

Solidarity

& Workers' Liberty



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an injury to one is an injury to all

**THE POLITICS OF THE
GAZA
TEACHERS'
STRIKES** PAGE 9

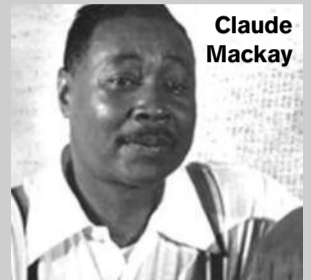


**A WORKERS' PLAN
FOR THE CRISIS**

CENTRE PAGES

**BLACK
RADICALS**

PAGE 12



Claude
Mackay

RESULTS OF THE CAPITALIST CRISIS: JOB CUTS, SOCIAL CUTS, EVICTIONS

Italian, Greek, Irish workers and students fight back



BY COLIN FOSTER

Fifteen thousand students marched in Dublin on 22 October against education cuts made by the Irish government because the world crisis has sent its tax receipts slumping. Another big demonstration, initiated by the teachers' union INTO, is due in Dublin on 6 December.

Pensioners are protesting against another Irish government decision, to meanstest free medical care for over-70s.

Greek workers joined a general strike on 21 October against privatisation and pension cuts.

In Italy, two and a half million workers and students demonstrated in Rome on 25 October against education cuts and racist anti-immigrant measures by the government.

The common theme in all these actions is the slogan of the Italian students: "We are not paying for your crisis!"

This is a crisis of capitalism, of the whole system of competitive profit-grabbing. It is the playing-out of the contradictions and imbalances and debt "bubbles" which have developed over the last three decades as the underside of the Thatcher-Reagan, "neo-liberal", global-market, private-and-deregulate, mode of capitalist growth.

The Irish students, and the Greek and Italian workers, have shown us how to start fighting back.

See inside: page 9, Italy; page 8, Greece.



EDUCATION

Press on to abolish all SATS

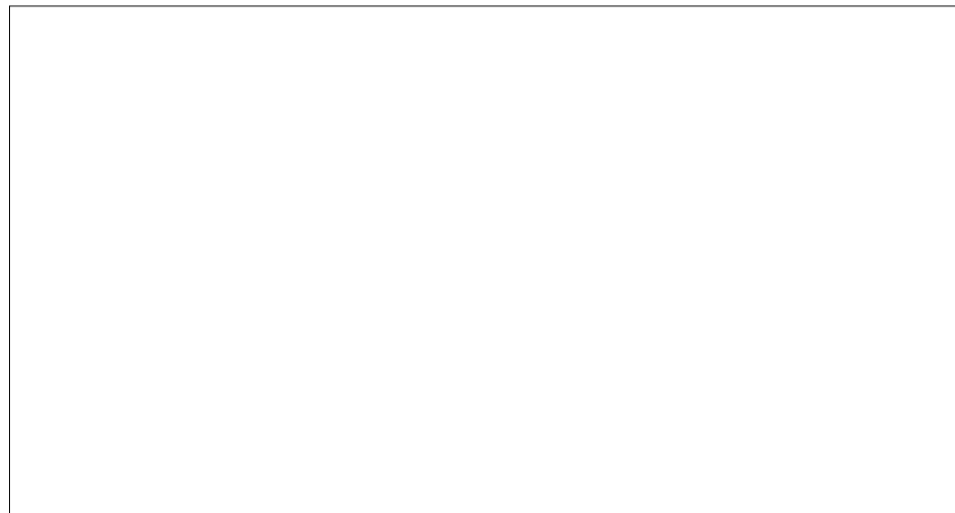
BY PAT YARKER

On October 14 Education Secretary Ed Balls scrapped National Curriculum (NC) testing at Key Stage 3 and the League Tables it gives rise to. But only a few weeks earlier Jim Knight, the Schools Secretary, had asserted in the media that KS3 testing was here to stay. Standard stuff from both Tory and Labour Education Secretaries, who have continually claimed that testing gives reliable and objective information about student progress and the performance of schools, and is vital for the maintenance of rising standards. What's caused the u-turn?

In May the Commons Children, Schools and Families Committee produced a devastating report on England's testing regime. Evidence gathered from a multitude of witnesses re-confirmed what teachers, students, parents and academic researchers had long known about the detrimental effect of SATs. The Committee acknowledged that by judging schools on the basis of their students' test results the government ensures teaching-to-the-test, sacrificing entitlement to a broad and balanced education on the altar of increased SATs scores.

With the Committee's report requiring a policy-response, Balls faced this summer's implosion of the test-marking system. ETS failed so utterly to meet its marking-commitments that even now some schools have not received all students' results from this year's tests. Hundreds of scripts remain unaccounted for. The number of appeals by schools against marks awarded is likely to double from the 50,000 lodged last year.

Terminating the contract with ETS required a new tendering process to ensure test-marking could be serviceably in place for 2009. But time is short. By abolishing KS3 testing, Balls has made it more likely that the deadline will be met,



Tests: tedious, time consuming and get in the way of learning

and saved a recession-hit Treasury perhaps £100 million.

Balls has appointed a committee to review the issue of teaching-to-the-test at Primary level, setting the stage for possible conflict with the extensive Primary Review currently being undertaken independently. It is not clear what the government intend to replace KS3 SATs with, though Balls is likely to require some mechanism to "validate" Teacher Assessment. Teaching-unions and subject-associations should bring forward proposals about the way forward for assessment.

His announcement to Parliament implies Balls would have preferred to keep some form of KS3 testing. He looked to the "single-level test-when-ready" system now being piloted. Results appear to show such a system is not viable for KS3 at least.

The u-turn may work politically. Balls presents himself as amenable to persuasion in relation to some aspects of testing, and this may bolster illusions in the benefits of social partnership among those unions engaged in it. Targets the

government set for achievement at KS3 back in 2000 have never been met. Now they can conveniently be forgotten, and the Opposition denied a handy stick with which to beat the government. Possible criticism from the Sutherland inquiries is pre-empted.

The move may also dilute teacher opposition to the retention of testing for 7 and 11 year olds. While collecting signatures recently on the anti-SATs Alliance petition to scrap all SATs, I was approached by a teacher who said that the government had already abolished SATs so the petition was pointless. She was, of course, a Secondary teacher.

But the abolition lifts a demoralising burden from teachers and students at secondary level and could free space for more creative and engaging teaching. Of course it has been carried out by a government still in control of the education-agenda. Teachers, students and parents remain objects of policy not partners in making it, far less makers of it in a democratically-responsive system.

The arguments against KS3 testing apply equally to testing at KS2 and KS1.

By dint of their daily contact with students, teachers are best placed to assess in informed depth what their students know, understand and can do. The tram-line model of education still holds sway in government. A child is expected to progress up the slope of NC levels on a trajectory made predictable by test-scores. Teachers must keep the child on-track. It is the trajectory towards the terminal test or exam score, and not the child, which comes to matter most.

To widen the breach in Fortress SATs we must continue countering such ideas about students, learning and teaching, and the practices they help establish. Those ideas are used to justify retaining testing at KS1 and KS2 and the continued use by Secondary schools of batteries of in-house neo-IQ tests such as CATs, and the embedding of setting by so-called "ability". They foster the reification of young people as walking NC levels, and discourage seeing young people as already expert makers of meaning whose inborn disposition to encounter the world and make sense of it can be the basis and motor for formal education.

All SATs must go, and a system of assessment which benefits the education of the child replace the malignity of NC testing and target-setting.

ANTI-SATS ALLIANCE MEETING: TIME TO SCRAP ALL SATS!

7 pm Wednesday 12 November
Friends' Meeting House, Euston,
Road London.

Speakers include: Alan Gibbons
(Authors Against SATs), Sue Siefert
(Primary Headteacher), Warwick
Mansell (TES journalist and author),
Phoebe Watkins (Parent). Details:
j.berry@herts.ac.uk

NEW LABOUR

By their friends shall ye know them

BY DAN KATZ

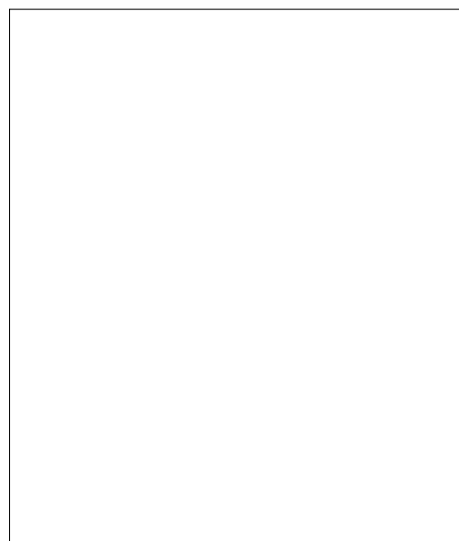
Is there anything to be learnt from the recent revelations that Peter — now Baron — Mandelson and Tory shadow Chancellor George Osborne have connections with Russian billionaire Oleg Deripaska?

On one level we might just shrug and say "flies gather round shit."

That is too easy. We really do need register how this incident demonstrates venality at senior levels in both of Britain's major mainstream parties. And how it is a dramatic measure of the degeneration of the Labour Party and government.

One of Labour's few remaining socialist MPs, John McDonnell, denounced Mandelson's return: "This is an extraordinary step backwards into the worst elements of the Blair era, to reinstate possibly the most divisive figure in Labour's recent history." Brown felt able to bring back Mandelson only because the union leaderships and Labour Party as a whole made no complaint.

Mandelson is an extreme example of



what Blairism brought to Labour. He was responsible for a regime of spin and manipulation; he helped the separation of the Labour government from labour movement and party from unions. His lifestyle, and his addiction to inserting himself among the super-rich, were consistent with his contempt for the work-

ing class and the labour movement.

It would be possible to be all these things and still be "clean". But Mandelson is damaged goods.

He first resigned as New Labour's Trade Secretary in December 1998, when it was revealed he had received a secret loan from millionaire and fellow minister Geoffrey Robinson.

He resigned again, as Northern Ireland Secretary, in January 2001, when it was disclosed he had helped one of the billionaire Indian Hinduja brothers in get a UK passport. At the time, the Hinduja's were involved in a criminal investigation in India.

When Baron Mandelson was reappointed to government he grinned and declared "third time lucky", meaning no doubt that he hoped this time he wasn't going to get caught out in this or that dodgy deal. Brown not only puts up with that kind of arrogance, but brings Mandelson back to "strengthen" the government. He must have some kind of admiration for it. It is a sign of what Labour has become.

No SWEAT GATHERING 2008

Sunday 7 December

10.30-5.30

The People's Palace, Queen
Mary University of London
327 Mile End Road E1

Films, discussions, practical
workshops

Speakers:

Mark
Thomas,
Labour

Behind the
Label, union activist
from Bangladesh



SATURDAY 6 DECEMBER

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York Way, London, WC1X

ANTI-CAPITALISM

We're talking about socialism!

"Socialism is the answer" to the crises and crying injustices, the inequalities and absurdities, of capitalism. But what is it, this socialism?

Too often it is a vague and cloudy and undefined "big word". In part, this is deliberate policy by the socialists.

Before the great founders of modern socialism, Karl Marx and Frederick Engels, socialism had been mostly what they came to call "utopian socialism". Some great benevolent thinker — and some of them were very great thinkers and splendid human beings, such as the Englishman Robert Owen — would work out a blueprint for an ideal society, convert as many as possible to the vision, and then set about creating such a society in miniature, out in the wilderness somewhere, far from the imperfect capitalist society that had been created by history.

For instance, some socialists set up such a community in the wilds of Texas in 1848.

The idea was that these small nuclei of a better society would grow and spread, and by their example convert the whole of the surrounding capitalist society, the capitalists and landlords as well as the working people, to the superiority of the new system. Salvation for humanity would come from outside capitalist society.

In practice, those little communist colonies, starved of resources, confined to small groups of people, floundered, and fell apart after a few years or in some cases a few decades. The "example" they provided was not the one they had set out to create, but an opposite one.

The term "utopian" came from a book published in 1516 by Thomas More — the Saint Thomas More of the Catholic Church — a one-time Chancellor of England (a sort of prime minister then), who summed up his experience of government with the words:

"I can have no other notion of all the other governments that I see or know, than that they are a conspiracy of the rich... that they may engage the poor to toil and labour for them at as low rates as possible, and oppress them as much as they please".

Utopia meant "nowhere", and "nowhere" neatly summed up the results of the utopian attempt to create model communist societies side by side with capitalism.

Marx and Engels and others inherited and built upon some of the ideas of the utopian socialists, and in particular their critiques of capitalist society.

Their new socialism, in sharp contrast to the utopians', looked to forces within capitalist society to create socialism. To two forces in particular: to the trends of capital itself, and to the working class employed as "wage slaves" by the bourgeoisie.

The old utopian socialists were what we might call "absolute anti-capitalists". The new socialists were anti-capitalist, of course, but recognised that capitalism had played and was playing a tremendously progressive role in the development of society.

They recognised it as the mother of the socialism they advocated and organised to achieve. It was the creator of the class in society that would create a socialist future, not in agreement with the capitalists, but in bitter class war against them.

For the old socialists, socialism was an idea, and proposals and schemes for its creation in life. The idea could have come into the head of some genius at any time in previous history. Indeed, it had. Many utopians recognised as their predecessors people in the distant past such as Thomas More and, many centuries earlier, Plato, the ancient Greek philosopher.

For the new socialists, the "Marxists", socialism could only be the product of a long previous social evolution in which capitalism was the highest stage so far. The history of class societies had not been just a "mistake", not just a senseless waste for lack of the benefit of the new great ideas which the utopians preached.

Class society had been unavoidable and necessary. So long as social labour — that of slaves and serfs, free peasants and artisans — produced only a small surplus beyond what it took to keep the workers alive and able to breed new workers, ruling classes would arise that would seize that surplus for themselves and enslave the producers.

So it had been through a series of pre-capitalist soci-



For Marx and Engels believed organising the workers was the defining work of socialists. Experience of the Chartist movement was important to that understanding. Chartist meeting on Kennington Common, London 1848

eties — the ancient slavery of the Greek and Roman world, the feudalism of the Middle Ages, the distinct societies of "Asiatic despotism" that had existed in China, India, central America, and elsewhere for thousands of years.

Capitalism for the first time organised social labour so that it was able to produce enough for a decent standard of life for everybody. It thus for the first time in history made socialism a real possibility.

Capitalism also created a working class which had no property in the means of production — in contrast with peasants, or with artisans and craft workers who owned their own tools and workshops. The new working class owned only its own labour-power, which it was forced to sell on a daily basis to those who owned the machines needed for them to work.

Historically, the capitalist bourgeoisie and this working class were tied together as two sides of one economic development — up until the working class "expropriated" the capitalists and made itself collectively the owner of the productive wealth of society.

The working class could not find anyone lower in the social scale to exploit. To free itself from exploitation by the bourgeoisie, it would have to free all of society.

While peasants could break up the big estates of the landlords into smaller farms, the working class could not break up and divide the factories into smaller bits. They could own the means of production only collectively, in common, as social property.

DEMOCRACY

And they could not own the means of productive collectively unless they were administered democratically. A collectively-owned economy implied democratic administration; it implied democracy.

Democracy, in turn, if it were to be real, and not confined to important but superficial things such as infrequent elections, implied collective ownership and democratic control of the economy on which the lives of the whole of society depended.

Democracy was thus central to Marxist socialism, in contrast to the utopians'. The new socialists would be a political movement, concerned with all aspects of the running of society, and aimed at organising the working class to take political power. In one of the early foundation-texts of Marxist socialism, the Communist Manifesto, published by Marx and Engels at the beginning of 1848, the goal of the socialist working class is defined as "to win the battle of democracy".

That meant more than winning the vote, though win-

ning the vote for the "lower classes" was in most places still to be done in 1848. It meant subordinating the economy to democratic, conscious, working-class control. It meant turning markets into tools in limited areas of the economy, dethroning the market as idol.

Marx and Engels and their comrades believed that the organisation of the working class, and its political education into a scientific overview of society, was the defining work of socialists.

The final overthrow of the capitalists and their system — the socialist revolution — would be the culmination of the work of "agitating, organising, and educating" the workers.

The wage-working class was, in their view, now the protagonist of history. Among its tasks was to organise the other working people who, though not wage-workers, were not exploiters of labour like the capitalists — small farmers, shopkeepers, "professional" workers — around its own democratic-collectivist programme for the reorganisation of society.

To prepare the "subjective" side of the socialist revolution by way of educating and organising the wage-working class, those without property in the means of production, was the precondition of socialism. Socialism could not happen until that education and organisation had first been done.

But, quite apart from the political readying of the working class, the capitalist system itself also prepared the socialist revolution.

Capitalists exist in a condition of war of varying intensities with each other — for markets, profits, survival. Especially in times of the periodically recurring economic crises, the stronger devour the weaker. Capitalism, on that level, is a cannibal-piranha society. (We have seen this very recently, with the Government encouraging and assisting the amalgamation of giant banks).

Tremendous concentrations of wealth are created. Whole industries come to be controlled by a few giant companies.

In this way, society becomes more and more collectivist — but under the control of the bourgeoisie, and for its essential benefit.

In our own time, we have seen this reach new levels with the growth of global corporations disposing of more income and more power than the governments of some sovereign states. The issue becomes not one of whether there will be social organisation of the economy, but of *who* will control the socially-organised economy, and in whose interests it will be run.

Continued on page 14

CIVIL SERVICE AND TEACHERS: The PCS civil service union has called a strike for 10 November, and the teachers' union NUT will announce the result of its strike ballot on 3 November.

Both unions are in dispute with the Government over pay, demanding pay rises at least matching inflation rather than the Government's limit of two-and-a-bit per cent.

PCS's call to action for 10 November is muffled and apologetic. Headlines: "PCS calls on government to avoid national strike. PCS calls on government to come to negotiating table to avoid damaging industrial action over pay. National executive committee sets 10 November as day for national strike action if no progress..."

The PCS ballot, announced on 17 October, had 54% voting yes, in a 35% turnout.

That mediocre result came from two factors. Firstly, the union leadership did not present the action it was balloting for as a way to win the union's demands.

The other factor was the initial stunning effect of the economic crisis. Some members think it best in a crisis to keep their heads down.

That "crisis" factor has also been a problem in the NUT's campaign for a yes vote on pay. NUT activists report a good response from younger teachers to the union campaign, but there are also problems.

The NUT leaders have not communicated to the membership that they have a confident will to win, or that they can see the government as vulnerable because of its political troubles. They have not even begun a discussion with the members about what action should follow the one-day strike. (They have already had one one-day strike in this dispute, on 24 April, but that was followed by seven months' delay).

A rolling programme of local half-day strikes, linked to demonstrations at MPs' offices or similar places - as recently used, with success, by teachers in Victoria, Australia, in their pay battle - is one option. Taking selected groups of schools out for several days at a time, with the strikers compensated from the union's strike fund, is another.

Both NUT and PCS would have been stronger if the union leaders had timed their ballots to allow the two unions to strike on the same day. Activists in both unions assumed that they would do that.

For reasons they have never explained, the unions timed the ballots so that the legal constraints (industrial action requires seven days' notice to employers after being balloted for and called, but must start within 28 days of the ballot mandate) made it difficult to unite the strikes.

NUT and PCS activists should still seek the maximum coordination possible.

LONDON BUSES: The strikes set to shut down most London bus companies on 22 October were suspended following an injunction gained by TfL against the union.

There is talk of the strike being re-scheduled to 5 November, but the whole balloting process may have to be restarted.

The pretext seems to be that the union had failed in certain garages to display the results of the strike ballot and that the union's membership records are not up to date.

This situation poses difficulties for drivers and the union. The pay settlement date was April, so drivers will be increasingly tempted to accept any offer just for the sake of getting the back pay.

The union has made significant steps forward to even get this far. Drivers in

AMICUS

Jerry Hicks: where I stand

Unite, formed by the merger of the unions Amicus and TGWU, has put the merger on hold and called an Amicus general secretary election rather than, as planned, having Derek Simpson go straight through to 2010 as Amicus general secretary and Joint General Secretary of Unite. Jerry Hicks, who is contesting the general secretary election, spoke to David Kirk from *Solidarity*. We invite readers to contribute to a discussion on the issues raised by Jerry.

Q: Why are you standing against Derek Simpson for Amicus general secretary?

A: I made the judgement that it was wrong and illegal to have a General Secretary in post for eight years without an election.

Q: What do you think of Derek Simpson's record as general secretary?

A: Simpson is disappointing. At first, when he tackled Sir Ken Jackson for the top job, he seemed willing to stand up to government, but he was seduced very quickly. He has gone from berating the government to begging from them. This is proved by his "demand" for a windfall tax on energy companies. There never was any intention of any follow-through to force the government to implement this policy.

Q: What do you think is the main issue facing the unions today?

A: If we are to be taken seriously as a force by governments and employers we need to be credible in our willingness to stand up to them. We need to throw away the begging bowl and start to demand changes.

Q: What are the main points of the platform you will be running on?

A: Public ownership not private profit; this means genuine public ownership of the utilities for instance. I would support a massive public works programme to combat unemployment. I also think a serious green energy policy would create hundreds of thousands of jobs.

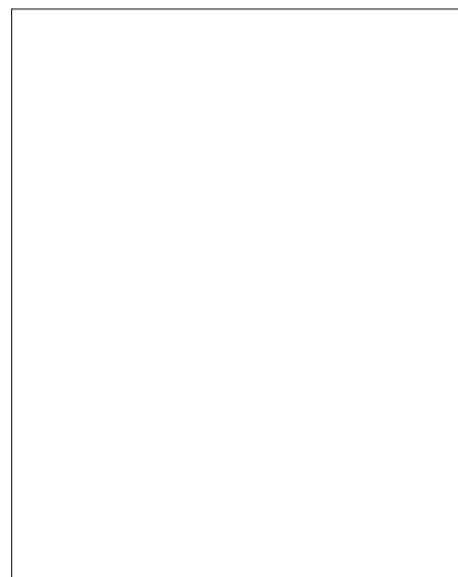
Q: Amicus's policy on energy supports "clean coal" and nuclear energy.

the Unite union at Arriva South voted by 86 percent to join the strike started by First, Metrobus and Metroliner; drivers at East London Bus Company voted by 75 percent to strike. Where strikes have happened so far they have been solid and picket lines vibrant, turning out around a hundred drivers throughout the day.

But this dispute is not controlled by the members. Very few will know even as much as the bare details in this report. The culture of the union has to change. Drivers need to step up and form strike committees to oversee the dispute.

Legally the union may have to conduct postal ballots as the law demands, but it cannot do without mass member meetings to decide on a plan of action.

All garages should call emergency meetings, where drivers are given full



Would you include these as part of your green energy policy?

A: I am not a particular expert on the different renewable technologies. However I think we should base our policies on proven technologies, and carbon capture has not yet been proved. I am also deeply impressed by the United Steelworkers in America, whose energy policy is based on wave, wind and solar energy.

Q: What problems do you see with democracy in Unite, and how would you challenge them?

A: The challenge I am making is an attempt to argue about democracy in the union. For four months I hope to be raising the issues about how the union is run.

Q: People have criticised you because of the way you went to the Certification Office to overturn a democratically decided rule book. What do you say to this criticism?

A: The rule book was voted in on a turnout of 17%, but by a large majority of those who voted. However what people were voting for was the idea of merger. The rulebook contained an illegality which was not drawn out in the debates at the time. If people had been aware of this illegal and undemocratic extension of the general secretary's term in office they would not have voted for it.

Q: What do you think of Laurence Faircloth, who has announced he is going to run against you?

A: I have no axe to grind against Laurence Faircloth. Although I have never met him I have heard that he is a decent regional official. He says that the union is in a mess, but he doesn't say when or why it became a mess. He didn't stand up about what was going on in the union before this election.

There also is a contradiction in thinking the union is in a mess, but also saying we should wait until 2010 to have an election to decide how to sort that mess out.

It seems likely, as well, that my opponents will take the full salary if they become general secretary. However if I am elected I plan to take only the average worker's wage. This is not to court voters, but because I believe that general secretaries and other officials should live like their members and not like bosses and overpaid bankers.

Q: You were a member of the SWP and now support Respect Renewal. Amicus has been one of the largest donors to the Labour Party. How do you think Unite should relate to the Labour Party?

A: I was a member of the Labour Party until 1992, and then I was a member of the SWP until last year, when I left quite publicly. However, despite my political history, I do not call for disaffiliation from the Labour Party. Instead we should no longer shower Labour with money. We should only support councillors, candidates and MPs who consistently support union policies and not those who vote for further privatisation and against the repeal of the anti trade union laws.

Jerry Hicks
<http://jerryhicks.wordpress.com/>
Laurence Faircloth
<http://www.labourhome.org/story/2008/10/26/8642/5168>
Amicus
<http://www.amicustheunion.org/default.aspx?page=9439>
Amicus Unity Gazette
<http://www.amicusunitygazette.org.uk>

The trade union movement, New Labour and working-class representation

By John Bloxam and Sean Matgamna

- What do Marxists do in the labour movement?
- Leon Trotsky on class and party
- Debate: the trade unions in politics

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FINANCIAL CRISIS

Who is to blame for the crisis?

Just an aberrant financial system? Or are the roots deeper? Martin Thomas examines the nature of the crisis.

In a poll published by the *Financial Times* on 19 October, 80% of people across the European Union blamed the banks for the current economic crisis.

In the UK, over 50% of people responding to the poll said that the crisis was due to “abuses of capitalism”, and a bit over 10% that it was due to a failure of capitalism itself.

There is some plausibility in such views at first sight. After all, this crisis originated within the financial system at a time when non-financial trade and production was doing well in capitalist terms. Profit rates in the UK in 2007 were the highest since official statistics began. And the triggers of the crisis were new devices and machinations in the financial markets, not already well-known business practices.

The global financial markets constantly develop new tricks and dodges, some of them aberrant. But *capitalist production of goods and services*, in its present mode, needs “deep” and frenetic global financial markets; and those global financial markets *cannot but* develop a stream of new credit devices. That there will be aberrations is coded into the DNA.

Today a large number of global capitalist corporations which organise their production processes and their marketing, directly or through contractors, over a large number of different countries.

By 1997 it was estimated that “about 30 per cent of world trade is intra-firm” and that transnational corporations were “involved in 70 per cent of world trade”. By 1998 it was estimated that “the share of parts and components accounts for some 30 per cent of world trade in manufactured products. Moreover, trade in components and parts is growing significantly faster than in finished products, highlighting the shift to international production systems”. (*Exploding the Value Chain: The Changing Nature of the Global Production Structure*, by Thomas C. Lawton and Kevin P. Michaels: <http://www.ciaonet.org/isa/lat03/>).

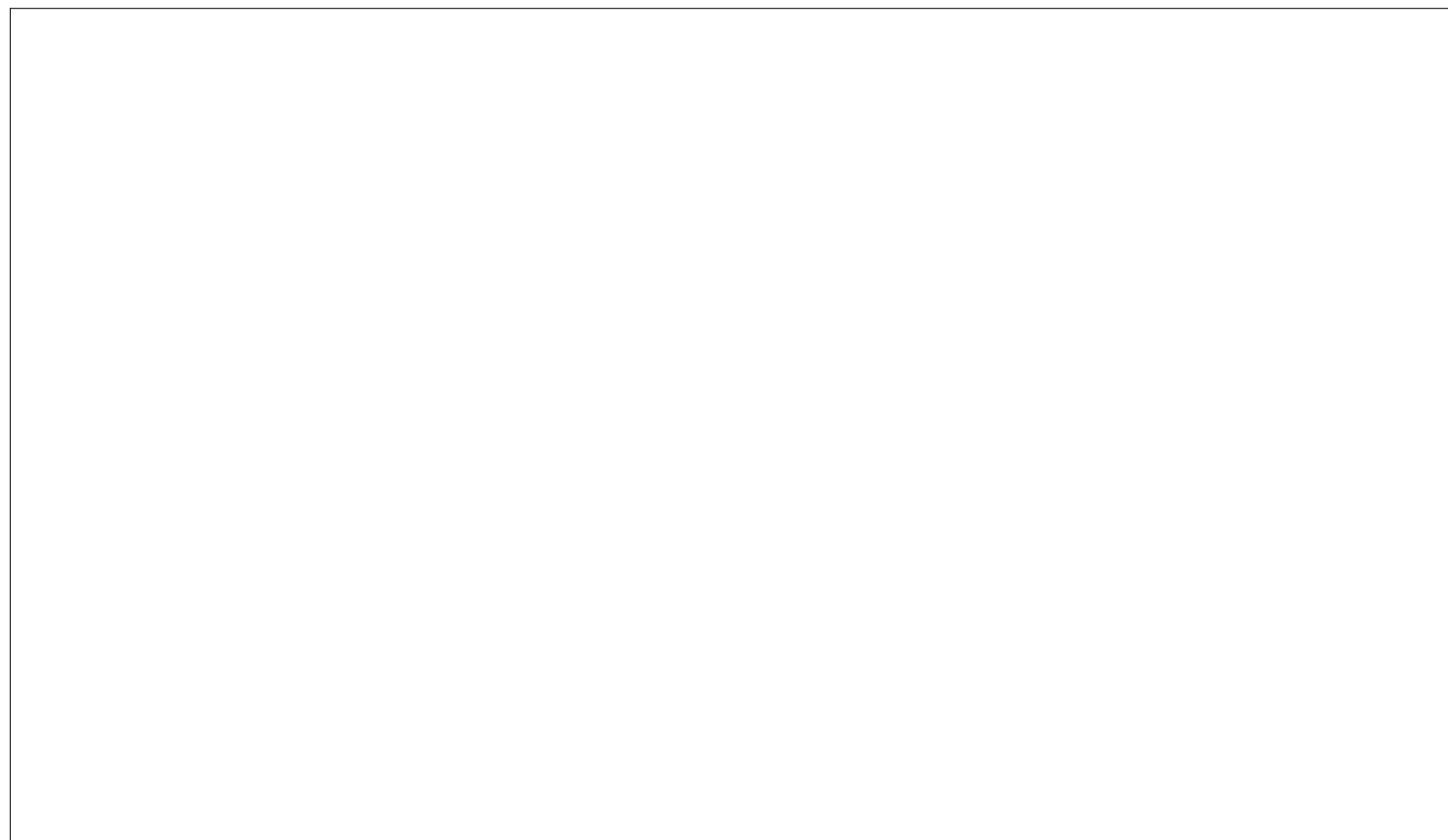
The entire economic function of capitalist governments has changed in line with this shift in capitalist organisation. Where before each capitalist government aimed to build up a relatively integrated industrial base within its own country, now each government strives to make its own country a “good buy” as a site for global corporations to perch in.

This sort of capitalist globalisation cannot be “put back in the bottle” of primarily nationally-based production systems without a huge unwinding which would only happen in a cataclysmic worldwide economic slump and trade war.

Capitalist corporations operating global production and trade necessarily receive income, keep working capital, raise loans, in a variety of countries.

Different countries’ currencies have “floating” (variable) exchange rates. So, for example, the exchange rate between the Australian dollar and the Japanese yen is not fixed by some government decision. It varies according to market supply and demand — this year, varying from 104 yen to the dollar to 58 yen.

It is possible for capital to seek to move back towards fixed exchange rates. The



China plc. had been doing well as a site for global business... will it continue to do well?

creation of the eurozone is an example; another was Argentina’s experiment with pegging the peso to the dollar; yet another was China’s policy until 2005 of keeping its currency loosely pegged to the dollar.

But Argentina’s experiment collapsed in chaos in 1999. Since 2005 the Chinese currency has moved from 8.27 yuan to the dollar down to 6.8. The current crisis will put great pressure on the eurozone, since it greatly restricts the options of eurozone governments in dealing with crisis conditions which will differ from country to country.

It is difficult to see how fixed exchange rates could be restored generally without a vast reduction in the flows of money across borders; and it is difficult to see how that vast reduction in flows could be possible without severely injuring the capitalist corporations which organise their operations across so many different countries.

So the big corporations have incomes, stashes, debts in a variety of currencies; and the relative values of those currencies change frequently and quite often dramatically.

The relative performance of different sorts of financial assets in different countries varies even more widely. Where, in what form, to hold their stashes? Where to raise loans? Big corporations have to consider these questions every day, and wrong decisions have big consequences.

Far from being gamblers, as simplistic populist denunciations of “casino capitalism” would have it, the big corporations seek insurance. If a big corporation has raised funds in yen, for example, so will have to repay debt in yen, but its income is mostly in dollars, it can seek insurance by buying yen “forward” (paying a certain amount in dollars now in return for yen to be delivered, not now, but when its repayment falls due). It is just capitalist good sense.

Likewise, the investors who have bought the bonds which the corporation issued in yen may seek to limit the risk that the yen return on the bonds, which

looks good now, may turn out to be disappointing when measured in euros or dollars or yuan.

“DERIVATIVES”

The Australian Marxist economist Dick Bryan has argued that “derivatives” (bits of financial paper which do not directly represent a real asset, but “derive” from such assets at one more removes, for example “yen futures”) have come, on a global scale, to play the fundamental role of money in commensurating and equating commodities across space and time. (www.workersliberty.org/marxists-crisis)

The markets become more and more complicated as financial firms to whom other capitalists go to buy “insurance” against financial risks seek more and more ingenious ways of laying off, balancing, or calculating those risks. They can’t abolish the risks, but the financiers say that “deep” financial markets — that is, ones with a big volume of buying and selling, where you can find buyer for almost any proposition at a suitable price — enable the risk to be dispersed and balanced better. New computer technology and telecommunications have facilitated the development of ever “deeper” and more global markets.

In normal times, those financiers are *right*, in capitalist terms. “Deep” and complex financial markets do serve capital better. The vast, vastly complicated, and always-becoming-more-complicated structure of international credit has been an inseparable aide and accompaniment to the expansion of globalised capitalist production and trade.

Especially in boom times, there will always be operators at the edge (and sometimes a thick edge) of this financial system striving for quicker and bigger profits by taking more risk. That is in the nature of capitalism as a system built on greed and competitive profit-grabbing. It is not something arising from particular defects of regulation.

It has been calculated for hedge funds, for example, that even if their bosses have none of the special skill they lay claim to, and just have average luck with the relatively risky operations they go in for, the bosses can reasonably expect, say, five years of good results, enough to make their fortune. Then their fund may go bust. They can walk away (the fund is a limited liability company) and try something else.

There will be strong “vested interest” and “power of inertia” resistance to new regulations over the financial markets. Nevertheless, there will also be a strong drive, from central governments and government Treasuries and Finance Ministries, to formulate and impose new regulations.

New regulations may certainly shut down some shady areas. Maybe a lot of shady areas. Maybe they can make the financial markets much more sedate for a fairly long period. I don’t know.

But — short of putting the whole system back into a much slower, more restricted mode, which would be crippling for the global corporations — it is inconceivable that the regulators could move quick enough to eliminate all the shade.

We *already have* what some advocates of increased regulation, like the Australian economist Steve Keen, demand: “a financial system that serves capitalism”! The current system of global financial markets is inseparable from the system of global production and trade. Inseparable in broad outline, not in every detail; but it is also inevitable that the system will generate “aberrant” details of one sort or another.

The current crisis does not show that the financial system is an aberrant addition. It shows that the axiom that “the markets” rule — should rule, must rule — the guiding principle of all mainstream politics for twenty years now — is an anti-human, destructive dogma.

As downturn snowballs, activists should plan fightback

From back page

In the first period of the sub-prime mortgage crisis, bankers had expected the trouble to be “short-lived”, and limited to “a lack of liquidity” (ready cash) in some financial firms. “It became clear that the problem was deeper-seated, and concerned the solvency of the banking system” — i.e. whether banks had the resources to cover their debts in any form at all, ready cash or otherwise.

Not just the sub-prime bubble, but others, were imploding, because of “the very high levels of borrowing relative to capital (or leverage) with which many banks were operating, and the fact that banks had purchased significant quantities of... complex financial instruments from each other”.

In other words, banks and other financial firms had been piling borrowing upon borrowing, repackaging the debts in fancier and fancier ways, in the hope of gain from ever-rising markets. Then the music stopped.

“The supply of finance to the UK corporate sector has ground to a halt”, said King, so investment will plummet. House prices are already 13% lower than a year ago, and will continue to fall, so the element of consumer demand contributed by people remortgaging their houses to “cash out” increased value will disappear.

The National Institute of Economic and Social Research published its report on “The Great Crash of 2008” the day after King’s speech. It says that the UK went into recession in May 2008; now, it expects no more from government policymakers than “to get through this crisis without generating a depression of the scale of the 1930s”.

The UK, it says, will have “the worst setback among the G7 countries” because it has huge levels of household debt — “170% of income by the end of 2007” — which have to shrink.

Even if the financial turmoil subsides smoothly, and even if none of the possible dramatic further concatenations (governments defaulting, China going from slowdown to outright crisis) happens, the world faces a comprehensive downturn as credit shrinks across the globe.

Many sections of the working class may at first be stunned, and inclined to think that nothing can be done but keep our heads down. A lot depends on the ability of the activists and militants in the labour movement to start formulating and arguing for a workers’ plan for a fightback. Trades Councils in other areas should follow the example of Luton, rallying the local trade union activists to discuss the measures needed and to start a systematic campaign for them.

FINANCIAL CRISIS

Five questions

Martin Thomas looks at some issues raised by the financial crisis

INFLATION LIKELY TO RISE AGAIN

Almost all the press says that price inflation will slow down. Prices for basic raw materials — oil, metals, wheat — have already fallen, and in the coming months that will work through to finished-goods prices.

But meanwhile the governments and central banks are doing exactly what they have long said is certain to increase inflation — pumping masses of cash and credit into the economy.

It is not always true that more money-production by central banks means more inflation. But there is a correlation.

Price-rise effects of “printing money” generally follow after a lag of (so it is reckoned) between 18 and 36 months. So, don’t believe it if your employer says that inflation is no longer a problem and small wage rises will do.

One journalist in the mainstream press has flagged up the problem — Matthew Vincent in the *Financial Times* (17 October). “‘Printing money’ to bail out the banks will have lasting effects... inflation will accelerate...”

“KEYNESIAN” POLICIES? BUT WHAT SORT?

The government says it will bring forward big public projects from 2010-11 to boost public spending this year and thus counter the economic downturn in a “Keynesian” way.

But the government’s own Department for Children, Schools, and Families, for example, has “dismissed” the idea that it can speed up the government’s huge school-rebuilding project enough to make any difference.

The government could pay more money to teachers, civil servants, and health workers straight away.

Why doesn’t it? Increasing public sector workers’ pay would raise the baseline for workers’ expectations in the next upturn. Rebuilding schools quicker would not. It is simple class calculation.

IS THE BIG ARGUMENT “WHO PAYS?” OR, “WHO CONTROLS?”

After two decades of “the markets Arule”, the crisis has put social regulation of the economy centre-stage.

It poses the questions: who regulates? With what aims? Just to scrape through the crisis, before returning to much the same regime that generated the crisis, or long-term? Does it make sense still to be privatising and contracting out health care, education, and utilities, when the banks are being nationalised? Shouldn’t democratic control and social regulation apply to the whole economy?

Some people on the left, however, have chosen to focus not on those questions, but on the “unfairness” of billions being put into bailing out banks while working-class households sink without any such help. They prefer slogans like “make the rich pay”.

But to agitate only about the *distribution* of income *within the existing system*, not about the more fundamental ques-

tion of how society and the economy are organised, doesn’t pick up on what is *new* about the crisis. “Unfairness” and increasing inequality have been glaring facts about the long economic upturn since the early 1990s, long before the current crisis.

The desirable alternative to capitalism with the banks bailed out is not capitalism with the banks not bailed out, ie chaos, but a socialist reorganisation of the economy, and in the first place a fight for workers’ control at every level.

THE END OF IMF LAW?

The big nationalisations and government bail-outs of financial firms have moved the sharp end of the crisis somewhat, to point at governments rather than banks.

So Iceland and Ukraine have already got bail-outs from the IMF, and Hungary is negotiating one. Other governments will follow.

IMF bail-outs are not new. Britain had one in 1976. But two things are new.

First, not every government can get help from the IMF. This financial crisis is so big that the IMF’s resources are puny by comparison — about \$250 billion in available cash.

Second, governments can go elsewhere for help. As David Rothkopf notes in the *Financial Times* (22 October): “When Iceland’s economy started to spiral downwards its leaders, frustrated by the lack of swift help from western allies, turned to Russia... To whom did Pakistan turn in its hour of need? ... Beijing... Oil-producing nations of the Persian Gulf have agreed to discuss a ‘friends of Pakistan’ bail-out with China...”

“Well before the crisis, the Chinese lent billions to Africa...”

Today China and Japan have the world’s biggest world’s foreign-currency reserves. Two-thirds of the world’s stockpiles are held by six countries: China, Japan, Taiwan, South Korea, Russia, and Singapore.

In return for loans, the IMF demands social spending cuts and privatisation. China and Russia do not. They may want some advantages for their businesses, or some diplomatic payback, but many governments will see that as a smaller price than the IMF’s demands.

Despite many predictions to the contrary, the main trend of the last twenty years has been for the world market to become a single arena, rather than a terrain dominated by large relatively walled-off competitive blocs. The crisis could be the start of an about-turn.

WHAT WAS MARX’S SPECIAL THEORY ABOUT CRISIS?

Capitalist booms necessarily, inherently tend to overshoot, as the capitalists scramble competitively to be the first to grab the apparently continuing and expanding profit openings.

Engels put it crisply in *Anti-Duhring*: “The ever increasing perfectibility of modern machinery is, by the anarchy of social production, turned into a compulsory law that forces the individual industrial capitalist always to improve his machinery, always to increase its pro-

The end of IMF law?

ductive force... The extension of the markets cannot keep pace with the extension of production. The collision becomes inevitable...

[After each downturn] little by little the pace quickens. It becomes a trot. The industrial trot breaks into a canter, the canter in turn grows into the headlong gallop of a perfect steeplechase of industry, commercial credit, and speculation, which finally, after break-neck leaps, ends where it began — in the ditch of a crisis. And so over and over again...”

This general explanation of crises from the anarchic, competitive, and profit-grabbing nature of capitalism leaves much room for, and mandates much investigation of, variation in the way that “the collision” happens in each crisis.

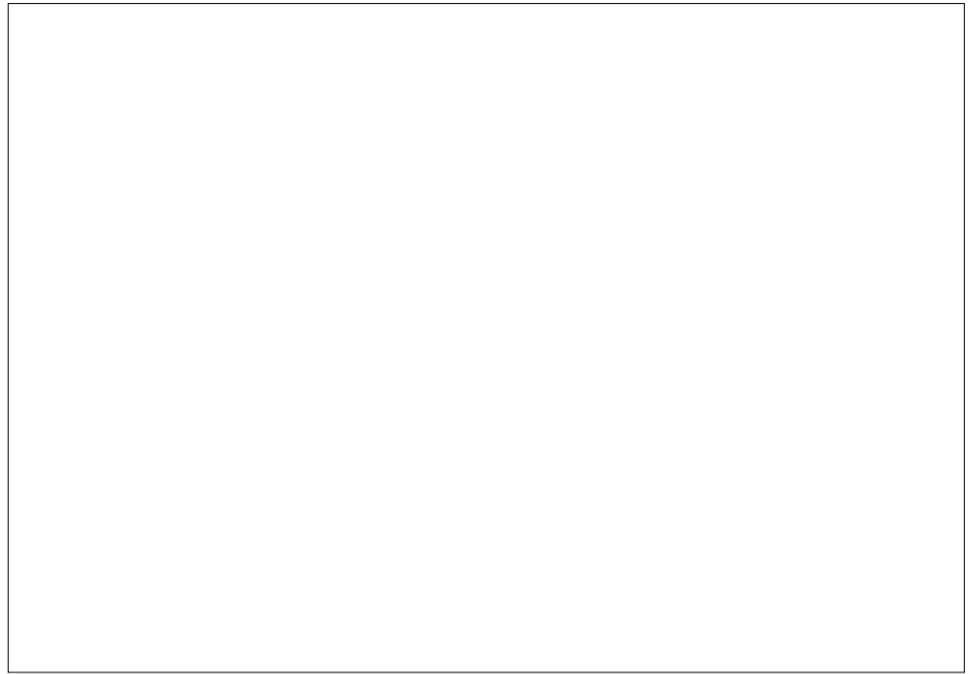
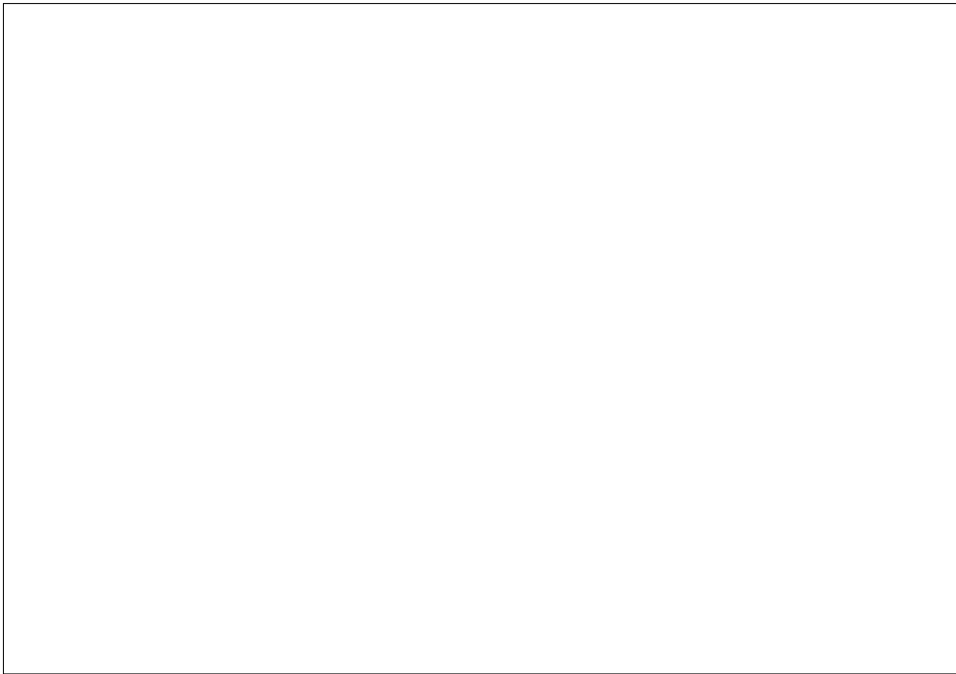
This crisis comes after a whole era in which finance has grown much faster than production, and to unprecedented proportions.

Marx’s comments on credit are illuminating:

“The credit system accelerates the material development of the productive forces and the establishment of the world-market... At the same time credit accelerates the violent eruptions of this contradiction — crises...”

Many Marxists feel that all this sounds too much like more modern economists, mavericks but still basically “mainstream”, like John Maynard Keynes and Hyman Minsky. They desire a more “iron-law”-like “Marxist theory”, and seek to build it on Marx’s remarks about a tendency of the rate of profit to fall.

Whatever the general merits or demerits of the “iron law” approach, it does not help with the current crisis, because it erupted at a time when profit rates were relatively high.



Left, university occupation. Right demonstration in Milan

ITALIAN STUDENTS TELL GOVERNMENT:

“We are not paying for your crisis!”

HUGH EDWARDS REPORTS FROM ITALY

“They are pissing on us, but the government tells us it’s raining”

These words on a banner in Rome on 18 October say it all: the five-month post-electoral honeymoon between the right-wing racist government and large sections of the Italian masses is unravelling.

It was carried by a transport worker from the Confederazione Italiana di Base (Cobas, Italian rank and file confederation) whose one-day strike brought 300,000 marchers to the capital, and large parts of the educational and transport systems to a stop. The demonstration was the largest ever mobilised by the “Base”, graphically underlining how this militant and politically combative group of unions is increasingly becoming the focus for protests sweeping through the educational and University system in Italy.

An even bigger demonstration of 2.5 million took place in Rome on 25 October, with many demonstrations in other Italian cities.

The victory of Silvio Berlusconi’s People of Liberties party in last April’s general election marked a systematic shift to the right in Italian politics. The dire conditions of the Italian economy — more or less in structural decline for 15 years — meant the government would launch an all-out widespread offensive against Italian workers and their families, to bring about the root and branch changes desired by the bankers, financiers and industrialists of Italy.

Fuelled by his electoral success and increase in support for the two openly racist parties of the Northern League and National Alliance, Berlusconi launched a poisonous tide of racist hatred against the Roma population, Romanians, Northern Africans and foreigners in general. Xenophobia became the lingua franca in a national political discourse around “security”. A campaign of virulent racist abuse and ignorance, whipped up by the hired, well-trained liars of Berlusconi’s media

empire, Mediaset, aided and abetted by the so-called “state” sector media, reached an obscene Mussolini-like racist crescendo in a decision by the minister of Interior — the similarly gifted pugilistic pint-sized thug Roberto Maroni of the Northern League — to fingerprint the Roma population in Italy.

It owes little credit to the Italian left and the Italian trade unions that Maroni and the former young fascist leader, now mayor of Rome, Gianni Alemanni were forced to back down on humiliating Roma children. The measures have been implemented, if on a reduced scale, in other parts of Italy. Indeed the right in power has up to now had almost free rein in Parliament and in the country. A draconian budget with huge numbers of cuts was passed after seven minutes of debate!

The “new” bourgeois Democratic Party of Walter Veltroni (in essence the forces of the former Prodi administration, minus the radical left) proved hopelessly compromised on almost every front of the government’s attack and policies. And the forces of the ex-Rainbow Coalition, turfed out summarily from the Parliament where so many of these “revolutionaries” had convinced themselves they had a comfortable home for life, had neither the will nor capacity to mount any principled resistance.

Only the “Base” unions and especially their leaders like teacher Piero Bernocchi and the minuscule forces of Italian Trotskyism can hold up their heads. Whatever the weaknesses — the syndicalism and sectarianism of the unions and the predictable kitsch Trotskyism of the latter — they had been at least consistent opponents of the Prodi government, its miserable left wing and the collaboration of the main trade union confederations CGIL, CISL and UIL. Equally consistent has been the “Base” union opposition to the Berlusconi regime and the criminal inactivity of the same trade union bureaucrats in the face of widespread attacks on the living standards of their members.

However, it needed the effects and depth of the government attacks, in the context of the world financial and eco-

nomie crisis, to bring home the extensive impoverishment, destitution and suffering of workers. The rapidity with which the school and university protests have spread show this.

ATTACKS ON EDUCATION

An education bill soon to be voted is a comprehensive and ruthless cut back in all sectors of the Italian educational system. At the same time, it is a reactionary reform of the public university system in favour of the ingress of private foundations into the higher education system, destined to further hollow critical teaching and research.

Tens of thousands of jobs will be lost as vacancies will be left unfilled. Salaries and working conditions, already derisory, will be worsened as the Gelmini Law intends to impose on Italian teachers, children and young people the moral atmosphere of the Board school. The Italian educational system drastically needs reform, but in an altogether other direction — to correct the bureaucratic and byzantine features that disfigure it. Its public character should be deepened with a democratic and rational refoundation in content and form.

Teachers from the Cobas union began the serious work of argument and propaganda among their fellow teachers, parents and families and initiated the first of now many parent-teacher anti-Gelmini committees. An initial protest at the beginning of the new term quickly spread to the middle and upper schools system, sparking off occupations of schools, mass assemblies, marches and widespread public debate. When university students returned at the end of September, the pace and scale of things began to change dramatically. Occupation after occupation, from north to south and east to west. Supported by university teachers, researchers and other university personnel, the Italian educational system and society as a whole is experiencing a revolt not seen since 1968. The left has been reinvigorated on a significant scale, with a massive demonstration against the government on 11 October.

A one-day strike planned timidly in

midsummer by the main confederation unions for 30 October now assumes an entirely different character, for undoubtedly along with the anger against the Berlusconi government there will be much feeling against the procrastinating trade union bosses.

Berlusconi is desperately relying on his lying propaganda machine continuing to show a majority of support for him in the opinion polls. He is hoping that when the Education Bill is passed the protests will run out of steam. Having initially threatened to invade any occupied establishment with the police, he was forced to back down, fearful that this might precipitate an even wider mobilisation and a deeper confrontation. At the moment, the protests, whilst extensive and growing, have not reached all-out strike actions that would bring the educational system completely to a halt — lessons and lectures are still taking place.

If the balance of forces is to be brought more favourably onto the side of the workers and students, such a perspective has to be fought for, and united committees of all the representatives of the unions and families involved, established to organise, defend and fight for the mass support of the Italian trade union and working class movement.

The majority of university students, who are the driving force of most of the activity in these actions, are understandably skeptical of politicians and politics whether of the left or right. Despite the fact that many of their fellow students are conscious left-wing activists, much of their rhetoric of the left has fallen on deaf ears. The students abjure even their own actions as anything to do with politics, yet the dominant slogan of every march, assembly, protest remains:

We are not paying for your crisis.

Unconsciously they are declaring war on the whole system, which has so far offered them little and promises them even less in the future. They have taken the first giant steps to realising that if what they say is true they have a world to destroy and a new one to create — social revolution. And nothing could be more political than that.

IRAQ

Deal on US troops rejected

BY RHODRI EVANS

Top people in the Iraqi government are saying that the deal which Iraqi prime minister Nuri al-Maliki has negotiated with the USA for US troops to remain in Iraq after their UN mandate runs out on 31 December now probably won't be approved.

On 20 October the Iraqi cabinet rejected the text, and on the 24th a leading figure in the government coalition said Maliki would not put the deal to the Iraqi parliament.

The fallback is probably for a further short UN mandate, six or twelve months. Russia has said that it will not oppose that.

Earlier this year, the USA tried to get Iraq to approve a strong "State of Forces Agreement" which would have made the US military a virtual parallel government in Iraq for the indefinite future.

The Maliki government, however, has gained some weight and confidence, shown also by its decision to award a big oil contract to a Chinese company and the bidding process it started on 13 October for further oil contracts.

In the negotiations it shifted the US some distance from its initial position. The draft text calls for US troops to withdraw to their bases by June 2009 and to leave Iraq by the end of 2011 — both dates subject to extension, but only if the Iraqi government requests it.

The draft would allow Iraq to prosecute US troops except when they're on US bases or on military operations, strip private military contractors of US legal protection and reclaim control over Baghdad's Green Zone.

But Iraq has provincial elections coming up in January 2009, and the Shia-Islamist government parties do not want to go to the polls with the handicap of having signed an agreement which endorses the presence of the unpopular US troops. Shia-Islamist groups currently outside the government, the Sadr

movement and Fadila, have campaigned against the agreement, though they have not demanded immediate US withdrawal.

Mike Mullen, chair of the US Joint Chiefs of Staff, has said that "there is great potential for losses of significant consequence" if the deal is not ratified, but it may be that behind the scenes the Bush-Cheney administration is happy to leave the mess to Obama or McCain to sort out.

Paradoxically, some of the Sunni Islamists who constituted the main anti-US "resistance" until recently are now supporting the draft deal. They are worried about the consolidation of power in the hands of the Shia-dominated Maliki government, which they see as close to Iran, and they see the US as a counterweight.

Reidar Visser, an expert on Iraqi Shia politics, reckons: "The end result may well be a deal that is in fact tolerable to Iran in that it keeps US forces bogged

down in Iraq and helps the Maliki government with the finishing touches in its project of achieving dominance in Iraq" (www.historiae.org).

Iraq could easily still lurch back from current conditions — hellish, but a bit quieter — to outright communal civil war. Since the Sunni ex-"resistance" al-Sahwa militias, previously paid by the US, came under Iraqi government control on 1 October, the government has moved to arrest and prosecute several leading militia figures. The militiamen see this as a sectarian move.

Sunni-Shia conflict could re-ignite. Government measures have also increased Arab-Kurdish tension. Meanwhile, the government's actual successes in establishing civil administration are limited.

But the government is a solidly right-wing one. Even if its consolidation brings a more assertive attitude to the USA, it brings real dangers for the Iraqi labour movement. The government has

kept Saddam-era laws on the books, making almost all the existing unions formally illegal; it has promised to take a new labour law to parliament, but shows no sign of doing so; it maintains Decree 8750 from 2005, authorising the government to seize all union funds.

The Iraqi Freedom Congress reports big workers' demonstrations in late October in Alexandria and in Basra, in southern Iraq, over revoked pay rises which the government promised to restore after previous demonstrations, but has not restored.

Democratic self-determination for Iraq, which is possible only on a secular basis; democratic control by the people of Iraq over the country's big natural resource, its oil; legally-guaranteed rights for the Iraqi labour movement; inflation-protection for pay; work or a living income for the jobless; and emergency expansion of public services — these are the demands that point a way out.

GREECE

General strike against privatisations, for better wages and pensions

Riot police fired tear gas on Tuesday 21 October to disperse demonstrators amid a nationwide general strike that brought air, rail and ferry traffic to a halt.

The general strike by millions of workers also crippled urban, rail and sea transport and kept schools, banks and public offices shut. State hospitals and utilities, including the partially privatized OTE telecom company, operated on skeleton staff while journalists staged a media blackout.

The GSEE private sector union federation and its public sector counterpart

ADEDY organized the strike. Both unions represent about half the country's workforce of five million. A union spokesperson stated, "Participation is very high, in many sectors it exceeds 90% of the work force."

Unions are opposing privatisation of Olympic Airlines and attacks on pensions proposed by Prime Minister Kostas Karamanlis's right-wing government. Pension "reforms" include ending early retirement schemes, merging pension funds and capping auxiliary pensions.

Other demands include a doubling of the minimum wage.

Workers' Climate Action National Gathering
15-16 November 2008.
London School of Economics, Holborn, London.
Debates, workshops, practical and political.

Workers' Climate Action seeks to create solidarity between the grass roots labour movement and grass roots environmentalists to discuss and formulate a workers' plan to prevent ecological disaster.

• www.workersclimateaction.co.uk

BOLIVIA

Referendum and elections loom

Bolivia's Congress has approved holding a referendum on a new constitution that President Evo Morales says will empower the country's indigenous majority.

The referendum will take place on 25 January. Elections for president and Congress are set for December 2009.

Morales wants more state control over the economy, to limit the size of big land holdings and to redistribute revenues from the gas fields.

Morales has met opposition from Bolivia's richer lowland provinces. Four of them declared autonomy in protest.

In September, the political struggle over the constitution erupted into violence, with 30 people killed in the northern province of Pando.

ISRAEL-PALESTINE

Support the strikes in Gaza!

BY DAN KATZ

Long-running factional battles between the Palestinian Authority (PA) and Fatah, on one hand, and Hamas on the other are the context for the strikes that have recently taken place in the Gaza Strip, with solidarity action in the West Bank.

According to *Haaretz*, at the end of August, just before the new school year began, teachers and principals sympathetic to Fatah were purged and replaced with 2000 newly trained, Hamas-loyal teachers. Some of the new teachers appear to be students whose main qualification is that they are religious and pro-Hamas. Hamas also raided the Gaza headquarters of the Fatah-aligned teachers' union and arrested some of the union's activists.

The union called a strike in protest, which was backed by the Ramallah PA government. The PA, the teachers' employer, insisted that the strike be observed and threatened that those who went to work would not be paid and would have their pensions cancelled; strikers would be paid. Hamas said those that broke the strike would be paid by the authorities in Gaza.

Other groups, including civil servants and medical workers, also struck in Gaza. The medics' demands were straight-forwardly political, in direct opposition to the Hamas regime. Again strikers were backed by the PA in the West Bank and promised pay if they struck and dismissal if they worked. According to the UN 85% of education workers and 70% of primary health care personnel were on strike at the start of September.

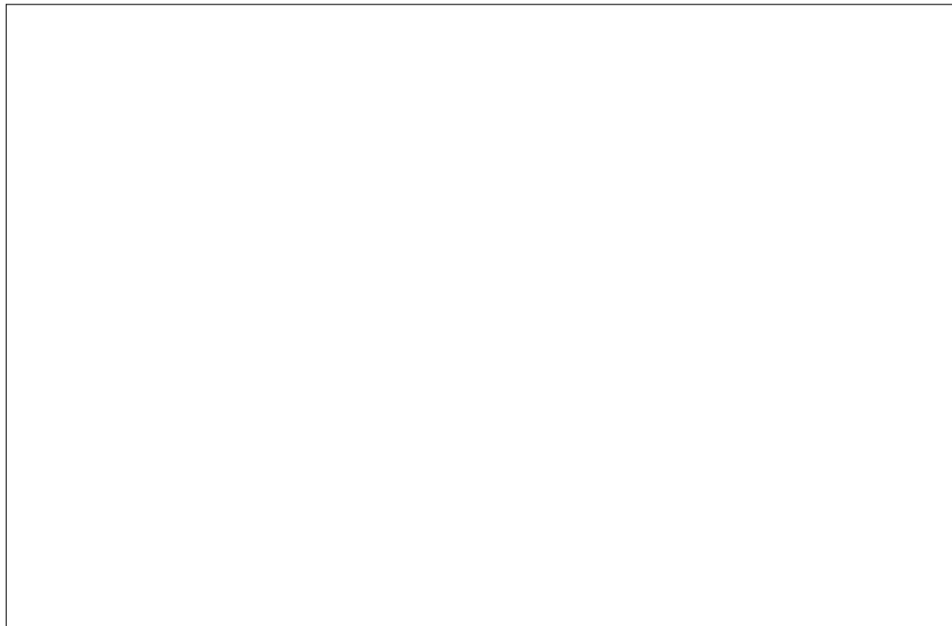
The backing of the PA for Gaza strikers, and solidarity action in the West Bank, is in stark contrast to their opposition to recent public sector strikes in the West Bank which demanded that salaries be index-linked to inflation and that wage backlogs be paid (*Le Monde Diplomatique*).

Hamas have responded by threatening doctors on strike and organising demonstrations outside their houses, and closing down private clinics of strikers.

At the end of October the civil service, teaching and health unions pledged to continue the strikes until next year. In the hospitals surgical operations have fallen by 40% and admissions by 20%.

Despite the element of Fatah hypocrisy and coercion directed through union structures it controls or has influence in, we back the workers resisting the Islamisation of the Gaza Strip.

The workers are right to oppose the Gaza authorities, and right to object to the teaching profession being overrun by religious zealots. Fatah is a corrupt, decayed bourgeois force, but more space



Gaza school students: their teachers are striking

exists for the left, women and working-class activism on the West Bank than in Hamas-controlled Gaza.

Victory to the Gaza strikes!

In the West Bank, on Saturday 25 October, 500 police deployed in the Palestinian-controlled areas of Hebron. The move is partly directed against the Islamist organisation, Hamas, and partly against criminal gangs and lawlessness. Similar operations have taken place in Jenin and Nablus.

The bourgeois, "technocratic" PA government of Salam Fayyad, who was appointed by Fatah President Mahmoud Abbas in the wake of Hamas' seizure of power in Gaza in June 2007, is backed by Fatah.

After the Hamas takeover in Gaza, PA security forces, with the help of Fatah militias, undertook a wide-ranging crack-down in the West Bank. The Fatah-linked Al-Aqsa Martyrs' Brigades turned in Hamas members and physically removed Hamas officials from government positions. Hamas militias were outlawed. Security services purged their ranks of suspected Islamists and jailed many. Over the past year 1,000 West Bank security personnel deemed "suspect" have been dismissed.

Between the PA's declaration of a state of emergency on 14 June and 30 September 2007, Palestinian security forces arrested approximately 1,500 Hamas members and suspected sympathisers. The pace of the anti-Hamas campaign subsequently slackened. While estimates vary, a Palestinian human rights organisation calculated that in early June 2008 the PA held 112 Hamas prisoners.

Over the last year dozens of Hamas-linked organisations have been closed on the West Bank. Nevertheless Hamas retains considerable support and while many of its activists have gone underground it could quickly revive.

In addition to clamping down on Hamas the PA government has sought to end the activities of the Al-Aqsa Martyrs Brigade — partly by negotiating amnesties with Israel and finding work for Brigade members.

But feppression on both sides — Fatah against Hamas, Hamas against Fatah — has intensified since late July 2008 following a series of bomb attacks in Gaza.

On 25 July a 4-year-old girl and five members of Hamas's armed wing, the al-Qassam Brigades, were killed in a Gaza City beach café. Hamas claimed Fatah was responsible.

Hamas had brutally routed Fatah in Gaza in June 2007, in particular destroying the Gaza organisation of Fatah's police-thug, Muhammad Dahlan. But Hamas failed to completely uproot all Fatah structures and establish a monopoly of armed force. Since 2007 they have been gradually destroying all organised opposition and centres of potential opposition.

In 2007 Hamas disbanded the pro-Fatah Union of Palestinian Journalists. In November it cancelled all press cards in Gaza, and now no news photography is allowed without Hamas' permission. On 12 November a 200,000-strong Fatah march in Gaza organised in memory of Yasser Arafat was forcibly dispersed by Hamas gunmen who fired into the crowd killing at least six people and injuring over 80.

In February 2008 Hamas closed the operations in Gaza of *al-Ayyam*, a Fatah-linked paper, for publishing a cartoon lampooning Hamas leaders.

In the aftermath of the July bombing Hamas stormed a quarter run by the pro-Fatah Hillis family, killing a dozen people, arresting many more and intimidating other clans into concluding ceasefire agreements.

For example: "Mumtaz Dughmush — the leader of the Army of Islam, best known outside Gaza for its March 2007 abduction of British journalist Alan Johnston — had flouted central authority in the weeks preceding the beach explosion; however, in the wake of the assault, he pledged that henceforth he would 'follow the law' and concluded a six-month 'truce' with Hamas." (Crisis Group briefing)

Then, according to Human Rights Watch, Hamas arrested 200 Fatah supporters and closed 200 Fatah-linked associations, charities and sports clubs. Arrests were often carried out by Hamas organisations, rather than by the police.

Gaza Fatah leader Zakariya al-Agha was arrested, as were PA-affiliated governors of Gaza City, Khan Yunis and Rafahnot.

"The offices of independent legislator Ziad Abu Amr — viewed as sympathet-

ic to the authorities in Ramallah even though he had been elected with Hamas support — and of members of Fatah's Gaza parliamentary bloc were ransacked... Activists of the Popular Front for the Liberation of Palestine [leftist, PLO affiliated] were arrested and their radio station closed" (Crisis Group). The PA television station was shut.

In the wake of these attacks Fatah retains considerable backing in Gaza, but it is leaderless.

HAMAS CONSOLIDATE

Hamas have acted not only against Fatah, but against other Islamists and clan-based militias.

After July 2008 two Islamic Jihad mosques were taken over by Hamas, meaning that new preachers were appointed and posters celebrating Hamas and their Qassam Brigades were put up. Members of the Al-Quds Brigade, Islamic Jihad's armed wing, were also arrested. Muhammad Shalah, the brother of Islamic Jihad leader Ramadan Shalah, was detained the day before a planned demonstration he was organising in support of Gaza's striking teachers." (Crisis Group). Hamas blame Islamic Jihad for shielding some Fatah leaders after June 2007.

The leader of the Army of the Nation (Jaysh al-Umma), a jihadi group, was also arrested.

Hamas had purged the leaderships in various state agencies operating in Gaza, starting with Health and Education; more recently it has looked to purge lower level staff and teachers. It now controls all significant state structures with the exception of banking. It seems to have left the banks alone from fear of an international reaction leading to total collapse of the financial sector.

After June 2007 Hamas set up a police force in Gaza with 11,000 officers, including 50 veiled women. They now have the court system under their control, with only one of the pre-June 2007 judges still in position.

The position of women in Hamas-run Gaza is complicated. Hamas seem to have made a tactical decision to hold off — for the time being — on the rigid enforcement of Islamist dress codes for all women, and complete bans on other forms of "non-Islamic" activity. But the signs are that conditions are getting worse. More women are veiled; there has been an increase in "honour killings" and attacks on prostitutes, or alleged prostitutes; parties where men and women mix have been raided; Christian bookshops have been attacked.

In August, and in retaliation for the Gaza raids, Fatah arrested 100 Hamas activists on the West Bank.

On both sides arrests are often made outside the law and are accompanied by mistreatment of prisoners. Torture is common on both sides.

Since June 2007 Israel, the US and EU have attempted to isolate Hamas and boost Fatah. \$8 billion has been pledged to the West Bank, including \$60 million from the US to train and fund units loyal to President Abbas. The EU is supporting the Palestinian Civil Police — apparently the least abusive of the West Bank policing organisations.

GAZA

40km long and 10km wide, and home to more than 1.4m Palestinians

After 1948 Gaza was controlled by Egypt; taken over by Israel after the 1967 war; Israel withdrew in 2005, dismantling 21 settlements.

WEST BANK

5,600 sq km; home to 2.6m Palestinians.

A workers' pla

The New Labour and Tory politicians who once shouted loudest in favour of “free markets” now accept that the government must take over many of the big banks, and exercise some kind of economic control. Only they want that control in the interests of the bosses and the rich; they want to manage the coming slump in the best way for their class and return to “free markets” as soon as possible.

We want democratic control in the interests of the working-class majority, by a *workers' government* based on and accountable to the labour movement. The labour movement should wage every battle, even the smallest defensive struggle, so as to maximise working-class self-confidence and self-assertion, and bring the goal of a workers' government nearer. We demand:

1. Take control of the banks

Nationalise, without compensation for the bosses, the entire system of banks, pension funds and other financial institutions, to create a single, public, democratically-controlled banking, mortgage and pensions service whose resources can be used to protect the jobs, pensions and homes of working-class people, and provide for social need.

2. Rebuild public services

Reverse all forms of privatisation, contracting out, PFI etc; tax the rich to revive, rebuild and expand the NHS, education etc as public services under workers' and service-users' control. Scrap nuclear weapons, cut military spending and end subsidies to the arms trade, with a programme to convert arms industries to peaceful purposes. A single comprehensive school system; abolish all fees in education, introduce a living grant for every student over 16.

3. Jobs for all

Resist the job cuts: a shorter working week, maximum 35 hours, without loss of pay; ban over time, with wage rises to compensate those workers who lose out; nationalise under workers' control firms declaring mass redundancies; expand public services to create decent, socially useful jobs for all (eg more teachers, more nurses, more building workers).

4. Inflation-proof wages, pensions and benefits; attack inequality

The labour movement should calculate its own, realistic, figure for inflation as it affects the working class and organise indus-

trial and political action for, as a minimum, inflation-proofing of wages (wages to rise automatically as prices rise). Pensions, benefits and the minimum wage should rise in line with inflation or earnings, whichever is higher. Oppose New Labour's reactionary “welfare reforms”. Benefits should be enough to live on; the minimum wage, at least 2/3 median male earnings, currently £8.80 an hour, with no exceptions. Attack inequality: shift the tax burden off the working class and poor by phasing out VAT and most indirect taxes; cut taxes for the least well off; tax the rich.

5. Decent homes for all

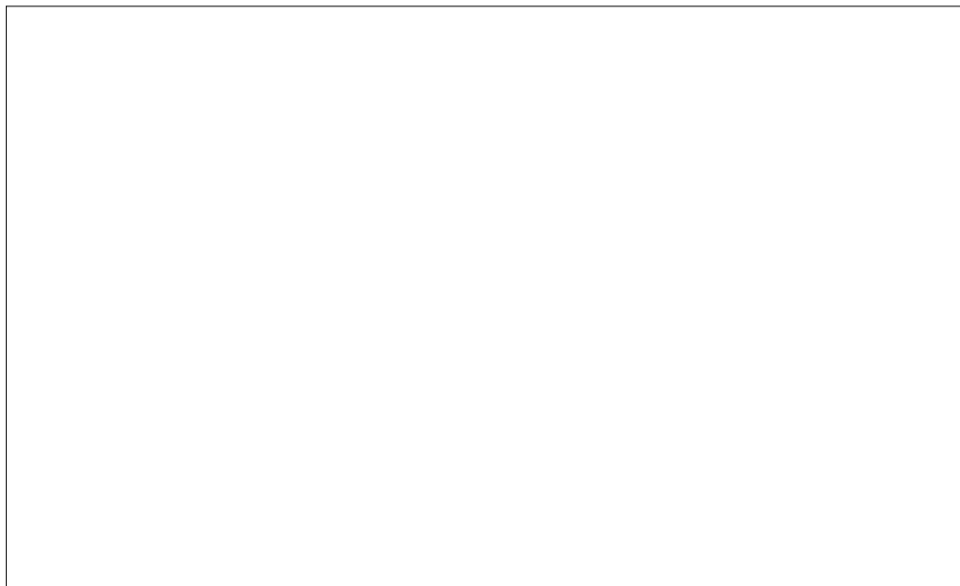
No evictions; every home-owner facing repossession should have the option of converting their property into rented social housing so they can stay. A massive programme of council house building, under tenants' and housing workers' control, and the confiscation and conversion of empty / unused properties (90% of which are currently privately owned), to guarantee quality housing for all at cheap rents.

6. Open the books! Fight for workers' control!

We need access to all company accounts so we can challenge the bosses' version of what is and is not “affordable” and determine who is responsible for the crisis. Crack down on tax evasion by the rich. Fight for workers' control at every level of the economy, from the smallest workplace to the biggest multinational corporation. Nationalise the giant industrial and service companies, and use their resources for a programme of social reconstruction.

www.workersliberty.org

n for the crisis



Teachers have been fighting for a pay rise that keeps pace with inflation. The labour movement needs to calculate its own, realistic, figure for inflation

7. Nationalise energy and transport; for a sustainable economy

The gas and electricity companies have been making huge profits at the expense of working-class people and the environment; they should be nationalised and run as public services, with a drastic reduction in bills. Public transport must also be taken into public ownership; local journeys should be made free and all fares reduced. Major investment in public transport, energy efficiency and renewable energy, and a conversion programme for polluting industries, as part of a worker-led “just transition” to a sustainable, low-carbon economy.

8. Workers’ rights and democracy

Scrap the anti-trade union laws. A positive charter of workers’ rights — to organise, win union recognition, strike, picket, take solidarity action. Support for workers taking action in defiance of the anti-union laws. Fight for democracy: abolish the monarchy and the House of Lords, reorganise Britain as a federal republic, put the government under the control of recallable representatives. No official should be paid more than a worker’s wage. Restore and expand civil liberties. Trade union rights in the police and armed services; abolish officers’ privileges; elected local authorities should be given control over the police.

9. Fight racism and the roots of racism

The labour movement must seek to organise all workers regardless of immigration status as part of the fight for open

borders; anything else means allowing the bosses to divide us. Fight for mass mobilisation and self-defence by the working class and oppressed groups against the BNP and other far-right organisations, and for socialist answers to the social decay on which they feed.

10. Women’s liberation

Increased pressure on household budgets, cuts in services and the growth in domestic violence which often accompanies recessions all mean the crisis will affect women with particular sharpness. We need a labour movement which fights for women’s liberation, and a working-class women’s movement, demanding equal pay without compromise, defending and extending abortion rights and reproductive freedoms, and fighting for free, universal childcare, well-funded services and other demands to make equality real.

11. Workers of the world unite

Workers everywhere have more in common with each other than with their capitalist or Stalinist rulers. The British labour movement must unite with workers across Europe and the world to link up our struggles and fight for a levelling up of wages, conditions and rights. Fight to reorganise the European Union on a democratic basis; for a Workers’ United Europe.

12. Rebuild the labour movement! Organise the unorganised!

Organise the unorganised, including migrant, young, contracted out and precarious workers. Organise the unemployed to demand jobs and decent benefits. Democratise the unions: union officials should be subject to annual elections and paid a worker’s wage; decisions on industrial action should be made by elected strike committees at the level of the dispute. Rebuild Trades Councils as organising centres for the working class, both industrial and political.

The unions must fight to impose their policies, on privatisation, workers’ rights etc, on the Labour government — not advise or lobby Brown, but confront him politically! Rally the activists to build — through the trade unions, Trades Councils and other working-class organisations — a movement for independent working-class representation in politics, as the basis for a *new workers’ party*. Its aim should be a *workers’ government*, based on mass working-class mobilisation and accountable to the labour movement — a government which serves our class as the Tories and New Labour in power have served the rich, and reshapes society in the interests of people, not profit.

Take these ideas into your union branch, workplace, student union or campaign. For more copies contact awl@workersliberty.org

LABOUR AND THE UNIONS

“Compliance” or democracy?

Nick Holden and his partner Kate Ahrens, both of whom are Unison members in Leicestershire, have been expelled from the Labour Party. Nick explains how he feels about that.

Having lived together for thirteen years, Kate and I plan on doing most things together now. One thing we didn't plan on doing together was getting expelled from the Labour Party. But in September, two days before Kate was due to travel to Blackpool to join Unison's delegation to the Labour Party conference, we both got identical letters from Roy Kennedy, who styles himself the “Director of Finance and Compliance”:

“I have been informed that you are a member of the Workers' Liberty, an organisation which is registered as a political party on the Electoral Commission's website... You are, therefore, no longer a member of the Labour Party and have been removed from the national membership system. You will no longer be entitled to attend local Labour Party meetings.”

Never mind that in our local Labour Party there hardly are meetings for us to attend, and never mind even that any organisation that has a Director of Compliance is having serious problems remembering what democracy is. This decision is a shocker. Not because we're not supporters of the Alliance for Workers' Liberty, we are, and we've never made a secret of that, but because the entire process happens without any kind of hearing, never mind appeal.

So if I informed Roy Kennedy that Gordon Brown was also a supporter of the AWL, would he be automatically removed from the Labour Party membership system with no right of appeal? Never mind all those years of patient entry work, if Trotskyists really wanted to destabilise the Labour Party all they'd need to do is embellish their own membership lists with the names of a few cabinet members and the staff of the Prime Minister's private office, and inform Roy Kennedy that the party's top nobs were on their list. And hey presto! The government is expelled from the Party.

Of course it doesn't work like this. The rulebook of the Labour Party is an undemocratic, blunt as a sledgehammer weapon, but it is wielded deliberately, and only in one direction.

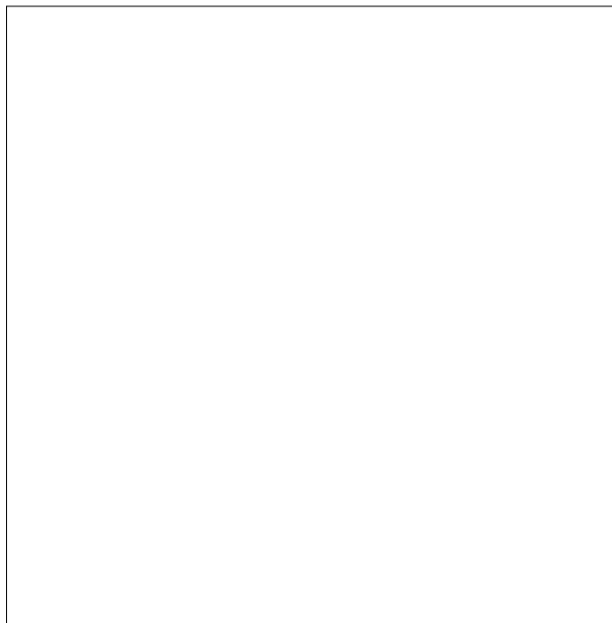
I've been a supporter of the AWL for sixteen years, about the same time that I've been a Labour Party member. I first came across the AWL in the late 1980s when I was a student, but at that time I was in the Green Party, and considered all those in the Labour Party far too old fashioned (I think the term we used was “grey” and it certainly applies to a lot of Labour Party members I've known since) to be worth bothering with much. However, the AWL, or *Socialist Organiser* as it was known then, were active on campus, and seemed to be saying the right things and talking about the right issues.

But then I finally figured out that all that “grey” droning on about what dead men wrote a hundred years ago actually had more relevance to changing the world than any amount of consensus decision making about putting “spirit” into politics.

I had come back to Leicester, was out of work and in debt, and almost immediately the Tory government announced the pit closure programme — the final act of revenge on miners and their union for daring to stand up to the Tories in 1984/85 and many times before.

I joined the Labour Party, because it was clear that if there was going to be a serious fight to save the pits then part of the fight would be to get the opposition in parliament to oppose the plans, and because the Labour Party was the obvious vehicle to involve hundreds of thousands of politically minded people in the fight. It wasn't, particularly, at least not in the Constituency I lived in, but one activist I met at my first Labour Party meeting turned out to be a supporter of *Socialist Organiser*.

He, and others from the group, soon proved themselves to be serious and committed activists, with a strategy and vision about how the labour movement could, and should, be organised so that fights like that over the pit closures could be won.



Nick (far right) on local Unison protest about NHS cuts

Other people who I met through that pit closures campaign in Leicester have since become local councillors or just dropped out of political activity altogether, but I think my contact with the AWL, its political education, its encouragement of open and critical debate, and its focus on being “the memory of the working class” has kept me, more or less, on the right path: still active, still questioning, still with a plan. Not bad for someone approaching their 40th birthday!

I can remember the conversation I had with the SO comrade who talked to me about the group and the commitment I needed to make: “We expect people to join and be active in the Labour Party,” he told me. That was fine with me. Indeed, in many places the Labour Party has benefited massively from the work of socialists encouraged to join the Party by the work of SO/AWL.

I was selling copies of *Socialist Organiser* through the rest of the pit closure campaign and *Socialist Organiser* had been banned (by Labour Party conference, then, after a debate) in 1990. That didn't stop the Leicestershire Labour Party electing me press officer for the county council elections in 1993, or my local Labour Party asking me to organise our campaign for the local borough council in 1995. It didn't even prevent my being selected as the Labour candidate for Harborough in the General Election of 1997.

Maybe I should have informed Roy Kennedy — who was, by coincidence, a high-up in the East Midlands bureaucracy at the time. I've even got a letter from him somewhere, congratulating us on getting the biggest increase in a Labour vote anywhere in the whole country.

So if it was OK for me to be a council candidate etc in the past, why do I get expelled now?

It's all about the timing. Kate, as a member of Unison's National Executive has an increasing profile as a critic of the union leadership's passive relationship with the Labour government. And thanks to that, she was elected by the East Midlands regional Labour Link to be one of the region's two delegates (part of a massive Unison delegation of maybe 40 people) to the Labour Party conference. And that was the trigger for Roy Kennedy's letters.

This is the only explanation that I can come up with: that someone was so frightened by what Kate might have said or done at conference, or so worried that she might have used our blog, or the pages of *Solidarity*, to report back to the members on whose behalf she would have attended the conference, that they resorted to bureaucratic means to stop her. I want to believe that they expelled me because they think I'm just as much of a threat, but I'm realistic enough to think they just expelled me because I live at the same address.

Perhaps the Labour Party bureaucracy decided they didn't want a repeat of the Walter Wolfgang fiasco, and decided to throw Kate out of the conference before she even arrived. Perhaps the Unison bureaucracy were terrified that one lone voice speaking out in support of

public sector workers would be an embarrassment for the majority of the delegation, sitting quietly in the conference hall.

Is the AWL wrong to register as a political party in its own name, and to consider standing candidates against official Labour Party candidates? At a time when the Labour Party in government does more than even the Tories dared to try when it comes to privatisation, and resolutely fails to address either falling living standards or workers' rights?

I have to say that to remain a Labour Party member, and not also be an active socialist trying to overhaul the entire Party, would seem to me to be an irrational thing to do. Why would anyone want to be identified only as a passive supporter of the Blair/Brown gravy train, unless of course, they had aspirations to get their snout into the trough as well? Almost all Labour Party members I know are deeply disturbed by the direction the Labour Party has moved in the past decade, and almost all of them want change. Maybe Roy Kennedy should remove them all from the membership list?

It would be futile and self-defeating to set ourselves the task of overhauling the entire labour movement (and this is what any socialist must set themselves the task of doing, if their socialism is ever to be more than a comfort for cold winter nights) without at least reserving the possibility that there may be times when the Labour Party must be challenged openly in elections, and not only internally, through fights for democracy and in the selection of candidates.

Within Unison, much of the left are already outside the Labour Party, and probably view our expulsion with a “so what?” attitude. Bob Crow, speaking shortly after the RMT was expelled from the Labour Party for daring to support the Scottish Socialist Party, talked about feeling “free” — when he should have been talking about fighting to get back into the party. That option isn't really open to us, but I don't feel “free”.

I don't feel free any more than someone who is sacked might feel free from having to go to work. The left who see the Labour Party only as the “enemy” and not as an arena for class struggle in itself are massively missing the point.

I hope Labour Party members will recognise our expulsion as yet another attack on the rights of Labour Party members to be a critical minority, and will give more support to the efforts of groups like the Labour Representation Committee, who are trying to restore the idea of a democratic and collective political voice for the labour movement, rather than seeing members as a stage army of supporters for the Labour Party front bench stars.

Within Unison, we should continue to demand that all those who pay in to the Labour Link, whether individual Labour Party members or not, should have democratic rights within the Labour Link structures, and we should use those structures to wield Unison's power in the interests of our members, not in defending the Labour Party machinery from criticism.

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TV

Spiced up vice

CATHY NUGENT REVIEWS THE PRICE OF VICE (BBC2)

From the start this programme's commentary promised "spiced up" footage and propaganda. And I was hoping to see a proper documentary. "We look at the dark and dangerous netherworld [of London's sex industry]" the programme makers said. And, "We look at the work of the Clubs and Vice Squad... who have become a byword for integrity and honesty."

As far as the dangers of the sex industry go, we get to hear just a few facts, but not their true implication; we get to see some dangers faced by sex workers, but not the total story.

For instance the programme reported that two-thirds of female prostitutes have been raped and half of those five times or more. Awful enough, but we really need to know more. We are not told for instance whether the figures are different for women working on the streets than for women working indoors.

That's an important point because the government is now engaged in a drive against brothels, closing them down, and this is being vigorously opposed by prostitutes and campaigners who say working indoors, depending on the circumstances, is a much, much safer working environment.

The programme followed the investigation of the police into groups of traffickers. In one case where men brought women into the country and forced them to work in prostitution, I was glad the police caught them and locked them up.

But the programme makers themselves stated in three out of four situations of trafficking, women are voluntarily paying people to get into the UK so they can find work in the sex industry. What do the police do in these situations? Do they treat everybody in the same way? We are not told, and therefore are given no opportunity to assess the facts and the implications.

As a propaganda film for the work of the police, I'm not sure it did the job very well. We are told police "protect" sex workers and no longer see them as criminals, but as "victims". The language of victimhood is problematic for many sex workers, who do not see their situation as victimhood. But even so, did the film even show the police actually "protecting and serving", really helping people they supposedly see as "victims"? Not really.

We see the fact that one policeman had been assigned to look into the unsolved murders of prostitutes. One single detective inspector!

We see the police spend three nights picking up 19 kerb crawlers in East London, taking them down the cop shop to be DNA swabbed and finger printed. Apparently this procedure — having DNA profiles sit on a database — is the best way to solve rape and murder crimes. But how about reducing the risk of rape and murder in the first place? Or making it easier for women to report rape to the police?

But the worst aspect of this programme was the absence of information about the government's current proposed legislation on sex workers. The only public policy information was about the 2012 Olympics — that there is great concern (from whom?) that London, and east London in particular, will become the "sex capital of Europe".

Given the programme makers must have had access to high ranking officials in the Met, they were here telling us something the policy makers haven't wanted to be open about. Is this the real impetus behind the proposed law which will crack down on kerb crawling and brothels? To drive prostitutes off the streets? So much for not criminalising prostitutes!

FILM

The Groan of Destiny

DALE STREET REVIEWS THE STONE OF DESTINY

In 1950 four young Scots stole a lump of rock from Westminster Abbey and took it to Scotland. It was the "Stone of Scone", reputedly used in the coronation of kings of Scotland, but taken to London in 1296. The piece of rock was eventually abandoned in the grounds of Arbroath Abbey, and police took it back to Westminster Abbey.

One of the four, Ian Hamilton, wrote a book about it in 1952, *No Stone Unturned*. Re-titled *Stone of Destiny*, and provided with a foreword by Scotland's First Minister Alex Salmond, the book has been republished to coincide with the release of a film of the same name.

The Glasgow *Herald's* reviewer has written:

"Just when you thought the Scottish cringe might be on its way out, along comes *Stone of Destiny* to give the nation a collective beamer. ... For sheer tartan-draped, pipe-skirling hokum, *Stone of Destiny* makes *Braveheart* look like Bergman. ... (The film) is what we in this part of the world call a steaming pile of mince."

"Groaning at the crowbarred cultural references at least keeps the viewer awake. Though it's hard to take a great story like this and make it dull, hats off to (director) Martin Smith for succeeding. Onward, endlessly onward, the tale goes, dragging itself along like a three-legged elephant."

An American critic adds: "This unabashedly sentimental and outright anti-English film is as stodgy as a cheap haggis with nationalistic sentimentality. The film essentially represents a political broadcast for the SNP disguised as a caper movie, where nearly all English people are bad and cops lurk on every London corner — like Stalinist Russia, but with funny hats."

The film critic of the *Herald* notes: "The four (lead characters) trade patriotic declarations as if staying out of jail depended on it. All four are graduates with honours in nationalism for numpties. No cliché is left unspoken as they lose their nerve, find it, lose it again, and so on."

By the end, the film has abandoned all pretence at following the actual course of events from 1950. It degenerates into a party-political broadcast — more so for Siol nan Gaidheal ("Seed of the Gaels", a cultural-nationalist sect) than for the calculating, oil-based, European-oriented nationalism of Alex Salmond's SNP.

No — when the news of the Stone of Destiny's seizure was announced, the Scottish masses did not pour into the streets, dancing, waving Saltires, and climbing statues in Glasgow's George Square. Nor was it a warm summer day when news broke about the seizure of the Stone — it was a cold Christmas morning.

The nationalism for numpties, the endless patriotic declarations, the tartan-draped, pipe-skirling hokum — they are all to be found in Hamilton's book.

Hamilton's references to women, and particularly to Kay Mathieson, who took part in the raid on

Westminster Abbey, induce the same toe-curling embarrassment as the film.

Kay was "small and dark and large-eyed, and remote as a Hebridean island." Kay would "catch the imagination of Scotland as her countrywoman Flora MacDonald had done in the Islands two centuries before. ... If the English imprisoned Kay, there would be such an explosion in Scotland as would rock Westminster to its venerable foundations."

Kay's feats "should be remembered wherever Scotswomen wish to honour their kind. ... We were both in love with something greater [than profane human flesh], something too sacred to dwell on. Patriotism is never out of fashion, but it is not the fashion to speak of it. She loved the Gaeltacht more than any man, and, lovely as she was, she never married."

When Hamilton went to London on a "reconnaissance" mission, in his mind he was really taking part in the uprising of 1745:

"As I crossed the Border I was seized with shaking excitement. The Blue Bonnets were over the Border, and not for the first time. I thought of how my forefathers from Clydesdale had many times passed this way in defence of the liberty of Scotland, or bent on hearty plunder."

"It was like the '45 all over again," writes Hamilton of the period following the seizure of the Stone. But it is not just the uprising of 1745 that Hamilton is still fighting. He's still waging the Wars of Independence of the 1300s:

"Edward I of England was as treacherous a Plantagenet as ever raped a child or lied in his teeth. ... Six hundred years is a long time, but there was a continuity of strife from his time to ours, and his sacking of the Abbey of Scone was, I hoped, to have its more civilised counterpart here in Westminster that very night."

Hamilton has nothing against monarchs in general. He speaks of George VI, king of England in 1950, with reverence. "That old gentleman had led us, Scotland as well as England, through one of the most dangerous times in our history. He personally symbolised us all. ... It was the King who was one with the nation." The four who seized the Stone decided to petition the king:

"The Petition of certain of His Majesty's most loyal and obedient subjects to His Majesty King George the Sixth humbly sheweth ... That in removing the Stone of Destiny they have no desire to injure His Majesty's property nor to pay disrespect to the Church of which he is temporal head. ... That his Majesty's humble petitioners who have served him in peril and in peace, pledge again their loyalty to him."

In his foreword, Alex Salmond writes: "It was Ian who — by means of a single act — started the modern process of waking this country up to its history and its potential." In fact, Hamilton represented a brand of Scottish nationalism which needed to become extinct before the nationalist movement could transform itself into a modern political force.

WORKERS' REPRESENTATION

Talking about workers' candidates

BY COLIN FOSTER

On 15 November the Labour Representation Committee meets for its annual conference. The rail union RMT has called a cross-union conference on working-class political representation for 10 January 2009.

And Nottinghamshire Trades Council is planning a local trade unionists' meeting on workers' representation in February 2009. East Midlands RMT branch is involved in this plan, which, like the calling of the 10 January conference, is in line with a resolution carried at the RMT's conference in June 2008.

Significant numbers of activists want to move beyond the current alternatives of sullenly voting official Labour, with the knowledge that Gordon Brown has now completely shut down the channels for political input from the organised working class into the Labour machine, or making occasional protests by voting for one-off left candidates.

There's a chance to make a start towards rallying substantial sections of the labour movement to break with Brown and Mandelson, and to create an open, audible voice in politics for the organised working class.

As the LRC notes in its statement of aims, "the original Labour Representation Committee was formed in 1900 to fight for political representation for the Labour Movement". (It was, though the statement does not note this, a minority initiative, with affiliations from unions representing only about a quarter of the total

trade-union membership. Things are rarely achieved without a minority daring to be pioneers).

"In Britain today we face a similar crisis of representation. The LRC has been re-formed to secure a voice for socialists within the Labour Party, the unions, and Parliament..."

So far the LRC has mainly focused inside the Labour Party, for example with John McDonnell's campaign for the Labour leadership in 2007. But of the six unions affiliated to LRC, two of the most active, RMT and the Fire Brigades Union, are not affiliated to the Labour Party, and have supported socialist electoral candidates against Labour.

The big debate at the LRC's 2007 conference was around a motion from AWL arguing that the LRC should broaden itself into a Workers' Representation Committee seeking to set up local representation committees which would not necessarily be limited to official Labour in their political and electoral options.

That motion was defeated, but the debate will re-run this year with much new urgency added to it by the depth of the economic crisis.

The motion passed at RMT conference came from Stratford no.1 branch and was moved by Janine Booth, a London Transport region delegate to the conference and an AWL member.

This union notes the disastrous results for the Labour Party in the May 1st elections. We believe that working class voters have deserted the Labour Party because it has abandoned working-class people through its policies of cuts, privatisation, war and lining the pockets of the rich at the expense of the poor and low paid.

We are also appalled at the advances made by the fascist BNP in these elections.

The union must respond to this by reasserting our socialist politics and by fighting for working-class political representation.

To that end we resolve to:

** Convene a national conference on the crisis in working class political representation similar to those organised previously*

** Encourage our regional councils to organise similar conferences on a regional basis*

** Initiate and support the setting-up of local Workers' Representation Committees which can identify and promote candidates in elections who deserve workers' support.*

RMT called a previous conference on workers' representation in January 2006. Despite minimal publicity, it was packed. Maybe 100 people were unable to get in for lack of space. But there were no decisions.

RMT general secretary Bob Crow argued that the next step should be to set up a National Shop Stewards' Movement. That has since been done, on paper — but to a considerable extent only on paper, and without changing anything on the question of workers' political representation.

AWL will be arguing for the January 2008 conference to start a campaign for a real Workers' Representation Movement, one that can establish strong local bases by working through and revitalising Trades Councils and similar bodies.

STUDENTS

New Labour cuts grants and student numbers

BY DANIEL RANDALL, EDUCATION NOT FOR SALE STEERING COMMITTEE

On Wednesday 29 October, the Government confirmed to the *Guardian* that it plans to slash eligibility for student grants, and cut student numbers by up to 10,000.

Higher education minister Jim Denham denies that this has anything to do with the economic crisis, but it is a clear indication of how New Labour plans to cut back as things get tight. It shows how we need to take social wealth out of the hands of the bankers and capitalists so it can be used for social need. That goal is a long way off; but we begin now by fiercely resisting every cut, and demanding what students need.

On 22 October, Irish students brought Dublin to a standstill when 15,000 demonstrated against increased university registration charges, budget cuts and threats to reintroduce tuition fees. As a proportion of the membership of the Union of Students in Ireland, this is equivalent to over 200,000 in Britain; a stark contrast to the Blairite-led NUS's total passivity in the face of New Labour attacks.

Education Not for Sale's call for a national student demonstration early next year, which is gaining support across the country, is more important than ever. Please add your or your organisation's name, and get involved.

• For the statement, a list of signatories and more information see: www.free-education.org.uk/?p=561

We're talking about socialism

From page 3

Because the working class was defeated repeatedly in its battle in the 20th century to take control of society — defeated by fascism and Stalinism and by bourgeois-democratic governments — the "socialisation" of the economy by the bourgeoisie has reached tremendous levels. We have just seen the most vehement advocates of free markets run to the governments that were no less vehement marketeers, to use the state to rescue them from the natural consequences of the capitalist market system — of the principle that profit is God and the market is his representative on Earth.

Everywhere, governments are stepping in to substitute for bankrupt bankers and financiers. But this is not socialism.

This is "social", meaning governmental, running of key aspects of the economy, not for the mass of the citizens, but in the interests of the capitalist class as a whole. This is state capitalism, not socialism.

In the 1940s, the Labour government in Britain did similar service to the owners of the mines and railways, buying them out.

SOCIALISM

Socialism is the opposite of this state capitalism. It is the assumption of political power by a government of the working people which will expropriate the existing owners and administer society in the interests of all the working people — a workers' government. The capitalists will not let us achieve that peacefully. Only by way of a working-class revolution will it be possible.

What will our socialism be, positively? What will it look like?

It will be a humane society run for the people, by the people, by elected and democratically-controlled representatives of the people. It will put people before

property. It will cherish all the children equally, eliminating poverty and unequal education.

It will be multifariously democratic in all aspects of society. The economy will be collectively owned and democratically administered. Markets will be confined to limited areas, for the fine-tuning of distribution within the context of an overall planned economy.

Production will be for use, not profit. The tremendous advances in medicine will be available to all. The obscenities of drug companies robbing the sick will be relegated to the same niche in human memory as the old Aztec human sacrifices they so often resemble in their consequences, when they condemn people to chronic illness or death by depriving them of equal medical care because they can't pay the blood-money demanded by the drug companies.

It is beyond our scope here to try to work out in detail what socialism will be. In any case, we can't realistically do that. Too many things are unknowable for us. Marxism distinguished itself from the utopian socialists also by avoiding blueprints for an ideal future.

Yet, we know what socialism is not. It is not production for profit. It is not the subordination of human beings to the operation of inhuman market forces. It is not letting profit-makers control essential things like the provision of drugs to the sick.

It is not Stalinist state tyranny. It is not the ownership of the means of production and of society by a state that is itself "owned" by a Stalinist-style oligarchy.

Socialism, in a word, is the establishment of human solidarity, as the organisational axis and core ethic of a new society. Here and now, solidarity is the core of all labour movement, meaning workers standing together against the bosses.

Solidarity is both our great organising weapon now, and the simple definition of what will be the core of a humane, working-class-run, society.

BLACK HISTORY MONTH

From the French revolution to Gate Gourmet

October was black history month. Sacha Ismail looks at the lives of radical, working-class black activists and events in history which may get overlooked in this now mainstream annual event.

WILLIAM DAVIDSON

Terrified by the radical phase of the French revolution in 1792-5, the British ruling class intensified its repression against radicals and working-class organisations. The Combination Acts of 1799 banned trade unions, making it much more difficult for workers to organise against the dire social conditions produced by Britain's industrial revolution.

This anti-working class terror persisted for decades. In 1819, the British state killed eleven and injured hundreds of unarmed protestors for Parliamentary reform in Manchester (the "Peterloo Massacre"), and followed up with the "Six Acts" making any meeting demanding radical reform an act of treason. This repression was opposed by small and harrassed groups of radical agitators. These included follows of the utopian socialist Thomas Spence, who had advocated common ownership of land, and in 1820 a small Spencean group in London organised a conspiracy to assassinate the Cabinet.

The Cato Street conspiracy, named after the street near Edgware Road where they last met, was uncovered and stopped by the police. The conspirators were tried and five of them publicly executed - including William Davidson (born in 1786), a cabinet-maker originally from Jamaica described by his contemporaries as a "man of colour". Davidson was among the best known and most active radicals in London.

WILLIAM CUFFAY AND THE CHARTISTS

William Cuffay (1788-1870) was a central figure in Britain's first mass workers' movement, Chartism, which fought for the vote as the way to win political power for the working class.

Cuffay was the mixed-race son of a naval cook of African origin, who had previously been a slave. He served an apprenticeship as a tailor and became active as a trade unionist. After being sacked for involvement in a strike, Cuffay became convinced that only if workers won the vote and organised to get their own political representation could society as a whole be changed.

He helped organise the Metropolitan Tailors' Charter Association in 1839, and in 1842 was elected to the five-man Chartist national executive. Later that year, he became president of the London Chartists. So central was Cuffay to the the movement that the Times contemptuously referred to the Chartists as "the black man and his party". The thousands of workers who elected Cuffay to represent them did not share that prejudice - or those that did regarded it as less important than working-class solidarity.

Cuffay was on the left, "physical force" wing of the Chartists; after the mass demonstration and abortive uprising of 1848, he was arrested and, despite his brave and now famous defence in court, convicted and transported to Tasmania. Even after he was pardoned he stayed in Tasmania and continued his working-class political activity. He died in poverty in a workhouse in 1870.

WHEN BRITISH WORKERS FOUGHT SLAVERY

The export of cotton from the south of the United States was a major factor in the growth of British industry during the 19th century. The blockade of Southern ports by the Union navy during the US civil war resulted in a major crisis. By July 1862, Britain's supply of raw cotton stood at one third of the normal level. Three quarters of British cotton-mill workers were unemployed or on short time.

For this reason, and because of their general hostility to democratic ideas, the British ruling class leaned

heavily towards the Confederacy. Leading members of Palmerston's Whig government, including Chancellor of the Exchequer and future Prime Minister William Gladstone, openly favoured British intervention to lift the Northern blockade and help establish Confederate independence.

Despite the fact that its members' immediate economic interests were under threat, the British workers' movement — including in the Lancashire textile towns — overwhelmingly opposed intervention and stood solid "for Lincoln and liberty".

This was something of a puzzle to supporters of the slavocracy. Henry Hotze, a Swiss-born Alabamian who arrived in London in 1862 to work as a Southern propagandist, wrote: "The Lancashire operatives were the only class which as a class continues actively inimical to us. With them the unreasoning aversion to our institutions is as firmly rooted as in any part of New England." But, as a former Chartist leader put it in February 1863: "The people had said there was something higher than work, more precious than cotton... it was right, and liberty, and doing justice, and bidding defiance to all wrong."

Marx wrote to Engels in April 1863, describing this magnificent display of solidarity as "an act almost without precedent" in the history of the working class. Marx documented how, during the Civil War, a series of mass workers' meetings in English towns from Newcastle to London, including pro-Confederate Liverpool, passed resolutions denouncing slavery and promising resistance to the threat of British military support for the Confederacy.

One such meeting was organised by the London Trades Union Council in March 1863; Marx considered it critical to process which led to the founding of the International Workingmen's Association the following year. As the founding rules of the International put it:

"It was not the wisdom of the ruling classes, but the heroic resistance to their criminal folly by the working classes of England, that saved the west of Europe from plunging headlong into an infamous crusade for the propagation of slavery on the other side of the Atlantic."

DADABHAI NAOROJI AND SHAPURJI SAKLATVALA

Britain's first non-white MP was Dadabhai Naoroji, a campaigner against British rule in India. Between 1892 and 1895, he represented Finsbury, having been elected in a storm of controversy after the Conservative prime minister Lord Salisbury said he doubted whether British vot-

ers would elect a "black man". The Tory campaign in Finsbury was, naturally, marked by virulent racism against Naoroji.

Although elected as a Liberal, Naoroji was good friends and worked closely with H M Hyndman, the pioneer British Marxist, on issues including opposition to British imperialism. He steadily moved to the left and, after losing his seat in the election of 1895, associated himself with the Socialist International, speaking on Indian independence at its 1904 congress, where he stated that "the fate of India is in the hands of the working class".

Britain's second Asian MP, in Bethnal Green, was the pro-imperialist Tory Mancherjee Bhownagree. But the third, elected in 1922, was Shapurji Saklatvala, a star of the Communist Party of Great Britain before it fell victim to the virus of Stalinism.

Like Naoroji, Saklatvala had originally been a liberal when he came to Britain, but drew socialist conclusions from the anti-imperialist struggle. He was part of the small group that, inspired by the Russian revolution, sought to lead the Independent Labour Party into the Communist International and, when this failed, left to join the CPGB. Between 1922 and 1924, before Communists were definitively excluded from the Labour Party, he represented Battersea North as a Communist MP with Labour support; he lost his seat in 1923, but won it back in 1924 and held it until 1929.

Saklatvala was no ordinary MP. Listen to communist and Trotskyist veteran Harry Wicks:

"In the twenties, to the consternation of the Labour leadership, Battersea North elected as their member of parliament the Indian Saklatvala. Not only was he an Indian but a Communist, and he was sponsored by the united Battersea labour movement.

"The link that Saklatvala established with his worker constituents was not that of the proverbial surgery: 'Can I help you?', 'Have you any problems?' At that time the entire working class had a problem, that of survival against the employers' lock-outs, widespread unemployment and the downward slide of the sliding scale of wages agreements.

"Saklatvala spoke at factory gate meetings and introduced the monthly report-back from Westminster. There were great meetings. Long before the doors of the town hall opened, queues formed just like they used to at Stamford Bridge.

"The platform was always crowded. Sak, as he was affectionately known, was flanked by the entire executive of the Trades and Labour Council and numerous representatives of Indian and colonial organisations."

Saklatvala was the first person to be arrested during the General Strike of 1926, after calling on soldiers to disobey orders to fire on strikers.

CLAUDE MCKAY, REVOLUTIONARY JOURNALIST

The revolutionary socialist Claude McKay (1889-1948), who only lived here for a few years, has been described by many as Britain's first black journalist. Famous for the novels and stories written as and after he abandoned socialism, McKay was an important figure in the pre-Stalinist communist movement.

Born to a peasant family in Jamaica, he published his first book of poems — the first poems to be published in patois — in 1912. After moving to the US to study, he was shocked into political activity by the intense racism he encountered. In 1919, he met Max Eastman, the maverick radical who produced the *Liberator* magazine. It was here that McKay published his famous poem "If we must die" about the Red Summer of racist violence against black people in 1919. He became involved with a group of black radicals dissatisfied with both the black nationalism of Marcus Garvey and middle-class reformist black politics, which developed quickly in a socialist direction.

After coming to live in London, McKay used to frequent a soldiers' club in Drury Lane and the

Continued on page 16

Transitional demands today

Cathy Nugent continues a series on basic Marxist political ideas

In the aftermath of the First World War, and the betrayal of those sections of the socialist movement who supported that war, revolutionaries formulated the idea of a different kind of policies for workers' struggles.

They rejected the old focus on minimum, "enough for now and maybe forever" reform demands, and began to do something different. Their policy now comprised demands which intersected with the living struggles of the workers but also pointed the way to the revolutionary transformation of society.

The Communist International set up after the Russian Revolution of 1917 never produced a detailed point by point programme, labelled "Transitional Demands" (not until 1928, by which time the movement had been taken over by the followers of Joseph Stalin). But they explicitly formulated the need for "transitional demands".

Naturally they thought — and debated — about how to formulate their demands. And from what they said about what they were doing, we can learn a lot about how socialists should operate today.

In the *Theses on Tactics*, written for the Communist International's meeting of 1921, the writers of the document (which had been amended and argued over) explored the relationship between the demands socialists formulate and the living struggles of a mass workers' movement. One phrase is a good summary.

"If the demands correspond to the vital needs of broad proletarian masses and if these masses feel that they cannot exist unless these demands are met, then the struggle for these demands will become the starting-point of the struggle for power."

While the "struggle for power" is not on the cards today, socialists today can and should relate to the "vital needs" the labour movement should fight on. Demands relevant to those needs can be "picked up" by individuals and groups in the movement, and point the way to bigger struggles.

On the back page of this paper we report on the Luton Trades Council meeting to support General Motors workers in the town. Their plant is to be shut down by the bosses for two weeks in the run up to Christmas. What can the unions do here?

GM had been paying workers only £20 for shutdown days. The union has negotiated normal pay for those days — but in return the workers must work the same number of days overtime, for free, once production revives. If workers lose their jobs in the meantime, they could end up owing GM money! And GM can let the workforce shrink, knowing that the remaining workers owe them free overtime.

So there is much more about the GM workers' situation for and them and socialist activists to think about. The job threat arises from the capitalist crisis. The GM workers (and others facing job cuts) cannot save their jobs by negotiating around a demand which gives some improvement today but does not solve their difficulty. They need a fight which cuts against the logic

of the global capitalist system, and the destruction it is now wreaking as it makes workers pay for the crisis. How can we create that fight, what should we demand?

The "vital needs" in this situation for workers facing job cuts are: no redundancies, a shorter working week, no cuts in pay, no evictions — demands to be directed against the capitalists, the banks and the government. If the GM workers were to adopt these demands, and popularise them, then wider struggles encompassing groups of workers facing the same situation may emerge.

We do not live in revolutionary times and the big workers' parties the Communist International organised no longer exist. However now, for the first time in decades, all the old assumptions about how the world must be organised — that the capitalist market must rule our lives — have been radically undermined. Many working-class activists *will* want political answers to the crisis: "What do we say about the bailout of the bankers? What can we do now? How can I save my job and those of my fellow workers?"

Socialists such as ourselves use the method of the revolutionary Marxist tradition to suggest answers, such as our "Workers' Plan for the Crisis" in the centre pages of this paper. We do that to help ourselves think about the issues, to help others do the same, to set up debate and dialogue, and create better conditions for successful action organised around "vital needs".

• Next time: transitional demands and the left today.

From the French Revolution to Gate Gourmet

From page 15

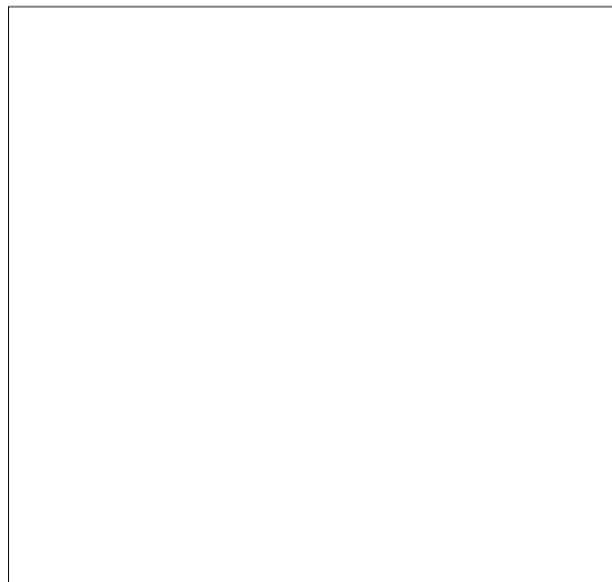
International Socialist Club in Shoreditch. It was here that he met a number of famous British socialists including Sylvia Pankhurst. In 1920 the *Daily Herald*, a socialist paper published by George Lansbury, included a racist article entitled "Black Scourge in Europe: Sexual Horror Let Loose by France on the Rhine", peddling grotesque sexual stereotypes about African people, but Lansbury refused to print McKay's reply. Instead, it was printed in Sylvia Pankhurst's *Workers' Dreadnought*, and McKay quickly became a regular contributor and then a paid journalist for the paper.

Together with the Workers' Socialist Federation which published the *Dreadnought*, McKay was involved in the founding of the Communist Party of Great Britain and he played an important role in the early Communist International.

THE MANGROVE NINE TRIAL

A defining moment for the development of working-class anti-racism was the trial of the "Mangrove Nine" in 1971. The Nine were black activists arrested at a demonstration in August 1971 against the harassment of Frank Critchlow, the owner of the Mangrove restaurant in Notting Hill. The Mangrove, which was a centre for community and campaigning organisations, had been repeatedly raided (supposedly for drugs) by Britain's political police, Special Branch, who regarded black activists as a threat almost equal to that of the labour movement and the Marxist left. When they were arrested, the protesters had already been under surveillance for a year.

The Nine were charged with a huge range of offences before a jury with only two black members. Yet, despite the desperate efforts of Special Branch, they were acquitted of 25 out of 31 charges, including the serious ones of riot and causing grievous bodily harm: five were acquitted and none of them went to prison. The jury split on class lines, with the middle class members more inclined to believe the police and favouring conviction, while most of the workers simply deciding that the police were liars. The eventual



Jayaben Desai, leader of the Grunwick Strike

acquittal on the most serious charges was a compromise between these two views.

After the trial ended, seven of the jurors went out drinking with the defendants.

Three of the Nine conducted their own defence, refusing to shut up when told to and turning the trial into an indictment of the police's brutality and corruption and helping to win over the jury. The lesson of inter-racial working-class solidarity was summed up by one of them, the socialist and now well-known writer Darcus Howe: "This race thing, you have to be very careful how you deal with it because you can win people over."

FROM GRUNWICK TO GATE GOURMET

Between 1976 and 1978, hundreds of mainly Asian women workers at Grunwick Film Processing Laboratories in North London fought a bitter dispute for union recognition, eliciting enormous solidarity from across the labour movement.

In the summer of 1976, the Grunwick workers joined the APEX union in order to pursue grievances over their appalling wages and conditions, and were sacked by their employer George Ward. In response to the call for solidarity action from other unions, the Union of Post Office Workers (UPW) refused to deliver Grunwick's post; they were sued by the right-wing National Association for Freedom, but later the local UPW branch simply refused to deliver the post anyway. As the dispute mounted, thousands of workers from around the country, including hundreds of miners from Yorkshire, South Wales and Kent, descended on Grunwick to prevent scabs from entering the workplace.

In the Imperial Typewriters dispute in 1974, Asian workers in Leicester had struck against racist discrimination in favour of white workers, and the bosses used racism to divide and weaken the workforce and defeat the strike. Grunwick showed that this sort of racism was not inevitable. This time too the bosses won, but it was because of bureaucratic betrayal, and in spite of magnificent solidarity rank-and-file trade unionists had shown.

More afraid of mass mobilisation than of defeat, the leaderships of the TUC and APEX demobilised this action and insisted that the workers rely on a purely legal strategy. Betrayed by their own leaders, the Grunwick workers were defeated. But nothing could erase the huge, multi-racial, anti-racist surge of working-class solidarity that their struggle had called forth.

Almost twenty years later, in the summer of 2005, another group of mainly Asian women workers fought a union-busting boss at Gate Gourmet, a catering company producing food for British Airways at Heathrow. Solidarity action from baggage handlers at the airport opened the possibility of victory, but once again the union leadership demobilised the action. Although, as in the Grunwick dispute, the Gate Gourmet workers also received widespread solidarity, the greatly weakened state of the labour movement since 1979 meant that this did not express itself in the same explosive mass action.

Although Grunwick and Gate Gourmet both ended in defeat, they are representative of the best in Britain's working-class and anti-racist traditions.

US ELECTION

“Obama wants social peace”

Kim Moody, an American socialist activist living in London who was formerly the director of the US rank-and-file labour movement publication *Labor Notes* (www.labornotes.org), spoke to Sacha Ismail.

What do you think will happen in the election? It's hard to tell. Obama has spent astronomical amounts of money, not just from the small donors he likes to talk about, but from the traditional corporate sources too. However, a factor that could well be decisive is racism. The economy is crucial, as any news outlet will tell you, but it's also very visible that unfortunately many white working-class people are reluctant to vote for a black candidate.

Working-class people in particular?

Not just working-class people, but they're the ones who seem to be less affected by the general decline in racism. On the other hand, I think the outcome of this election is going to be determined by the unions. I know that must sound strange, given what a small percentage of workers is unionised. But they're the largest collectively organised group in the country, and they've made an enormous effort this time. This is the first time, moreover, that the union leadership has taken on the question of race, a question they usually prefer to avoid.

This time they have no choice; they support a black candidate, and they see there's a problem with some of their own members and certainly in the communities and workplaces where their members are based. Many of the labour leaders have made very explicit statements about this issue; for instance Richard Trumka, who is the secretary-treasurer of the AFL-CIO [one of the two main union federations in the US] and former leader of the mine workers. The miners have campaigned hard on this in the upper south and in Pennsylvania. There is more honesty about race.

At the same time, there is the economic crisis, which I believe is going to have a decisive effect on many working-class people in turning them towards the Democrats.

Is that simply an instrumental thing — vote for anyone who isn't the Republicans — or is it having an effect on consciousness too?

It is partly instrumental, but not simply. I think it's going to create an interesting dynamic in the South. Even if Obama doesn't win many states down there, he's mobilised an awful lot of people. Mostly African Americans, but not exclusively. If the tens of thousands they've had working on the streets there keep moving, but on issues and not just candidates, they could be a tremendous force.

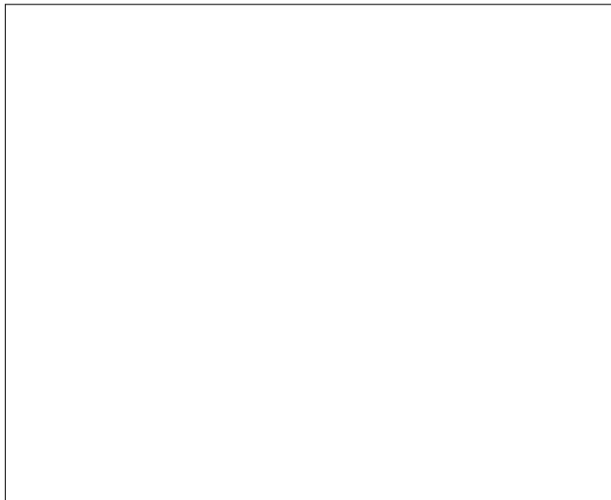
In the South, you can't separate race and class when it comes to organising. The South is a fast growing industrial area, with new industries, transportation, logistics, an automobile industry that isn't in decline. Economically, it's very important, it's not the same place as 20 or 30 years ago. You have a large working class that is overwhelmingly not unionised. In the past, when they've gone into the South, the unions have dodged the issue of race, but now they simply won't be able to.

Of course, it's not inevitable that this will happen, that people will become more organised, but I think an interesting potential is there now.

If Obama wins, what will it mean for American workers?

Obama in power won't be George Bush or even McCain, but the possibilities of the changes he will make legislatively are very limited. Not only limited by the ideology he has, by that of his advisers, by the whole Democratic Party, but remember that the US government will be up to its eyeballs in debt in the middle of an economic crisis.

What about the Employee Free Choice Act? [A piece of legislation demanded by the unions and which the Democrats formally support; it would allow unions to win recognition through workers taking out union cards rather than having to have a ballot in the workplace.]



People like Richard Trumka of the AFL-CIO have been explicit against racism when backing Obama

Well, in order to get that past a Republican filibuster, which is what killed it last time, they'll need 60 seats in the Senate, 60 solid pro-labour Democrats. The last time there were that many Democrats in the Senate was 1977 to 79, and they didn't pass labour law reform then. But even if they do win the seats, Obama is going to have a legislative calendar and priorities of his own; sure, he'll sign it if it passes, but will he really want to spend political capital to get it up the agenda? He's more likely to want to bring in his healthcare plan, which is very inadequate, or do something about the economy, although God knows what. He's more likely to do want to do something about the wars the US is fighting, which means de-escalation in Iraq but escalation in Afghanistan.

Mike Davis wrote an article last week in which he made the point that Obama's people have very little analytical framework. They've been pro-deregulation all along, and all they have to go back to anyway is a very mild sort of Keynesianism. To them the Employee Free Choice Act is just another piece of legislation; they can take it or leave it.

And then what if the act does pass? They already have something similar in two Canadian provinces. The record there is that it does help, and yet even in those provinces union density continues to fall. No, the decisive thing is not this legislation, but to what degree the unions and social movements are willing to treat an Obama administration as an opening — an opening to fight.

There are parallels to the 30s, and the supposedly pro-worker reforms Roosevelt brought in.

Yes, we shouldn't buy the idea that the National Labor Relations Act [brought in by Roosevelt] really opened things up; it was held up by the Supreme Court until May 1937, long after the upsurge of the mid 30s had begun and in fact when the most intense phase had passed. Like in the 30s, we need a social upsurge, or we will not be able to exert the necessary pressure to get the priorities we want.

That means the unions need to mobilise their rank-and-file, instead of relying on professional organisers; it's all very tightly controlled. As long as they stick to that play book, they're not going to grow significantly.

What psychological effect will Obama have on US workers? Difficult to tell. If it is one of raising expectations, which are then dashed by recession, okay, but if the unions and other don't take advantage of it people will just get disillusioned.

If people rely on the government to make these things happen, they'll be waiting forever. Obama's job is not to create a social upheaval like we want to see in America; in fact he wants to create social peace in America.

Have the unions presented a solid front for Obama, or is there anyone supporting something more radical?

There really isn't anyone out there backing anyone more radical; maybe some local candidates I don't know about, but from top to bottom the union officialdom is for Obama. That includes very conservative

unions, like the building trades which until 20 years ago were practically all white, and which had a history of exclusion. They now have a lot of immigrant members, which may partly explain the shift. Some of the attitudes from, for instance, the International Brotherhood of Electrical Workers have been very surprising. It's not because they're great anti-racist campaigners, it's more a sense that they have to put someone in office besides the neocons. They would have done the same for Hillary, despite their sexism. So it's instrumental, but that's how changes in consciousness often begin.

So the unions are asserting their influence as a block? What does that imply in terms of working-class representation, for instance the demand for a labour party?

You know we had a Labor Party, in the late 1990s, which had support from five unions. It had two very impressive conventions and so on, but never rose to the position of running candidates, except I think once in North Carolina where they ran a black candidate with the support of some unions. Today it has withered. No top leader in the labour movement is willing to move even an inch beyond support for the Democrats; but what's important, of course, is what the activists think, what the rank-and-file decide to do with it. If people are enthusiastic and find that the Democrats are a roadblock rather than the open door they expected, there is potential to rediscover these ideas.

What became of the 2006 strikes and protests by Latino and other migrant workers?

That was around a specific piece of anti-migrant legislation that Bush was putting forward, which was very draconian. There were five million people on strike, most of them not in a union, and they closed down major industries. It was remarkable, really. Both parties have come forward with a number of alternatives, none of which are very good from our point of view. Now the organisations behind that movement have splintered over what things to demand and support and so on. The unified dynamic is gone. You still get these May Day demos, but it's more like half a million; that is the left-wing of the migrant movement, if you like.

The issue has not gone away. It was not a big focus in this election, and yet here you have a workforce of 20 million, most of whom are manual workers. This is a key question for union growth. The AFL-CIO has to some extent realised the potential: there have been successes in meatpacking and in areas like healthcare. The unions have made gains. But again what will a Democratic administration mean for that? Since 2006 there have been an enormous number of raids on plants and workplaces; it's not clear if the Dems will be better. They won't go for Bush's plan, but they may make their own attacks. Some are arguing for a guest worker programme, which would be disastrous, since it's basically indentured servitude. It would make organising very difficult.

You also have the possibility of an amnesty for existing migrants, which may not sound great, but it's a huge number of people, and if you had that they would be able to organise. That would certainly make a difference. Unfortunately, Obama talks out of both sides of his mouth on this issue.

Lastly, could you say something about the split in the US labour movement [between the AFL-CIO and new union federation Change to Win]?

It's a split that's healed for the election. In other ways, too, it doesn't matter very much. Change for Win is an unholy alliance of semi-progressives with unions which not long ago were under investigation for mob control. It's not the CIO [Congress of Industrial Organizations, the industrial union movement which was created in the 1930s and eventually merged with the more conservative AFL]. It may be that it's encouraged some of the AFL unions to be more aggressive, but I'm really not sure. In both federations, everything depends on workers getting organised to fight back from below.

MARXISM

Left debates the credit crisis

BY MARTIN THOMAS

Conway Hall, in London, was pretty full — over 200 people — for a meeting on 21 October on “Marx and the Credit Crunch”. The content was, however, disappointing.

The meeting was organised by Andrew Burgin’s “Public Reading Rooms” group, with a platform of three: the writer Istvan Meszaros, the SWP’s Chris Harman, and Richard Brenner of Workers’ Power.

Brenner’s speech was particularly formulaic, composed almost entirely of generalities equally applicable (or inapplicable) to any economic disturbance at any time in the history of capitalism.

The crisis arose, said Brenner, from the Tendency of the Rate of Profit to Fall. At some point financiers “became aware that they could not get the expected returns”. That created a “huge sudden puncturing of creditworthiness across the financial system”.

Since this Tendency of the Rate of Profit to Fall is supposed to be something that operates across the entire history of capitalism, this amounts to no explanation at all of anything “sudden”. And in fact the run-up to the crisis was a period of increased profit rates, thanks to sharply increased rates of exploitation. The UK profit rate in 2007 was the highest in the whole run of statistics available.

The speakers from whom one might have expected better were not much so. Chris Harman also based his exposition on the alleged Tendency of the Rate of Profit to Fall.

That, he said, had led more and more capitalists to put money into financial dealings, since they can’t make adequate profits in industry. It was all a giant Ponzi scheme — “trying to get profits out of nothing” — and so eventually “came crashing down”.

Now, financial firms can show paper profits which are actually unrealisable in hard cash or material commodities, and this Ponzi scheme element was important in the immediate run-up to the crisis.

But, whatever Harman says, the whole gigantic expansion of global finance over the last three decades has not just been a story of fictitious profits. The financiers have appropriated real surplus value, created by real workers, and they have the mansions, the yachts, and the private jets to show for it.

Finance is not an alternative way for capital to expand if real exploitation is insufficient. It is a way to redistribute surplus value, and in the last three decades it has been redistributed to the advantage of financiers. The global finance markets have grown up not as an alternative to the growth of global capitalist production networks, but as an organic accompaniment to it.

Harman concluded by predicting increased stability, and increased intercapitalist conflict.

Increased intercapitalist conflict has been the SWP’s staple prediction since the late 1980s, when they evolved their “new imperialism” theory to rationalise

their 1987 change of line on the Iran-Iraq war, from opposing both sides to backing Iran. In fact the dominant trend of the 20 years since then has been the relative smoothness with which world capitalist institutions — IMF, WTO, G7, European Union — have expanded to embrace the ex-Stalinist states.

Like the stopped clock right once a day, though, the SWP’s prediction may become correct now. Crisis fire-fighting has vastly increased the role of governments in aiding and regulating the capitalist firms based in their own countries. It therefore increases the probability of those governments coming into conflict when the firms they regulate or bail out come into conflict, as they surely will as the recession generates a competitive battle to survive in shrinking world markets.

Harman was downbeat in his political predictions. Workers will face many defensive struggles, in a situation where the left is weak. There will be increased social bitterness, but that may accrue to the benefit of the far right. We should look to small acts of resistance.

Meszaros’s speech was surprisingly insubstantial. He devoted a long time to mocking a *Time* magazine cover from 1987, “Marx is dead”. I was reminded of Gramsci’s critical remark on Bukharin: “Bukharin only wants to attack the weakest people and on their weakest points, in order to win easy verbal victories... On the ideological front, however... it is necessary to defeat the eminent people... the great champions of the opposing tendencies”.

Meszaros stated — I can’t say he argued — a prediction that we face a crisis of “unimaginable” proportions, vastly bigger than that of 1929-33, which, he said (inaccurately), only touched a small part of the world. He repeated his prediction that the USA will default on its foreign debt, a prediction he had already made in 1987 (p.960 of *Beyond Capital*, a book in which he argued, unconvincingly in my view, that capital has reached a terminal “structural crisis”).

To judge from the contributions from the floor, and from the fairly poor sales not only of *Solidarity*, but also as far I could see of other publications, at the end, the audience was heavy in hardened partisans of one tendency or another, or soured “ex-members”.

Stuart King of Permanent Revolution struck a different note from most floor contributions, drawing attention to the big expansion of capital over the last decades (16 years, he said, presumably to date it from the collapse of the USSR, but actually the expansion started before that). His conclusion was that the current crisis should be compared not to 1929-1933, but to the Panic of 1907. That, he said, was certainly a severe slump, but within a “long wave” of capitalist upswing.

I doubt the comparison is very useful. In any case can a generality about the “long wave” guarantee us a quick recovery? In my contribution from the floor, I asked for more attention to the unique features of this crisis.

- The fact that vast nationalisations and bail-outs

and government interventions come after 20 years in which the dogma that “the markets” rule, and must rule, has permeated society.

- The need for social regulation of the economy is again on the agenda. We should organise around the idea of workers’ regulation, through a workers’ plan and a workers’ government. We should not allow that argument to be swamped by routine agitation about the distributional aspects of the crisis, let alone by cod-Keynesianism such as Richard Brenner offered when, after much bellowing about how very Marxist he is, he recommended “taxing the rich and increasing public spending in order to prevent a recession”. So that would be enough to overcome the contradictions of capitalism, eh?

- I think the whole thesis of the Tendency of the Rate of Profit to Fall is wrong. To put it briefly: in technological change, as such, what Marx adduced as “countervailing tendencies” will generally prevail over tendencies to depress the profit rate. In fact, the long history of capitalism shows no clear downward trend of profit rates.

Adam Smith and David Ricardo, and other classical economists, believed a slow long-term downward trend of the rate of profit to be a fact. So did John Maynard Keynes. They all had their (wrong) theories about it, which allowed little room for countervailing tendencies. Marx’s contribution was to give a more rational (though still, I think, flawed) explanation of why such a tendency might exist, and to analyse numerous “countervailing tendencies”.

Far from considering the Tendency of the Rate of Profit to Fall a cornerstone of economic analysis, Marx never mentioned it in anything he readied for publication. And in his main writings on crisis (mostly in *Theories of Surplus Value* volume 2 and *Capital* volume 2, both unfinished) he did not mention it either.

I did not have time for this argument in my contribution from the floor. I just pointed out that, whatever you think in general about the Tendency of the Rate of Profit to Fall, this particular crisis was preceded by rising profit rates.

- The vast expansion of global finance markets is an integral companion of the expansion of globalised production, and not to be explained away as a mere futile search after fictitious profits.

In addition, finance capital has begun to be able to extract further surplus value from the working class outside production, by direct tribute via workers’ payments to service mortgage and credit-card debts (not much less than 20% of household spending now, in the USA and in the UK). This is the first ever crisis in which an implosion of consumer credit is a big factor.

- The crisis takes place in a world economy more globalised — with faster and more various global interactions — than any before.

WHERE WE STAND

Today one class, the working class, lives by selling its labour power to another, the capitalist class, which owns the means of production. Society is shaped by the capitalists’ relentless drive to increase their wealth. Capitalism causes poverty, unemployment, the blighting of lives by overwork, imperialism, the destruction of the environment and much else.

Against the accumulated wealth and power of the capitalists, the working class has one weapon: solidarity.

The Alliance for Workers’ Liberty aims to build solidarity through struggle so that the working class can overthrow capitalism. We want socialist revolution: collective ownership of industry and services, workers’ control and a democracy much fuller than the present system, with elected representatives recallable at any time and an end to bureaucrats’ and managers’ privileges.

We fight for the labour movement to break with “social partnership” and assert working-class interests militantly against the bosses.

Our priority is to work in the workplaces and trade unions, supporting workers’ struggles, producing workplace bulletins, helping organise rank-and-file groups.

We are also active among students and in many campaigns and alliances.

We stand for:

- Independent working-class representation in politics.
- A workers’ government, based on and accountable to the labour movement.
- A workers’ charter of trade union rights — to organise, to strike, to picket effectively, and to take solidarity action.
- Taxation of the rich to fund decent public services, homes, education and jobs for all.
- A workers’ movement that fights all forms of oppression. Full equality for women and social provision to free women from the burden of housework. Free abortion on request. Full equality for lesbian, gay and bisexual people. Black and white workers’ unity against racism.
- Open borders.

- Global solidarity against global capital — workers everywhere have more in common with each other than with their capitalist or Stalinist rulers.

- Democracy at every level of society, from the smallest workplace or community to global social organisation.

- Working-class solidarity in international politics: equal rights for all nations, against imperialists and predators big and small.

- Maximum left unity in action, and openness in debate.

WILLIAM MORRIS

Morris and the trade unions

THE SECOND PART OF A SERIES BY PAUL HAMPTON

Morris was no dilettante on matters of organisation. Once he had decided to become a socialist he joined the Democratic Federation and became a leading activist and public spokesperson. This entailed speaking at open-air meetings, selling papers and other literature and giving educational lectures on a regular basis. Far from being a Sunday socialist, he became a dedicated semi-professional revolutionary.

The issue of party democracy was one of the reasons behind the split with the SDF in late 1884. When the Socialist League was set up, it specifically subordinated the paper *Commonweal* to the control and supervision of the organisation, rather than treat it the personal property of the editors.

He emphasised the need to “make socialists” by patient propaganda. But socialists also had to intervene in existing struggles, in the unions, for free speech, on Irish Home Rule etc. As he put it in *Our Policy* in *Commonweal* (March 1886): “I say that our business is more than ever Education... This educational process, therefore, the forming a rallying point for definite aims is necessary to our success; but I must guard against misunderstanding. We must be no mere debating club, or philosophical society; we must take part in all really popular movements when we can make our own views on them unmistakably clear; that is a most important part of the education in organisation...” (Nicholas Salmon, *William Morris: Political Writings*).

Morris also continued to speak and work alongside the SDF and other socialists when a member of the Socialist League. As he expressed it in the same article, “when the principles and tactics held are practically the same, it seems to me a great mistake for Socialist bodies to hold aloof from each other.” He was to write one of his best-known articles, “How I Became a Socialist”, for *Justice* in 1894, when he reconciled to some extent with the SDF.

After breaking with the Anarchist leaders of the Socialist League in late 1890, he and the Hammersmith branch continued to organise and publish. In 1893 the Hammersmith Socialist Society initiated a unity manifesto with the SDF and Fabians. In 1894 Morris lamented the lack of united party, writing in *The Labour Prophet* that, “The materials for a great Socialist party are around us, but no such party exists. We have only the scattered limbs of it”. (Edward Thompson, *William Morris: Romantic to Revolutionary*).

Morris also took a close and critical interest in the trade unions. When he first came into political activity, unions in Britain mainly represented a small layer of workers scattered across a myriad of small societies. However this was already changing with the organisation of workers outside of the traditional skilled sectors, as well as miners and rail workers.

Between 1850 and 1914, the working population in Britain doubled from 9 to 18 million. In 1850 trade union membership stood at 600,000, with the largest organisation, the Amalgamated Society of Engineers having 21,000 members. Union membership peaked in the mid-1870s at around one and a half million, before falling again. It only revived to that figure in the early 1890s on the back of New Unionism.

Morris’ views on unions underwent an evolution, but they remained overwhelmingly critical. In a lecture, *Art under Plutocracy* (14 November 1883), a year after he became a socialist, Morris argued that “the Trades Unions, founded for the advancement of the working class as a class, have already become conservative and obstructive bodies, wielded by the middle-class politicians for party purposes”. (A L Morton, *Political Writings of William Morris*, 1973)

Like many socialists at the time, he appears to have subscribed to the iron law of wages, which meant that wages were driven down to subsistence level under capitalism, with no hope of changing the terms of exploitation (*The Dawn of a New Epoch*, 6 June 1886). He also observed that unions at the time did not contest “the right of the masters to the sweating of labour” and left workers to be “the slaves of the competitive market”. (*Order and Anarchy*, 9 February 1884)



Morris welcomed the 1889 dockworkers’ strike, but had a sectarian attitude to union struggles

In particular he maintained a visceral contempt for the trade union bureaucracy of the time who held back the transformation of unions into militant class organisations. *Socialism from the Root Up*, jointly written with Bax, condemned “the dead weight of their leaders, who look upon this feeling [of discontent] with the utmost disfavour, and have done their best to smother it, hampers the possible development of the Trades’ Unions in this direction; but it ever breaks through these and other obvious obstacles. (*Commonweal*, 17 March 1888)

In particular he criticised the political subordination of unions to Whig-Liberal politicians. In *Commonweal* on 17 September 1887 he wrote: “Socialists are not hostile to trades’ unions, but to those who wish to prevent the trades’ unions developing with the times. Their real enemies are those who would crystallise them into mere societies for guaranteeing of the privilege of capitalism, and recruiting grounds for ‘the great Liberal party’ — that is, Whig vote preserves. This would be an ignominious end to such an important association of workers; but it need not be dreaded. The trades’ unions will develop, even if in doing so they have to change their old form and be no longer recognisable by their once enemies, now their anxious allies, the Whig politicians.” (Nicholas Salmon, *William Morris’ Journalism*)

Under the influence of Frederick Engels, Eleanor Marx and others, Morris came to see the potential of trade unionism as a form of class struggle.

In his pamphlet *The Policy of Abstention* (31 July 1887) he argued for socialists to support workers’ struggles, making an implicit case for workers’ control: “I say that the real business of us propagandists is to instil this aim of the workers becoming the masters of their own destinies, their own lives... Let them settle e.g. what wages are to be paid by their temporary managers, what number of hours it may be expedient to work; let them arrange for the filling of their military chest, the care of the sick, the unemployed, the dismissed: let them learn how to administer their own affairs.”

However he constantly linked this struggle for material improvements to the goal of socialism: “Any combination among the workmen checks this tendency [of competition], and is good as far as it goes; but the partial combination of the trades’ unions and the like must develop into a general combination, which will at last assuredly destroy the war of classes which is the foundation of our Society of waste, strife and robbery — at last — might the workers but see it at once and set on foot that great combination before the pinch of utter misery which will come of the breakdown of our short-sighted system of commercial war...” (20 August 1887 in Salmon, *Journalism*).

He therefore welcomed the matchworkers’ strike and praised the work of Annie Besant in it (*Commonweal* 21 July 1888). He hailed the dock strike in

the summer of 1889, describing it as “a strike of the poor against the rich” and recognised that it represented a “sign of the times”. (*The Lesson of the Hour*, *Commonweal*, 7 September 1889)

At the conclusion of the strike, he wrote: “The dockers have won their victory; for with all drawbacks it must be called a victory. They have shown qualities of unselfishness and power of combination which we may well hope will appear again before long. For one thing, they have knocked on the head the old slander against the lower ranks of labour... these men can organise themselves at least as well, and be at least as true to their class, as the aristocracy of labour... although mere combination amongst the men, with no satisfactory ulterior aim, is not itself Socialism, yet it is both a necessary education for the workers, and it is an instrument which Socialism cannot dispense with... the new epoch of combination is only just beginning...”

However he also went on to point out the limits of the strike: “The dockers are to have their ‘tanner’ (if companies keep faith with them, which is very doubtful), but what will be their position when they reap the result of their hard won victory? Let us be plain on this matter. They will receive precarious mere-subsistence wages for the hardest of hard work. They will be lodged in hideous and foul slums; they will have no reasonable pleasure, no taste of the comforts and the luxuries which their labour helps to win for others. In a word, they will still be slaves as far as their material condition is concerned, though they have shown that they are not the stuff of which it is safe to make slaves. For us, it is our business to make them understand that they never can be anything else than slaves till they have swept away class domination and privilege... When they have learned that, their combination will both be infinitely improved as an instrument, and they will be compelled to use it for its one real use, the realisation of Socialism, to which this strike has undoubtedly been a step, as part of a labour struggle, as part of an attack on our enemy — Capitalism.” (*Commonweal*, 21 September 1889)

His attitude summed up both the strength and the weakness of his politics. Morris was never afraid to speak the truth or to look reality in the face. However on trade union struggles he was often abstract, offering little by way of strategy for winning disputes, and rather sectarian. This was summed up by the Socialist League Executive Committee, which felt obliged to issue a statement a month after the dockers struggle, reassuring its members that they “do not in any way compromise their principles by taking part in strikes”, but asking them “not to let the revolutionary propagandist suffer thereby”. (Thompson)

A similar attitude was also revealed by his stance toward laws to reduce the working day. In *Commonweal* (6 July 1889) he argued: “I think that ‘unpractical’ as the question is, legislation limiting the working hours of adult males will be forced on the Government, and that before very long. If that legislation were effective, it would certainly give more leisure to the workers... On the other hand, the masters would be driven to meet the comparative scarcity of labour by carrying still further and faster the development of machinery and the organisation of labour... the improvement in machinery would increase the intensity of labour... All these would disappoint the hope of those who think that the eight hours day would give more employment to the mass of workers. The system of wage slavery and the profit market necessitates ‘a reserve army of labour’... and no shortening of the hours of labour will do away with this wretched state of things that does not bring with it obvious revolution, that is to say a change in the basis of society. (Salmon, *Journalism*)

To the campaign to reduce hours, he counterposed the call for a general strike: “Is it not the time to press on the workers general combination in this matter of the regulation of wages?... But suppose the inert and languishing body of trades’ unionism revived by a ‘plan of campaign’, which would mean the whole mass standing shoulder to shoulder in all strikes (and much increased in numbers as it certainly would be), surely that would be worth a heap of parliamentary legislation, and armies of paid and lukewarm inspectors! (*Commonweal*, 24 August 1889)

As downturn snowballs, activists should plan fightback

BY GERRY BATES

On 27 October Luton Trades Union Council sponsored a meeting, "No Pay Cuts For Down Days!", in support of the 1200 workers at the General Motors van factory in Luton.

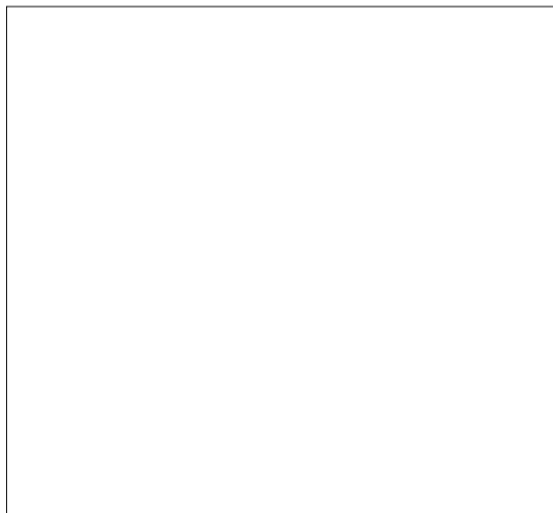
The way out, said the call for the meeting, was for workers "to join up with other unions to build a movement to fight redundancies, cuts in pay, house repossessions, and to start to build a world that does not rely on the waste and madness of capitalism to determine our future".

GM is shutting down the factory for two weeks in the run-up to Christmas. For previous down days the workers had got only a statutory £20; for this downtime the union negotiated normal pay, but with the condition that workers will make it up by working overtime for free when demand revives.

Van and car production is slumping first in this crisis because new van or car purchases are cancelled quicker by credit-strapped firms or households than basic supplies or food. GM lost \$19 billion in the first half of 2008; the "market value" of the corporation (total value of all the shares in it) is down to \$3 billion (from \$52 billion in 2000); the ratings agency Moody's reckons that, even after a \$25 billion loan to the US car industry from the US government, GM could run out of cash by the middle of 2009 and may sue for bankruptcy.

Other industries and services will follow as the downturn snowballs through the economy over the next year or more. One firm's downtime or bankruptcy will become another's loss of markets. In the past three months, unemployment has risen at the fastest rate for 17 years.

The labour movement should start campaigning now for generalised responses: demands for a shorter working week without loss of pay, and



Workers need answers to the effects of recession

for expansion of public services.

The jobs challenge will overlap with the housing challenge. In the second quarter of 2008, housing repossessions were 71% up on a year earlier. As more people lose jobs or are forced to work short time, more will fall behind on mortgage payments.

We should demand that the government make it mandatory for banks and mortgage companies to offer rescheduling and reduced payments, and every household has the fallback option of having their house taken into public ownership and converted into a social rental.

On 21 October Mervyn King, governor of the Bank of England, outlined the Bank's predictions. "Not since the beginning of the First World War", he said, had "our banking system been so close to collapse".

Continued on page 6

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The Labour Party's leaders are our enemies, and the current set of union leaders are sluggish, incoherent and passive. The labour movement needs our voice and organisation.

We also produce our paper to challenge others on the would be left whose ideas have become so confused, incoherent and corrupted that some will even bloc with political Islamists. We believe that if the left is to become relevant again — and we now have a chance to make a big step in that direction — we must throw off the reformist and Stalinist ideas that have inserted themselves into the programmes, arguments and mindset of much that passes for socialist politics and organisation.

The AWL is also an activist organisation. We work in the unions; we are active in the student movement and in campaigns such as No Sweat, Feminist Fightback, Workers' Climate Action, migrants' rights initiatives and anti-fascist organisations.

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