected in the abuse of overtime working. The TUC pointed out that four million people work more than 48 hours a week on average, an increase of more than 700,000 people since 1992. Full time employees in the UK work the longest hours in Europe - and these long hours are damaging family life and social life. Regular working of excessive hours is a direct contributor to poor health. In the Samaritans 2003 Stressed Out survey, they observed that: "People's jobs are the single biggest cause of stress... with over a third (36%) of Britons citing it as one of their biggest stressors."

The reality of this overworked culture amounts to people being caught in a squeeze between business pushing workers to work unpaid overtime and strategies adopted by workers to maintain their own living standards, not through higher wages, but longer hours. Both blades of this scissor

movement amount to a poorer quality of life.

Last month during a lunch break at work, several of my colleagues reflected that when we were at school our teachers suggested that in the future the problem would not be work, but what to do with our leisure time. The soothsayers of the time were prophesying that technology would bring the working week down to 20 hours or less! New technology has certainly developed (beyond the imagination of our teachers at that time), but we are working longer hours than our parents were 50 years ago. Why is life harder? Why do we have to work such long hours? And, what is happening to all the wealth now being produced?

Marx pointed out that capitalists can make more profits by either: paying lower wages or extending the working day, that is paying us the same for working longer. There is no doubt that both strategies seem to be adopted today. Real wages are dropping as pay rises fail to keep pace with inflation; and we are working longer hours, a lot of it as unpaid overtime. All this is happening whilst the rich are getting richer and inequality in society is growing. Last month the TUC's analysis of official figures indicated that the number of people working unpaid overtime had increased by 103,000 during 2007, bringing the total to nearly five million.

Need for change

However New Labour politicians spin it, or however much the media might ignore the issue, working families know, from their daily experience, that the quality of life in Britain is declining. The greed of capitalism and the crisis of profits are being reflected in the relative reduction in wages and increasingly harsh conditions in the workplace. Living and working in 21st century Britain is harder and more stressful. It is time to look for clear alternatives. We don't want the inequality and chaos of the market system, but rather a rational planned society where the value of wealth that is produced is used to improve the quality of all our lives, where the benefits of new technology can be used to reduce the working week, not boost the profits of the few. ■

Where is the working class going?

by Terry McPartlan

THROUGHOUT THE 1950s and 1960s the leadership of the trade unions was firmly in the hands of right wing trade union barons. Strikes were almost always unofficial and in some ways sectional - concentrating on pay differentials for example. But it's fundamental to understand that this was a period of massive expansion in capitalism, and huge profits that meant that the bourgeoisie could afford to make concessions.

Crucially the type of struggles that developed also helped to increase the importance of the factory committees and shop stewards. These were in many cases bodies outside of the formal structures of the union. Look at the dual organisational structure in the GMB today, geographical branches and shop stewards' committees that hold the industrial power.

It was also a period of big development within the public sector, with nationalisation, the NHS and the development of the welfare state.

By the end of the 1960s inflation was starting to develop and, with sluggish economic growth, the Labour government tried to impose pay restraint. The Marxists at the time predicted a big backlash to Phase One, a big backlash to Phase Two and Phase Three. But nothing happened until Phase Four. You can stretch a piece of elastic only so far. The trade unions resisted pay restraint and

Labour fell.

The Heath government from 1970-1974 was a government in crisis; the Industrial Relations Act, the Shrewsbury Two imprisoned, the two miners' strikes. This instability and militancy culminated in the defeat of Heath and the election twice of the Labour Governments in 1974. But the 1970s were a period where waves of industrial struggle developed. New layers were drawn into struggle in the winter of discontent in 1978-79. Women workers and council workers lead the NUPE disputes in the late 1970s.

Miners' strike

The lessons of the great miners' strike of 1984-5 are immensely important to the movement today. The Tories had a clear programme to take on the NUM and to smash what they saw as their main opponents within the working class.

From the word go, when the Ridley Report was prepared in 1979, the Tories sought to prepare a political and essentially quasi-military struggle against the NUM, who were 140,000 strong.

Despite the Union of Democratic Miners (mainly based in Nottinghamshire) splitting at the beginning of the dispute over the strike

ballot, the strike was essentially solid for the vast majority of the dispute. The intensity and ferociousness of the dispute was on a higher level than anything that had been seen in Britain for decades. The

hurled their heads against riot shields and police truncheons, dived under the hooves of galloping police horses and stamped on the policemen's steel capped boots with their trainers.

Dramas like 'Billy Elliott' and

'Our Friends in the North' capture the flavour of the times. The Tories eventually won the day, but the lessons of the miners' strike and of the year long struggle still play a huge part in the minds of active workers.

Lessons of the miners' strike: immensely important



miners knew it was a fight to the finish.

In some of the pit villages in Yorkshire and the North-East, the movement reached semi-insurrectionary proportions.

Millions of pounds were collected on the streets for the miners' families and all over the country miners' support groups were established. The miners' wives came to the fore and among the working class the NUM had mass support.

The role of the wider trade union leadership and the Labour leaders in particular was dreadful. Hiding behind the Tory anti-trade union laws the trade union leaders refused to sanction solidarity action and effectively served to isolate the NUM. Kinnock and the Labour leadership played a pernicious role, attacking 'picket line violence' as they called it.

Hundreds of miners

Role of bureaucracy

Even we underestimated the full significance of the miners' strike in terms of the long term downturn in activity it provoked. But far more importantly it had a massive effect on the consciousness of the trade union bureaucracy. "If the miners can't win, what hope for us?" was the refrain.

The trade union bureaucracy played the role of a wet blanket during the 1980s and 1990s. Sweetheart deals and no strike agreements were signed and the level of activity fell throughout the movement. As a rule the movement swings to the left after struggles, when it is full of militant workers and back to the right when the dead hand of the bureaucracy holds sway.

The various sectarian groups bang on about the leadership and the bureau-

crazy. But it's important to realise that simply attacking them won't solve the problems that workers face in respect of their daily lives. Only an intransigent class position can do this. You have to understand the class struggle in your own situation and take the workers with you.

The trade union leaders can swing to the left at certain times. Jack Jones and Hugh Scanlon were left trade union leaders who took on the government in the 1970s in the last big upturn.

Like it or not the bureaucracy is always with us. It is thoroughly utopian to expect that it will be defeated and just lie down. Even in the period of the Russian Revolution the trade union leadership played a negative role and supported Kerensky. The struggle against the bureaucracy is a political struggle and a struggle around trade union democracy. In the end the movement of the workers will sweep past the bureaucracy as it unfolds. In the short term they represent an enormous brake on the movement and a big obstacle for Marxism.

Lefts

The role of the left in the trade union movement has changed dramatically over the past two or three decades. The Communist Party, although historically strong has shattered and the other groups are incapable of building a working class base.

The absence of a large Marxist current in the Labour movement makes it easier for syndicalist ideas to ground. Fighting for trade union power without recognition of the political tasks of the revolutionary

movement in changing society neglects the role of the bourgeois state. In fact why fight for anything?... a recipe for armchair anarchists everywhere.

Likewise abandoning the political struggle and concentrating on economic issues alone is a recipe for reformist degeneration.

All trade union struggles, however important are ultimately partial struggles. The political and social emancipation of the working class demands a revolutionary programme. Many workers have turned away from the Labour Party in disgust at the policies of Blair and Brown. Industrial struggle without political struggle is massively weakened. The Labour Party is a workers' party with a bourgeois leadership. The slogan has to be to 'Reclaim the Labour Party', not pretend it doesn't exist, or try and split the best workers away from it.

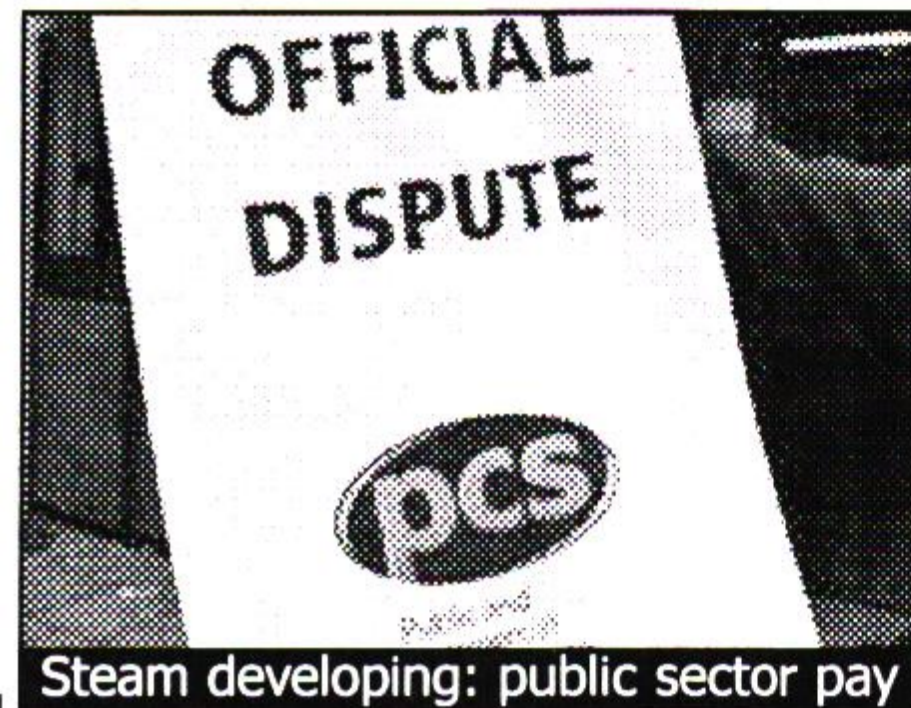
Struggles of today

The pace of events in Britain is slow, but there are deep subterranean currents that keep breaking through. The postal workers' dispute is an example. Disputes have been breaking out as unofficial action for years now. The same is true of the fire brigade dispute a couple of years ago.

There has been a definite change in the movement with the election of a number of left leaders. As yet there haven't been huge results from this and it is important to recognise that, although they are certainly an improvement, in the main they don't represent big left currents in the unions.

Last year's debacle over pay shows just how impor-

tant it is to understand the implications of the bureaucracy cosying up to the Labour leadership. There is clearly a head of steam developing in the public sector as the PCS disputes and the UNISON pay votes last year illustrate. More significantly even was the 95%



Royal College of Nurses vote for industrial action in a union with a no strike rule!

UNISON leaders missed an enormous opportunity for united generalised struggle. But as we explained at the time, the 'Brown bounce' and a potential general election meant that the union leaders backed off so as not to rock the boat. This only serves to sell the members short, and the best most politically advanced layers of the class will understand this.

The trade union leaders have been preoccupied with mergers for much of the last twenty years. We need to be clear that we support more workers unity, but we don't support bureaucratic carve ups. We stand for election of all officials, right of recall and a workers wage for trade union leaders.

The next period will be one of recession and maybe a delay in the movement, but particularly in the public sector it is possible that a more generalised struggle could break out. The role of perspectives is to prepare the Marxists for the events

that might unfold.

Role of a Marxist tendency

Marxism is the memory box of the class, but more than that it is a means to an end, a weapon in the hands of the working class. We don't stand aside and carp like the sectarians, but play a role in the movement and try to develop the struggles that take place. This is precisely the approach that Marx advocated in the 'Communist Manifesto' 160 years ago.

From the point of view of the Marxists it's important to understand the rhythm of the struggle. The leadership moves to the left under pressure. The role of revolutionaries is to raise the level of understanding of workers, and to help the most advanced layers draw conclusions from their experience. It is as important to know how to retreat, withdraw and regroup as it is to charge.

Marxists must be the best fighters, drawing together the struggles of all workers and battling against all prejudices and divisions, be they on the basis of race, gender or religion. We need to link with the best of the lefts and fight for every economic and political demand.

Our approach in industry has to be towards the youth, the immigrant workers and towards women workers in particular. Only in this way will be build the forces that can act as a catalyst for a mass movement of the working class in Britain and internationally.

Workers of all countries unite - we have nothing to lose but our chains!

British trade unions' militant traditions

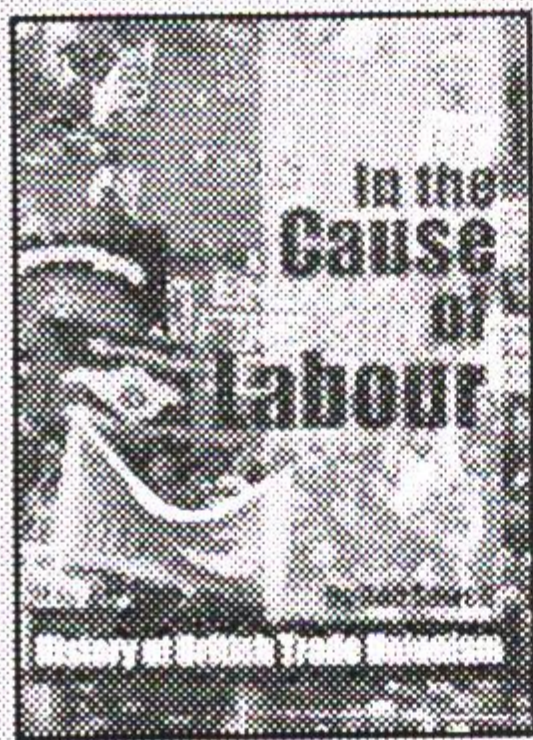
by Steve Kelly

I HAVE recently read 'In the Cause of Labour' (a history of British trade unionism) by Rob Sewell. I must say it is an excellent read, in fact one of the best books I have read in many years. The book covers the history of British trade unionism from its early beginnings in the 1800s right through almost to the present day.

It is written from a rank and file and Marxist perspective. It covers all the major disputes through the last 200 years, as well as the corruption and bureaucracy that took place in certain unions, but also shows that walking away and trying to form a new union is never the answer. As socialists we must fight the union bureaucracy as well as taking on the right wing within the Labour party. I personally enjoyed this book immensely and it enlightened me greatly on rank and file working class history, solidarity and struggles which must continue today. It is essential reading. Encourage your colleagues in work places and union branches to buy it. The book can be obtained from WellRed Books - the best £14.99 you will ever spend.- and at the special price of £10 we're practically robbing ourselves.

THE BRITISH labour movement is the oldest in the world. More than two hundred years ago, the pioneers of the movement created illegal revolutionary trade unions in the face of the most terrible violence and repression. read about our struggles and prepare for the future.

This book is aimed especially at class-conscious workers who are seeking to escape from the ills of the capitalist system, that has embroiled the world in a quagmire of wars, poverty and suffering. This history of trade unions is particularly relevant at the present time. After a long period of stagnation, the fresh winds of the class struggle are beginning to blow.



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Workers ready to fight

by Ed Riley

THIS SURVEY of prospects for the unions from our sister paper the American 'Socialist Appeal' has fascinating parallels with struggles in Britain since the Second World War. In particular the ruling class in the USA engineered the defeat of the PATCO workers in 1981 just as they prepared for a showdown with the miners in Britain in 1984-85. In both cases the intention was to break the 'over-mighty' power of organised labour. In the States President Reagan declared the air traffic control workers' strike illegal and sacked all the strikers, 13,500 out of 15,000 workers. The union's leadership was arrested and held in leg irons. This was a devastating defeat, principally because the rest of the union movement let the bosses get away with it.

But, like the British trade union movement, in the US the unions are back. The workers united can never be defeated.

The U.S. Department of Labor recently reported that 311,000 more workers joined unions in 2007. While in 2006, 12 percent of wage and salary workers belonged to unions, 12.1 percent are in unions as of 2007. This growth in unionization took place in spite of the fact that many unionized industrial jobs were eliminated in the automobile and related sectors. The report showed that 35.9 percent of public sector workers are in unions, while only 7.5 percent of the

private sector was unionized. As recently as twenty five years ago, 20.1 percent of the labor force was unionized. How did we go from strong powerful unions to where we are today?

In the 1930s, during the Great Depression, only a small percentage of U.S. workers were in unions. The working class was suffering from the poverty imposed by capitalism. Members of the communist and socialist movements, as well as other working class activists, led many militant struggles which forced the employers to recognize their unions and give certain concessions in terms of improved wages, benefits and working conditions. The labor militants of the 1930s were not afraid to mobilize mass actions and did not obey all of the anti-labor laws, which are put in place to defeat the labor movement. In some cases, "sit-down strikes" were organized where workers occupied the factory or work place and refused to work or leave the premises.

As a result of those struggles, the labor movement greatly increased union membership to close to 40 percent of the work force, mostly in the private sector. After World War II, the destruction of the war led to a post-War boom that led to a rise in living standards for much of the American working class. Given the strong unions and many hard-fought strikes, the capitalist were able to give some crumbs from their table of super profits, as long as their system was growing.

The recession that began in

1973 was the signal of the end of the long post-war boom of American capitalism. The capitalist class now decided that to restore their rates of profit, they must take on the unions and drive down wages, benefits and working conditions. Especially after the defeat of the Professional Air Traffic Controllers Organization (PATCO) strike in 1981, the percentage of unionized workers steadily decreased as heavily-unionized industries down-sized and the employers started to fight against new unions more ruthlessly. In some cases, the employers were able to win decertification campaigns where formerly unionized work places became non-union.

PATCO

Unfortunately, the labor leaders did not organize any real resistance to the attacks by the employers. Other unions accepted concessions with their leaders telling them that "once times get better, we will get back from the employer what we give up today." Of course that turned out to be a big lie. Organizing new workers into unions was not given any priority and many unorganized workers wondered, if the boss took them on and they got fired, what would the union do to defend them? The result is the low unionization rate that we have today.

Unorganized workers are in desperate need of unions. Employers have taken away benefits that used to be a given in the American work place such as paid health benefits, pensions, paid vacations, sick leave, seniority rights and paid holidays. In work places without unions, many workers live under a "reign of terror"

where the employer can fire people at will. Polls have shown that many workers, who do not belong to a union, would like to join one. Statistics show that unionized workers make more in wages and benefits than non-union workers. Why aren't the unions growing rapidly?

AFL-CIO

The leadership of the AFL-CIO and Change to Win (the two union federations) accept capitalism as the only possible economic system. They refuse to see that a socialist system could pose as an alternative to the misery of the present. Therefore, they try to organize workers within the frame work of the present laws, which are intended to maintain capitalism. They limit the demands of the workers they represent to what big business "can afford." As a result of these policies, many workers do not see the unions as something that can change their lives for the better. For example, if workers at Toyota and Honda want better wages and working conditions, will they be inspired to join the UAW, whose current leaders are negotiating contracts that include many give-backs and concessions?

For many years, the labor leaders tried to organize workers through elections supervised by the National Labor Relations Board (NLRB). The NLRB is a federal agency that claims to be impartial. It was designed to allow workers to join unions- - without disrupting the workplace -

when it was precisely these disruptions that led to a huge growth of the labor movement in the past. The NLRB process also has many loopholes that allow the employers to manipulate the situation. As a result, many unions have "lost" their union certification elections.

Also, the labor leaders put more time, money and resources into supporting Democrats and some Republicans running for office than into organizing new members. The labor leadership counseled that these alleged "friends of labor" would help the labor movement gain new members even though these "friends" did not even promise to repeal the Taft-Hartley anti-labor laws.

NLRB

More recently, the labor leaders have tried to organize workers with the demand for a membership "card check" process in which workers merely need to sign a card stating they wish to be represented by a union, which would bypass the NLRB. This is a good idea, but it depends on the power of the labor movement to strike or otherwise disrupt production / delivery of services for those employers who do not accept the card check. For the most part, the current labor leadership has not mobilized the work force to apply the pressure that could make the card check strategy extremely successful.

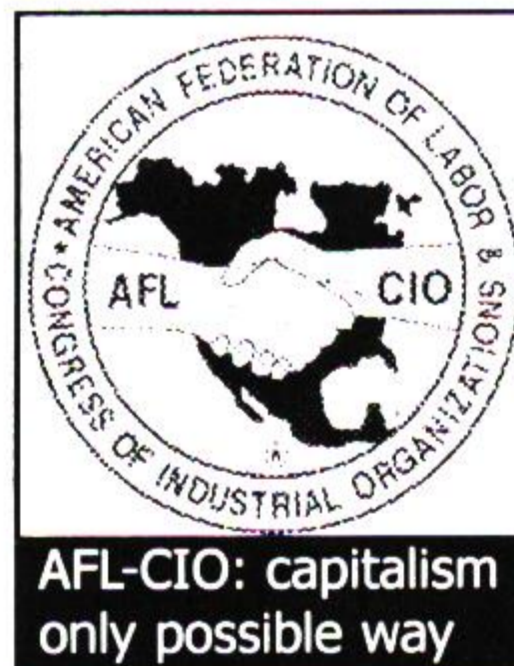
In order to reverse the long-term decline in unionization rates, the labor movement must launch a massive organizing cam-

paign. Anyone who wants better wages, benefits and working conditions, and increased rights at work should be encouraged to join the unions as "at-large members." The organizing campaigns should also focus on younger workers. Whereas 12.1 percent of all workers are in unions, only 4.8 percent of workers age 16 to 24 are in unions.

The labor leaders need to fight for a minimum wage of at least \$10 per hour, paid sick leave and vacations, etc. This could mobilize workers already in unions to come out and support these drives by having organizers speak at meetings, rallies and at the workplace. The labor movement as a whole could also target a specific employer, such as Wal-Mart or one of the big banks, which has branches and call centers nationally, filled with employees who are working in "money factories." Once a major victory is achieved, the organizing would snowball as it did in the 1930s.

A key part of the battle to organize the unorganized must be to stop the policy of accepting give-backs and concessions in contracts. By mobilizing unionized workers to help organize new unions, these fresh forces would help all union workers fight for higher wages and benefits. Just as an injury to one is an injury to all, a victory for one is a victory for all.

Although it is difficult to judge the results from just a single year, it is good to see more workers joining unions despite the labor leaders' present policies. The urgent needs of workers to fight back against the bosses will at a certain point lead to a change in policies or to a change in leadership. ■



I'll huff and I'll puff....

by Beatrice Windsor

THERE IS no such thing as a natural disaster. That may come as a surprise to those of you who were wobble-wobbled out of bed over much of the south of England at the end of February by the UK's largest ever earthquake, which went over 6 on the Richter scale in some areas.

But there are 'natural events' all the time - 60,000 earthquakes a year to be precise. They become a disaster because of the blinkered inability of global capitalism to prepare us for them.

Taipei

To give an example: in April 2002, an earthquake measuring 6.8 on the Richter scale - a biggie - struck Taipei in Taiwan. Because the US had pumped billions of dollars into this showcase anti-Communist state, this massive investment resulted in a robust city of steel and concrete. Of Taipei's 2.6 million population, there were only five deaths.

Quake

A year later in December 2003, a lesser earthquake measuring 6.3, hit the ancient city of Bam in southern Iran. This time over 20,000 perished. Why? Such was their impoverishment in this oil rich

nation, the local population were reduced to building their homes out of primitive bricks made from the dusty mud of river banks, as they have done for the past 2,000 years. In the intense heat of the region these dry out. So when a massive shock comes along these are pulverised into choking dust. The majority of the 20,000 victims were suffocated rather than crushed.

Likewise every year with depressing regularity, whirlwinds hit the Mid-West in the US, leaving a trail of dead. Are you like me when the TV reports come in about the latest grim tale of a twister and the smashed and devastated lives? I start screaming at the TV "Well, don't build your houses out of wood then!" But they do of course, because that's all the locals can afford in the world's richest country.

Three Little Pigs

Capitalist society may teach us the tale of the Three Little Pigs

when we are in the cradle. Yet our rulers learn nothing from it. The poorer the community or country, the more corners that are cut to build homes and buildings to squeeze out the maximum profit. And the more devastating the effect when Mother Nature comes knocking at the door.

Katrina

It's not just the physical environment that results in disaster either. In the aftermath of a catastrophe, the next 48 hours are crucial in getting relief to the victims if they are to survive. The capitalist state has enormous

country in the world saw its New Orleans backyard reduced to something akin to the developing world. The US military boast that they can deploy a whole armoured division anywhere in the world at 24 hours notice. Yet the US state was incapable of the simple task of getting supplies to 4,000 of its citizens trapped in a sports arena for over a week.

Good Samaritan

Likewise in Kashmir, after it was hit by the huge earthquake, the armed forces of both Pakistan and India numbering over 400,000 were paralysed into

inactivity because they were more interested in squaring up to one another to defend their nation state's interests, rather than help the thousands of desperate people that surrounded them. They were scared

that if one of them dropped their guard, the other would gain.

Like the Three Little Pigs, the parable of the Good Samaritan is ignored too when there is wealth and power to defend first. □



New Orleans after Katrina

resources at its finger tips. Yet it is only ever fully mobilised to protect the wealth of its rulers or its economic interests abroad.

Take Hurricane Katrina, when the richest, most powerful

Lenin, Trotsky and the Theory of Permanent Revolution

by Alan Woods

IN THE past one and a half decades since the fall of the Soviet Union there has been an avalanche of books which claim to represent a "startling new appraisal" of the Russian Revolution and its principal leaders, Lenin and Trotsky. The purpose of this new literary genre is quite clear: to discredit the Bolshevik revolution in the eyes of the new generation.

Bolshevism

It is therefore refreshing to read a book which, with a wealth of interesting material based upon an exhaustive research of the subject, develops new insights into the history of Bolshevism and the Russian Revolution. This book is well written and logically structured, each part being related to what has gone before and what follows. A wide range of authorities are quoted, providing a comprehensive bibliography on the subject. Above all, the author allows Lenin and Trotsky to speak for themselves. The numerous quotes from these outstanding revolutionaries allows the unprejudiced reader to form his or her own judgement on their ideas and their place in history.

Lenin

Particularly interesting is the detailed account of the way in which Lenin's position on the nature of the Russian Revolution evolved from his original theory of the democratic dictatorship of the proletariat and peasantry to his final position in 1917. The author provides a wealth of quotes of Lenin and Trotsky which conclusively show how the two men, proceeding by different routes, eventually arrived at the same conclusions.

This book includes a lively and accurate account of the events of 1917. It details the inner-party struggle by means of which Lenin achieved the ideological rearming of the Bolshevik

Party after his return to Russia in April 1917. The author shows clearly that the intention of the Bolsheviks was not to achieve a "Russian road to socialism" but to ignite the flame of international revolution.

Of particular interest to present-day students of Marxism is the author's polemic against revisionist writers such as Doug Lorimer, who has attempted to revive the old discredited formula of the democratic dictatorship of the proletariat and peasantry and the Menshevik-Stalinist theory of two stages. Where ever this theory has been put into practice it has led to bloody defeats. The most terrible example was the massacre of one and a half million Communists in Indonesia in 1965-66.

Venezuela

The experience of the Venezuelan revolution is a living proof of the impossibility of limiting the revolution in Third World countries to the tasks of the bourgeois democratic revolution. Through his own experience, Hugo Chávez has drawn the conclusion that the Bolivarian revolution, if it is to succeed, must go beyond the limits of capitalism and carry out the socialist transformation of society. What is this, if not the permanent revolution?

Hungarian revolution

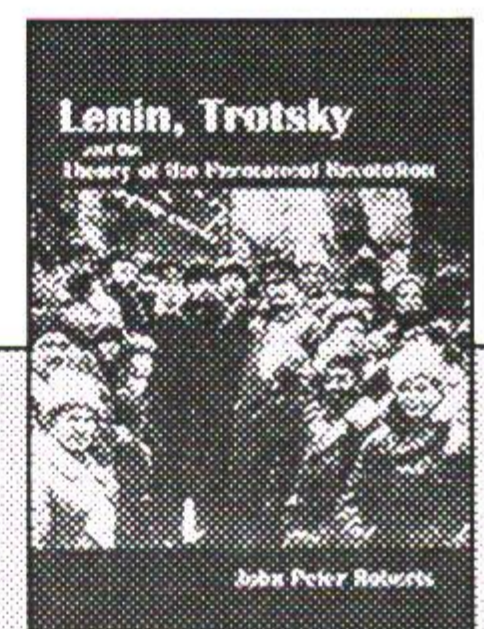
One could make criticisms but these criticisms are of a secondary character, and do not affect the overall positive impression this book makes.

The Russian Revolution had an enormous impact on the European working class. It led immediately to the November revolution in Germany in 1918, which was followed by a series of revolutionary upheavals in that country which only terminated in 1923. One year later, in 1919, there was a revolution in Hungary. In the same year a Soviet Republic was briefly declared in Bavaria. There were also revolutionary upheavals in Britain, France, Italy, Bulgaria, Estonia and other countries. These events demonstrated the essential correctness of Lenin's (and Trotsky's) perspective that the Russian Revolution could be the start of the European socialist revolution.

Social Democracy

The reason why these revolutionary movements did not lead to the working class taking power was the absence of mass revolutionary parties and the betrayal of the leaders of Social Democracy. The revolutionary movement of the European working class was strong enough to prevent military intervention against Soviet Russia (in 1920 the leaders of the British Trade Unions threatened the government with a general strike over this) but was paralysed by the leadership of the labour movement.

In this respect John Roberts' book represents a most valuable contribution. □



Lenin, Trotsky and the Theory of the Permanent Revolution
by John Peter Roberts

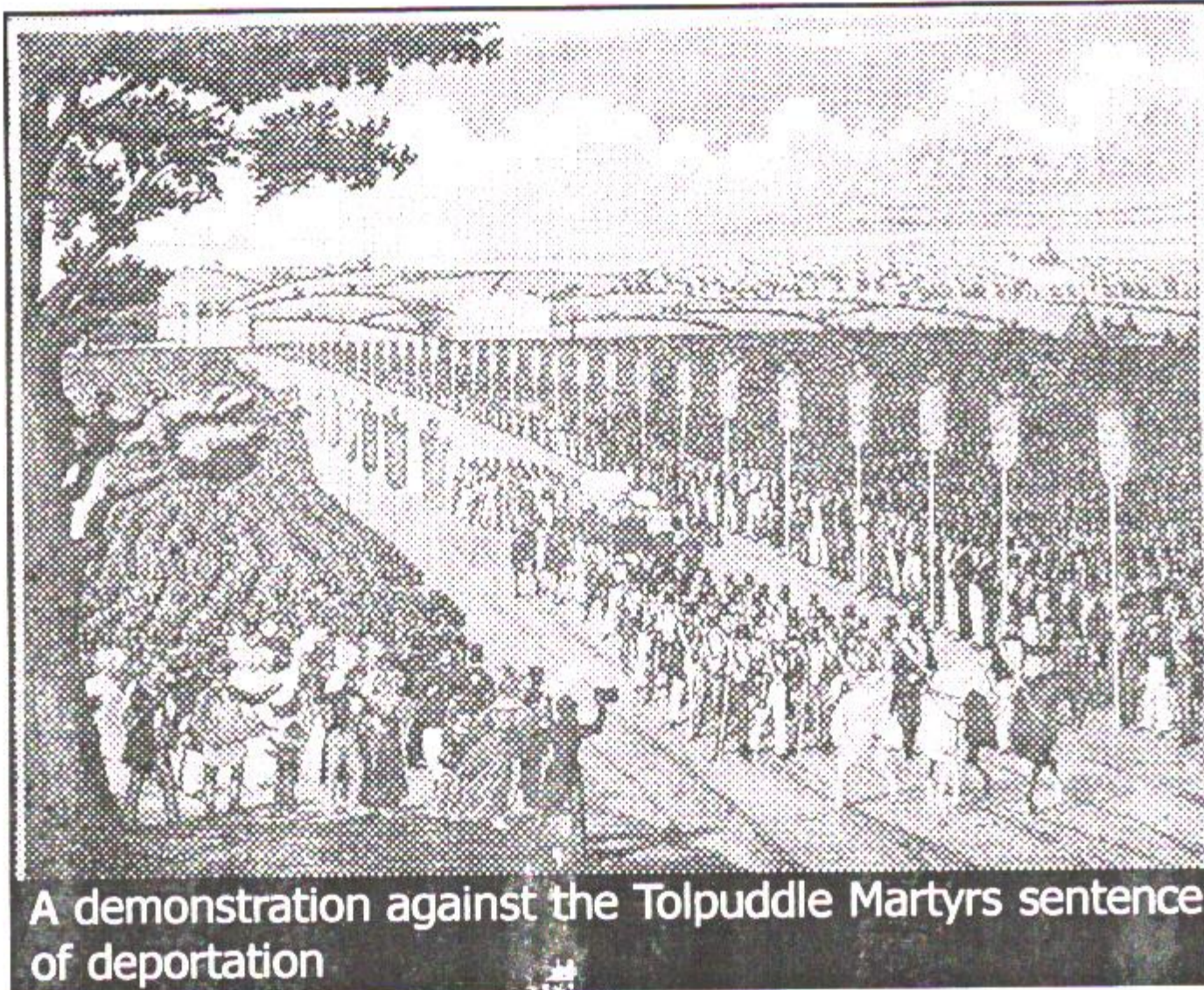
A new work critically analysing and comparing Lenin and Trotsky's writings in relation to the theory of the Permanent Revolution and defending that theory against revisionist writers.

New Paperback A5 in., 229 pp. Publisher: Wellred Publications, 2007
Our price: £9 (including p&p)

The Tolpuddle Martyrs: trade unions and the state

by David Brandon

A NAME etched into the collective consciousness of the labour and trade union movement is that of the 'Tolpuddle Martyrs'. So who were they, what did they do and what lessons do they have for socialists in the twenty-first century?



Trade unions were by no means the creation of the nineteenth century. Primitive unions emerged in the eighteenth century, but their roots are in the old medieval craft guilds which were associations of both masters and men. In the eighteenth century, journeymen (From the French 'journée' meaning 'day' and referring to the fact that their labour was originally hired for the day.) started to combine with each other for protection against their employers. Such combinations were viewed with grave suspicion by the employers and the government and were banned by law in certain trades such as making hats, paper making and shoemaking.

Developing industrialisation was causing tensions and conflict, and workers learned by hard experience that they needed to combine for their mutual protection against the employers, the courts and the governments of the time. In spite of this hostile political culture, combinations did manage to exist largely because skilled workers could not easily be replaced. On isolated occasions, such combinations or embryonic unions won disputes, the

threat of strike action being enough to win grudging concessions, especially when the boss had full order books. Combinations were allowed an uneasy existence so long as their activities stayed localised and isolated.

The existence of friendly societies was given legal recognition in 1793. These organisations provided insur-

ance for their members against injury, unemployment and death. This aspect of their work was tolerated. Of more questionable legality was their accumulation of funds which could be used to provide strike pay.

With the concerns about political stability in Britain created by the French Revolution, government policy hardened against combinations. Official thinking, although with

very little evidence, was that they could easily become revolutionary conspiracies. In 1799 and 1800 the Combination Acts were passed, and these theoretically were applied to combinations both of workers and employers. A number of prosecutions went ahead against workers' combinations although none against employers' combinations ever reached the courts. In practice few prosecutions occurred and the penalties were light. One that did occur in 1810 when printers working for 'The Times' newspaper received a maximum of 2 years' imprisonment for conspiracy. The judge summed up the attitude of his class when he berated them for wickedly conspiring to injure the employers who gave them bread (!).

Combination Acts

In the briefly favourable economic conditions of the mid-1820s, the time seemed right to reexamine the issue of combinations. The 1824 and 1825 Combination Acts were seen as a great step forward by active workers

because they established, or so it was thought at the time, the legality of combinations.

The result was that skilled workers increasingly organised themselves in combinations, or what were increasingly being called trade unions. Certain radical working men began to grope towards the idea of district or even of national unions.

One outcome of this was the setting up of the Grand National Consolidated Trades Union in London in 1834. It was designed to include as many trades as possible including those associated with women workers such as bonnet-makers and there were branches of the GNCTU consisting of women workers. Initially the major aim of the GNCTU was to establish a strike fund to assist its members but it quickly moved on to the idea of a 'great national holiday' or national strike. It voiced its intention of 'bringing about a different order of things in which the really useful and intelligent part of society only shall have the direction of its affairs'. Unfortunately this remains unfulfilled even in 2008.

The GNCTU is known for its association with the Tolpuddle Martyrs. What happened was this. In 1834 a group of agricultural workers from Tolpuddle in Dorset decided to form a branch of the GNCTU. Their leaders were the brothers James and George Lovelace, sometimes rendered 'Loveless'. They were nonconformist Christians of impeccable respectability who ardently believed that urgent action was needed to improve the wages and conditions of agricultural workers and saw membership of the GNCTU as a step in that direction.

Grand National Consolidated

It was the tradition in GNCTU branches to initiate members in a ritual which involved them ceremonially uttering oaths and solemn declarations, apparently to ensure that they realised the serious commitment they were undertaking. It did, however, render such organisations liable to be seen as criminal conspiracies.

There was plenty for the labourers

to protest about at this time. With their families, many were being pushed down into poverty and despair. William Cobbett in his Rural Rides summed up what he observed at first hand: "Their dwellings are little better than pig-beds, and their looks indicate that their food is not nearly equal to that of a pig...in my life I never saw human wretchedness equal to this..."

These men had no intention of promoting violence and it was unfortunate for them that the ruling class were feeling extremely jittery at the time - after all this was only just after a decade or more of unrest and class conflict in many parts of rural Britain. Choosing their time and place with some care, the ruling class decided to make an example of these men from the outback of Dorset. They could not be prosecuted merely for forming a union but under legislation of 1797 they were charged with administering illegal oaths. This legislation had been passed in the aftermath of the naval mutinies. (see Socialist Appeal 160).

They first appeared in court at Dorchester before magistrates who were their sworn enemies - landowners and farmers. These magistrates had been in touch with London and it was decided to despatch a High Court Judge to try the men. The jury was handpicked and one man who was found to be a Methodist was hastily discharged from duty. Witnesses for the prosecution were allowed to give statements under oath but the labourers were not allowed to speak up in their own defence. The judge instructed the jury to find them guilty of administering illegal oaths and with

breathtaking hypocrisy he then attacked unions in general for the 'disgraceful practice' of extracting subscriptions from the scanty pay of decent working men. He added a rider that the main purpose of such unions was to destroy property. The defendants must be made an example of.

Six of the labourers were sentenced to seven years transportation to a penal colony in Australia. It had especially irked the magistrates that the defendants had repeatedly refused to turn King's evidence in return for immunity from the law. The attack on the GNCTU and the nascent union movement continued with some employers requiring their workers to sign a document agreeing that they would not join a union and rendering them liable to dismissal if they refused. No one ever prosecuted freemasons for administering oaths that were equally illegal.

There was an enormous outcry about this treatment of the 'Tolpuddle Six'. To many it was clear that they were stooges who had borne the full brunt of the law not for administering illegal oaths but for the legal act of organising a trade union, and that this was the naked use of state power to deter others from following their example. Petitions poured into the government and huge demonstrations took place, particularly in London with 100,000s marching to protest - remarkable given the difficulty of travel at that time.

The government was clearly surprised by the volume of protest and two years later it was deemed prudent to bring the men back from Australia with a royal pardon. This was a calculated move to behead a

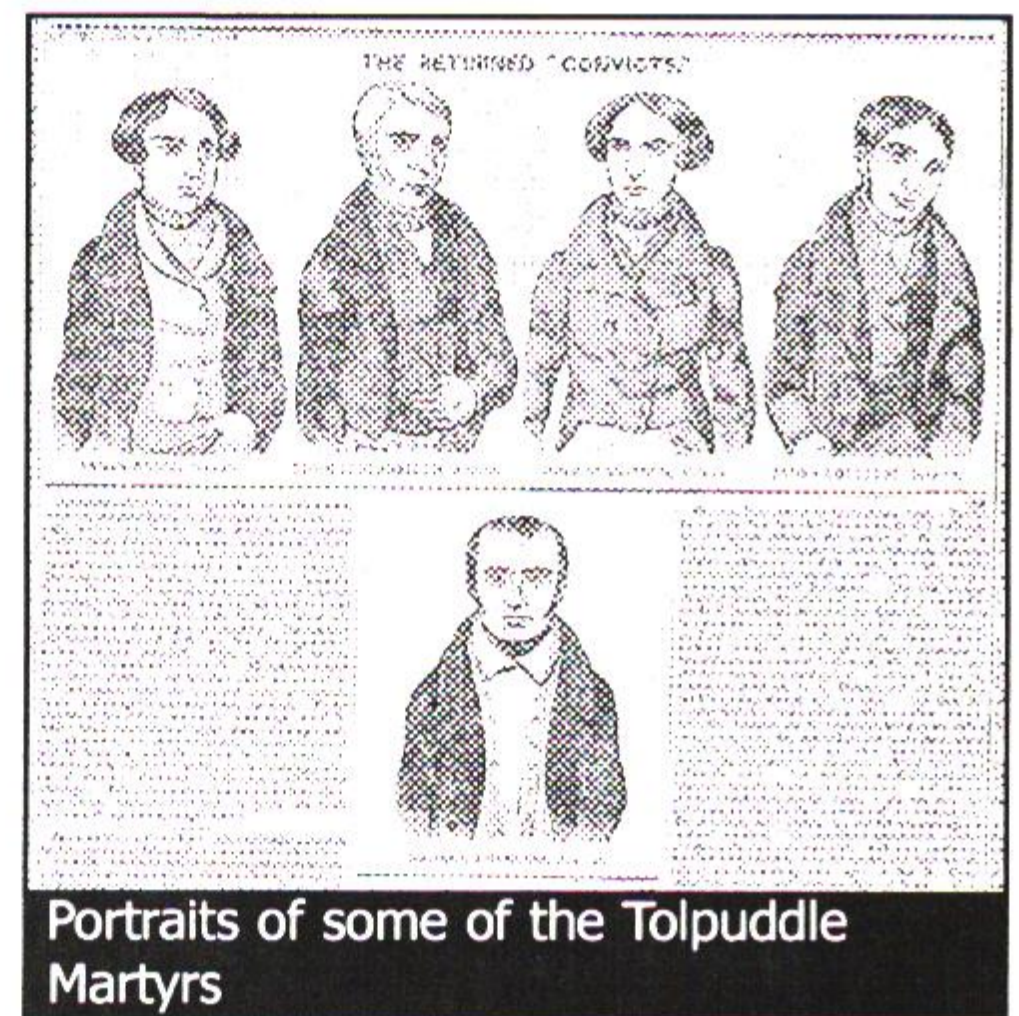
source of grievance that might otherwise become uncontrollable. In 1838 the men were guests at a banquet in London and huge numbers turned out to cheer them as they paraded through the streets to the strains of a band playing 'See the Conquering Hero comes.'

Transportation

The move towards trade unions for the better-off, more skilled workers continued but the GNCTU faded away and 10,000s of radicalised men turned towards the more overtly political action out of which the Chartist movement developed. Working people realised that the governments brought into office after the Reform Act of 1832 were every bit as much their enemy as previous unreformed governments and that more radical action was needed to obtain greater social justice.

So what lessons can be taken from these events?

Workers learn by experience through struggle. Political consciousness develops from concrete events and objective experiences. It is easy with hindsight to criticise the weakness of the GNCTU but its creation was an important landmark in the history of working class struggle. The prosecution of the Tolpuddle Martyrs led many advanced workers to see the limitations of trade union activity unless it was part of a wider political struggle. What Marx, Lenin and Trotsky were to demonstrate was



Portraits of some of the Tolpuddle Martyrs

that the subjective factor was also needed. This was, and remains, a socialist party involved in all the struggles of working people, winning the respect of those working people and able to develop their political awareness through these struggles. The task is to generalise from particular disputes and issues, to try to win these struggles but also to understand the limitations of such activity. It is necessary patiently to explain that only the socialist transformation of society could start to put an end to the fearful uncertainties and insecurities experienced by the bulk of the people within capitalist society.

GNCTU

In conclusion, another lesson was that the country's rulers fear nothing more than the power of an aroused and united working class. Employers, law courts and Parliament were as one in deploring and fearing not the GNCTU itself, but its potential. The case of the Tolpuddle Martyrs clearly demonstrated that the State is not a neutral instrument but the means by which the ruling class will use peaceful means by preference and violence if necessary in order to maintain its power.

SIDOR - steel giant nationalised

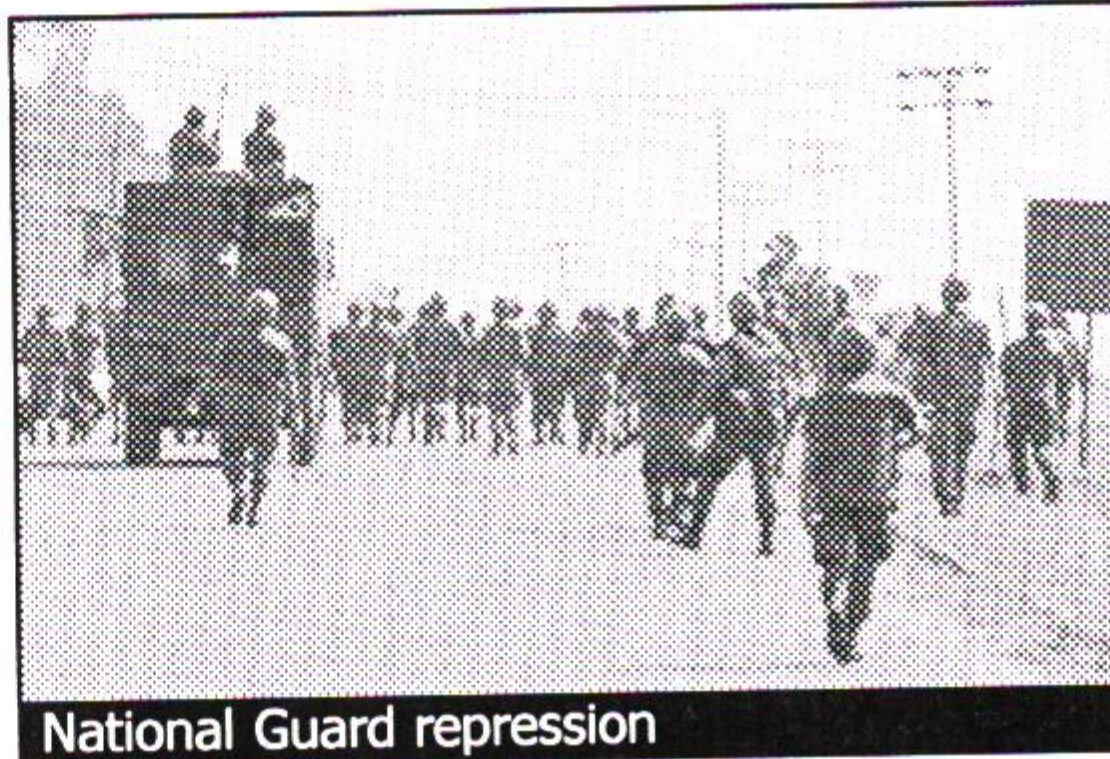
ON WEDNESDAY April 9th, Venezuelan Vice-President Ramon Carrizalez announced the decision of President Chávez to renationalise the giant steel plant SIDOR. This is not a small bankrupt company but the country's only supplier of steel and Latin America's fourth largest producer.

SIDOR was privatised in 1997 and its owners, Argentinean-Italian owned multinational Techint, have made huge profits on the back of a massive over-exploitation of the workers, which has resulted in a marked increase in deaths and accidents at work. José "Acarigua" Rodríguez, leader of the workers' union SUTISS, has described the ten years of privatisation as years of "humiliation and ill treatment on the part of the multinational, which has outraged the workers and the country."

National Guard

When Chavez made a call to "nationalise all that was privatised", in January 2007, the workers responded with spontaneous walk-outs and the raising of the Venezuelan flag over SIDOR installations, demanding its nationalisation. The workers of SIDOR have been fighting for years for improvements in wages, conditions and health and safety, finally holding a series of stoppages at the start of 2008. What was the response of the Ministry of

Labour? First of all they tried to impose binding arbitration on the workers.



Then on March 14th the National Guard was sent to brutally repress them during an 80-hour strike. Several workers were arrested and many were injured during the attack. Workers throughout the whole region responded with a clear class instinct, organizing solidarity meetings and pickets, threatening strikes in other plants, etc. The workers also raised the fact that the local commander of the National Guard was in regular close contact with company management and basically was acting on their orders. Here we see one of the most important challenges facing the Venezuelan revolution. The old state apparatus, created and perfected over two hundred years to serve the interests of the ruling class, although weakened by the revolution, is still basically intact, and is still attempting to serve those same interests.

Adel El Zabayar, a Bolivarian member of the National Assembly who came out publicly for the

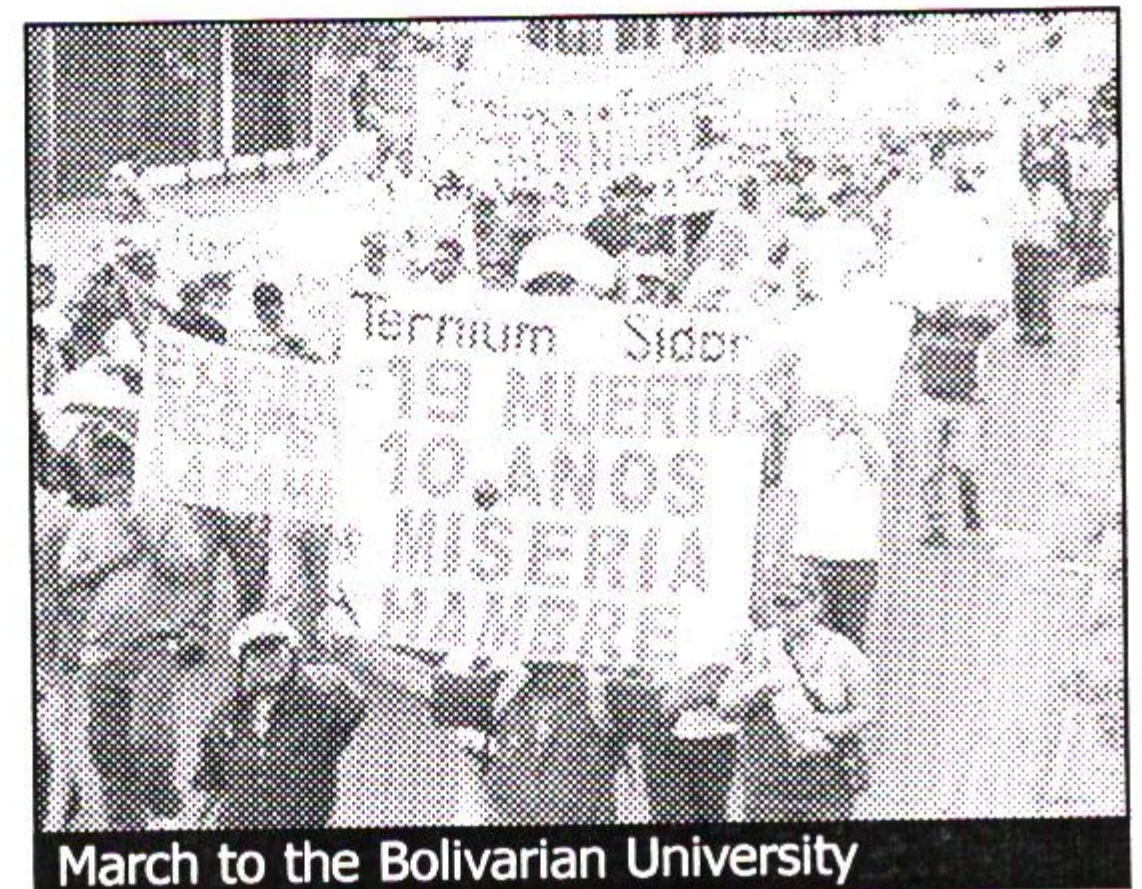
nationalisation of SIDOR explained: "There are sectors within the state that play at wearing down the government, using government authorities to assume a bosses' attitude". This is precisely the problem: the state apparatus remains largely the same, and a capitalist state cannot be used to carry out a socialist revolution.

Repression

Even after this brutal repression, the Ministry of Labour (which also played a dreadful role in the Sanitarios Maracay struggle), insisted on calling a referendum of the workers to try and make them accept the company line. José Melendez, another leader of SUTISS, harshly criticised the role of the Ministry: "They accuse us of being troublemakers for rejecting their ballot. More than once we have shown our support for the revolution, but this does not mean we are going to allow the Minister of Labour to follow a counter-revolutionary and anti-worker policy which, at the end of the

day, only benefits the right wing..."The workers remained united and correctly opposed this referendum and instead called their own with two options: 1) to accept the company's offer, 2) to mandate the union to continue talks. The overwhelming majority of the workers rejected SIDOR's offer," with 3338 voting against and only 65 in favour.

Then, on April 4th, the workers went on strike again and marched to the Bolivarian University in Bolivar, where president Chávez was attending a graduation ceremony and demanded to be heard. As a result of this pressure, president Chávez intervened in a live TV programme on April



6th, to take a position. Among other things he recalled that the SIDOR workers had opposed the bosses' lock-out in 2002, "even when they received death threats, and even when they cut off gas supplies from Anaco, they marched to Anaco and clashed with the police". He added that the conditions of

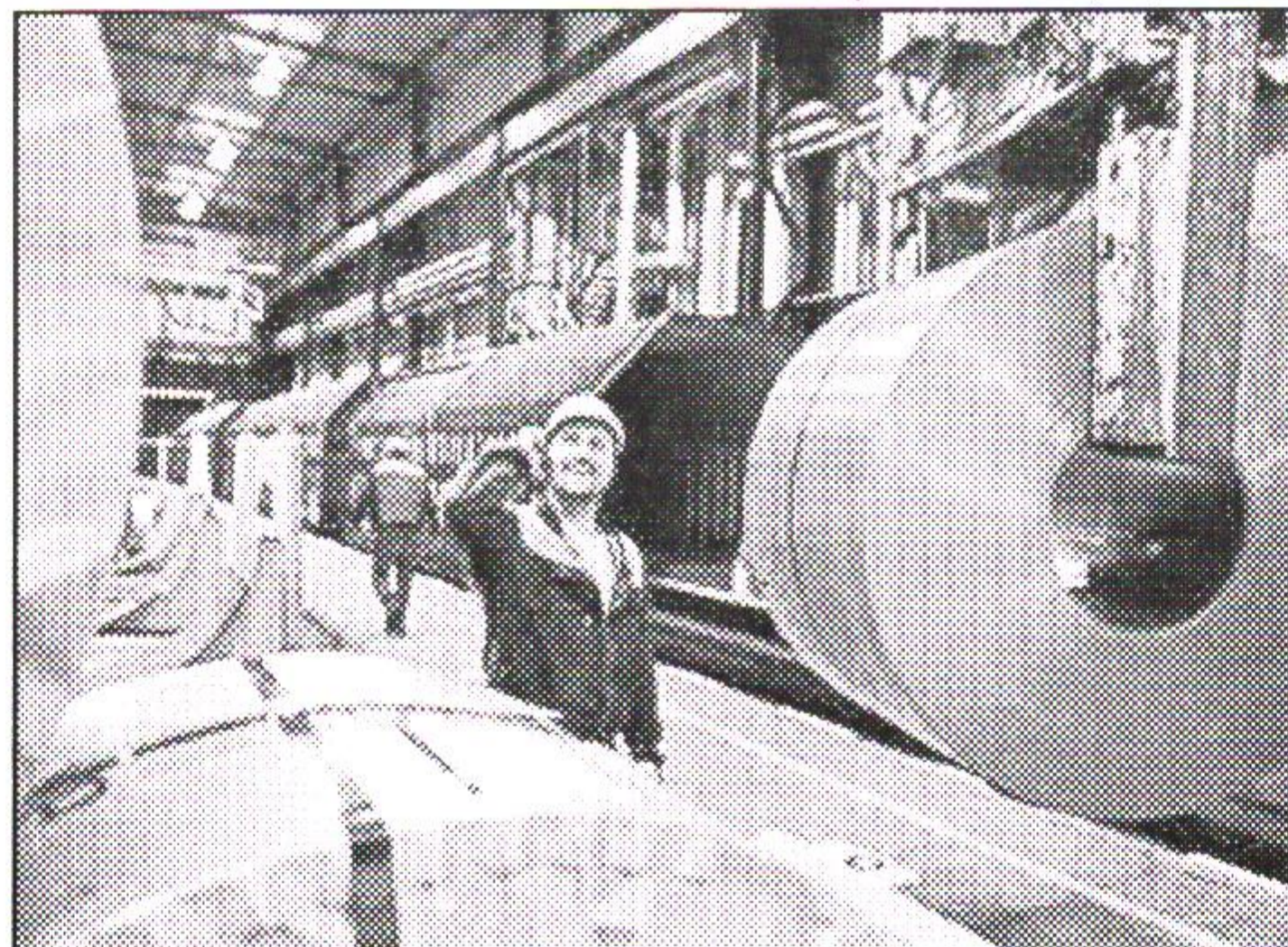
the workers were "horrible" and that the "revolutionary government has to demand from any company, national or multinational, Latin American, Russian or from any part of the world, that they abide by Venezuelan laws", referring to a law passed on May Day last year which outlaws subcontracting, a common habit of the management. He also announced that he had instructed Vice-president Ramon Carrizalez to meet with the union and then with the company to try to settle the issue.

Marxism

He added that his government was one which, "respected Marxism, Marxist tendencies and the Marxist method" and that it was a "pro-workers' government" which "would know how to take the necessary measures". He explained that he always tries to "look for agreement, negotiation and so on, but in relation to SIDOR, as of yesterday, I said enough is enough". Chávez also stated that his intervention was the result of the workers going to the graduation meeting in Bolivar and getting the information directly to him. He added that he had had harsh words with the regional governor over the repression by the National Guard against the workers. This intervention by Chávez was a slap in the face of the regional governor and above all to the Minister of Labour. Their authority was overridden as the government sided clearly with the workers. The company, which until that moment had said that they would not talk to the workers again, agreed to a new meeting.

A three party meeting between the company, the union and the Vice-President took place on Tuesday 8th, at which the company made just minor concessions. Just after midnight, the vice-president, who had said that the meeting could not end without an agreement, asked the company one last time if they were prepared to make a serious counter-offer to the union's offer on wages, and when the company refused he asked this to be recorded in the minutes. He then stepped out, called president Chávez and came back to the meeting to announce the re-nationalisation of SIDOR.

This is yet another turning point in the Venezuelan revolution and a clear indication of the direction it should take. This decision is likely to provoke a backlash from Techint and also from the Argentinean government which in the past has put a lot of pressure on Chávez in defence of Techint. The



SIDOR: Latin America's fourth largest steel producer

Venezuelan revolution and its supporters abroad, particularly in Argentina, must be ready to withstand this pressure and launch a campaign in defence of this nationalisation. The workers of SIDOR should take imme-

diately steps to implement workers' control in order to prevent the company from engaging in any kind of sabotage, seize the installations, control the stocks and above all they should proceed to open the account books of the company.

The issue of compensation will now arise. The company will probably demand an outrageous sum of money. The best way to settle this is precisely by opening the accounts of the company. If you calculate the amount that was originally paid by the multinational (very little), the investment they have made in the plant (very little), and then you deduct the profits they have made in the last 10 years (a lot), you will easily reach the conclusion that they are not actually entitled to any compensation at all.

One of the main issues now will be the fate of the workers who work in the auxiliary industries, 9,000 of

them, who are demanding to be incorporated into the workforce. Daniel Rodriguez, SUTISS secretary, asked for these companies to be nationalised: "The president must investigate the case of Matessi and Tacsá and oth-

ers, and we are ready to occupy them, take them over, so that they are also nationalised".

This nationalisation comes mainly as a result of pressure by workers in struggle, who were also encouraged by Chávez's recent announcement of the nationalisation of the whole of cement production in the country. This is a mobilised and aroused workforce which will now demand workers' control. In previous nationalisations, including the recent one of a dairy plant, Chávez has insisted that the workers must set up "Workers' Councils" or "Socialist Councils". These must be used by the workers and the union SUTISS to exercise workers' control and management. As workers know only too well, nationalisation in itself does not guarantee the interests of the workers and the Venezuelan people. After all, PDVSA was for more than 25 years a state-owned company and a massive bureaucracy developed which responded to the interests of the oligarchy and the oil multinationals.

The re-nationalisation of SIDOR is another step forward in the right direction. In the last few months, the oligarchy has stepped up its campaign of sabotage of the economy, particularly the food distribution sector. At the same time imperialism has increased its provocations, threatening to put Venezuela on the list of countries that "harbour terrorism". It is now time to take decisive steps forward by nationalising the fundamental levers of the economy under the democratic control of the workers and finally completing the revolution. □

PCS - united action on pay and cuts

Matt Wells
PCS, Defra Group
(personal capacity)

As 'Socialist Appeal' goes to press, members of PCS, which represents over 300,000 workers in the civil service and associated bodies, are awaiting the full details of the agreement reached between the civil service unions and the government via the Cabinet Office.

The agreement was the outcome of over 5 months of talks on the demands advanced by PCS in the national dispute on job cuts, privatisation and fair pay. Having previously refused any meaningful dialogue with the union, talks were offered following a ballot to escalate industrial action last autumn. These were supposed to conclude by the end of the year but have dragged on.

Much time had elapsed since the last national civil service strike on 1 May. The potential for public-sector wide industrial action had dissipated as the Labour-affiliated unions capitulated in the face of a possible snap-election poll for Gordon Brown. This writer was indeed a little cynical, a view shared by many PCS activists at the time. What could we possibly get from this government that was worth talking about, in these circumstances? Where was the national action from PCS, which in the absence of the other unions, would have the strength and courage to go it alone for the time being?

Protocols

Protocols will make it harder to make a civil servant compulsorily redundant. But what is important is that our employer is held to them. There is no doubt that the prospect of redundancies being handed out like confetti have been held off. Following the cynical electioneering of 2004, when to placate the right-wing media the Tories and New Labour engaged in

an auction in which party would sack the most civil servants, over 100,000 were earmarked for the high-jump.

But the civil service is not a very nice place to work and voluntary packages are being snapped up by the staff, who take their skills and experience with them. They don't take their work which, despite what New Labour and the friends in the 'Daily Mail' and the 'Sun' might have you believe, still needs to be done to deliver essential services to the public. This adds to the strain, stress and sickness of those who have to pick up the extra work.

Inflation

While having to contend with the threat of further job cuts as budgets are set to reduce year-on-year civil servants receive below inflation pay rises. A quarter earn less than £15,400 and in some areas action had to be taken to ensure compliance with minimum wage legislation! As previously reported here, 40 % of workers in the department responsible for job centres got 0 % this year as a result of the 2 % cap - when inflation has been nearer to 5 %. And final salary pensions are only as good as what you earn and it's not surprising that the average is under £5,000. Departments find themselves having to draft in employment agency workers to shift the work as the 'headcount targets' are not grounded in any other reality than the need to satisfy the gutter press.

In-house bids

Although not as strong as we would have liked, the agreement on privatisation is to be welcomed. Government contracts may be subjected to in-house bids but if they are not an explanation should be provided to those concerned, including the unions. This means PCS can hold the employer to account on the basis of value for money for the taxpayer, which is inseparably linked to the



PCS members: hit hard by rising living costs

defence of our jobs and terms and conditions. This particularly important with nightmare scenarios such as Job Centres being run by charities (next thing they will be bringing back the poor house) or other private sector bodies.

However, ultimately the only thing that will stop these things happening is industrial action and members' preparedness to take it on a sufficient scale. PCS members have shown time and time again their willingness to deliver from the poorest members in DWP who have taken some 20 days action in the last 3 years to other areas where pay and conditions are relatively better.

So whether government departments will stick to the agreement, if endorsed by conference and then by members in a ballot later this year, remains to be seen and the national union must be ready to call national strike action if they do not.

Pay

The real sticking point is pay. I have touched on the low pay of many PCS members and the rise in the cost of living is hitting hard. Pay disputes are breaking out across PCS and strike action is taking place in many areas including Department for Transport and Coastguards. The union is calling for coordination where possible across PCS and with the teachers' union, NUT.

There will be a significant number of PCS members out with the NUT on 24 April, but a national strike would have massively strengthened teachers, civil servants and others in the public sector in our fight to secure a fair pay settlement. Militancy pays and this the only way we can break the 2 % pay cap. □

NUT - more action needed

by Ed Doveton (Wakefield NUT)

Teachers in the NUT voted three to one in favour of striking for one day on 24th April. This was an overwhelming vote to reject the degrading pay offer of New Labour, and reflects the deeper disgust of teachers at the government's education policies. The offer of 2.45 % for September 2008, when real inflation is effectively around 6%, is nothing more than a pay cut. This comes on top of similar below inflation pay rises over the past few years, amounting to a sequence of reductions in the living standards of teachers.

This was the first national strike over pay for 21 years, and reflects a deep mood of resentment and frustration by teachers. This resentment comes not only from pay, but as a result of deterioration in conditions of employment.

Pay, conditions and the wider attack on state education are linked together and teachers are facing difficult times. The longer term effectiveness of industrial action will be strengthened by extent to which the strike action on the 24th was discussed and organised within schools, and where it fully involved the membership. It is important to link the poor pay offer with the wider conditions of teachers' employment and the policy of New Labour to shift the ethos of education towards a business model.

UCU

For teachers, this touches upon the issue of work overload and new regimes of appraisal; within the broader education sector it touches on the drive to privatise state education through the City Academies programme, SATs testing and school league tables.

There is an increased opportunity now to strengthen the one-day action by forging links with other public sector unions particularly the UCU and UNISON. Further Education teachers are also fighting for a 6% increase in pay and meaningful negotiations to re-establish common conditions of service across all colleges, conditions that were destroyed under the Thatcher and Major governments. Success for the industrial action campaign lies now in the actions we take following the one-day stoppage. A mobilised membership should begin now pressurising the NUT executive for a clear plan of action to develop firm co-ordination proposals, not only with the UCU, but with other public sector unions. □

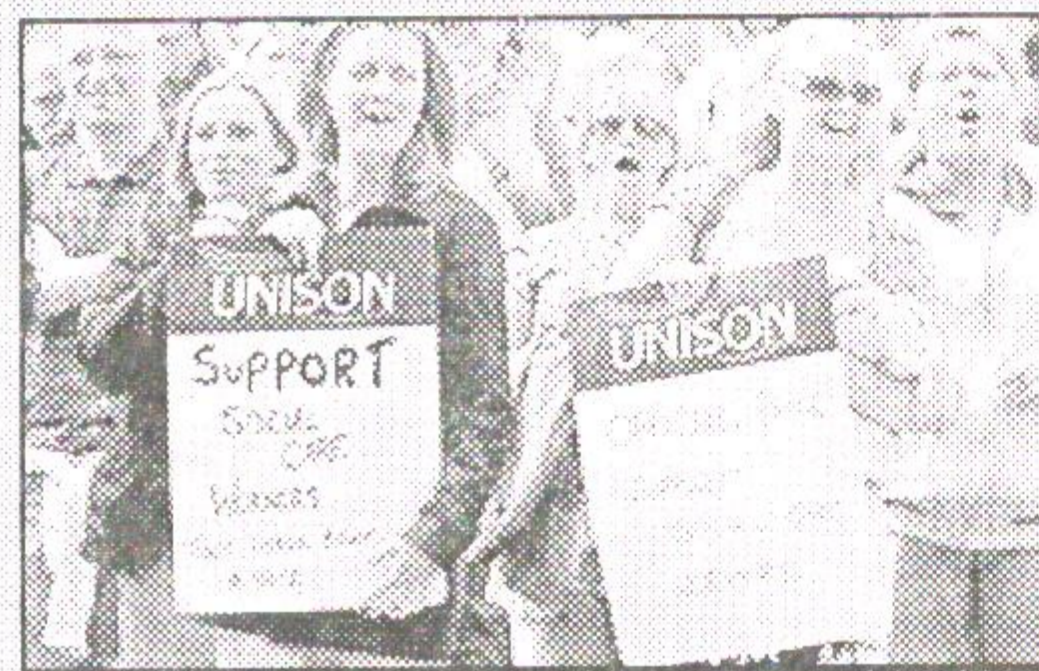
Trade union work in a care home

by a Care Home worker

I WORK in a private, young persons' residential care home but, because of poor trade union membership levels in the private sector, UNISON have put me in with the County Council UNISON branch

Working in the private sector, as you are well aware, means rubbish pay and rubbish conditions, such as no pension, no sick pay, long hours and no lasting terms or contracts. In terms of the quality of service it's very much a "ticky box" style regime. It all looks great from the outside, efficient, spick 'n' span, clean as a whistle. But, it's very much a "fur coat and no knickers" situation. Scratch the surface and you will see a workplace run on the cheap or "make do" in terms of staffing, with lots of paper work and a poor standard of care for the young people under your wings because you are run off your feet and you are quite often the only member of staff on duty. Poor staffing leading to long hours, fatigue and poor performance, and the need to comply with managers' demands, or risk being identified as a troublemaker are ever present.

A regime which deliberately discourages inter-staff relationships



Care work in the private sector: rubbish pay and rubbish conditions

for instance, "Don't become too familiar with the other members of staff!" and purposefully sets rumours away about fellow workers to sow the seeds of distrust amongst us. These are old management tricks, which have been identified as such and which have

backfired, resulting in a closer bond between us on the staff - with one worker now joining UNISON and another just about to.

Not all doom and gloom

So not all doom and gloom perhaps! But this is difficult work and has to be conducted with extreme care, as one or two of the workers have been drafted in because of their friendly ties with the owners of the home who have a working history in social care. This type of care is very expensive for local authorities which makes you wonder about the five and six holidays per year the owners have and the little work they actually do. It would be interesting to have the books opened to see where the money actually goes!

Because any TU activity is frowned upon, the key is to stay focused on the issues we are faced with on a daily basis and make some tentative political connections which have a very organic and immediate relevance to the staff I work with. So how this little corner of the class struggle will develop. only time will tell! □

Heading for a hot spring?

by Rob Lyon

SPRING HAS arrived. The sun is shining, the leaves on the trees are turning green, the flowers are blooming... but more important than that, the working class is mobilising. As the plants and animals awaken after their winter hibernation, so too it seems the working class is waking up after a long, long winter sleep.

After decades of virtual inactivity, a period during which the working class in Europe suffered attack after attack on working conditions, wages, and living standards, as well as the destruction of the welfare state, it would seem that the workers are standing up and saying "Enough is enough".

The bourgeoisie continually tell us that we are in a boom. But this is a peculiar boom in that it has meant nothing for the working class. It has meant, as mentioned above, wage cuts, mass sackings, "downsizing", etc. This is a boom erected on the backs of the working class - on the squeezing and application of more pressure on the workers.

Aside from the remarkable mobilisations in France and Denmark over the last few years (which would appear to be the first signs of the spring thaw), the momentum of struggle has picked up on the continent over the past few months.

In **Germany** the economy has been limping along with abysmal growth rates for years. To recover profits and keep the whole thing afloat, the German bourgeois has taken to squeez-

ing the working class even further. In response there has been a wave of strikes in Germany, in the public sector and of the transport workers in Berlin. The closing of a Nokia plant also sparked off a wave of protest. There is general economic uneasiness and political instability, expressed above all in the growing support for Die Linke (the Left Party). The stage is being set for a major showdown in Germany.

Greece has long been one of the weakest links in the chain of European capitalism, and has witnessed a near continuous state of mobilisations for the better part of two years. In 2007 there were the massive student demonstrations and mobilisations against the privatisation of the universities. This was followed this year by a series of general strikes against cuts to pensions and social security. There was a general strike in December 2007, followed by a three-week struggle of public sector and municipal workers, culminating in the massive general strike at the end of March this year.

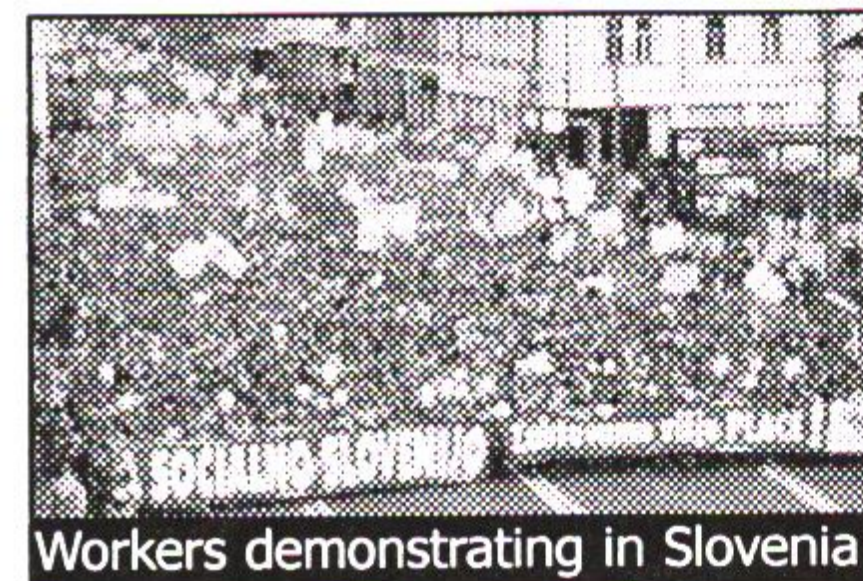
Sick men

Portugal, another of the weak links and sick men of Europe, has also seen a series of mobilisations on the part of the working class - the biggest in 20 years. Portugal has been in economic crisis going on seven years or more. GDP growth is low, even negative in certain years. To "correct" the situation, the bourgeois has

mercilessly attacked the working class and its conditions.

Flexibility

The story is the same here as everywhere in Europe - attacks on trade union rights, "flexibility", attacks on pensions and an increase in the retirement age, and attacks on social security. There was a massive demonstration in April of last year during the European summit, followed by a general strike in May of



the same year. And this year in March, there was a massive mobilisation of teachers, followed by a massive Communist demonstration a few weeks later - reflecting the growing radicalisation of the working class. A left wing is now crystallising in the Socialist Party, which could prove to an important development in the future.

In **Spain**, there has been a continuous series of strikes. There have been student mobilisations, smaller factory strikes, and the mobilisations of the Barcelona and Madrid transport workers.

Even **Switzerland**, the so-called model of economic success and social peace, has seen the militant strike action of the railway workers in Tocino.

Slovenia has also seen

a series of massive mobilisations over the last few years. In November of last year there was a mobilisation of some 70,000 workers against wage cuts and attacks on conditions, etc. The Slovenian workers were promised that joining the EU would mean improvements, but it has only meant attacks and a general deterioration in conditions. This mobilisation was followed by the massive demonstration and work stoppage in March of this year, involving some 145,000 workers (remember that Slovenia only has a population of about 2 million!).

These actions in Slovenia were followed up by the European Trade Union Confederation demonstration held in Ljubljana in April, during an EU finance minister's summit, calling for improved wages and conditions for European workers.

There is, essentially, nothing that capitalism can do, nothing that it can offer, to solve the problems of the working class. In fact, economic conditions demand that the attacks be deepened and extended. There is no end in sight on the basis of capitalism - the workers must find a way back to the ideas of socialism. Yet, at the same time, these same economic conditions demand that the working class fight back. The interests of the ruling class and the working class are irreconcilable. The bourgeois scream "more cuts, more cuts" and the workers shout "Enough is enough". The stage has been set for a "hot spring" in Europe. □

The long march to modernization

by Heiko Khoo

IN 1919 progressive minded intellectuals hoped the Versailles Treaty after the First World War would end China's humiliating semi-colonial status. When the imperialist powers betrayed these hopes, the May 4th Movement led by Chen Duxiu marched in Beijing behind the slogans "Science and Democracy". The voice of progress, promoting cultural awakening, enlightenment and modernization, was the journal "New Youth". It said:

"Be independent not servile,
be progressive not conservative,
be aggressive not retrogressive,
be cosmopolitan not isolationist,
be utilitarian not impractical,
be scientific not visionary."

The Confucian doctrines of filial piety, subordination and authority were to be smashed, mysticism eliminated, the patriarchal family destroyed, women liberated, their feet unbound and "cannibalistic" culture overcome. The best ideas from all over the world were to be adopted and applied to invigorate China. The search for social forces able to bring progress led to the working class; the search for a model to the USSR; the search for theory to Marxism. The foundation of the Communist Party by Chen Duxiu in 1921 was the culmination of this process.

Following the defeat of the urban revolution in 1927, partly because of the disastrous advice given to the fledgling Chinese Communist Party by Stalin and the Communist International, Mao improvised a distorted form of 'Marxism'. They fought guerilla war based on the peasantry over two decades of the Chinese civil war. This led to the consolidation of military-bureaucratic power in economically backward areas. This in turn produced administrative structures based on temporary alliances and deals with warlords, gangsters, rich peasants, petty merchants, monks, feudal lords

and the like. The Maoists maneuvered between these forces whilst "the barrel of a gun" determined ultimate power.

Thus in 1949 Liberation took a military-bureaucratic form instead of a proletarian-democratic form as the peasant army marched into the cities. The Maoists were confronted with all the problems that stem from economic and cultural backwardness. Class interests were not represented through democratic organizations. The 'mass movements' that came into being were bureaucratically organized - tools in the battles between leading cadres and individuals, who were determining the processes of change. Often apparently clever policies worked for a period then broke apart in violent conflicts.

Lhasa

For example policy in Tibet after Liberation was based on reforming feudalism and theocracy by leaning on progressive minded layers of the elite like the Dalai Lama. He initially supported modernization and progress, was open to reform in Tibet and admired Mao's apparent sensitivity to Tibetan culture. However feudal forces totally opposed to reforms surrounded the Dalai Lama and raised the slogan of a 'Free Tibet'. Army Marshall Chen Yi on visiting Lhasa said, "If one holds the hills where the Potala



Chen Duxiu

(palace) and Jagpori Medical School are, one controls Lhasa." Thus if persuasion failed, the military-bureaucratic option was always held in reserve by Beijing.

At a mass meeting of peasants in Hunan province in 1959 under the slogan 'Happiness through Communism' there were two points for discussion.

1. The building of a new canal.
2. The building of communism.

After opening the meeting the chairperson asked if anyone had com-

ments about the agenda. One peasant stood up:

"Comrades we all know there is no wood, no bricks, no nails and no cement. So let's move straight to the second point on the agenda."

By the late 1950s the uneasy balance of forces nationwide broke down as the ultra-left tendency within the regime attempted to overcome backwardness by diktat. The previous period of concessions to feudal interests provoked a sharp reaction, and private land was bureaucratically eliminated. All over China huge communes were created, which were supposed to overcome backwardness at a stroke.

Since Liberation, wild swings in policy by the Communist Party of China reflected not just the will and madness of individuals or factions, but also the balance of class forces and bureaucratic tendencies when confronting the problem of development. For the Chinese masses the 2008 Olympics symbolize that the People's Republic has come of age. The success of its poverty eradication program has no historical parallel; from being a nation governed by superstition it sends rockets to space, feeds itself and is building modern cities housing hundreds of millions. The rate of economic growth and urbanization is unparalleled. However all these advances are tempered by increasing inequality, corruption and exploitation. A sharp reaction by the masses is inevitable.

The prolonged boom in the Chinese economy is based on the shift from a rural to an urban society, creating primitive accumulation and fostering massive state and private investment. This process has brought into being a working class whose presence is felt in the commodities used and the clothes worn everywhere, soon they will influence how we live and think.

The struggle for the democratic control of work and planning flows automatically from the condition of the Chinese working class. A modern harmonious and Socialist People's Republic is only possible as an egalitarian society based on the fraternal union of the workers and poor of all nationalities. ■

Defend a woman's right to choose

by Rachel Heemsker

THE 27TH April marked the 40th anniversary of the coming into force of the 1967 Abortion Act that led to the saving of thousands of women's lives. The Act allowed women in England, Wales and Scotland access to safe abortion on the NHS in a government approved hospital when 2 doctors agreed to the procedure within the first 24 weeks of pregnancy. The 1967 Abortion Act does not cover Northern Ireland. Abortion is only legal in Northern Ireland in exceptional circumstances and current guidance is unclear and provision is at times determined by the moral and religious views of the individual health care professional. Consequently the vast majority of women cannot access abortion services in Northern Ireland and have to travel to Britain where they have to pay hundreds of pounds for private abortions. This impacts against a whole section of the female working class and was a 'trade off' in 1967 to MPs in Northern Ireland so the bill would pass through parliament. This is totally unacceptable and must be corrected in the present bills going through parliament, which will cover the whole of the United Kingdom.

Late abortions

In recent years the issue of late abortions has become the subject of intense media and policy interest. Fuelled by the development of 4D ultrasound images of fetuses 'smiling' and 'walking in the

womb' and the increasingly emotive nature of the argument against abortion, concerns have been raised about the ethics of continuing to allow abortion up to 24 weeks. Although 89% of abortions take place in the first 13 weeks, women continue to need access to abortion services later in pregnancy. In some areas lack of sufficient NHS provision or lack of timely access to service continue to create delays of 6 to 8 weeks, forcing women to have a late abortion or raise the hundreds of pounds to pay independent private sector fees, which could, in itself, cause further delays.

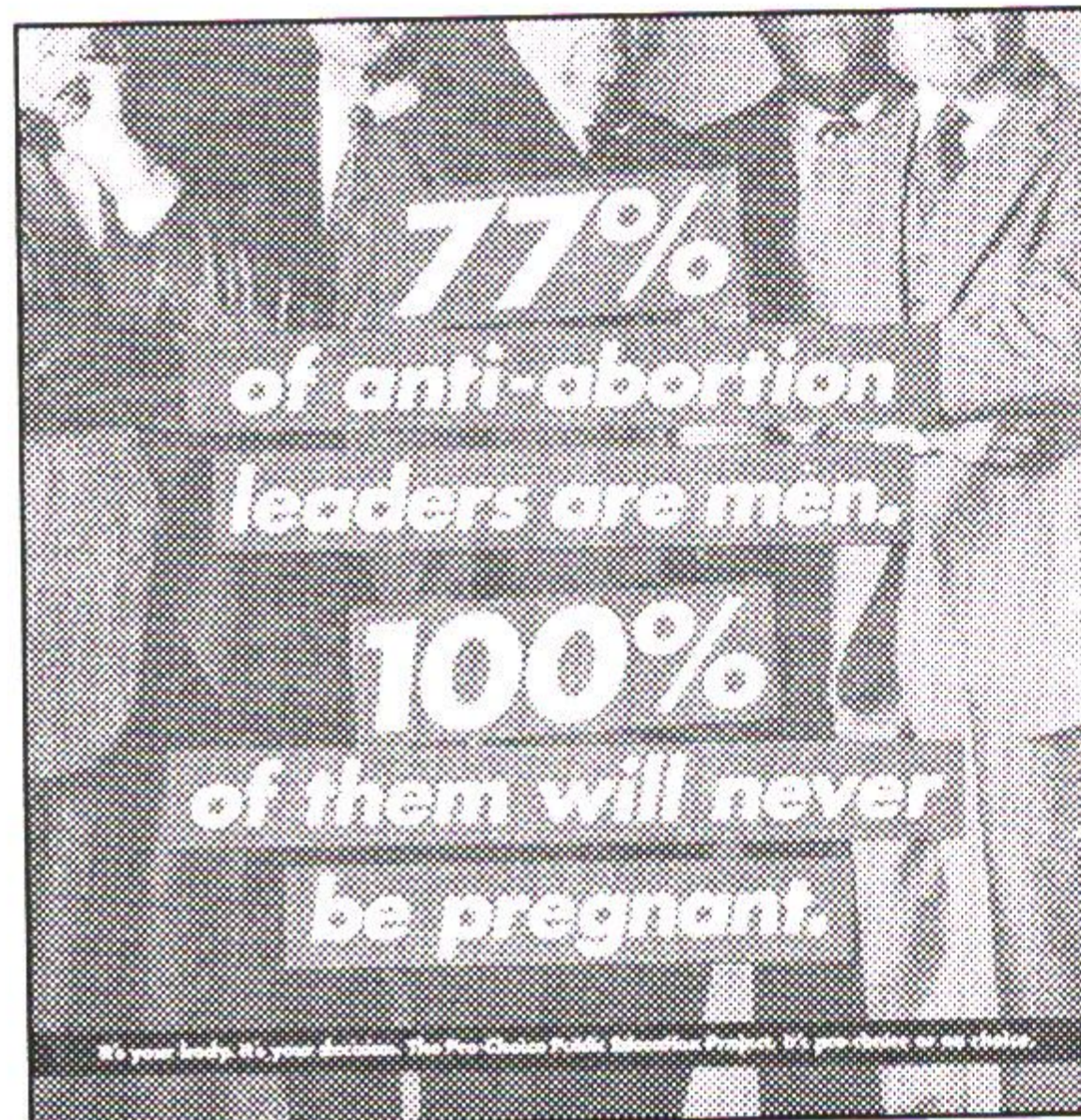
The decision to have an abortion is one which women never take lightly, particularly when the decision has to be made later in the pregnancy. Less than 2% of abortions take place after 20 weeks and women who face exceptional and very difficult circumstances need them. These women need help and support not moralising over by the medical profession and society.

Religious bigots

The Human Fertilisation and Embryology Bill currently in parliament is subject to amendments to reduce the time limit from 24 to 20 weeks. Some religiously

driven MPs are trying to reduce this to 12 weeks and to impose a 'cooling off' period and compulsory counselling. These measures will have appalling consequences for women seeking abortion and assume women are not capable of making their own decisions about something so important. It has been reported that there will be another 'trade off' similar to that in 1967 to prevent the bill's delay in passing through

one involved. Contrary to recent press coverage there has been no scientific breakthroughs that give cause for a reduction of the current time limit. During 2007 the House of Commons Science and Technology Select Committee conducted an inquiry into the scientific developments related to the Abortion Act 1967. After considering a wealth of evidence from a variety of expert organisations, including the British Association of Perinatal Medicine, the committee concluded that there had not been any significant change in fetal viability which would require the current time limit to be reduced. Yet religious bigots and mainly male MPs want to restrict a woman's legal right to abortion leaving some women in desperate circumstances, either to cope with an unwanted pregnancy or to potentially seek an unsafe back street abortion. In 1967



parliament. The idea of a 'trade off', which would support lowering the time limit, is totally unacceptable to anyone who supports the women's right to choose.

Right to choose

Opinion polls show 83% of people support the right of women to choose. A woman is in the best position to weigh up all the factors and make the decision about her own pregnancy. Decisions about abortion are never taken lightly by any-

parliament decided these alternatives were unacceptable and they are still not acceptable in 2008. We must not turn the clock back by criminalising women who find themselves in the position of needing an abortion. We must join the lobby of parliament on the 7th May to protect the right to choose and not allow religious bigotry to put women back to the unsafe abortions of the pre 1967 Abortion Act where thousands of women put their health and even their lives in danger. □

Fighting fund - summer offensive!

WHILE CAPITALISM is in the midst of a financial crisis, the Fighting Fund for this socialist press hasn't doing too badly at all. The Spring Fighting Fund drive has beaten the target of £4,000, and raised the magnificent sum of

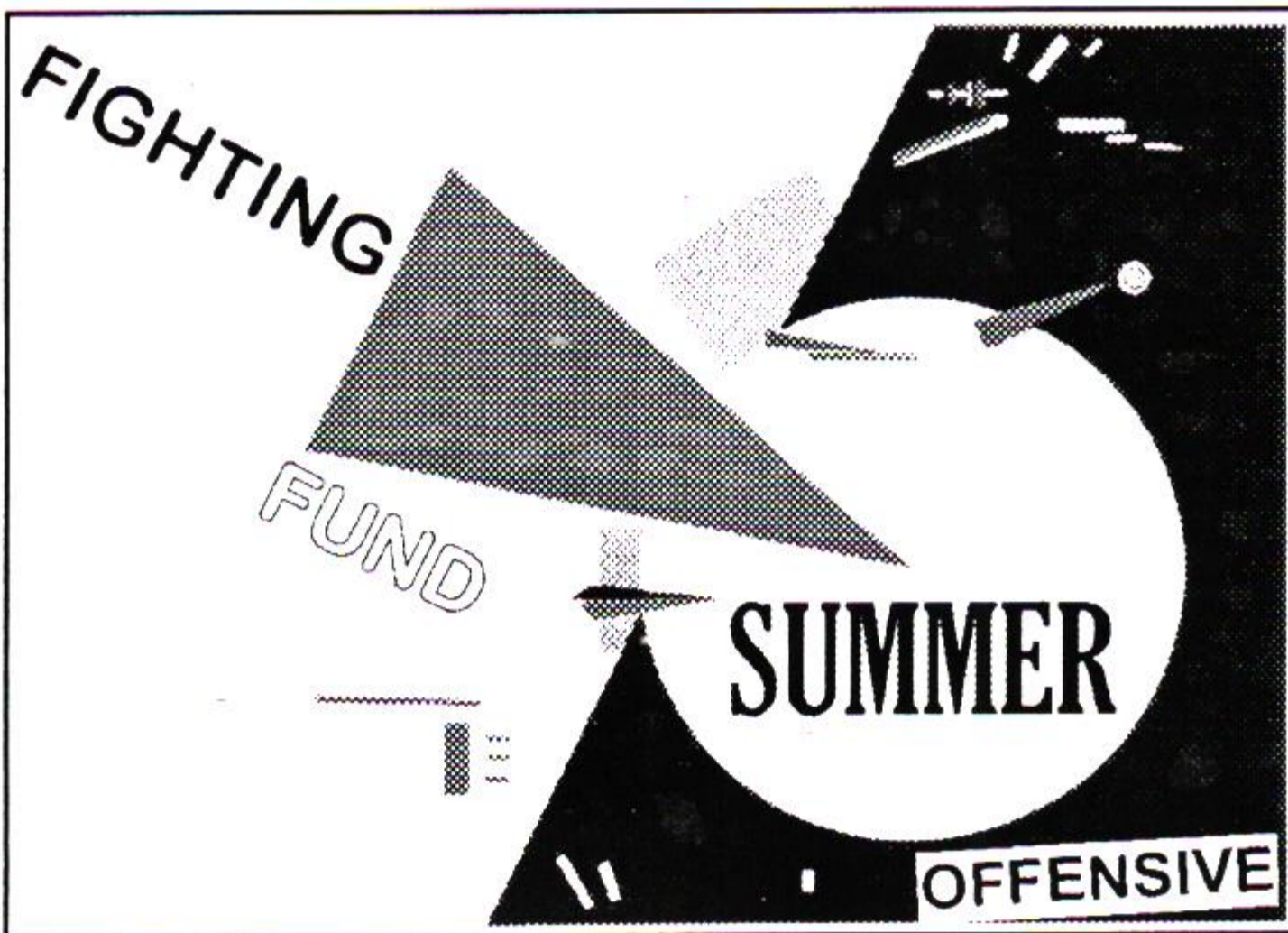
£4381! This isn't because there are a few capitalists with a keen eye for investment in a quality product like Socialist Appeal. No, as has ever been the case, we rely on you our readers and supporters to keep the red flag

strong Marxist tendency here in Britain.

The editorial board have set the target of **£2,000** to be raised this quarter; before the end of July.

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 lets get that cash in!

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 □



flying and build the forces of Marxism in Britain. So a big thank you to the all those who contributed!

To continue advancing Marxist ideas in the Labour movement we can not afford to stand still for a moment. The more cash we get, the more effectively we can intervene and build a

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

Capitalism means hardship and starvation

ACCORDING TO the International Monetary Fund's authoritative World Economic Outlook the world is facing "the largest financial shock since the Great Depression." House prices are heading south, the house price bubble has well and truly burst and the whole housing market is freezing over. House building has virtually come to a stop. This is going to hit people in the advanced capitalist countries hard.

Robert Zoellick, head of the World Bank, puts our problems into perspective. "While many are worrying about filling their gas tanks, many others around the world are struggling to fill their stomachs." We are confronted with actual starvation. He warns that the present food crisis will give us "seven lost years." It means "lost learning potential for children...stunted intellectual and physical growth." His colleague at the IMF, Dominique Strauss Kahn, concurs. He foresees that "hundreds of thousands of people will be starving."

These people are strong on prediction but weak on prevention. There is a reason for this. They are the enforcers of world capitalism. Capitalism is ruled by strong, rich imperialist countries who strive to keep the rest 'in their place.' Free trade and free market capitalism has proved an excellent mechanism for



keeping the many poor. Free markets have failed, so the enforcers demand more of the same.

Now capitalism is falling apart at the seams. Wheat, rice and cooking oil have virtually doubled in price in less than twelve months. It is madness that astronomic sums of money, enormous wealth, circle the globe and not enough finds its way to grow food for the poor. There's a palm oil shortage. It takes 8 years to grow the trees to maturity, so soaring cooking oil prices are not just a hiccup. A socialist planned economy could have anticipated the increase in demand, but capitalist farmers just respond to price signals. By then it's too late.

The Observer (April 13th) interviewed Kamla Devi from India. She has decided that, because of the food price rises, her family can no longer eat twice a day. Now they just have a midday meal of roti (flat bread) and vegetables. "When I go to the market and see how little I can get for my

money, it makes me want to hit the shopkeepers and thrash the government...The rich are becoming richer. They go to the shopping malls and they don't need to worry. The problem with prices only matters for the poor people like me." There are hundreds of millions like Kamla, in households where more than half their income goes on food. For them, capitalism has proved a catastrophe.

Understandably there have been food riots in Egypt, Indonesia, Ivory Coast, Mauritania, Mozambique, Senegal and Cameroon – so far. The poor world is in flames over the issue. Jacques Diouf of the Food and Agricultural Organisation warns, "There is a risk that this unrest will spread in countries where 50-60% of income goes to food." It's not a risk, it's a certainty. Yet the FAO is devoting pennies to alleviating starvation. It's just not a priority for world capitalism.

Alastair Darling blew more than £50bn of our money on Northern Rock. Now the Bank of England is dishing out another £50bn to the poor old banks. Bernanke and the Fed gave JP Morgan Chase a guarantee of \$30bn in order to take over bankrupt Bear Stearns. They're worried about the financial crisis and the 'plight' of the banks. What a pity capitalism's priority is the bankers, not the poor!

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