

# Socialist Appeal

December 2008 issue 168

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## The crisis:



# Make the bosses pay!

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## Bulletin Board

### ULU Marxist Society

Debate on Marxism and Religion  
**Christianity  
 capitalist or communist?**

The final Marxist Society meeting of 2008. Debating will be:

Dr Peter Hatton, Methodist Minister and Fred Weston, editor of www.marxist.com

**Location:** ULU Room 2A, Malet Street (nearest tube Russell Square or Goodge Street) 6pm Thursday December 4th

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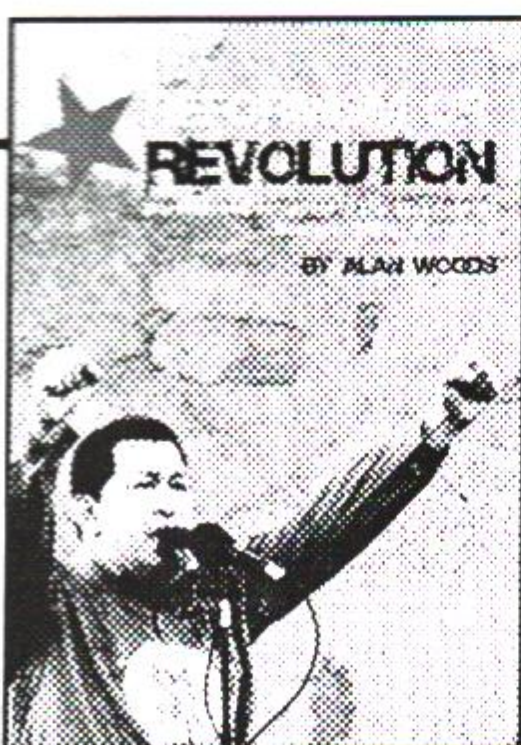
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## Reformism or Revolution

The declarations of Hugo Chavez in favour of socialism have provoked an important debate in Venezuela and internationally. However some have concluded that the 'old' ideas of Marxism are no longer valid and that it is necessary to invent a completely new and original theory of Socialism of the 21st century. This book is a reply to that view - expressed by Heinz Dieterich amongst others - and a defence of the fundamental

ideas of Marxism and scientific socialism against these revisionist arguments.

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The Deadline for Issue 169 is December 19th 2008



# Merry Christmas? Not likely

AS OUR editorial last month pointed out, what killed the citizens of Pompeii was not the pyrotechnics of the explosion of Mount Vesuvius, but the resulting ash that choked the people. It is possible, though not inevitable, that we have seen the worst of the banking collapse. But the results are destroying jobs all over Britain.

As Tony Jackson pointed out (Financial Times 20.10.08) the Baltic Dry Index, which measures bulk shipping rates, is down 90% from its may peak. He goes on, "The main reason, apparently, it that shippers cannot get trade credit," from the banks. "The system of export credits applies to iron as it does to coffee. Take it away and trade is crippled."

## Just in time

In recent years capitalism has developed 'just in time' supply of inputs. Big industrial customers are leaning on small suppliers by delaying payment. That threatens to hole them under the water. The small businesses need credit insurance and that is getting more expensive and harder to get. All these transactions are linked up with money. Money is supposed to come from the banks. And they're not delivering. The whole 'infrastructure of trade' is seizing up.

## CBI

Discussing the CBI prediction of the deepest downturn since 1991 at least, the FT's Norma Cohen takes up the story (17.11.08). The banking collapse and, "The subsequent withdrawal of credit from businesses and households has shattered the confidence of CBI members, forcing them to postpone decisions on new projects." So investment is next out of the window. On the same day John Willman told of the effects on car-making and retailing. "When the banking system threatened to plunge into meltdown in September, sales went off a cliff."

Indeed. Woolworths, which

makes 90% of its profits in the 6 weeks before Christmas, has put its 800 stores up for sale at just £1.30,000 jobs are at risk. Marks & Spencer is holding sales before Christmas. Retailing looks like a disaster - which means that, for millions, Christmas has already been cancelled. Most car plants in Britain are on short time working, have shifts cancelled, or are 'on holiday' for a long Xmas break.

## Capital Economics

Capital Economics says the story so far is "compatible with output falling by around 10% per annum." The FT, an irrepressible commentator on our woes, spots a difference, 'Grim down south' runs the headline. They predict 60,000 finance posts to go in London next year and 370,000 jobs in total (1 in 12) over the next few years. So misery is to be democratically spread around the country, not just inflicted on northern industrial cities.

## JCB

What's to be done? Workers at JCB agreed to pay cuts in the form of loss of shift allowances and Christmas bonus and a four-day week, dropping £50 a week in the process, to help the firm out of its difficulties and save jobs. Three weeks after the deal, which involved 180 job losses, management were back to make the extra redundancies. 398 more jobs are to go. The lesson is - you can't satisfy the job-destroying juggernaut by making concessions to management. The fight for jobs is a fight against the system that slashes them.

## Avalanche of job losses

Many workers go the extra mile for the festive season. Even if the future is insecure, especially if the future is insecure, they will max themselves right up to the limit on their plastic to lay on a good spread and lavish stuff on the kids. This time for many people it's different.

The money's just not there.

In the last few weeks we've seen an avalanche of job losses. And 30,000 families so far this year have had their homes repossessed. Millions more will be worried sick about the future. Christmas and the end of the year is a time for taking stock. The New Year is a time for making resolutions. Millions have already worked out who the bad guys are. In the London performance of Dick Whittington the pantomime villain King Rat is a banker. Don't just boo and hiss these people, resolve to help us to get rid of them and their rotten system.

## What to do?

- Recall the TUC for an emergency action programme to fight unemployment
- No redundancies. Work or full pay!
- Nationalise the commanding heights of the economy under workers' control and management. □

**The IMT's socialist programme to fight unemployment is reviewed on pages 16-17**

## Strike vote may save Turkeys

Meat hygiene inspectors have voted to strike, threatening meat and poultry supplies in the run-up to Xmas. UNISON, which represents the 1,000 workers in the Meat Hygiene Service, stated that the workers objected to planned cuts to overtime payments and the introduction of new work patterns. A strike would "seriously disrupt" meat supplies to supermarkets in the pre-Xmas period, the union warned. Turkeys have unanimously voted to back the inspectors. "No turkey is going to vote for Christmas", said a spokeschicken. □



# Unite-Amicus elections

## Where we stand

by Des Heemskerk

AT AN emergency meeting of the National Executive of the Unite union in October a decision was made to postpone the implementation of the Unite Rulebook until May 2008 and to call an election for a twelve month period of office for a Unite-Amicus section General Secretary. The decision, supported by both current Joint General Secretaries of Unite, Tony Woodley and Derek Simpson, was made as a result of the legal challenge by former Bristol Rolls Royce convenor Jerry Hicks over the extension of office of Derek Simpson without election until December 2010. The Instrument of Amalgamation voted for last year by members of the Amicus & TGWU provided for the new union rulebook to be in place by the 1st November this year.

### Jerry Hicks

The successful challenge from Jerry Hicks would have forced an election for a new general secretary of the whole of Unite next year with both Simpson and Woodley having to stand down early. It was this prospect that led to the row between the two at the TUC in September with both announcing in the press they would stand for election against each other. The decision of the Executive to delay the new rulebook and call an election for just Amicus section members has removed this possibility. But the decision has been challenged by several branches of the union, who say that the Executive has acted beyond its power in overturning a member's ballot for the Instrument of Amalgamation. If the branch complaints are upheld it could then result in an election for a general secretary for the whole of Unite next year.

Simpson was elected by members of the AEEU following his own successful legal challenge to Sir Ken Jackson over the same issue of extending office beyond retirement without an election. He criticised Jackson during the election in 2002 saying "the Policy Conference was misled about the legality of Jackson continuing without an election. Having a General Secretary over 65 years of age and working in two jobs is not the best way of pressing the case for a shorter working week and earlier retirement." He also argued that the majority of AEEU members were unable to vote during Jackson's election in 1995 with only members of the EETPU section allowed to vote.

Members of MSF were unable to vote in 2002 and there have been further mergers with former print workers union GPMU and banking union Unifi. The merger of Amicus and the TGWU in 2007 to form Unite means that over 80% of Unite members have been unable to vote in an election for Derek Simpson.

### Simpson's promises

Simpson has departed from many of his 2002 election promises. During the election he wrote "I want to see a return to elected officials that are answerable to the mem-

bers and not to some corporate strategy handed down by a General Secretary whether that is Sir Ken Jackson or myself. They can split the Labour Movement with blind support for Blair and New Labour when they pursue policies that are not in the interests of workers. This is why they wanted to get rid of elections of officials so that they could appoint their cronies to consolidate their power and control". Soon after the election of officials was passed at the 2005 Amicus rules conference Simpson began to undermine the decision, finally abandoning the principle altogether in the merger with the TGWU.

He also complained about "the closing of many branches". Since his election over 600 Amicus branches have been closed and recently an attempt was made to confiscate £1 million from the former GPMU branches, the money only returned after a threat of legal action by the GPM Sector committee while Simpson claimed he knew nothing about the move.

Under Simpson's election leaflet headed "Has Jackson and the Executive gone mad?" Simpson wrote "Closing many local offices proves to be false economy and placing Full Time Officials in distant locations serves neither the best interest of officers or members. The bulk of the income from contributions seems to be spent on Head Office and as a result benefits to members are at a record all time low. They want to spend £5 Million on a corporate Head Quarters in London. A fat lot of good that will be to you! Just think what that amount of your money could do for our members in the localities." He promised to "bring an end to centralised control" and to "put the union back in the districts". But over the last few years over 40 regional offices have been sold for an estimated £14 million while millions of additional pounds has been spent on 'renovations' at the 'corporate Head Quarters in London'.

### Closing branches

Simpson argued "I want to see legislation to prevent the destruction of manufacturing jobs and better protection for our members and will insist that this is a priority in exchange for continued support of New Labour. Instead of having one eye on what the employers want and the other eye on what Downing Street wants we should have both eyes on what our members want". Yet during the Labour Party leadership election last year he refused to give backing to John McDonnell, instead backing Gordon Brown, the architect of New Labour and PFI.

### Amicus Unity Gazette

Following the walkout of Simpson supporters at the Amicus Unity Gazette AGM last May a new centre right organisation called 'Workers Uniting Group' has been set up at a meeting in October addressed by Simpson. Jerry Hicks legal challenge to force an election was opposed by the remaining members of the Amicus Unity Gazette who called it a 'distraction' that had little chance of success.

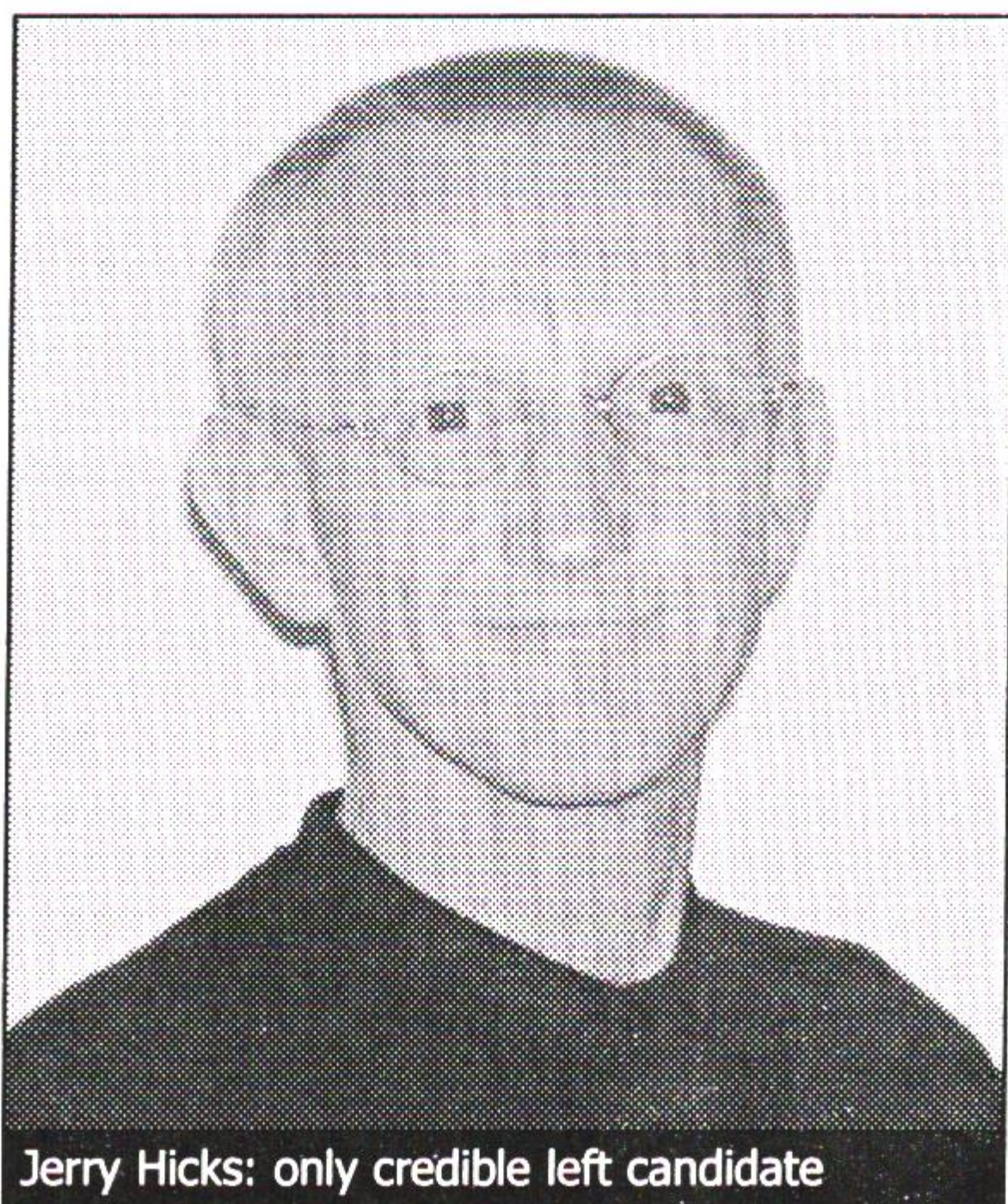


## odds'n'ends

Since the success of the challenge and the calling of the election the Gazette have chosen to back a former right winger Laurence Faircloth, who was elected onto the AEEU Executive in 1998 as part of Jackson's right wing AEEU United group, always voted solidly on the Executive with the right wing and was rewarded with a job by Jackson in 2000. Faircloth has never been actively involved with the left and only attended his first Gazette meeting to be selected! On the day of the emergency Executive meeting he had approached two NW Gazette EC members to canvas their support for his candidature. The selection meeting in Preston was determined at a pre-meeting of the North West group, held a fortnight before, with the decision to back Faircloth and instructions to their supporters who turned up to vote for him or face expulsion. Procedures drawn up in advance by the Editorial Board obliged any candidates to stand down if not selected at the meeting. As a result of this travesty of democracy Jerry Hicks made the decision not to attend the meeting.

### Support Jerry Hicks

Socialist Appeal supporters will be backing Jerry Hicks in the election for general secretary as the only credible left candidate. He does not call for disaffiliation from the Labour Party but does call for an end to slavish support for the Brown government. He wants the union to have better value for money by only supporting those candidates that pledge to support Unite polices. He stands for repeal of all anti-union legislation, public ownership and opposition to privatisation of jobs and services and a programme of building affordable council homes for rent. He supports the election of all officers of the union and he has pledged that he will only draw an average skilled member's wage if elected. He wants increased lay-member democracy in the union. The election will take place in February and March next year. □



**Jerry Hicks: only credible left candidate**

What costs £250 for every man, woman and child in the UK? Responding to an analysis of bonuses by the Office for National Statistics (ONS), which found that city bonuses have doubled in the last seven years to £28 billion in 2008, TUC General Secretary Brendan Barber said: 'Sixteen billion pounds of city and finance sector bonuses adds up to more than £250 for every man, woman and child in the country...Now we can see that the fat cats were paid these huge amounts to construct a financial system so insecure, the tax-payer has had to find billions to bail it out. At the very least there must be a complete change in the pay structures of banks and financial institutions in return for all the help they are receiving.' Fat chance.

They're laying people off at all the big brickworks. Hanson has axed 600 staff, mothballed two plants, closed another two permanently and are cutting shifts or having a three month holiday at the remaining four. Meanwhile world leader Wienerberger has made 400 permanent redundancies. No wonder. Hanson alone has 500 million bricks stockpiled. We've got the bricks, we've got the unemployed building workers - but we can't put the two together to build the houses people need. That's capitalism.

While the fat cats are waltzing away from the financial crisis with big handouts for their failure, ordinary punters are getting it in the neck. Canary Wharf cleaners have been awarded the London living wage of £7.45 per hour, though it's not in their pay packets yet. Now the bosses are saying they can't afford it. London Citizens reply, "If the government can find £50bn to bail out bankers, they can find £5m to pay their own cleaners and security guards a living wage."

James Beresford may be Britain's richest solicitor. He made £17m in just one year from handling miners' compensation schemes. His firm took 25% of the damages as a contingency fee. In fact the Department of Trade and Industry was prepared to pay their costs, so all compensation would go straight to the miners. For the 97,000 who claimed through his firm for lung and respiratory problems or 'vibration white finger' average compensation was just over £2,000. Tens of thousands got less than £1,000. The smallest claim was just 50p.

Bloody cheek! A city trader who got a £1.32m City bonus on top of his £300,000 salary is suing his employer because he wants more. Wheeler dealer Mouradian split the total pot of £1.43m in bonuses among his team, awarding just 92% to himself. He is claiming an extra £92,000 from the firm.



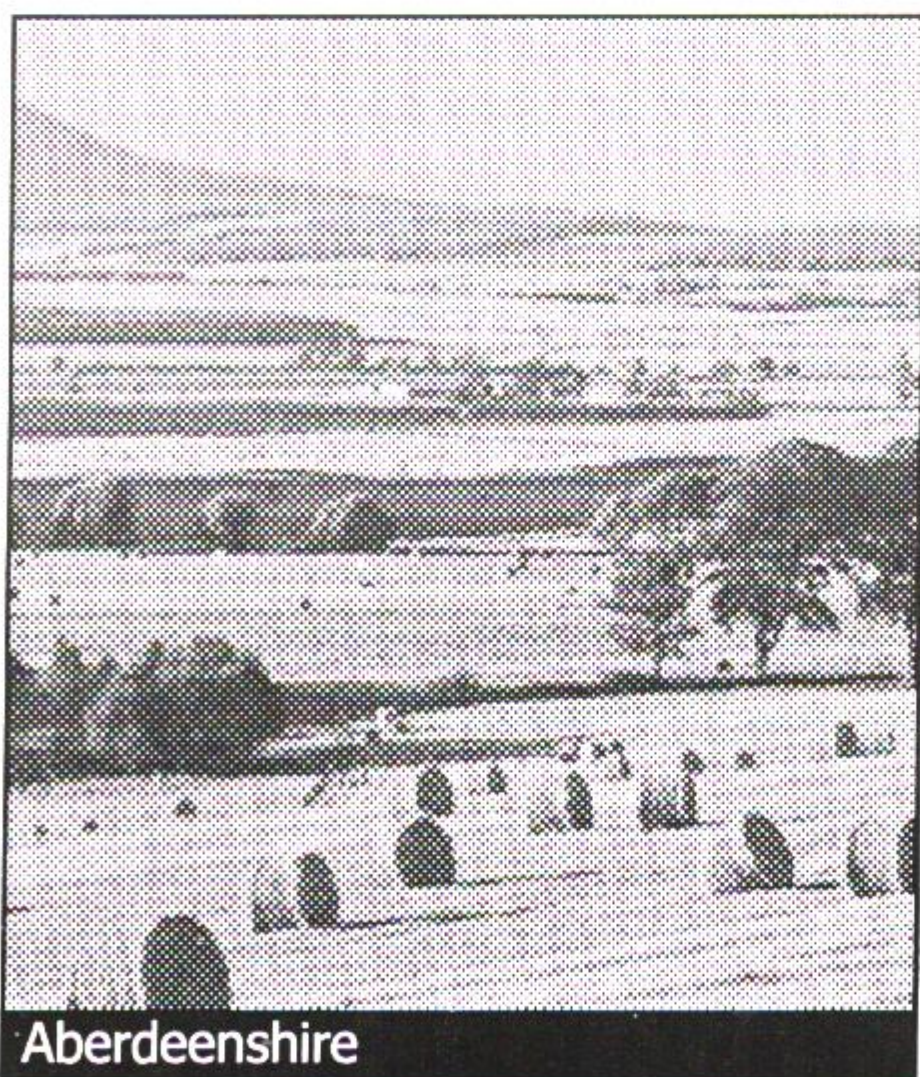
## Tycoon Trumps democracy

by Ewan Gibbs

AFTER A long drawn out process the Scottish Government has controversially granted infamous American tycoon turned television celebrity Donald Trump permission to build a luxury golf resort in rural Aberdeenshire. It will feature two golf courses and hundreds of private homes and is set to be the most expensive golf resort in the world. The plans have faced widespread opposition and the means used to finally secure their approval has only exposed the reality of our allegedly democratic system and the slavish attitude of the SNP government towards big business.

### Locals overruled

The proposal for the development was rejected by the Planning Committee of Aberdeenshire Council late last year. Trump's plan came under pressure from local groups and environmental organisations, worried at the impact that the development would have on the local area. In light of this refusal, the Scottish



Aberdeenshire

Government exploited loopholes in the law and took the unprecedented step of "calling in" the decision. This is to say that rather than accepting the decision made by the people elected to take it, the Scottish Government chose to side with Trump, launching a farcical public enquiry into the matter. The result was as predictable as it was

sickening, with Finance Secretary John Swinney announcing the government's support for the proposal and Alex Salmond presenting the nationalists as bringing jobs to Scotland at a time of economic crisis.

The plans have faced opposition from fringe groups of marginalised radicals including the National Trust for Scotland, the Royal Society for the Protection of Birds (RSPB) and the Sustainable Aberdeenshire Group. They have pointed to the damage the construction of the resort and use of the land as a golf course, with Aedan Smith, head of planning and development at RSPB Scotland stating that:

"The development will cause the destruction of a dune system, with its precious wildlife, on a site which is protected by law and should continue to be available for future generations to enjoy."

### Natural Beauty

The natural beauty of the north of Scotland is enjoyed each year by people from all over the world. Trump's victory will see a valuable part of it potentially damaged to make way for a glorified theme park that will only entertain those with enough money (and the absurd inclination) to pay vast sums of money to go on an expensive golfing holiday. Sites such as these are supposed to be under the protection of the very people who have handed it over to Trump. The sand dunes of Aberdeenshire should be seen as a valuable resource for the local community and not as an opportunity for the further enrichment of a greedy billionaire.

### Greedy Billionaire

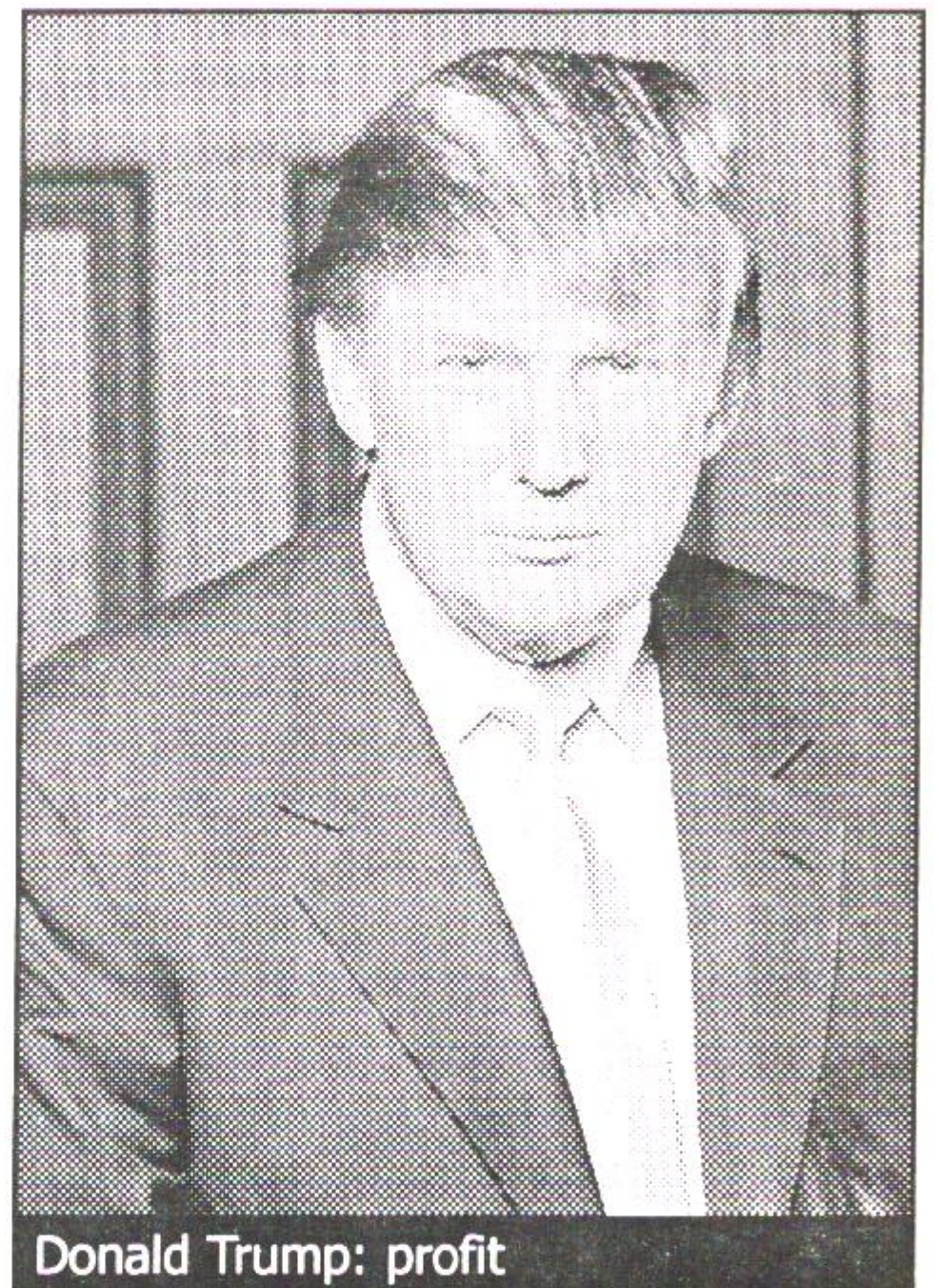
The SNP has attempted to justify supporting the development on the grounds that it will bring jobs and prosperity to Aberdeenshire. The same argument has frequently been used to justify the nuclear weapons base at Faslane, and in neither case does it hold water.

This development will provide

employment but not on an environmentally sustainable or socially useful basis. Does Scotland really need yet another attraction for wealthy tourists or homes for the rich? Profits from the project will of course go to the deserving coffers of the Trump Empire to be invested on whatever self serving project Donald decides to invest in next.

### Waste of Resources

The construction of the resort is a complete waste of resources that could be used for the improvement of the



Donald Trump: profit

lives of the people of Aberdeenshire. The workers who build the resort and those who will be employed to run it could be used to construct social housing and to develop renewable energy sources, for which there is a great potential in the area. Trump has already slammed plans for a wind farm as spoiling the view of his site; obviously the affect that the abhorrent sight a few wind turbines might have on rich tourists come golfers should be the motivating factor in such developments.

On top of all his other crimes Trump derived the format for 'The Apprentice'. It's time that his scheme was fired along with the spineless political leaders that have supported it.



# Women and the vote

by Barbara Humphries

DECEMBER 14TH 2008 marks the 90th anniversary of a landmark election in Britain. Following the end of World War I it was the first election in which women were entitled to vote. The Representation of the People Act which became law in February 1918 had granted the right to vote on a restricted basis to women. Only women over 30 would be entitled to vote. Voting rights for all women aged over 21 did not come until ten years later, in 1928.

This anniversary serves to remind us that the right to vote was not granted automatically either for men or women and was the result of over 100 years of campaigning and often militant struggle. In 1832 the vote was extended but only to middle class voters. The working class still remained disenfranchised.

## Means to an end

For the working class the right to vote was not an abstract right but the means to an end - to end the poverty and brutal exploitation that existed in 19th century Britain. We have just seen an historic election in the USA when for the first time millions of Afro-American voters registered to vote for the first time and queued for long hours to vote in the belief that a vote for Barrack Obama would bring about change. In the past these people would not have bothered - candidates from the Democratic and Republican Parties were seen as the same. There were scenes reminiscent of South Africa when Nelson Mandela and the African National Congress were elected in the first apartheid-free election.

The first independent movement of the working class in Britain, the Chartists - mobilised around the Six Points of the Charter which included manhood suffrage, payment of MPs and annual parliaments. But the right to vote was seen as a means to a just reward for the working man - "bread, beef and beer". Chartism became a revolutionary movement and a National Convention was seen as the alternative to the House of Commons. Chartists joined armed demonstrations and called general strikes to support their cause, as well as collecting signatures for a mammoth petition. The ruling class were frightened of what would happen if universal suffrage was achieved. They believed that it would be the end for them - socialist revolution.

## Bread, Beef and Beer

Women were involved in the political reform movement in large numbers. Within the Chartist movement they formed Female Political Unions and, although the Charter did not include the right to vote for women, they believed that if their men folk gained the vote this would improve living conditions for the working class as a whole. Female political activists were lambasted by the establishment as being a disgrace to their sex - "political harridans" they were called.

The class interests, which lay behind the right to vote were to be echoed by Selina Cooper, a supporter of the suffragettes who worked in a Lancashire textile factory. She said "Every woman in England is longing for her political freedom to make the lot of the worker pleasanter and to bring about reforms which are wanted. We do not want it as a mere plaything".

The Women's Social and Political Union, otherwise known as the suffragettes, was founded in 1903 by Emmeline Pankhurst and her two daughters - Christobel and Sylvia.

## Suffragettes.

Emmeline had been a member of the Independent Labour Party but when she founded the WSPU she was having doubts about the commitment of the labour movement to votes for women. The problem was that most working class men did not have the vote either. Legislation had granted the vote to some working class men, but before the First World War only a minority of working class men had the vote. There were worries that voting qualifications for propertied women would worsen the position of the working class. Not all the trades unions were committed to women's suffrage, especially those representing the skilled aristocracy of labour. However the TUC had backed votes for women from 1894, by 1912 the Labour Party had come out in favour and the Independent Labour Party called a demonstration in support of women's suffrage in 1914.

With tenuous links with the labour movement the WSPU took an increasingly classless and violent approach. Many of its activists were heroines - prepared to go to prison for their cause, to go on hunger strike and endure forcible feeding. One of them - Emily Davidson - died after throwing herself under the king's horse at a racing event. But their tactics of arson and violence shocked and in many cases alienated many people. Some suffragettes were coming around to the view that limited female suffrage would be acceptable. This alarmed the trade unions, who dubbed such proposed legislation "the ladies' bill".

## Patriotism?

When the First World War broke out, many suffragettes gave up their campaigning for the vote in the interests of "patriotism", but Sylvia Pankhurst did not. She founded the East London Federation, which continued to fight for the interests of women workers. The War brought about many changes for women. As men were sent to the front, they were employed in munitions factories and public transport, often for lower wages than had been paid to men. This became an issue for the trades union movement, and women's membership of unions increased by 160% amongst women workers during these years. Women were also mobilised on the issues of rents and food prices at this time.



# our history

Why did women get the vote in 1918? It has been suggested that the participation of women in the war effort had won them the vote. Sylvia Pankhurst argued that years of campaigning had finally won the day. The end of the War saw a revolutionary wave across Europe, with revolutions in Russia, Germany and Central Europe. There was to be major upheaval in the rest of Europe including Britain.

## Munitions factories

The Representation of the People Act of 1918 enfranchised all working class men for the first time. This prospect alarmed some of the Conservatives who believed that giving limited franchise to women over 30 could offset the political implications of an enfranchised working class. The extension of the franchise in 1918 was a factor in the Labour Party becoming the second main political party in the UK, replacing the Liberals and going on to form a minority government in 1924, the first time that the Tory-Liberal two party system had been challenged.

The Labour Party continued to campaign for the right to vote to be extended to all women, and each time they introduced a bill it would be opposed by the Tories. The vote was finally extended to all women over 21 in 1928. It had taken over a century to establish universal suffrage in Britain.

Revolutionary governments in Europe introduced women's suffrage immediately. But those who fought for the right to vote had seen it as a means to an end, as a

way of changing society. The sense that all parties are the same and do not represent the working class has led to apathy on a large scale. Disillusionment with New Labour has seen voter participation fall to the lowest levels since 1918. As New Labour has embraced the policies of the free market it has deserted its working class roots. To make the vote effective we must ensure that the labour movement reclaims the Party and that we have a real alternative to vote for. □



Sylvia Pankhurst being taken into custody during a women's suffrage protest in London

# George McCartney (1917- 2007)

## working class fighter

**Comrade George McCartney passed away in November 2007 at the age of 90. George was active in the trade union movement and Labour movement for most of his life and it is fitting that we remember him a year after his death. We began our memorial last month. We continue by reproducing the tribute given at his funeral service by son Neil in Cambridge last December.**

### Neil McCartney:

George had an interesting illustration of why it was even more important to be involved in politics than in the union. He would talk about Tate and Lyle plant, which he would say used to be the most unionised facility in Liverpool. As he would explain, "You couldn't get into the place without a union card". But eventually, for

various reasons, Tate and Lyle closed the plant and there was nothing the union organisation could do about it. And as George would conclude, "Where's your union then?"

### Ormskirk

Shortly after the election of 1959 the family moved to Ormskirk, and George and Irene again became active in the local labour party: in fact so active that when they moved to Cambridge in 1985 after George's retirement the Ormskirk party presented them with a special certificate in recognition of all the work they had done.

Shortly before the 1974 general election the constituency party chose its parliamentary candidate. George and Irene didn't take to the successful

candidate at all, regarding him as unprincipled careerist of a type that has all too often gained position in the movement whilst having no real commitment to it. Someone for whom the movement was simply the route to a good job. After the meeting, he came up to George and spoke to him, wanting to make sure that he was onside. 'You didn't vote for me did you?' he began. 'No I didn't', George replied. 'But will you work for me?' asked the candidate, thinking of the election (it was a Conservative-held marginal seat at the time). 'No I won't', said George, 'But I'll work for the Labour Party'. He didn't trust the candidate at all, but the party had chosen him, so everybody had to do their best to get him elected, send him to Westminster as part of a Labour majority, and then see.



The candidate was Robert Kilroy-Silk. George had seen through him straight away - unfortunately many had been taken in. In George's view it was no use screaming and shouting about it. One had to accept the decision, put forward one's ideas and hope people would learn from experience. It's a slow process, and nothing is guaranteed, but there are no short-cuts.

### Kilroy-Silk

Kilroy-Silk was of course elected that year. I can still remember seeing Harold Wilson, whose old seat it had been, announcing triumphantly that night "we have won Ormskirk". The first time I can remember the town being mentioned on television. The next day there was a special programme on Newsnight (or whatever it was at the time) in which they had a special item on Kilroy-Silk who said that he expected to be prime minister in 15 years.

### Trades Council

Both elements remind me of the story of one of George's fellow members of the Liverpool Trades Council, a Communist Party member who, when Wilson was elected leader of the Labour Party in 1963 after Gaitskell's death, suggested they should send him a telegram of congratulations. Wilson at the time had the image of a left winger. "Let's see what he does first" said George. Years later the same person's opinion had changed. "I'm disillusioned with Wilson," he said. "Everyone's disillusioned with Wilson. Even George is disillusioned with Wilson". Talk about a red rag to a bull



George and Irene on their wedding day in 1952

(and of course George was a Taurus). As he reminded his brother unionist "in order to be disillusioned, you need to have had illusions in the first place."

As George would say when people accused him of being a cynic, "I'm not a cynic. I'm a realist".

But there was much more to George than trade unionism or politics.

### William Shakespeare

It was also appropriate that he was born on the same day of the year as William Shakespeare and he had a deep love and understanding of his works and of many other areas of theatre, music, opera, literature and art.

Much if not most of what I know about any of these is because of what I learned from him. Given his lack of formal education, a great deal of his knowledge was self-taught or gleaned from non-traditional routes such as the courses he took in the army at the end of the war, when the powers-that-be organised such things to keep the soldiers busy before demobilisation.

One of his favourite stories was about the Italian university lecturer who used to take them to visit church-

es and the like. On one occasion this was during the referendum on the future of the monarchy. When the lecturer started to lead his group through a crowded church while the priest was addressing the congregation, most of the soldiers hung back. "Come on" said the lecturer. "He's only telling them which way to vote".

### Pier Head

One of the key things about George was his humour and wit, which he would often use to make an important point. I remember one occasion during some Liverpool Trades Council celebration involving a march at the Pier Head by the River Mersey, organised by the then head of the organisation Simon Fraser, a man with rather grandiose ideas but no equivalent capacity to put them into practice.

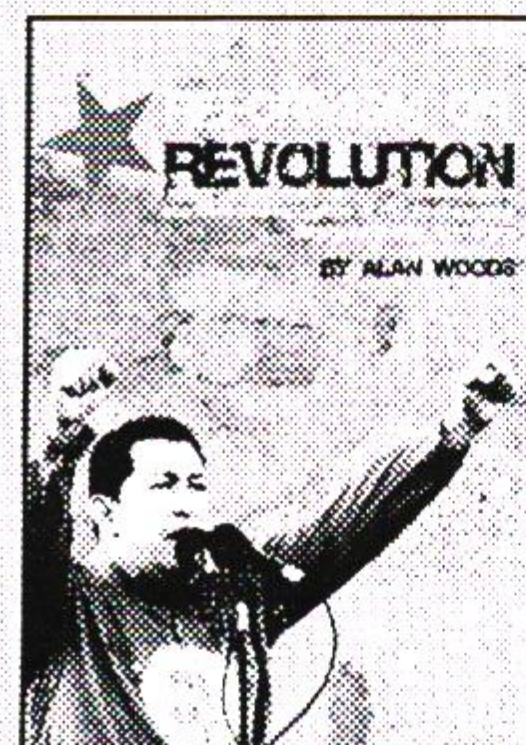
### Two Mile Long Cable

In order to play some music, Simon had brought along a mains-powered record player. "Ah", said George, "that's just the thing. All you need now is a portable power point or a cable two miles long".

And although the present state and future of the world bothered George, his own part in it did not. He was not a person to look back and chew over past decisions. And though he could be cautious in small ways - as Irene will tell you, it was difficult to persuade him to go any distance on holiday - once he had decided to do something he would go into it wholeheartedly. "If you can get him to chance his arm," she would say, "he will enjoy it." □

## Reformism or Revolution

The declarations of Hugo Chavez in favour of socialism have provoked an important debate in Venezuela and internationally. However some have concluded that the 'old' ideas of Marxism are no longer valid and that it is necessary to invent a completely new and original theory of Socialism of the 21st century. This book is a reply to that view - expressed by Heinz Dieterich amongst others - and a defence of the fundamental ideas of Marxism and scientific socialism against these revisionist arguments. □



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# Brown's criminal record

by Mick Brooks

NEW LABOUR is the bastard child of Thatcherism. Blair, Brown and Mandelson inherited from the evil witch the belief that the market (capitalism) was god and that the rich are the wealth creators we must all bow down to. This has been the foundation of all the policies carried out by New Labour over the past years.

Brown and his sycophants are trying to peddle the line that he is the man to deal with the present crisis. On the contrary his neoliberal policies have left the British economy uniquely exposed to financial storms. Contrary to the warning of the Marxists and others that the past boom was based on a speculative bubble that was bound to burst, Brown insisted on the soundness of UK economic fundamentals. Brown's tommy rot that there would be "no return to boom and



bust" will turn to ashes in his mouth.

## Back to boom and bust

Brown's first act as Chancellor in 1997 was to set up the system of financial regulation that now lies in ruins after its first serious test. The Financial Services Authority was asleep at the wheel while the boom years were dominated by speculation and fraud. The panic November 1½ % cut in Bank Rate was a shamefaced admission that the 'technocratic' Monetary Policy Committee had got it fundamen-

tally wrong. They saw the main enemy as inflation, so interest rates were kept up, choking economic activity. Like the guns at Singapore in 1941, they were looking the wrong way. This was not an accidental error. It was a fruit of the rotten doctrine of monetarism, that the government only has to look after the money supply and the real economy will look after itself.

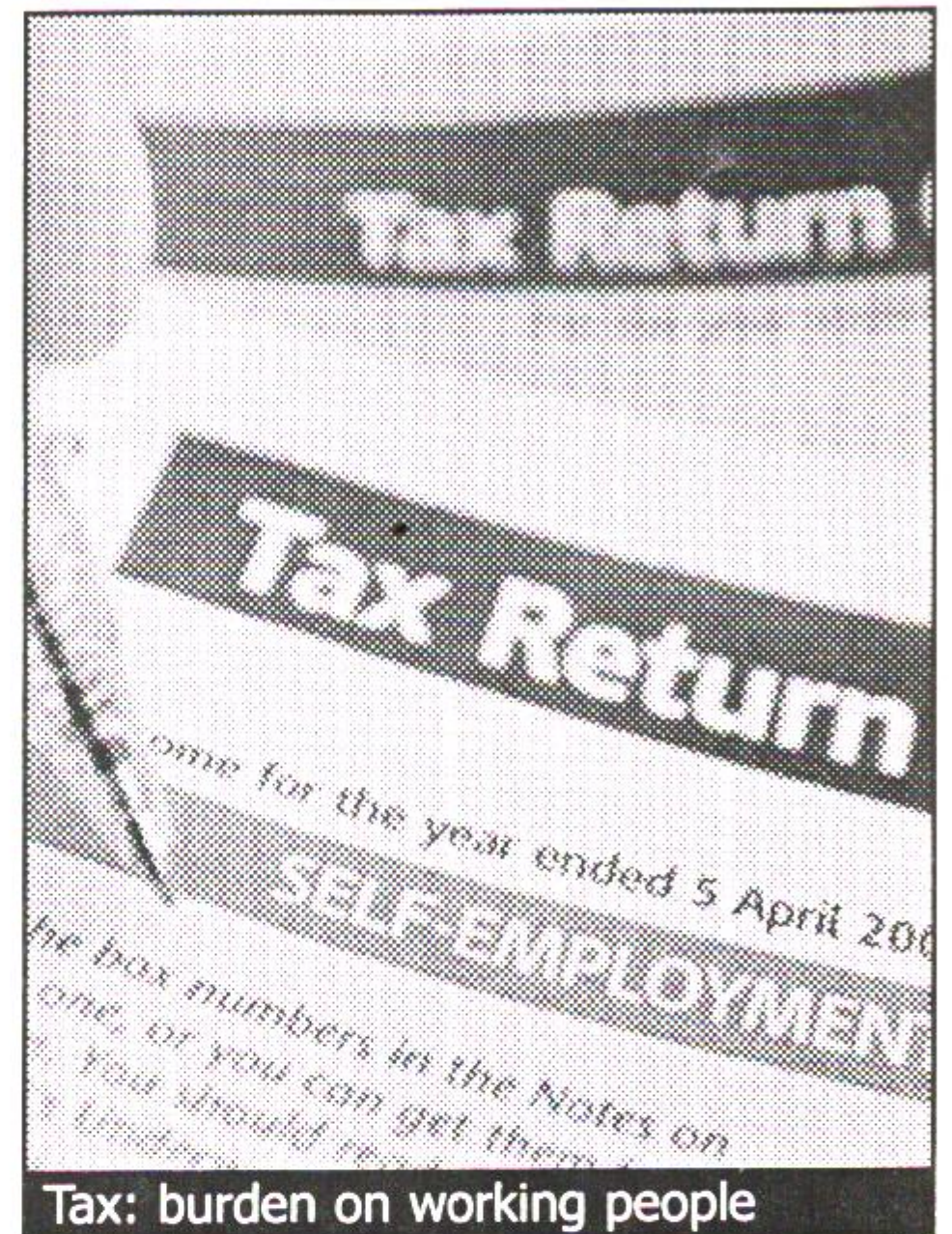
Here is a sample of Brown's saucer-eyed adoration for financial whizzkids from his Mansion House speech in 2007. "I congratulate you on these remarkable achievements, an era that history will record as the beginning of a new golden age for the City of London ... I believe it will be said of this age, the first decades of the 21st century, that out of the greatest restructuring of the global economy, perhaps even greater than the industrial revolution, a new world order was created." Readers seeing this for the first time after the crash must be wondering what planet this bloke beamed down from.

## Sucker

Completely suckered by the arrogance and pushiness of the City elite, Brown was determined as Chancellor to let them have their head. He seemed to harbor the insane delusion that an island of 60 million souls could all make a living in the world on the backs of the mysterious activities of a few tens of thousands of people in the City and Canary Wharf. He therefore called for 'light touch regulation,' in other words less regulation on the City and finance capital. This is the approach that has done so much to get us in the present pickle.

But Brown was leading a race to the bottom. His deregulation of the City was intended to make London a financial wild west and so the financial centre of the world, in competition with the position traditionally held by New York. How successful was he? Jill Treanor (Guardian 14.03.07) draws up a careful balance sheet: "Some

bankers point out that business is booming in London not because of anything Mr Brown or any regulatory body has done, but due to location



and language. English is the language of financial markets while London, a recent report by the Corporation of London pointed out, is 'unrivalled as a geographic location'. Office hours in London overlap with trading hours in the rest of the globe, allowing the capital's footprint to cover 99% of the world's GDP."

## Race to the Bottom

So, unless Brown is responsible for us all speaking English, and for our island's position in the North Atlantic and its time zone, he can't claim much credit for London's recent flowering as a financial centre.

Brown was known as the 'tax dodger's Chancellor.' Of the 70 offshore tax havens in the world 30 are British. As Somerset Maugham said of Monaco, these are "sunny places for shady people." If you are rich and don't much care to pay tax, set up shop in Jersey, the Isle of Man, Grand Cayman, the British Virgin Islands, Bermuda or Gibraltar. Who can you fiddle? Why - the British Treasury and



British taxpayer, all courtesy the British Chancellor of the Exchequer and later British Prime Minister.

### Tax Dodger's Chancellor

This is madness. £28bn in UK taxes has simply gone missing. Much of this is undoubtedly slushing round these tax havens. This is a crime against the poor and all those who pay their tax and get on with their lives. Son of the manse Brown smiles kindly on all this.

Brown cut corporation tax and capital gains tax for business, instead dumping the tax burden on working people as a matter of policy. Some of the concessions and loopholes he permitted were outrageous. It is a matter of simple arithmetic that if the rich don't pay tax, the rest of us pay more.

Brown has dithered for years about the status of rich people who are 'not domiciled' in Britain. Roman Abramovitch tells the Russian tax authorities he pays tax in London and the Inland Revenue he pays tax in Russia. So one of the richest men in the world pays tax in neither country. It was only the Tories who forced Brown's hand to bring in a pathetic £30,000 flat rate levy on non-doms. Roman's wealth is surrounded in secrecy, but is reckoned to be worth more than £10bn. Some Chelsea players get paid more in a week than his non-dom fee for a year.



**Roman Abramovitch: taxes not paid in UK**

### Soft Touch Regulation

The first sign that light touch regulation meant conniving at the incompetence and worse of the bankers was the collapse of Northern Rock. Light touch regulation (really soft touch regulation) meant that people's deposits in the bank were not insured by the government. The unwieldy, but undoubtedly light touch, regulatory system set up by Brown in 1997 couldn't cope. People queued up all night outside the bank to get their money out, like something out of a novel by Charles Dickens. The boss of the CBI rightly noted that the system of banking regulation "had failed its first big test." He exploded at the government that this is "what you would expect in a banana republic...for it to happen in a 'mature and prosperous country like the UK was almost unimaginable."

Here was a lesson for the government. Crawling to individual capitalists and letting them get away with whatever they fancy is not necessarily in the interests of the system as a whole.

### Tories Sneer

The Tories sneer at Brown's groveling, but really it puts them in a quandary. He is out-Torying the Tories. George Osborne had some fun at New Labour's expense when they belatedly realised in 2008 that the policies they had been pursuing for the past eleven years were taken us to hell on a handcart. "The Labour Party seems to have developed a collective amnesia about its responsibility for the current financial crisis. Listen to delegates on the Conference floor and Ministers in fringe meetings, and the loudest cheers go to those who play to the crowd by attacking the way the City is regulated. They seem to forget that it was their Prime Minister who created that system 10 years ago." The whole point is that the Tories would have done exactly the same.

Capitalism is inherently unstable. In other words the stark lesson that lax regulation or no regulation will never deliver a stable functioning economy was finally rammed home with the development of the present crisis.

Brown is now doing the rounds congratulating himself on his pro-active intervention to bail out the banks.



**Brown: out-Torying Tories**

Through his acolytes he is letting it be known that, 'Well yes, he is the savior of the world,' though he's too modest to mention it himself. One small but obvious point. The world hasn't been saved yet, not by a long chalk. Recession is coming our way.

### Blind Panic

The rescue package that led to the virtual nationalisation of the British banking system is presented as a cunning plan by a master intelligence. This is the opposite of the truth. The meeting that led to the bail-out were the product of blind panic.

The truth is that New Labour's hand was forced. As Robert Peston reported, Darling was pinned up against a wall by bankers who were watching their institutions slipping away into bankruptcy by the hour. "A gang of three of Barclays, RBS and Lloyds TSB told Darling to pull his finger out and finalise whatever it is he's eventually prepared to offer on taxpayers' behalf." When the Chancellor is grabbed by bankers and told to pull his finger out, then that really is the end for light touch regulation.

But the damage has been done. Thanks in part to government policy, the British economy is terribly vulnerable to the continuing economic crisis.

The crisis has not been overcome. On the contrary, it is moving to a new, deeper phase. In the coming years the return to boom and bust will come back to haunt Brown. The deepening recession will demonstrate that his stewardship of the British economy has been an utter failure. □



# All Keynesians now?

by Michael Roberts

GRAHAM TURNER has recently published 'The Credit Crunch' (*The credit crunch by Graham Turner, published by Pluto Press*). Turner is an independent consultant who worked in the City of London for many years. What singles out this book is that it claims to approach the problem from a socialist perspective, or at least it has been adopted by the left. Turner has spoken at many left forums in recent months.

What is Graham Turner's message? He outlines his aim in the preface: "the roots of this crisis must be understood to ensure there is no repeat of the flawed economic policies that have created the biggest credit bust since the 1930s. If we understand the causes, the damage can be mitigated".

And what does Turner think are the causes? Is it due to the anarchy of capitalism, the laws of motion of capitalism that include the tendency of the rate of profit to fall; or the huge expansion of fictitious capital designed to avoid a slump? These are the reasons that have been presented to readers of this column many times. Does Turner agree?

## Reason for Credit Crunch

Well no. Apparently the reason for the credit crunch is the growth of free trade that led capitalist companies to move their production to cheaper labour areas. This forced central banks in the west to keep interest rates low in order to keep up demand and spending. Debt rose to excessive levels as a result.

Turner says he is not against free trade. For him "it is a good thing, but not when it is used by companies simply as a ruse to cut costs". But is that not just one of the inevitable consequences of free trade (trade without tariffs and quotas on the movement of goods) under capitalism? How can you have trade under capitalism that is not damaging to working people's jobs?

What should we do to avoid future crises? "Governments will have to realign their policy away from the

exclusive promotion of big business that lies at the heart of recent credit bubbles". So governments must not 'exclusively' promote big business. In other words we need more of a balance?

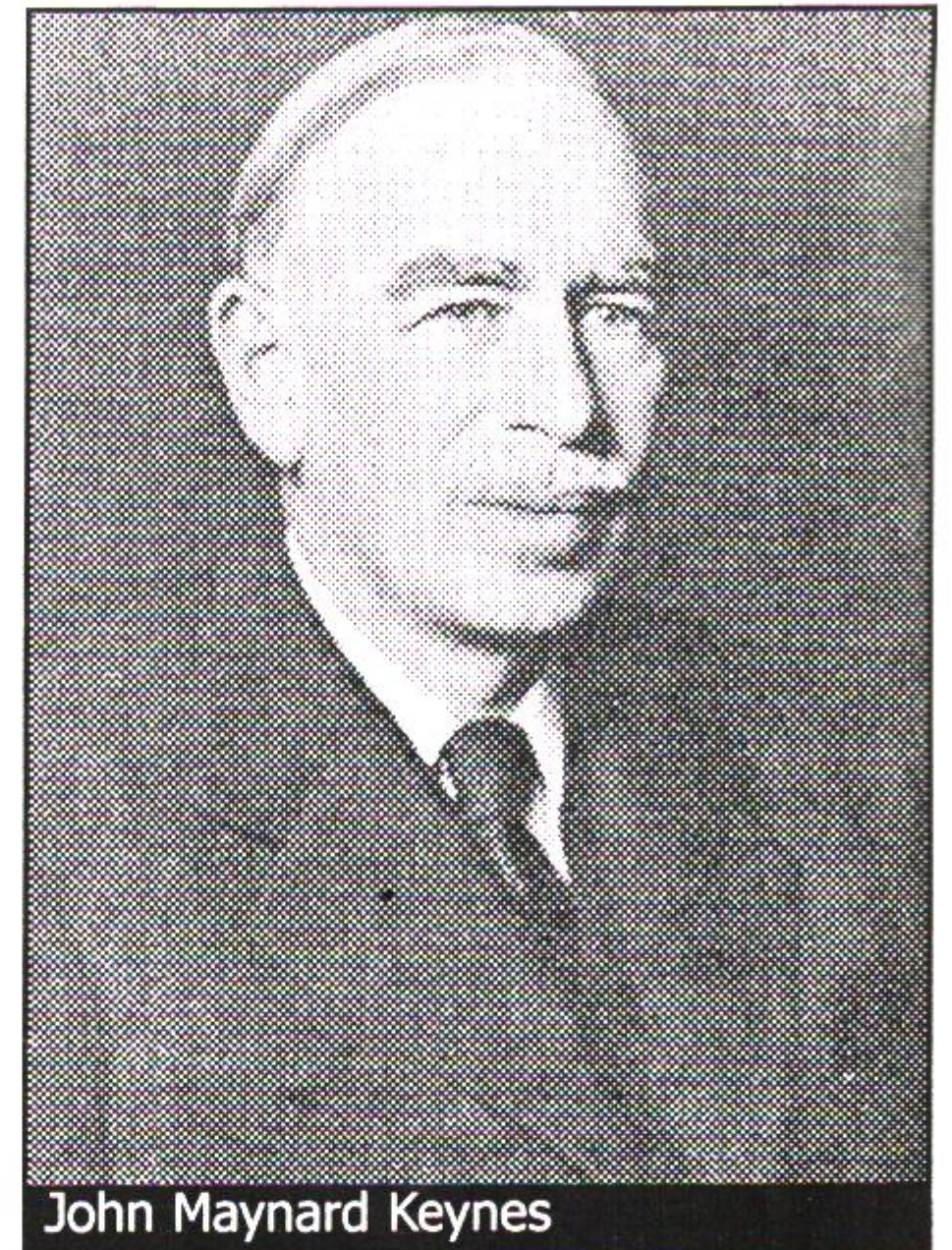
Turner argues that we need a new economic agenda that "balance the interests of companies and workers more evenly and promotes a free trade that does not fuel the boom and bust seen today". So there we have it: we need a capitalism that is fairer, more even and free trade that does not cause slumps.

## Naivety about Capitalism

I don't want to be harsh, but this conclusion beggars belief, expressing a naivety about the nature of capitalism that is disappointing in somebody who has worked at the heart of finance capital for decades. It is in the nature of capitalism to generate inequality and injustice in seeking profit and it is in the nature of capitalism to deliver periodical economic slumps as it grows. There can be no 'good and fair capitalism', and, for that matter, Turner does not explain how we could get it in this book.

Having said all this, this book does provide many insights into how this credit crisis developed and how it has unfolded. In particular, the chapter on the impact of the credit bubble and burst on emerging economies is revealing. He also very clear and correct in his condemnation of the spurious arguments of Ben Bernanke, the head of the US Federal central bank that the crisis was caused by 'excessive saving' by mercantilist Asian economies and not by excessive spending in the West on housing financed by a credit bubble. And there are many interesting points about why and how Japan got into permanent depression in the 1990s.

But here lies another theoretical flaw in Turner's reasoning and thus in his prescriptions to solving the crisis. Graham Turner is clearly a Keynesian through and through. What does that mean? At the end of nearly every



John Maynard Keynes

chapter, he refers to John Maynard Keynes as providing the theoretical explanation for the mess and also providing the policy measures for the way out.

## Debt Deflation

Turner argues that the credit crunch led to debt deflation. By that he means that people, banks and corporations could not pay their debts and the value of debt therefore plummeted. This led to a vicious circle in which investors would no longer invest and preferred to hold their capital in cash. Thus money capital was trapped and credit became scarce and unavailable for investment.

Keynes called this the liquidity trap. Keynes argued that this was a cause of the Great Depression of the 1930s. What needed to be done was for central banks to cut interest rates to the bone. For Keynes, though, monetary policy could not be effective on its own in solving a crisis. So governments had to start spending and make tax cuts, and not worry about how to pay for it. This is called expansionary fiscal policy. Just print money until the economy came out of its slump.

Turner makes the same argument to solve the current crisis. The real risk is that central banks won't cut interest rates quick enough and governments



won't spend and borrow quickly enough. The reason that Japan stayed in depression was because the authorities sat on their hands for too long.

### Cutting Interest Rates

Turner's arguments are somewhat ironic. For it appears that capitalist governments are all Keynesians now (again). The US Federal Reserve under Ben Bernanke has released over \$2trn of funds to bail out the banks, refinance the money markets and even subsidise insurance and auto companies. And it has cut interest rates to 1% at a time when inflation is still at 5%. The Bank of England has (belatedly) launched a cycle of interest-rate cuts and the New Labour government is about to announce a massive package of spending and tax cuts to be paid for by borrowing.

After the Great Depression and the post-1945 recessions, all capitalist governments adopted Keynesian views, culminating in President Nixon's statement in 1970 that "we are all Keynesians now". But the crisis of the 1970s pushed capitalists to try and break the labour movement and restore profitability that had reached new lows by the end of the 1970s. This led capitalists to revert to monetarist economics. Government spending and low interest rates were out.

As the then UK prime minister James Callaghan told the Labour party conference in 1976, "you can't spend your way out of recession". And he then imposed a vicious round of

spending cuts that led to 'the winter of discontent' in 1978-9 and the eventual defeat of labour by Thatcher's Tories.

And yet spending our way out of recession is just what New Labour is proposing to do now and what even the US government is doing. Gordon Brown has dumped his long held belief that capitalism can grow 'endogenously' without slumps. Keynesianism is back with a vengeance. So Turner's answers to solving the crisis are about to be played out.

### Did it Work?

But will they work? Did Keynesianism work in the 1930s? It was not really adopted in the UK then, but in the US, the New Deal programme under President Roosevelt went some way to taking it up with low interest rates and public works programmes. What was the result? There was a little recovery in the US economy from the bottom of the slump in 1932 up to 1937. Then the economy entered a renewed slump that was only ended with the arms race spending that preceded the Second World War. It took a war economy to end the Great Depression, not low interest rates and government spending.

### Mass of Profit Falls

For Marxists, capitalism goes into economic slump because profitability drops so much that the mass of profit starts to fall. This leads to capitalists

stopping investment in real production. If credit is provided, investors use their money to invest in other assets that are not productive like property or speculating in shares. Thus this capital becomes fictitious. It will not stop the eventual slump but merely delay it.

Once enough capital value (of money, labour and plant) is destroyed and profitability is restored, those capitalists that are left will start to invest again and the 'liquidity trap' will come to an end. Just as huge dollops of credit will not stop a slump under capitalism, neither will huge dollops of credit revive capitalism, if profitability is not right.

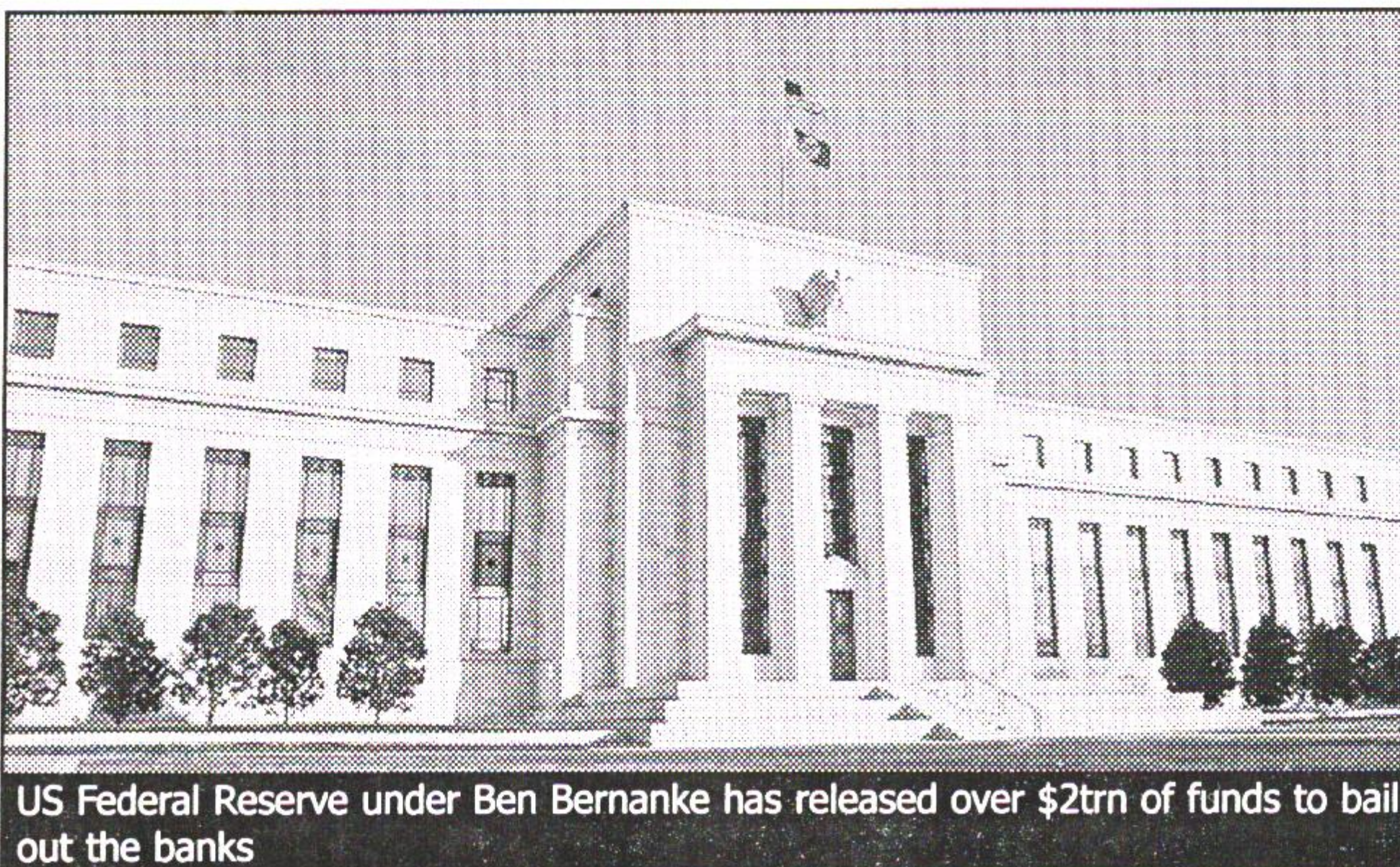
### Profit is the Petrol

The best analogy is this. Marxists say that the capitalist engine works on the petrol of profit. And because profit can dry up, the engine will stop. Keynesians say there is plenty of petrol; the problem is that there is not enough oil to lubricate the financial components of the engine. Keynes says that the oil gets trapped in the sump and does not lubricate the engine. The liquidity is trapped and needs to be pumped out. Then all will be well. But Marxists say that even if your oil sump is full and all the cylinders are fully lubricated, without the petrol of profit, nothing will start working. Capitalism works better if its pistons are lubricated, but putting too much oil in can clog it up. And the capitalist engine can work even if there is little or no oil in its pistons, but not without fuel.

### Slumps can't be avoided

Slumps cannot be avoided under capitalism, because they are necessary to restore profitability when it gets too low. The liquidity trap may be broken by Keynesian policies of low interest rates and public spending but it won't get capitalism going again. That only happens when profit (petrol) is restored.

Turner's Keynesian solutions will prove inadequate, as will his naive hope that all we need to do is "to even out the playing field, reduce corporate power or increase the strength of labour". □



US Federal Reserve under Ben Bernanke has released over \$2trn of funds to bail out the banks



## Potatoes, Freddie Mac and the strange case of the disappearing cash

by Terry McPartlan

IT'S DANGEROUS doing a review of 2008, before it's finished. Events have been moving so quickly that you can't write "the news" since, before the ink is dry on the page, some little detail like Iceland going bankrupt has cropped up. We live in interesting times, which explains why most people didn't twig that 2003 was "the International Year of the Potato" or even "European Year of Intercultural Dialogue," a celebration that was spectacularly ignored by the Russians and the Georgians.

The economic and financial crisis has dominated the whole year. Speculation and uncertainty in the US led to the price of oil hitting \$100 a barrel by January 2nd, followed shortly after by the first stock market crash of the year amid fears of a global recession caused by last year's crisis in the sub-prime mortgage market.

Thousands of people had queued outside Northern Rock to get their money out, the first run on a bank for 150 years. By February 18th the government had nationalised it "temporarily". February also saw another collapse on the US stock markets, this time of more than 3% as the Dow Jones Industrial Average fell 370 points.

September saw a massive acceleration in the global financial crisis with giant mortgage insurers Fannie Mae and Freddie Mac "placed into conservatorship" in one of the worst bits of "newspeak" since 1984. After all, they couldn't possibly have nationalised them could they? Days later Lehman Brothers filed for bankruptcy protection, the biggest case of its kind in US history. While the Federal Reserve bought 80% of AIG for the princely sum of \$85 billion, with the result that many Manchester United fans actually found out who AIG were! Then bank Washington Mutual went into receivership. Then, to cap it all, came the rejection of the Emergency Economic Stabilization Act by the U.S. House of Representatives. It finally limped onto



Extreme volatility and a distinct whiff of panic

the statute book on October 3rd, creating a \$700 billion dollar US treasury fund to buy up failed bank assets.

### Hot springs

They might have hot springs in Iceland but they don't have any money left following the collapse of three of its largest banks. Proof that no country, even a small relatively rich one like Iceland, can survive the financial tsunami, despite a 4 Billion Euro loan from Russia. The same crisis affected Hungary, which secured an international bail out worth \$25 Billion from the European Union, the World Bank and the IMF. Huge debt used to be a Latin American phenomenon - not now.

The extreme volatility continued in the Dow Jones Index, with massive 10% swings up and down throughout October, before it crashed to less than 8000 points. A distinct whiff of panic provoked images of the 1929 Wall Street crash and the big bankers clamoured for more cash.

Somewhere under the French bor-

der with Switzerland, the Large Hadron collider was switched on. Much to the surprise of a number of tabloid eitors there is no evidence of the world having been sucked into a black hole ... or is there? In October Gordon Brown and Alistair Darling attempted to help the British banks from succumbing to the laws of gravity - using our cash. Potentially £500 billion of it was sucked into the greedy balance sheets of the British banks.

Why the huge shift in policy? After all the right wing in the Labour party have always told us how unpopular nationalisation is. But the bourgeoisie will give up any seat on the capitalist gravy train to save their system - with the exception of the driving seat.

But most important for us is the effect that all this crisis and panic has on the working class. As we explained in July, "In a way the last period resembled the long drawn out period of hot sticky weather before a thunderstorm. It's obvious that there's going to be a change and the longer it is delayed the worse the storm is when it eventually breaks."



In essence the collapse of Northern Rock and the crisis in the world financial markets represented the political equivalent of the storm breaking.

Gordon bounced sure enough; into the path of an economic and political tidal wave. Calamity in the local council elections – The election of Tory buffoon Boris Johnson, as well as hundreds of new Tory councillors mysteriously brought back to life in previously safe Northern cities and town councils, was only aggravated by the Labour rout in the Crewe and Nantwich by-election and the menace of the BNP.

All this occurred against a background of the highest level of strikes in recent years and the threat of coordinated action across the public sector. The oil tanker drivers won a marvelous victory in their pay dispute in scenes redolent of the 1970s. But it's important to note that they were in a very strong position, given the huge hikes in the price of oil over the course of the year. The action in the public sector didn't spill over into generalised action, partly due to lack of coordination among the leaders, but also because of the contradictory moods among some sections of workers. We explained in July "*... many members don't see pay as the biggest issue. In large sections of the health service and in local government the issue of cuts, privatisation and the crisis in NHS funding means that people are frightened for their jobs. In that situation pay isn't very high up the agenda. But it's two sides of the same coin. Pay restraint, cuts and redundancies are all part of the same package ... A lot of workers had bigger fish to fry.*"

## Public Sector

No one in the public sector was cheering at the prospect of a 2.5 per cent pay rise, or less. The overwhelming issue seems to have been "can we win in the current climate"? The bosses have no option but to make us pay for the crisis, but inevitably there will be a reaction from the working class. The demand for unified action needs to be made more concrete, for example in the form of a 24 hour public sector general strike.

Labour sank to its lowest ebb. The Blairites began to re emerge with David Miliband as the torch bearer,

although the likelihood of a formal leadership challenge was very slim. There are after all no records of a mutiny on the Titanic.

Then suddenly Gordon appears as the great saviour, the best thing since sliced bread. But this is the beginning of the crisis and Gordon's ideas are intimately tied to the interests of big business, so he dances to the rhythm of world capitalism. Trotsky once pointed out that the bourgeoisie were "tobogganing to disaster with their eyes closed" and, under the present set of world economic conditions, 2009 could be a decidedly slippery path.

## Barack Obama

Barack Obama's victory created huge expectations among the most down trodden and marginalised sections of US society, but how will he deal with the crisis of capitalism? Sooner or later the working class will be obliged to pay the bill. Not even American capitalism can withstand the current situation. The latest news on the American bank bailout is that it could increase from \$700 Billion to \$1,500 Billion.

Politically the effects of the crisis have yet to fully play themselves out. However, the ongoing turmoil in the world economy only exacerbates the problems of the masses in the ex-colonial countries. Indeed in March and April food and fuel price rises detonated riots and unrest throughout the world.



Russia: flexed muscles

## Russia and the US

Relations hardened between the US and Russia, on the one hand the Americans insisted on trying to site weapons in Eastern Europe, while Russia flexed its muscles by invading Georgia in response to Georgian attempts to retain control over Abkhazia and South Ossetia. The European response was contradictory and confused, due perhaps to their heavy reliance on Russian oil and gas and, in the case of the Swedes in particular, their strong trading links with Russian capitalism.

2008 was marked by huge instability and huge shifts and changes in the policy of the bourgeoisie and national governments, all over the world. Who could have thought 18 months ago that the crisis that was brewing in America would have such profound consequences? Who could have predicted wholesale nationalisation of the balance sheets of some of the biggest banks in the world?

## Who could have predicted...

Well actually..... we did. The Marxists have argued for many years that the contradictions building up in the world economy were creating enormous instability and building towards a slump. World trade could no longer play the role of developing society to the same extent as it did in the past, the interpenetration of nation states by the world market and the development of a world economy meant that the institutions that underpinned the capitalist system were much less able to exert control over their national economies. The extension of credit and the housing boom meant that inevitably a whole series of economies were over stretched. Far from being the end of history as the bourgeois theorists had imagined this is a period of massive flux and changes in international relations, of wars, revolutions and counter revolutions. The world has entered perhaps the most disturbed period in the whole of human history. The history of 2008 demonstrates that clearly, but it also demonstrates the enormous potential that exists to rationally plan and develop society along socialist lines. We have a world to win. □



# Make the bosses pay!

THE INTERNATIONAL Marxist Tendency is the worldwide political current which 'Socialist Appeal' supports. Their programme for the crisis is an important beacon for workers all over the world.

Its method is based unapologetically on Trotsky's 'Transitional Programme' of 1938. Trotsky explained his programme of transitional demands as follows, "The strategic task of the next period - prerevolutionary period of agitation, propaganda and organization - consists in overcoming the contradiction between the maturity of the objective revolutionary conditions and the immaturity of the proletariat and its vanguard (the confusion and disappointment of the older generation, the inexperience of the younger generation). It is necessary to help the masses in the process of the daily struggle to find the bridge between present demands and the socialist program of the revolution. This bridge should include a system of transitional demands, stemming from today's conditions and from today's consciousness of wide layers of the working class and unalterably leading to one final conclusion: the conquest of power by the proletariat." These are the tasks posed before revolutionaries today.

## Transitional demands

Trotsky went on, "Classical Social Democracy, functioning in an epoch of progressive capitalism, divided its program into two parts independent of each other: the minimum program which limited itself to reforms within the framework of bourgeois society, and the maximum program which promised substitution of socialism for capitalism in the indefinite future. Between the minimum and the maximum program no bridge existed. And indeed Social Democracy has no need of such a bridge, since the word socialism is used only for holiday speechifying. The Communist International has set out to follow the path of Social Democracy in an epoch of decaying capitalism: when, in gen-

eral, there can be no discussion of systematic social reforms and the raising of the masses' living standards; when every serious demand of the proletariat and even every serious demand of the petty bourgeoisie inevitably reaches beyond the limits of capitalist property relations and of the bourgeois state...

"The Fourth International does not discard the program of the old "minimal" demands to the degree to which these have preserved at least part of their vital forcefulness. Indefatigably, it defends the democratic rights and social conquests of the workers. But it carries on this day-to-day work within the framework of the correct actual, that is, revolutionary perspective. Insofar as the old, partial, "minimal" demands of the masses clash with the destructive and degrading tendencies of decadent capitalism - and this occurs at each step - the Fourth International advances a system of transitional demands, the essence of which is contained in the fact that ever more openly and decisively they will be directed against the very bases of the bourgeois regime. The old "minimal program" is superseded by the transitional program, the task of which lies in systematic mobilization of the masses for the proletarian revolution."

## Here are extracts from the IMT programme arguing:

The capitalist class believes in the so-called survival of the fittest. However, by this is meant survival, not of the fittest and most intelligent people but only of the rich, however unfit, stupid, ugly or diseased, and no matter how many perfectly fit and intelligent people die in the process. The idea is systematically cultivated that my personal advancement must be at the expense of everyone else, that my personal greed must be satisfied through the loss of others, and that in order to advance, it is necessary to trample others underfoot. This kind of vicious bourgeois individualism is the psychological and moral basis for many

of the ills that currently affect society, gnawing at its entrails and dragging it down to the level of primitive barbarism. It is the morality of dog eats dog, the concept of "each man for himself and let the devil take the hindmost".

This miserable caricature of natural selection is a slander on the memory of Charles Darwin. As a matter of fact, it was not competition but co-operation that was the key to the survival and development of the human race from its earliest origins. Our early ancestors on the savannah of East Africa (for we are all descended from African immigrants) were small and weak creatures. They lacked strong claws and teeth. They could not run as fast as the animals they wanted to eat or the predators that wanted to eat them. According to the "survival of the fittest" our species should have been extinct approximately three million years ago. The main evolutionary advantage our ancestors possessed was co-operation and social production. Individualism under these conditions would have spelt death.

## Changing consciousness

One has to ask the advocates of the theory of the so-called survival of the fittest a simple question: why is it that the banks, which have been shown to be completely unfit for survival, are not allowed to die but must at all costs be saved by the generosity of that very society that was supposed not to exist? In order to save the weak and unfit banks, run by stupid and inefficient bankers, the fit, intelligent and hardworking majority is supposed to sacrifice itself gladly. But society is by no means convinced that to serve this worthy cause, it must do without such superfluities as schools and hospitals and accept a regime of austerity for the foreseeable future.

The economic shocks that are daily reported in the newspapers and on television screens tell a story the meaning of which is clear to all: the existing system is not working. To use an



American expression: it is not delivering the goods. There is no money for health care, schools or pensions, but for Wall Street there is all the money in the world. In the words of America's greatest living writer, Gore Vidal, what we have is socialism for the rich and free market economics for the poor...

These facts will have a powerful effect on consciousness. It is an elementary proposition of Marxism that human consciousness is profoundly conservative. People generally do not like change. Habit, tradition and routine play a very important role in shaping the outlook of the masses, who normally resist the idea of major alterations in their lives and customs. But when great events shake society to its foundations, people are compelled to reconsider their old ideas, beliefs and prejudices.

We have now entered just such a period. The long period of relative prosperity that has lasted two decades or more in the advanced capitalist countries left its mark apart from a relatively mild recession in 2001. Despite all the manifest injustices of capitalism, despite the long hours of work, the

intensification of exploitation, the gross inequality, the obscene luxury of the wealthy shamelessly paraded alongside the growing numbers of the poor and marginalized - despite all this, most people believed that the market economy worked and that it could even work to their benefit. This was particularly true in the United States. But for a growing number of people it is true no longer...

### Defend living standards!

The workers must defend their living standards, if they cannot increase or better it. Unemployment threatens society with disintegration. The working class cannot permit the development of mass chronic unemployment. The right to work is a fundamental right. What sort of society condemns millions of able-bodied men and women to a life of enforced inactivity, when their labour and skills are required to satisfy the needs of the population? Do we not need more schools and hospitals? Do we not need good roads and houses? Are the infrastructure and transport systems not in

need of repair and improvement?...

We demand:

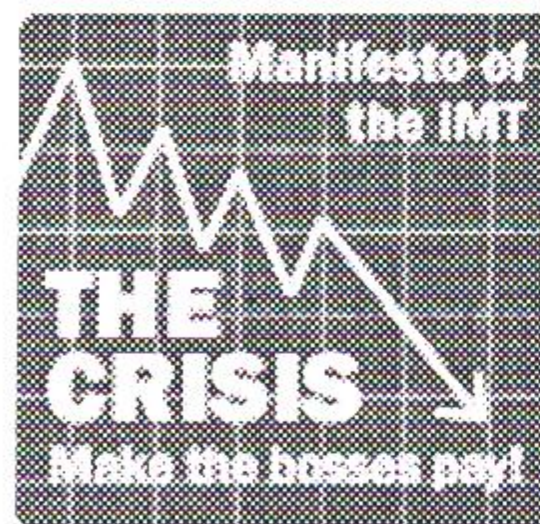
1. No to unemployment! Work or full maintenance for all!
2. Down with business secrets! Open the books! Let the workers have access to information about all the swindles, speculation, tax dodges, shady deals and excessive profits and bonuses. Let the people see how they have been swindled and who is responsible for the present mess!
3. No to factory closures! A factory that closes is a factory occupied!
4. Nationalization under workers' control and management of factories that threaten to close!
5. For a wide-ranging programme of public works: for a crash building programme of affordable social housing, schools, hospitals and roads to give employment to the jobless.
6. For the immediate introduction of a 32-hour week without loss of pay!
7. For a socialist planned economy, in which unemployment will be abolished and society will inscribe on its banner: THE UNIVERSAL RIGHT TO WORK. □

# IMT

# manifesto

THE CRISIS capitalism has entered globally is having a deep impact on the real living conditions of billions of workers all over the world. With this comes a growing consciousness among ordinary working people and youth that something is seriously wrong with this system, that this cannot be the way human beings have to live. Workers are looking for an explanation and proposals of how to get out of this mess

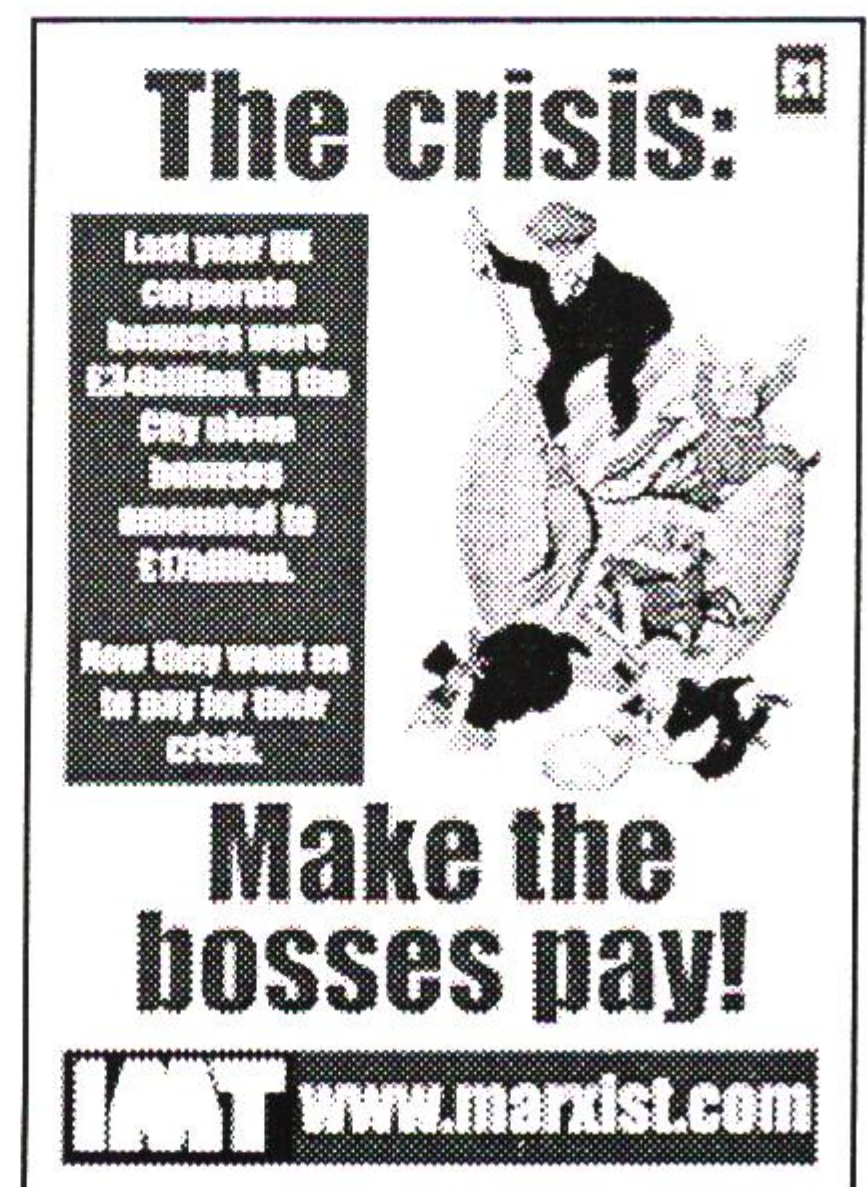
This Manifesto, produced by Marxists internationally, outlines the causes of the present economic crisis and puts forward a programme of action for the international labour movement. A programme to combat unemployment and defend living standards, but also specific demands to defend the organisations of the working class and the youth as they come under attack from the bosses in a moment of crisis. □



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## Balance sheet for socialists

By John Peterson

THE U.S. has elected a new president. On January 20, 2009, Barack Hussein Obama will be sworn in as the 44th President of the United States. Along with the dramatic turn in the economic situation, this marks a definite turning point in the history of the country and of the world. On the streets across the U.S., you can feel a collective sigh of relief. These scenes have been repeated around the world, as frustration against Bush's policies is unleashed. The world has not been a very pleasant place for the last 8 years.

Obama says he offers "a new kind of politics." This inspired record turnouts in many states and five-hour lines at some polling stations. A spirit of hope and history filled the air throughout the day. It is indeed a historic event. For the first time, an African-American has been elected president of the most powerful nation on the planet.

Exit polls taken during election night offer a snapshot of the current mood in America: 37 percent change said "change" was the number one issue on their minds. 79 percent think the country is going in the wrong direction.

### Class Interests

For Marxists what matters are the class interests a candidate represents. He is Big Businesses' choice to get them through the tough times ahead. Nonetheless, within the confines of the current U.S. electoral setup, his decisive victory represents a significant and healthy shift to the left.

On all fundamentals, Obama represents the same interests as Bush and McCain. The only real difference is his greater charm, eloquence and intellect. Obama was above all elected on the basis of what people want to see in him, not what he really represents. "Hope" and "change" are powerful words in these times of turmoil and uncertainty. But sooner rather than later, Obama's true colors will be revealed. He may be riding high for

the moment, and millions of people are elated, but we can predict that in the not-too-distant future, increasing numbers of his supporters will begin to feel confused and betrayed, bitterly disappointed, and then angry. They will be looking for answers and a way out of the crisis that still confronts them, and will be increasingly open to the ideas of revolutionary Marxism and socialism.

### Economic turmoil

The most important issue on American voters' minds is the economy. No wonder. The instability on the stock market is having a very real and very immediate effect on the real economy and on the lives of working people, who will be the ones who suffer for the crisis of the system. It's always the same: during the boom times, the rich benefit, and during the hard times, working people and the poor have to foot the bill and tighten their belts even further.

### Housing Market

The housing market has collapsed, trillions of dollars have been wiped off the stock market, and the official unemployment rate - kept artificially low by changes in the way data is reported - is now 6.1 percent, the highest it has been since just after September 11, 2001. Unemployment is likely to be near 8 or 8.5 percent by the end of next year. That would be the highest unemployment rate since the recession of the early 1980s. It means we're in a recession, it's as simple as that ... a pretty solid manufacturing recession. The question is, "How long or deep is it going to be?"

And then, after being told for years that there's no money for our schools, for health care, for jobs, or to rebuild the Gulf Coast and the country's infrastructure, within days the government jumped to bail out the very same gamblers who sparked the crisis in the first place.

The government - both Democrats

including Obama and Republicans including McCain - have now approved a \$700 billion unspecified bail out. In other words, the money has been approved to be spent, but no one knows just how it is to be spent. So while the bankers on Wall Street continue the make millions in bonuses, and while billions are spent each week on the wars in Iraq and Afghanistan, millions upon millions of workers are losing their homes, jobs, retirement, and hopes for the future.

In many ways, the current crisis is already worse than the Great Crash of 1929. We must remember that the Great Depression itself didn't really kick in until two or three years after the Wall Street crash. So while the markets may go up on this or that day, the current crisis is far from over. We can't say in advance how deep it will be or how long it will last, but the indications are that it could be very bad indeed.

And the most worrying aspect for American workers is that we have just lived through the best capitalism has to offer. That was the boom! That was the "good times"! And even then, the gap between rich and poor has continued to widen in the richest country on earth. No wonder Americans are desperately hoping for change!

### Most expensive campaign ever

Early on, Obama had committed to public financing for his campaign. But as it became apparent that he might actually have a serious chance at being the Democrats' nominee, he changed course and set his eyes on the millions to be had in private contributions. For the first time ever in U.S. history, the candidates for president raised more than \$1 billion. Obama raised an estimated total of \$640 million - \$150 million in September alone. John McCain raised "only" \$360 million. This is a marked reversal in fortunes from the last two presidential elections, when the Republicans raised far more than the Democrats. Corporate America is not stupid. They



know which side of their bread to butter.

And if you want to know whose interests Obama will serve during his presidency, you need only follow the money. Let's just say that the hundreds of thousands of small donors won't be receiving invitations to White House banquets.

## Obama the socialist?

Obama has made eloquent speeches that promise little but inspire a lot. He has had to attack greed on Wall Street (at least in words), criticize Bush's handling of the Iraq War, and rail against the "status quo" in Washington.

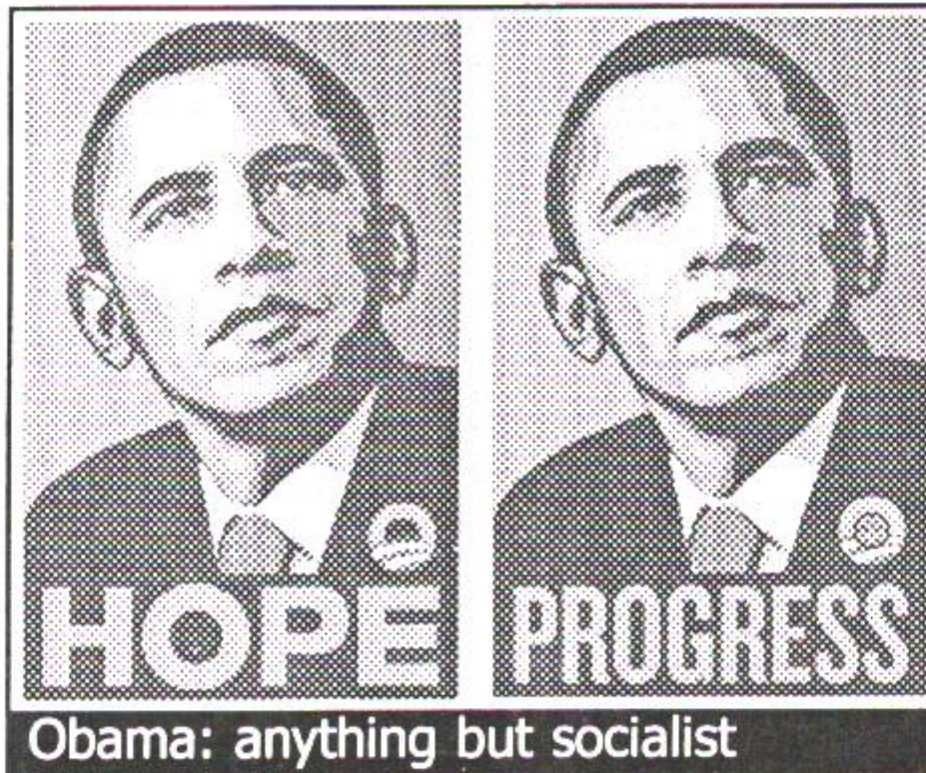
It is therefore revealing that in the context of the growing economic crisis, the word "socialism" has once again entered the mainstream. Even more significant is that McCain's red baiting didn't damage Obama in the slightest.

Obama has made it clear that he is anything but a socialist. His health care, education and economic plans have nothing to do with genuine socialism. Throughout his campaign he has consistently appealed to the ubiquitous "middle class," rarely mentioning workers, and virtually ignoring the poor.

The only "socialism" Obama supports is "Wall Street Socialism." Despite his promise to raise taxes on the richest 5 percent of Americans, the \$700 billion bailout is a case of "socialism in reverse," a massive handout to the rich, which will have to be paid for by the working class either in higher taxes later on, or through even further cuts in our quality of life. But the fact remains: Americans are at the very least increasingly open to the idea of genuine socialism. This has important implications for the future.

## The results

Along with Obama's decisive victory, this all indicates that while the country is increasingly polarized in both directions, there is a definite, albeit modest shift to the left. This highlights the potential for a mass party of labor if the unions would break with the Democrats. Just imagine if the \$300 million spent by the labor movement on electing Obama



had instead been spent on building a labor party and fielding candidates fighting in the interests of the working class?

And we can now safely predict that by the end of Obama's first term, the illusion that he represents something truly different will have been shattered. Millions of Americans will be increasingly open to the idea that it is necessary to break with the Democrats and build a party that truly represents the working class: a mass party of labor.

## President Obama

So what kind of presidency can we expect under Obama? He may have said a lot of inspiring and promising things on the campaign trail, but if you read between the lines, it is clear he has been careful to commit to very little. In fact, even before being elected, he was already backing off from many of his promises, in order to dampen soaring expectations.

In his acceptance speech, Obama asked us to set aside our differences, work harder, rely on ourselves, not expect too much from the government, and all be friends. At root, it is much the same message Bush gave the nation after September 11, when he too appealed for national unity. The idea of "national unity" sounds nice on the surface, and appeals to millions of people tired of war, racism, sexism, homophobia and division. But under capitalism, "national unity" means subordinating the interests of the working class majority to the interests of a handful of capitalists. We may all be "Americans," but we are not all truly "equal." American society is divided into classes, and these classes have opposed and irreconcilable differences. One class exploits and lives off the

labor of the other. One class concentrates the vast majority of wealth in its hands while millions of others barely scrape by. One class dominates the country's politics and controls its government. One class makes and enforces all the laws in order to defend its interests.

While skilfully avoiding any real commitment on Iraq, Obama has successfully pulled off another "bait and switch" trick to get anti-war voters to vote for a pro-war candidate. In fact, he has said explicitly that any troops withdrawn from Iraq should instead be sent to Afghanistan! However, U.S. imperialism's adventure in Iraq is doomed and its combat troops will eventually have to be pulled out.

## Obama's foreign policy

Nonetheless, the Pentagon and the mega-contractors will do everything in their power to keep the massive bases they have built in Iraq. By pulling the troops back to these bases, Obama could give the appearance of de-escalating the war while continuing to project U.S. imperialism's force throughout the Middle East.

He has also postured aggressively in relation to Iran, does not rule out invading Pakistan, and called Venezuela's democratically-elected President Hugo Chavez a dictator. It is unlikely, to say the least, that he will disband the U.S. 4th fleet, which was reactivated just this year to "patrol" Latin America and the Caribbean. He has also promised to close the prison camp at Guantanamo, and may well do so. The symbolism of such a move would be important for his image, but he would more than likely simply move the prisoners held there elsewhere.

## A New 'New Deal'?

Franklin Delano Roosevelt was not elected on a New Deal platform. He was forced to implement these social and public works policies in a last ditch effort to save U.S. capitalism from the danger of socialist revolution. But we should remember that back in the 1930s, the U.S. was a major creditor nation with massive reserves of gold. In addition, the recession had already been going for nearly four years when FDR first came to power. Obama has



# US elections

inherited an entirely different domestic and international situation. The U.S. is now the world's greatest debtor nation and the economic recession is just beginning. Even if Obama is forced at a certain stage to implement similar policies (again, as the result of mass pressure from below and the threat of revolution), it could only be by further increasing deficit spending, which would only lead to even more complications in the future. There is no easy way out for U.S. capitalism and imperialism. Anything they do to try and restore economic stability can only increase social and political instability, and vice versa.

## Room for Manoeuvre

So at root, very little will change, and Obama's room for manoeuvre will be limited. Having missed out on the boom, American workers will now be asked to "share the pain" in the interest of "national unity." But workers and the poor will share a lot more of the pain than the rich, as the Wall Street bailout already shows. We say: make the rich pay! Why should working people have to pay for the bosses' crisis?

Let's put it clearly: Will Obama repeal Taft-Hartley and other anti-labor legislation? Will he implement a national living wage? Will he abolish the HMOs and provide free, universal health care? Will he cut the military budget and invest much needed billions in education, housing and infrastructure? Will he nationalize the energy, auto and airline industries, all crucial for the functioning of the country, to be run under democratic workers' control? Will he stop the raids and deportations and grant amnesty to immigrant workers and their families? Will he launch a mass program of public works to create millions of union jobs, provide housing for all, modernize and expand public transportation and rebuild our crumbling infrastructure? Don't hold your breath.

## Capitalism is in crisis: socialism is the solution!

The question on many people's minds is the following: Was Marx right? Despite the decades of prejudices that have been built up against the ideas of Marxism and socialism,

people are increasingly open to these ideas, since they can see in practice that capitalism isn't working. Remember, after the collapse of the Soviet Union, we were promised a "Pax Americana" of peace, full employment and a tomorrow brighter than today. What have we gotten instead? War, terrorism, cuts in social programs, millions of jobs lost and more spending on the military than ever.

For decades, we have been brainwashed. We've been told that the free market reigns supreme, that socialism and Marxism don't work, that capitalism is the best possible system, that there is no alternative. And if a lie repeated often enough, people tend to believe it. But nonetheless, these ideas persist and continue to spark people's imagination.

Many people say that Americans are too conservative for a socialist revolution to take place here. In fact, it is precisely because people are conservative that there will be a revolutionary movement right here in the belly of the beast. People want stability: they want a steady job with decent benefits, they want quality health care and education, a safe place to live and time to spend with their families and loved ones. But capitalism can no longer provide even these basics to humanity.

We live in an epoch of sharp and sudden changes, a period of massive shifts in consciousness on the basis of earth shaking events. This is not normally the case. Normally, years and even decades can go by and it seems as though nothing changes. But these are not normal times. But the fact is, absolutely nothing is static - everything changes. Absolutely everything is in a constant state of movement and change. From volcanoes and earthquakes to relations between nations and human consciousness.

## Euphoria

Many are euphoric about Obama's victory, and there will be a certain honeymoon. But sooner rather than later, the elation will wear off and the cold reality will set in: nothing fundamental has changed. We are still living under capitalism, with everything that entails: unemployment, home foreclosures, rising prices, racism, millions of second-class citizens and workers, low



**Working class: election losers**

wages, deteriorating conditions, rotting infrastructure, and so on.

There are already symptoms of the simmering discontent exploding to the surface, for example, the mass mobilizations of immigrant workers, the growing mood of discontent among many rank and file trade unionists, or the spontaneous demonstrations against the bail out on Wall Street. This is just the beginning of the beginning of things to come.

We predicted long in advance that the real loser in these elections would be the working class. Nonetheless, at the moment, millions of workers and young people feel like the winners. We understand the tremendous hopes so many people have invested in Obama. The last few years have been hard. But we stand by our position. We've said it before, and we say it again: As long as the two capitalist parties continue to dominate U.S. politics, the working class will never see its interests represented in Washington. This is why the unions must break with the Democrats and build a mass party of labor. The potential for such a party is enormous. Such a party would not remain a third party for long. We want it to become the first party; let the Democrats and Republicans fight for third place, or complete their fusion into a single party.

The 2008 Presidential elections are indeed historic. They mark a new stage in the changing consciousness of the U.S. working class. Many people have already broken with the two party system and can see through Obama's sweet-sounding words. But most workers and young people will have to learn the hard way, through their own experience. Life teaches. Welcome to the "school of the Democrats." ■



# Millions threatened with eviction

By Jorge Martin

"PERHAPS NO part of our job is as difficult as the work done by our eviction units. On any given day, our deputies could be asked to throw a family out of their home, with all of their possessions left on a kerb sometimes pilfered through by those living nearby", says Cook County Sheriff Tom Dart. "Where mortgage firms see pieces of paper, my deputies see people," he adds.

And he goes on to explain his reasons: "No matter how difficult they are, evictions are part of our job. What isn't part of our job, however, is to carry out work on behalf of the multi-billion-dollar banks and mortgage industries. Too many times, our deputies arrive at a home to carry out a mortgage foreclosure eviction, only to find a tenant dutifully paying their rent each month who is unaware their landlord stopped using that rent money to pay the mortgage. They had no fair warning that they were about to be thrown out of their home. That's because, in many cases, the banks have done nothing to determine, in advance, who's living in the building even though it's required by state law. Instead, those banks expect taxpayers to pay for that investigative work for them.

That stops today. We won't be doing the banks' work for them anymore. We won't surprise tenants with an eviction order intended for their landlord."

This year alone, nearly three-quarters of a million people in the US have been evicted from their homes already. In September alone, more than 107,500 were evicted, according to ForeclosureS.com's U.S. Foreclosures Index. The figures show a sharp rise in the number of home-owners affected. "Foreclosures are up 6.6% from August to September, 25.8% from the second quarter to the third quarter, and 82.6% year-to-date compared with the same time a year ago. Foreclosures remain on track to surpass 1 million by year-end" according to a MarketWatch analysis of the figures. The same report shows that the number of pre-foreclosures which include notices of default and/or foreclosure auction prior to actual foreclosure should end up a record 2 million. This means that a total of 3 million US families will be either evicted or threatened with eviction by the end of this year.

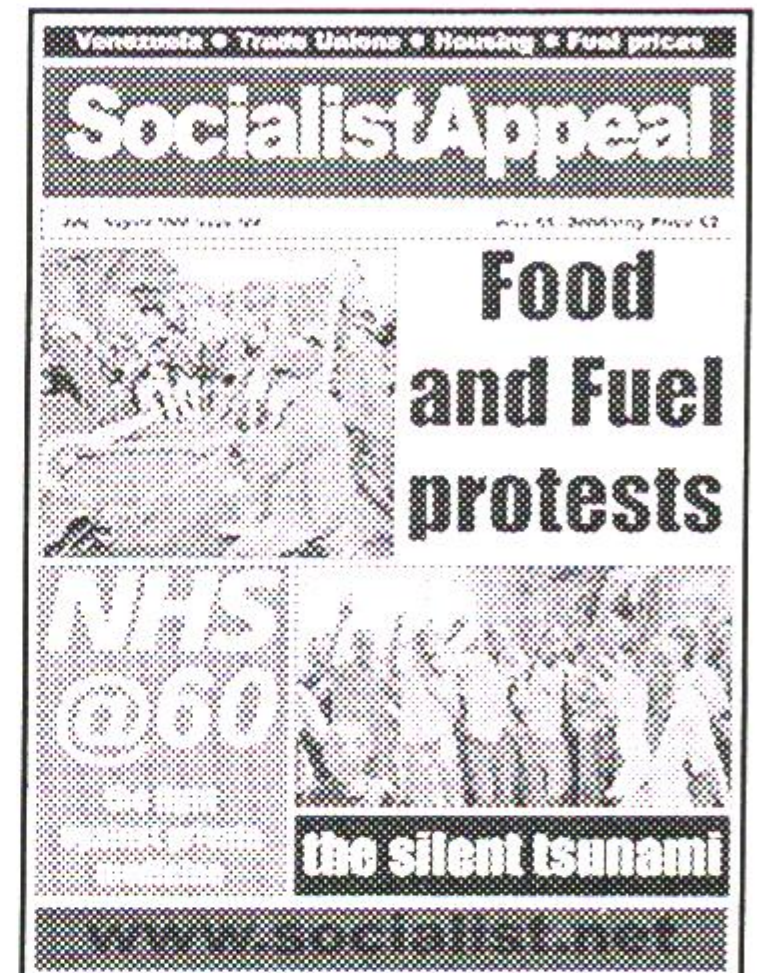
This is the basis for the development of a deep and long lasting mood of questioning of the validity of the capitalist system itself. And this is only the beginning. □

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## Elections assessed

By Patrick Larsen in Venezuela

JUST PAST midnight on November 24, the Venezuelan CNE, National Electoral Commission, announced the first results of the elections for local mayors and state governors. From these figures it emerges that the forces of the revolution lost the elections in some important states. However, it is important to note, that 5.6 million people voted for the PSUV. This is an increase of more than one million votes on the December 2007 constitutional referendum result. On the other hand, only around 4 million voted for the opposition candidates. This means that the right-wing opposition actually lost more than 300,000 votes. This reveals the real balance of forces.

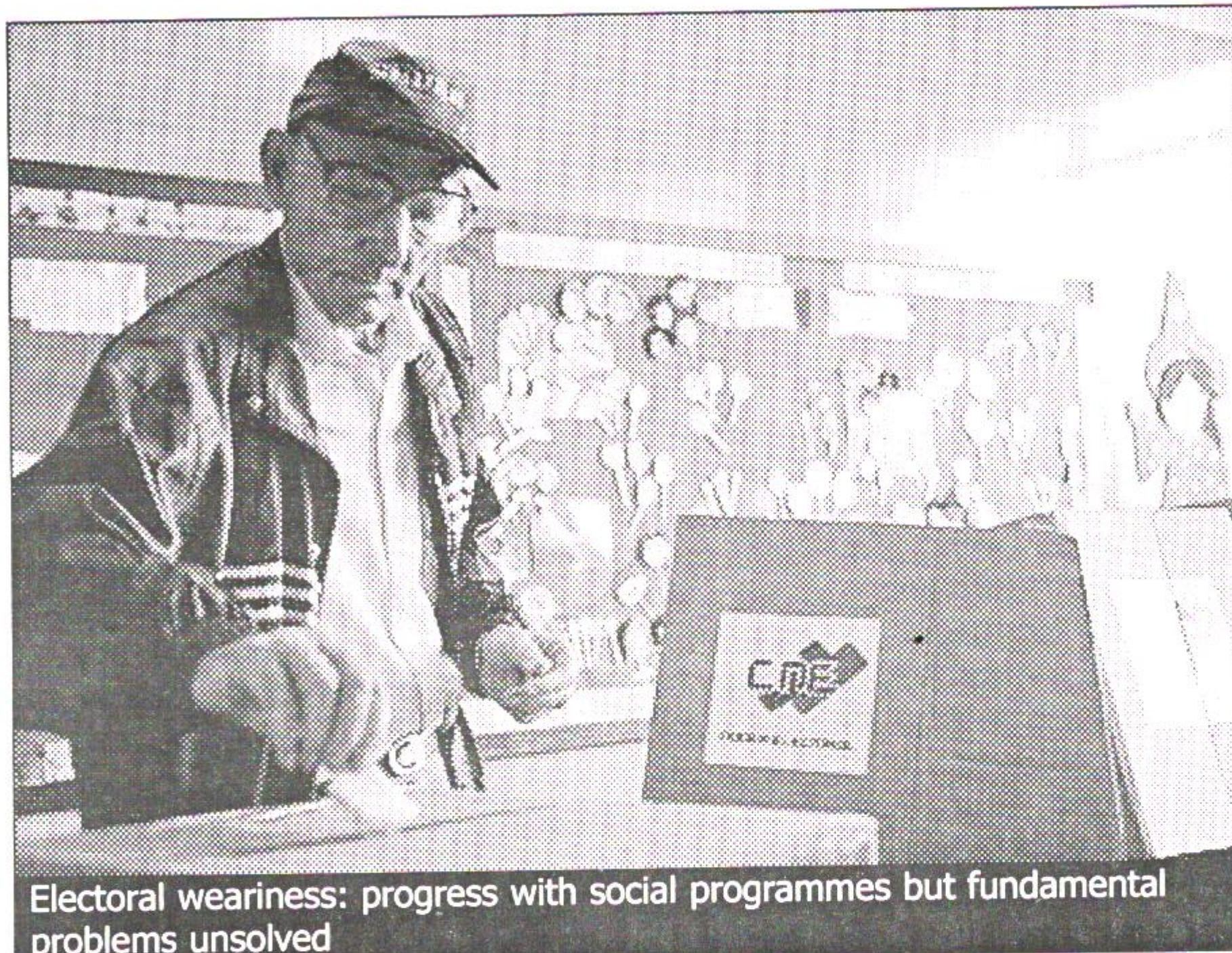
### Balance of forces

While the PSUV (United Socialist Party of Venezuela) won in 17 states, the opposition won in 5 (one state was not electing its governor in these elections). In the previous local and regional elections (in 2004), the opposition only managed to win two governorships. While the final results for two more governorships have not yet been announced, the preliminary count gives the opposition a majority there.

Although it should be emphasized that the PSUV won back three states from those governors who split away from the Bolivarian movement and betrayed the revolution, this cannot make up for the loss of important states. Especially the loss of the crucially important *Alcaldia Mayor* of Caracas is an important setback and the opposition will use it as a base for building its support.

### Importance of Elections

These were by no means "normal" elections. Everybody understood that they would have a decisive impact on the future of the revolution as a whole. From the outset the international bourgeoisie understood this very well. As the Spanish right-wing daily paper ABC put it; "Chavez faces elections in which the 'future of the Bolivarian Revolution'



Electoral weariness: progress with social programmes but fundamental problems unsolved

is at stake." Other media tried to present a picture of chaos and uncertainty, distorting and exaggerating some of Chavez's previous statements. This is typical of the attitude of the bourgeois press whose sole intention is to discredit the Bolivarian government and prepare for its future downfall.

The threat of some kind of military coup is still present. In previous months various conspiracies were discovered by the Venezuelan authorities, involving both former and active high-ranking officers in the Armed Forces. During the Election Day itself 88 oppositionists were arrested for carrying arms illegally or disturbing by any means the electoral process.

In spite of this, there was a high turnout. Around 65% of the electorate voted, compared to only 45% in the 2004 local elections. Electoral centres were kept open for hours after the official closing time, as hundreds were still queuing up to cast their votes (something which the Opposition denounced as "undemocratic").

### Root Cause of Setback

The bureaucrats within the Bolivarian movement and within the PSUV will undoubtedly blame the masses for this new setback. They will say: "This shows the low level of con-

sciousness, the masses are not mature for Socialism yet. Therefore we have to wait and postpone the building of Socialism". There will be a strong campaign in favour of "moderation" and strong pressure will be put on Chavez to adopt this line. Such a campaign will be a repetition of the one that followed the defeat in the constitutional referendum in December 2007 - but on a far higher scale.

### Advanced Layers

However, there is another side to the situation. The conclusion that many of the more advanced layers drew in December 2007 was that it was precisely this policy (i.e. the policy of moderation) that had led to defeat. They began to rebel against what they saw as a fifth column within the ranks of the Bolivarian movement. This found its expression in the sharp contradictions at the PSUV national congress in February and also at the PSUV Youth Congress in September.

The loss of various states is in fact a continuation of the setback in the December 2007 constitutional reform referendum. The reasons are not very difficult to see. After 10 years of revolution and permanent mobilization, a section of the masses are growing weary of the lack of fundamental





**Masses will place responsibility for defeats with leadership and bureaucracy**

change in society. Although progress has been made in the social programmes, the misiones and the barrio adentro health care service, the fundamental problems (housing, jobs, prices) remain unsolved. At the present moment, due to the sabotage of the capitalists, there are food shortages in most of Venezuela, including such basic products as coffee, sugar and beans.

In Caracas food prices have skyrocketed, increasing by nearly 50% over the last year. So has the crime rate, reaching record levels in deaths per capita. The former mayor of the Alcaldía Caracas, Juan Barreto (who is a member of the PSUV), started out by carrying out expropriations of housing, but then retreated and thus proved unable to solve the housing problems of the poor urban masses.

Most of the candidates were right wingers. Many were corrupt. This clearly repelled many loyal supporters. The main reason for the defeat is to be found in the disastrous effects, not of radical policies, but of reformist policies. Reformism has proved incapable of solving the urgent problems of the masses. This is especially true now, when a drastic fall in the oil price will reduce the amount of money available for social programmes.

### Perspectives

This new electoral setback will undoubtedly be used by the right wing and the counter-revolutionaries in their

campaign to overthrow Chavez and put a halt to the revolution. They achieved what they wanted; advances in some strategic states. From here they will go on to spread their campaign of building mistrust towards the government and criticize it more openly and more radically. They will use the results to mobilize their supporters and encourage them to work actively for the overthrow of Chavez. They will get support from the international bourgeois media which has been hammering home the idea of a weakened and discredited Chavez.

The Opposition may now launch a campaign to collect signatures for a recall referendum (as they did in 2004), which is allowed for in the Venezuelan Constitution. But this time they will probably be even more confident in their own strength and will make use of both legal and illegal methods to try to achieve their aims.

### Setback

On the other hand, the masses will not remain passive. Frustration over a loss of several strategic positions will turn into anger. The masses will place the responsibility for this defeat on the bureaucracy and the unreliable and cowardly leaders that surround Chavez.

This setback will have huge consequences within the PSUV, the PSUV Youth and the trade union movement. These organizations will be shaken from top to bottom. Beginning with the

advanced layers in the vanguard, the masses will draw conclusions. They will see that the revolution is indeed in danger. They will move all their might to save the revolution - but this time the struggle will also be against the internal enemies of the revolution; the fifth column of bureaucrats infiltrated within the revolutionary movement.

### The Balance of Forces

The elections reveal a profound polarisation in Venezuelan society, yes. But this does not mean the end of the revolution. As the above-mentioned figures show, the immense majority still supports the revolution and the ideas of socialism, and are ready to move forward. Even on Election Day, wherever the Opposition tried to engineer riots, the people responded by taking to the streets and drove them out. This is the decisive point. In the final analysis, a revolution is not decided in parliament or in elections. A revolution is decided in the struggle between the classes, in the factories, in the universities and in the streets.

The situation is still very favourable for the revolution. Chavez has the support of the great majority of the population. He has an overwhelming majority in the National Assembly. Above all, the idea of socialism has caught the imagination of millions of workers, peasants, youth, women and the urban poor. In fact, all the conditions are ripe for launching an offensive that could abolish Capitalism and begin the building of Socialism.

The 5.6 million people who voted for the PSUV voted for Socialism. But after 10 years of revolution, it is not enough to talk of Socialism. Socialism must be implemented in action, if it is not to be a mere dream. The revolution needs to go onto the offensive!

Our slogans are:

**No concessions to the right wing!**

**Implement the will of the majority - implement Socialism!**

**Nationalize the lands, the factories and the banks!**

**Workers' control in all factories!**

**Arm the people!**

**Forward to the Socialist Revolution!**



# Iran/students

## Hundreds of thousands of Afghan workers banned



EARLIER THIS year the Iranian regime's authorities announced that thousands of Afghan workers who needed work permits to work in Iran, because they do not have passports, will not be allowed to work from the beginning of the Iranian month of Shahrivar (22 August 2008).

In early November Salehi Maram, the General Secretary of the Foreign Citizens' Employment [Office] of the Labour and Social Affairs Ministry, said that 310,000 Afghan workers, whose passports have expired, need to renew their passports at the Afghan embassy before they can get work permits. He added that if the Afghan workers cannot resolve their passport problems then it will be difficult for them to get work permits.

The authorities claim that Afghan workers had been given the opportunity to get their documents and identity papers in order during the first six months of the current Iranian year (20 March-21 September 2008). Now that this period has come to an end the regime is putting yet more pressure on Afghan workers.

In mid-October the regime published a list of areas that Afghans and Iraqis are barred from entering. This list, which was tagged on to a notice on registering children's names at schools, includes most border regions and all large towns

and cities except Tehran.

Yesterday (19 Nov) Mr Salehi Maram was ratcheting up the pressure on Afghan workers even more, saying that: "The presence of over two million illegal Afghan citizens in Iran's labour market is a crime." He also complained that: "The expulsion of illegal foreign labour power is not our responsibility and the Interior Ministry together and the police have to carry out this duty." The foreign (i.e., Afghan) workers' deportation programme was due to begin on 22 September.

A large number of Afghans are now in Iran because of the continuing lack of security and high unemployment in their own country.

Afghans already face systematic discrimination at every step in their dealings with the authorities and bosses. In victimising Afghans for the failures of the historically unbalanced and stunted economy, and the endemic corruption and mismanagement of the past thirty years, the current regime is continuing a long tradition of Iranian governments going back to the Shah and beyond.

It is the duty of the Iranian working class to defend its Afghan brothers and sisters, especially as the regime's shrinking oil revenue will make it search for more scapegoats to let it off the hook. □

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## Grants - another cut

by Ed Doveton (Kirklees NUT)

FOLLOWING THE government's £50 billion plus handout to the banks and city gents, they are now short of cash. We can all expect to be forced to pay for this through higher taxes and cuts in government services, with the money from the taxes used to fund the millionaires' bailout. For students going to university this has begun sooner than expected. This week government ministers are undertaking emergency discussions to see if they can cut government spending on grants to students from families earning less than £25,000 a year. Information indicates that they want to reduce this education spending by £100 million. This of course is nothing compared to the £50 billion to the rich bankers, but the government is clearly hoping to make saving across the board so that the odd £100 millions here or there will add up to fund their bailout

### Freeze on Student Numbers?

The government is now talking about a freeze on student numbers and a limit on cash to the universities. For some working class students from lower income families this will just mean no more grants available - either directly or organised by the backdoor with the government limiting places available at universities. These students will just have to suffer and do without their grants - maybe they can take a loan out from the banks instead! □

## Bosses in pain and misery

by Rob Sewell

SPARE A thought for the poor old bosses who are trying to make ends meet in these uncertain times. Some are very depressed about the capitalist system.

Take John Book, Managing director of Millards Cleaning Services. "We've been going since 1919, so we have seen several recessions and a depression. The current situation has the characteristics of a depression - not a recession - and my guess is that it will last for four years."

Then there is Brian Rice, Chairman of Dial-a-Cab. "The incessant talking down of the economy frightened people. I attended a dinner where Richard Lambert, the director-general of the CBI, gave a very downbeat talk on the status of the economy. By the end of it, my only dilemma was whether to cut my throat or jump out of the window."

(From FT Weekend, 25 October) □



# Migrant worker fights victimisation

## Socialist Appeal Industrial Reporters

ON 22ND September Boguslaw Modzonek was sacked from the six star Marriott/Grosvenor Hotel in Park Lane, allegedly because his papers were not in order. The regulations on papers are wilfully obscure, which suits the bosses fine. Boggy was really dismissed because he was an active trade unionist and was casting a bright light on some dark and dodgy management practices.

He campaigned on two sets of issues: the unhygienic and downright disgusting conditions in which food was prepared and the way the workers were treated. The underground kitchen is unventilated. Food is prepared right next to the washing up facilities and the machine for crushing and recycling glass. Since water drips from the roof, the pots that are being washed under the drips are not actually being disinfected. Workers are surrounded by open drains and pipes. The kitchen is crawling with vermin. Despite the fact that

most of our readers could not afford to eat there, food is recycled to save money. This means that uneaten meat is scraped from one diner's plate and served up to another unwary customer.

### Health and Safety

Workers are treated as badly as the diners. Boggy was campaigning for unsocial hours payment, for the right for waiters and other staff to benefit from the tips that people leave for them, and for overtime to be paid at overtime rates - which is the case elsewhere in the Hotel. For him it was a simple matter of respect. He is right.

Seeing that management were resisting these moderate demands, Boguslaw realised he needed the power of the union behind him. He joined the GMB Hotel and Catering Branch.

Boggy was sacked alongside other migrant workers. Unlike them, he was not re-employed via the Cover Start agency. This shows that this is a case of trade union victimisation. Boggy had originally been employed via the agency.

He impressed the management, who put him directly on their books. It is his very conscientiousness which has made him a threat to management who neglect both hygiene procedures and workers' rights and health and safety.

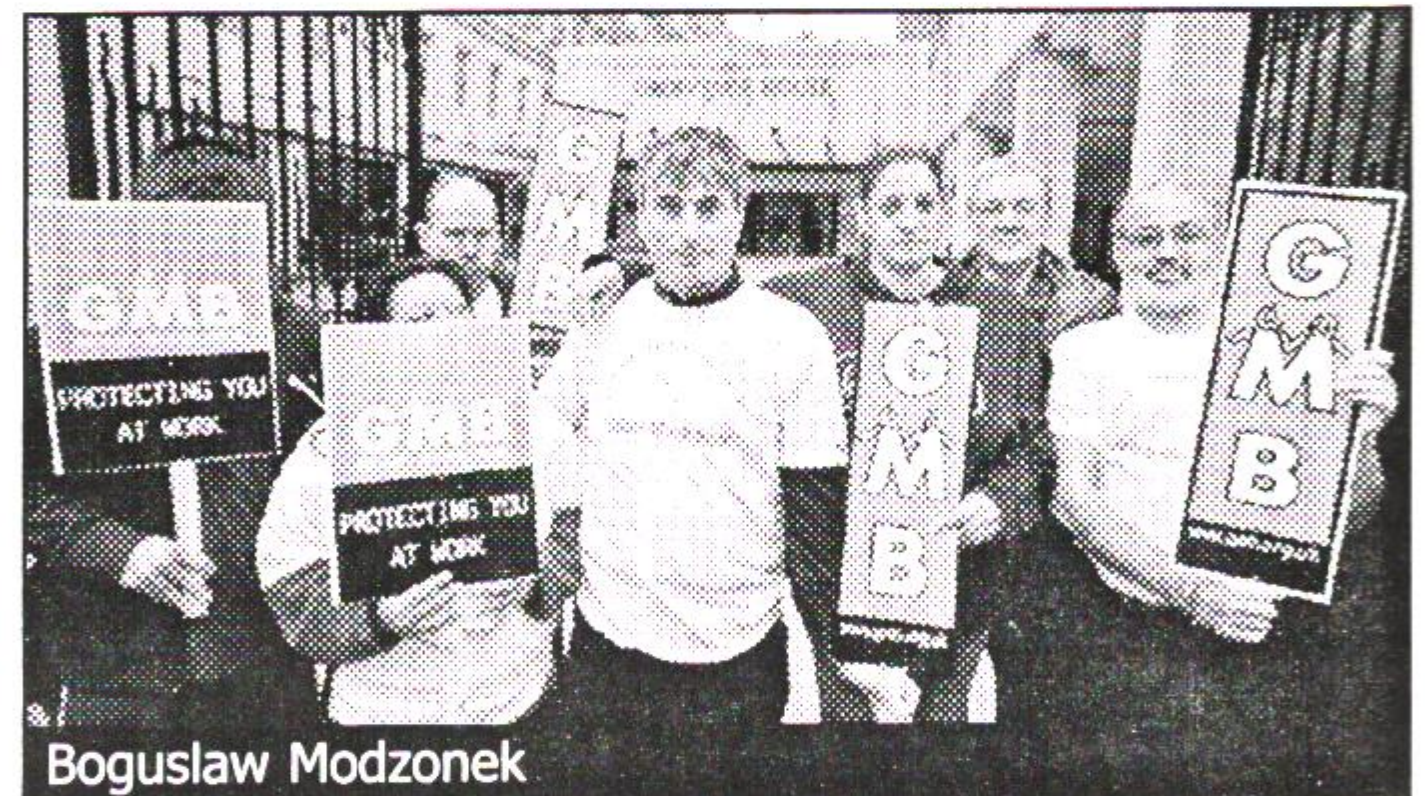
### Disciplinary

Boguslaw went through an internal disciplinary and appeals procedure. This proved to be a farce and he stayed sacked at the end of it. He is determined to fight on. The union is taking his case to an Employment Tribunal. We think he has an excellent case. If he wins, that will be a green light to all the disaffected migrant workers existing in appalling

conditions in the hotels and hospitality trade.

### Vermin

The way Boggy has been treated is all too typical of the way millions of migrant workers are being treated in this country in the twenty-first century. Employers take advantage of their unfamiliarity with the English language and with the doors that do remain open to them to pursue their grievances. Boguslaw has held his head up high in spite of all the problems. The British labour movement has a basic duty to workers like him to back them to the hilt and make sure they are not super-exploited. It is a simple matter of solidarity. □

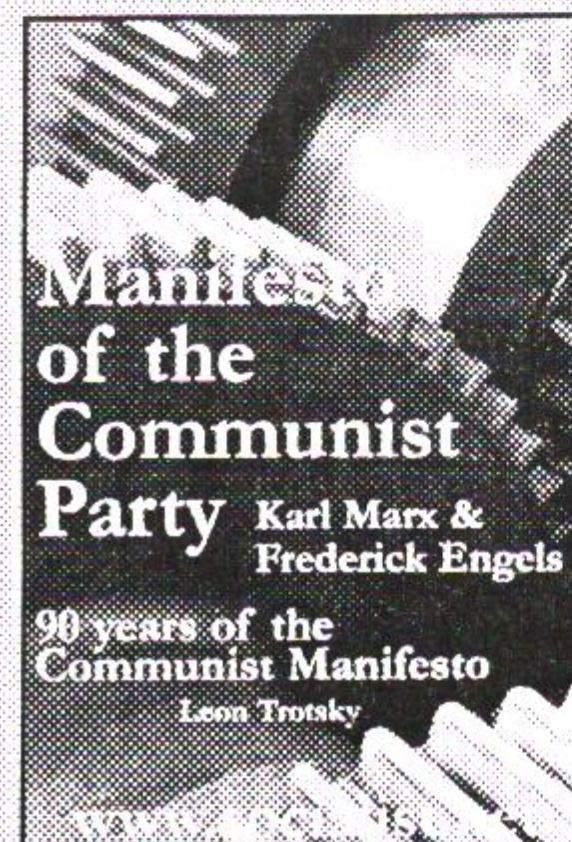


## Manifesto of the Communist Party

THE COMMUNIST Manifesto, written when Marx and Engels were still young men, is as fresh today as when it was first written in 1848, if anything it is probably more relevant now than when it was then. In the pages of the Manifesto it is possible to see the superiority of Marx's method very easily. Take a look at any book written by the bourgeois 150 years ago. Today it will be just a curiosity. But if you read the Manifesto, you will find an accurate description of the world, not as it was in 1848, but as it is now. Phenomena such as globalisation, the concentration of capital, the exploitation of labour under the guise of modern technology - all these things were not only predicted by Marx but explained scientifically.

This 2008 edition also includes an article by Leon Trotsky on the significance of the Manifesto, and an introduction by Alan Woods.

An essential purchase for all those wishing to understand not only why another world is possible but also how it can be achieved. □



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## PCS - threat of strike forces talks

by Rachel Heemsker, PCS  
personal capacity

AT THE very last minute on the 7th November the National Executive Committee of PCS decided to suspend the national strike due on the 10th. This difficult decision was taken after talks were offered from Sir Gus O'Donnell, head of the civil service. In a letter to general secretary Mark Serwotka he agreed that discussions should take place to address the concerns that form the basis of the national pay campaign.

The demands of PCS are:

- Consolidated basic pay increases at least equal to the retail price index
- Remove pay progression costs from budgets for increases
- National pay bargaining - Fewer pay bargaining units
- Funding to remedy equal pay problems
- No link between pay and performance appraisal
- An end to pressure for regional rates of pay

Importantly he also agreed that the period during which the PCS can legally take strike action would be extended by 28 days. This means that there will be no requirement to re-ballet the members if the talks fail and action is resumed.

### Strike Suspension

The decision to enter talks and suspend the strike must be seen as a victory to the hard work of reps and the commitment of members in preparing for the strike. The government would not be offering talks if the strike were not seen as being strongly supported by members from across the whole civil service. However, it remains to be seen whether enough progress will be made to form the basis of an acceptable settlement. The NEC must keep members fully informed of everything that is discussed during the talks and if there are no concrete offers PCS must immediately reinstate the strike. The talks do present a real opportunity to achieve a settlement over low pay and

lack of progression within pay scales for civil servants but if by the next NEC meeting on the 27th November no concrete offer has been made, with real figures for members to see, we must insist a new strike date is set.

### Ready to Strike

PCS members who were ready to take strike action in difficult times will be even more ready to show their anger and determination if they see that the government had only offered talks in a vain hope that they could stop 270,000 worker taking to the streets and demanding pay rises in line with the retail price index of 4.8%. □



## Solid Strike to Avert Redundancies at Fiddler's Ferry Power Station

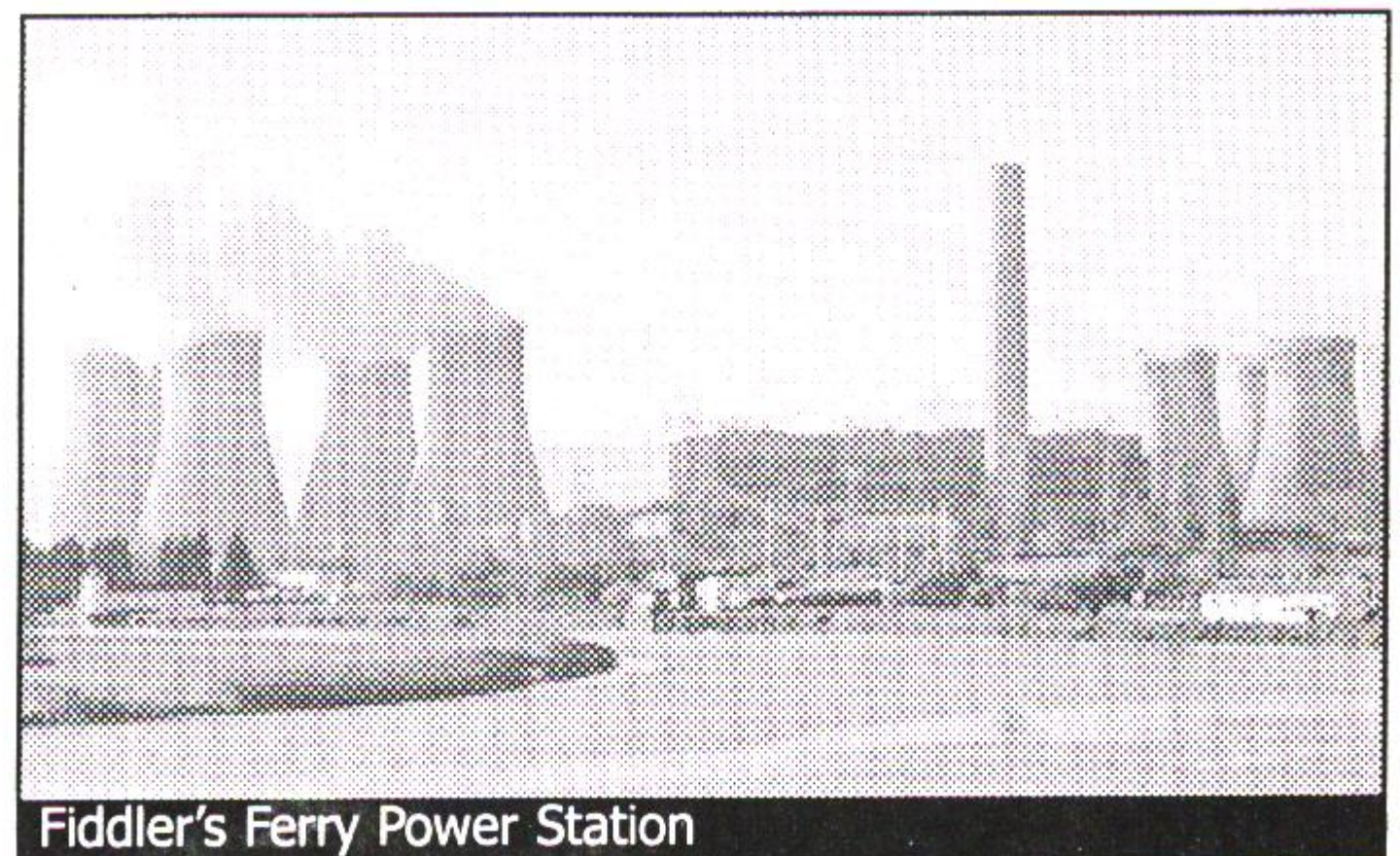
By Steve Kelly, London Construction, Unite

65 electricians, all Unite members, took unofficial strike action on 17th November for two days at Fiddler's Ferry Power Station in Warrington. This was over false redundancies.

### Action Worked

The action eventually prevented any lay-offs on the site. The electricians were working for Alstom through the agency BMS on the NAIECI Agreement. Last week BMS had informed the workers that there would be 65 redundancies as they had not been paid by Alstom.

The job still has six months to go before completion. The workers felt it was more like a sacking than redundancy. A meeting was held by the workers and a picket put on the site on 17th November. None of the other trades crossed the picket line in a magnificent show of solidarity. An offer was put to the workers whereby 45 would be taken on by another agency and the rest to stay working with BMS. This is not ideal, but at least nobody will be



Fiddler's Ferry Power Station

made redundant before Christmas.

The NAIECI Agreement is under attack by employers. The construction officers of Unite and the GMB need to take a firmer stand with the employers. In the meantime rank and file organisations at site level will have to take the fight on board. Other sites in the UK must follow the example of the Fiddler's Ferry electricians. United we stand, divided we fall! □



# Make this a good Christmas for Marxism

by Steve Jones

First of all I would like, on behalf of the editorial board and all those involved in the production of Socialist Appeal, to wish all our readers and sellers a Very Merry Christmas and a Happy New Year and to thank you for all your support during 2008.

What a year this has been! This time last December we were warning that the crisis which had hit Northern Rock and the US sub-prime lenders was just the start of something far more serious. Since then we have seen that warning confirmed beyond anyone's wildest imagination. The global crisis of capitalism has become the defining event of 2008.

## Side Effect

One side effect to all this has been a resurgence in the ideas of Marxism. People have noted that Karl Marx was able to predict and explain the nature of the crisis 150 years ago whereas high paid economists, with their computers and state of the art economic models, were unable to predict this 150 seconds before it happened. More to the point, these 'experts' employed at great expense by capitalism can provide no explanation and no way forward. No wonder it has been reported that sales of Marx's classic work on the subject, 'Das Kapital' have been steadily rising over the last few months.

The job of Marxism - and Socialist Appeal therefore - is to explain what is happening and why but also to arm the masses and its activists with a programme that provides the means to work towards an alternative. For us, another world is not only possible but also necessary.

## Marxism's Job

However, to achieve all this, to get our ideas out to workers, students, homeworkers, unemployed and all those who find capitalism to be lacking, we need your support. At this festive (although not so festive for the thousands now facing losing their job or having a cut in salary) it is traditional to make a special appeal for donations to help build our resources.

## Go for £6,000

Our target is £6,000 - a modest one compared say to what big business wastes at this time of year, but an important one. To achieve this figure we will need the support of all our readers and sellers. The cash needs to be in by the end of January 2009. One thing we are particularly after, should we hit the target, is a proper guillotine. Why? Well this will enable us to cut the paper we use to print the journal you are now holding ourselves, saving time and money. We can also cut leaflets and posters quickly without having to do it by hand - a very slow

process indeed at present.

## Raise cash

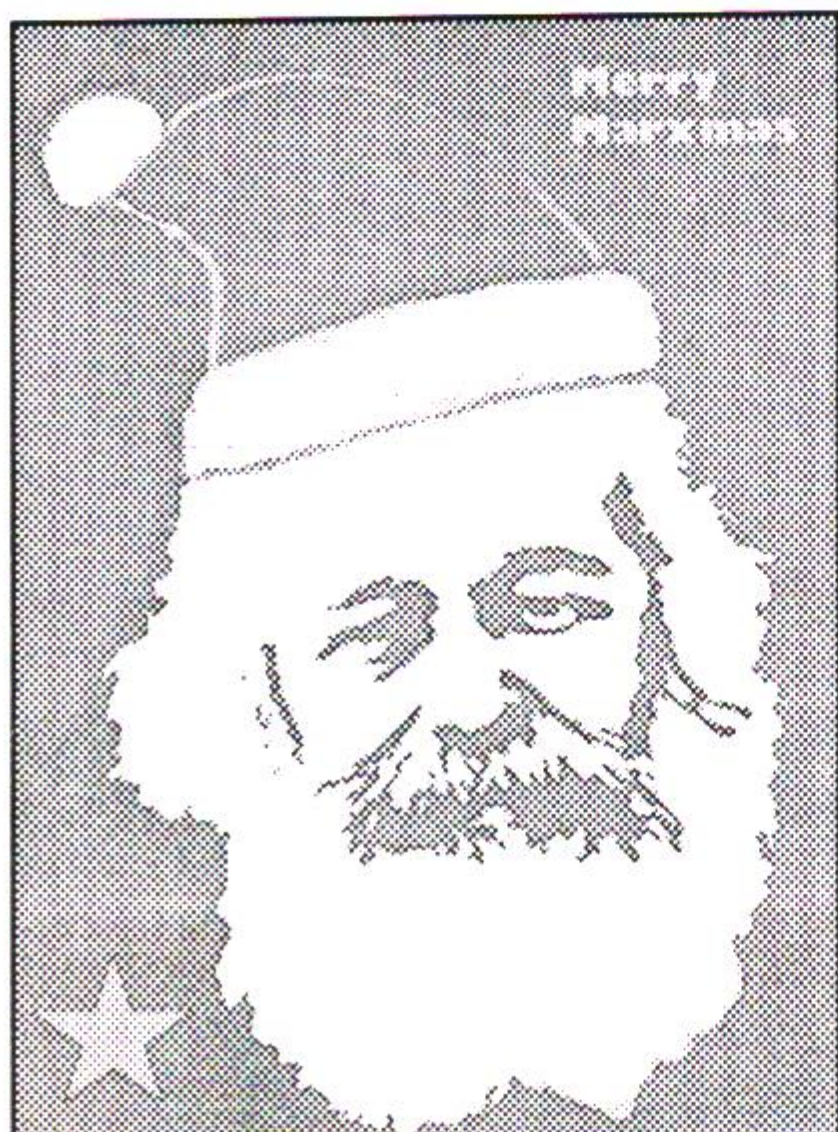
Some comrades have already started on looking at ways to raise cash. Leeds supporters have bought a badge-making machine. Sellers in East London organised 'The Party Of The Century' in November to raise fighting fund - and have a drink or two. We are asking all our readers and sellers to consider what they can personally donate. Even a small amount can soon build up if others add to it. Please consider given what you can.

## How to give

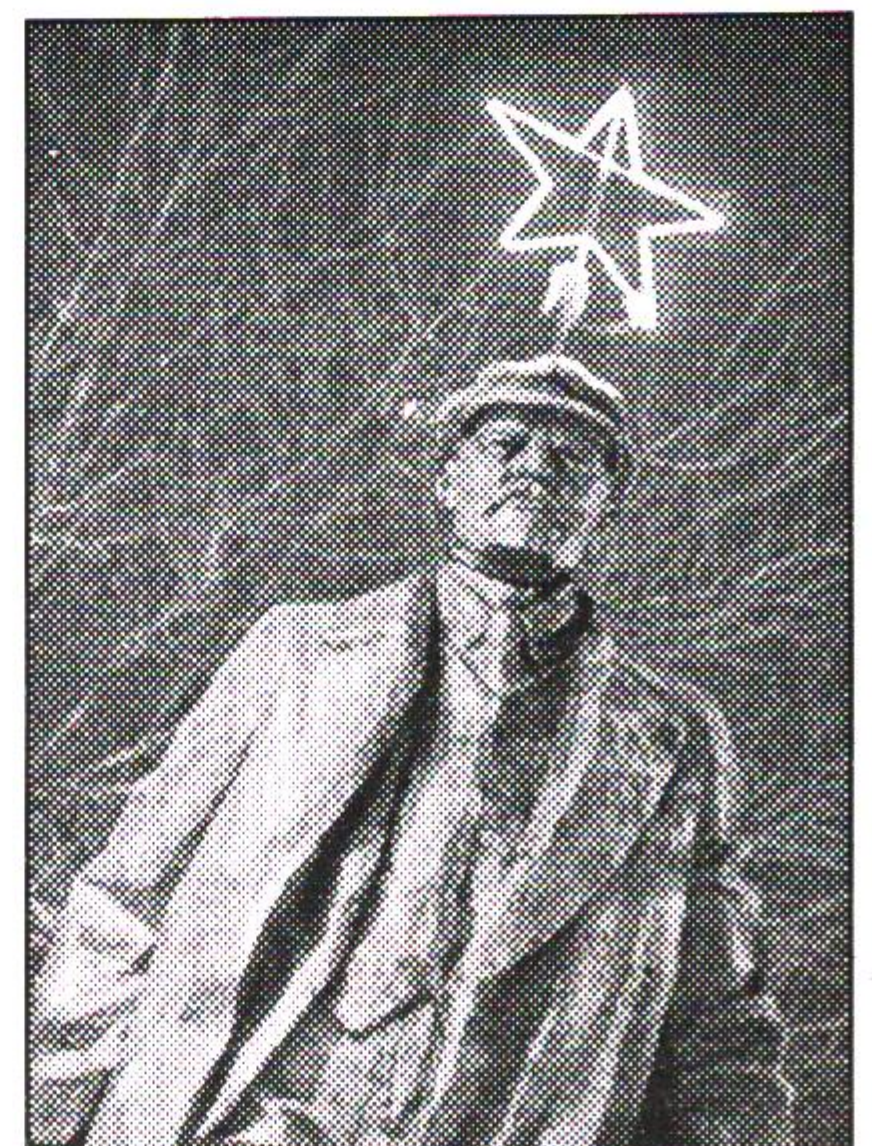
Donations can be made in a number of ways:

- By cheque to us at PO Box 50525, Poplar, London E14 6WG (made payable to Socialist Appeal SC).
- Cheques and cash can also be paid in over the counter at any branch of Abbey National quoting account number K2018479SOC and the account name as above.
- Online using credit card by going to [www.wellred.marxist.com](http://www.wellred.marxist.com) and clicking on the special Xmas Appeal icon or by just entering the donations section of the site and following the links from there. You can also order your Xmas reading at the same time. □

**We thank you in advance.  
Forward to Socialism.**



**Socialist Appeal  
would like to wish  
all our readers a  
Happy Christmas  
and a Socialist  
New Year!**







# Socialist Appeal

Marxist voice for labour and youth

## Same old Tories - no answers there

What a difference a few months make! In the summer Gordon Brown was on the ropes. Over the past couple of months he has picked up a thoroughly undeserved reputation as the 'saviour of the world economy.' (See 'Brown's criminal record' pp 10-11.)

Brown has embraced Keynesian policies wholeheartedly, without explaining his U-turn. His solution to our economic ills is to hurl money at them. 'Never apologise, never explain', seems to be his motto. So what is making Brown look good? The Tories, that's what.

George Osborne has set out his stall to deal with the crisis. He wants to abolish stamp duty on sale of houses worth less than £250,000. (Stamp duty has been put on hold by Darling since the crisis started to bite. It hasn't succeeded in stimulating the housing market.) He wants to raise the threshold on inheritance tax to £1m. And he wants to cut corporation tax from 28-25%. Come rain, shine, hail or high water the Tories have the same economic policies – cut taxes for the rich! Apart from anything else, the rich spend a smaller portion of their income than poor people, so tax cuts for them will be less effective in stimulating the economy.

### Rich to get richer

The Tories have come out against 'unfunded' tax cuts. This means tax cuts in one sector should be matched by tax increases, or cuts in spending elsewhere. But this is robbing Peter to pay Paul. It will not stimulate the economy. Osborne drones on that, "Spending our way out of recession will not work." In this he is at odds with some traditionally very conservative economists. Samuel Brittan, writing in the Financial Times, comments that, "Too few people understand that a government's budget is not like a family's or a company's. It is precisely when the private sector is cutting down and saving that the government needs to spend more."

What do the Tories propose? Brown may be panicking but at least it looks as if he is doing something. Cameron has torn up the commitment to keep to Labour's spending plans if and when he becomes Prime Minister. He is repositioning his Party as one advocating cuts in government spending to pay for tax cuts for the rich. That was Thatcher's response to the recession of 1980. As a result Britain went into recession earlier and deeper than anywhere else in the western world. Thatcher was hated by millions for her flinty indifference to the hardship she inflicted on the working class. That is the tradition the Tories are reclaiming.

### Pre-budget report

Osborne continued this theme with his assault on Darling's pre-budget report, accusing him of "Bringing this country to the verge of bankruptcy" by doubling the national debt and setting up "a huge unexploded tax bombshell timed to go off at the time of the next economic recovery".

It is true that Brown is recklessly hurling money at the crisis. He doesn't really know what he is doing. Brown's horizons don't really go beyond 2010, the last possible date for an election. We could be looking at 3 million unemployed by then. If so, he won't be looking like a winner.

It is true that the spending splurge may well not work. Most analysts believe a 2½% cut in prices by cutting VAT is too small a boost to do much to make people go out and spend this Christmas. Brown is building up huge debts – possibly as much as £120bn to be borrowed next year. These sums will have to be repaid one day.

But the Tories have shown they don't care about ordinary people. They don't care if there's mass unemployment, which they called "a price worth paying" in the 1980s. All they care about is the rich and preserving the capitalist system that is ruining people's lives. They can never be the answer for working people's problems. □

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