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Debt, default and stagnation

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From the editors

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WE RETURN in this autumn journal to two themes started in our previous issue.

The first is the ongoing Euro crisis. In our last journal we asked – “Can the Eurozone survive?” It says something about the current crisis that exactly the same question is being asked, with even more trepidation, more than three months later. As Paul Krugmann quipped, this aspect of the crisis is so long running that it is both terrifying *and* boring. We hope our readers at least are still interested enough to continue reading about the latest phase of the North Atlantic financial crisis.

In our last issue we looked at how the anti-cuts committees on the ground were responding to the wave of council and government cuts. We asked “After 30 June – how do we activate the missing link?” – how are we going to bring the major public sector union UNISON into the struggle over the cuts and how are we going to overcome the foot-dragging leadership of the TUC?

It appears the government’s intransigence on pensions has solved this question for the moment, forcing even right wing leaders like Dave Prentis (UNISON) and Paul Kenny (GMB) to ballot their members for strike action on 30 November.

Whether they actually bring their members out or sell them out remains to be seen. The basis of this conservative and deeply entrenched bureaucracy in the trade union movement is examined in an article on the trade unions.

It addresses the vital question of how rank and file union members can mount a challenge to this bureaucracy and transform their unions into fighting organisations that can take on both the government and the bosses.

In the 1980s local councils and public sector workers faced a similar drastic cuts programme being implemented by Thatcher’s Tory government. In an interview with Ted Knight and an article on Liverpool, “the city that dared to fight”, we attempt to draw out some of the lessons of those struggles of almost 30 years ago with the aim of helping militants in struggle today.

Finally, in an editorial and a polemic we continue our coverage of the Arab revolutions, asking whether the left got it right over Libya and posing the dangers faced by the Egyptian masses as their revolution stalls.

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Despite their long term decline in numbers British trade unions are still multi-millioned strong organisations that are often the first line of defence against government and employers' attacks. Yet they woefully unsuited to this purpose, stifled as they are by a massive, often repressive bureaucracy. Mark Hoskisson and George Binette reveal the extent of this caste's privileges and distance from ordinary members and how we can transform them

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More than 200,000 public sector jobs have gone since the election last year and many vital services scrapped or scaled back. If these cuts are to be reversed and worse prevented, it is crucial to learn the lessons of past struggles. We interview Ted Knight, leader of Lambeth Council in the 1980s, while Mark Hoskisson draws out the key issues involved in Liverpool City Council's struggle in the same period while under the leadership of the Militant Tendency in the Labour Party. Stuart King sets the scene in a brief introduction



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The Arab autumn

AS THE Arab spring in Egypt gave way to summer and now autumn it is clear that with the change of seasons the fate of the revolutions hang in the balance. In Syria and Yemen entrenched and bloody dictators lash out at growing opposition on the streets. In Libya Gaddafi's regime is vanquished even if its figurehead remains on the run.

In Egypt the heady optimism of the 25 January revolution has already been replaced by cynicism and fear; national unity has quickly given way to class polarisation.

One of the loudest slogans to be heard in Tahir Square at the height of the struggle to bring down Hosni Mubarak was "The people and the army are one hand".

The top military leaders withdrew support for the dictator's 31-year reign under the impact of the mass protests of young people who persistence spread the struggle into the workers movement. On 11 February under the impact of mass working class strikes, demonstrations and clashes with the security forces Mubarak was forced to resign.

But it did not take long for the army to become again an iron fist, clearing Tahir Square with clubs and electric rods, firing live ammunition into the crowds. The Supreme Council of the Armed Forces (Scaf) did not want to share power with the people, but rather protect its privileged and powerful position in Egyptian society from the people.

Up to the beginning of September, nearly 12,000 people have been tried in military tribunals – with a conviction rate of 93%. Sentences of three and five years have been handed out for "crimes" such as "insulting the military

The revolution is under threat. To prevent the consolidation of a military dictatorship with democratic window-dressing, the working class and youth must take the revolution into a new stage

establishment" or breaking the curfew. Several media outlets critical of the junta have been taken off air and dissident bloggers have been arrested.

Torture is ubiquitous – the army has banned public protest and many peaceful demonstrations have been broken up by soldiers. Then, after the storming of the Israeli embassy in September, the Scaf extended the hated "state of emergency" until next June.

These emergency laws were one of the main targets of the popular uprising earlier this year and underpinned Mubarak's decades-long semi-dictatorship. And these same laws were expressly repudiated by the constitutional referendum of March this year.

True, highly-publicised trials are underway of Mubarak and his sons. Some of Mubarek's closest cronies such as Rachid Mohamed Rachid, the country's former trade and industry minister and Ahmed Ezz, a steel magnate, have received long jail sentences for corruption.

But the real target of the Scaf is the insurgent people and especially the increasingly assertive working class. One of the earliest gains of the revolution was the formation of Egyptian Federation of Independent Trade Unions in late January.

Over the spring and summer a spate of independent trade unions sprung up, as workers across the public sector threw off the shackles of the state-run General Federation of Trade Unions (GFTU), a wing of Mubarak's ruling NPA, a hated controlling arm of the dictatorship. The GFTU was finally dissolved on 4 August.

In recent weeks the number of public sector strikes have multiplied as teachers, doctors, bus workers and others have demanded an increase in the minimum wage as they were promised. The interim government has been resistant but has in several cases been forced to concede.

Naturally, the Scaf has used its power to shape the terrain of the upcoming elections for two chambers of a new parliament.

Elections, originally promised for September, were delayed and are now planned for 21 November (lower house) and 22 January (upper house). Complex rules have been laid down – many activists suspect this is to allow old regime representatives to stand.

Above all the army wants time to fashion a political system in which its own role as "guarantor of the constitution" is enshrined, much as it was in Turkey in the past, allowing the army to overthrow governments it considers too radical.

The revolution is under threat. To preserve the gains of 25 January and prevent the consolidation of a creeping military dictatorship with some democratic window-dressing, the working class and youth must take the revolution into a new stage; it must assert its political independence and revolutionary militancy.

In the November elections a multiplicity of parties and broad electoral fronts are standing. But what is urgently needed is a party of the working class based on the independent trade union confederation, a party that fights to end the system of capitalist exploitation. The danger exists that this new federation decides to "stay out of politics" to concentrate on fighting for higher pay and jobs.

This would be a mistake. The fight to enshrine union rights and other progressive labour laws in a new constitution demands a political party of the working class. Such a party would champion all those who are being harassed, detained and tortured by the Scaf. It would bring out on the streets again all those that thronged to Tahir Square in January to prevent a creeping military dictatorship.

Which Marx was right?

DURING THE summer, as world economic recovery stalled and Eurozone and US debt worries panicked global stock markets, a slew of right wing commentators so despaired of capitalism that they dusted off their university-days copy of Karl Marx and leafed through the volumes for clues as to what was amiss with the world economy.

George Magnus, economist at UBS bank and columnist for *Bloomberg*, wrote an article in August entitled Give Karl Marx a chance to save the world economy:

"Policy makers struggling to understand the barrage of financial panics, protests and other ills afflicting the world would do well to study the works of a long-dead economist: Karl Marx... Marx pointed out the paradox of over-production and under-consumption: the more people are relegated to poverty, the less they will be able to consume all the goods and services companies produce. When one company cuts costs to boost earnings, it's smart, but when they all do, they undermine the income formation and effective demand on which they rely for revenues and profits.

As Marx put it in *Kapital*: 'The ultimate reason for all real crises always remains the poverty and restricted consumption of the masses.'"

The US economist Nouriel Roubini, who like Magnus was one of a few to predict the credit crunch, added his endorsement:

"So Karl Marx, it seems, was partly right in arguing that globalization, financial intermediation run amok, and redistribution of income and wealth from labor to capital could lead capitalism to self-destruct (though his view that socialism would be better has proven wrong). Firms are cutting jobs because there is not enough final demand. But cutting jobs reduces labor income, increases inequality and reduces final demand."

Samuel Brittan the *Financial Times*' eminence gris chipped in: "What did Marx mean by the contradictions of capitalism? Basically, that the system produced an ever-expanding flow of goods and services, which an impoverished proletarianised population could not afford to buy. Some 20 years ago, following the crumbling of the Soviet system, this would have seemed outmoded. But it needs another look, following the increase in the concentration of wealth and income. ..."

And as if to prove just how far the contagion of self-doubt had spread, Tory grandee and ex-*Daily Telegraph* editor Charles Moore, mused: "is the left right after all? You see, one of the great arguments of the left is that what the right calls 'the free market' is actually a set-up. The rich run a global system that allows them to accumulate capital and pay the lowest possible price for labour. The freedom that results applies only to them."

Of course, there are several things these pundits have got wrong when they quote Marx. First, Marx was not simply a left wing reformist who thought that a good dose of wealth redistribution would shore up demand and hence

rescue capitalism from itself by providing a market for goods and a stake in society for all those exploited by it.

The answer of Roubini, Magnus, Brittan et al is to boost demand. As Brittan says:

"If the only thing wrong with capitalism is insufficient mass purchasing power then surely the remedy is the helicopter drop of money envisaged by Milton Friedman. For this we need not so much a political as an intellectual revolution, namely the overthrow of the balanced budget fetish."

Marx did not locate the source of capitalism's crises in the skewed distribution of rewards. Rather, the crises were rooted in the production of surplus value in which the endless search for higher rates of profits by bosses led them paradoxically to expel from the factories the only source of those profits – the workers.

On its own, boosting wages over profits would be no answer to capitalism's ills since it would in time erode profits and investment, preparing the way for further crises, so long as production was based on private ownership of the means of production. And this is why the various reformist and Keynesian solutions to the crisis put forward by left leaning economists and even the Labour Party on occasion will not solve the repeated crises of capitalism.

Marx's answer to this dilemma was revolutionary. He did not seek to endlessly rebalance the relationship between wage labour and capital; he sought to abolish this relationship entirely.

In his vision the working class must take political power away from the capitalist class and its politicians and with this power reorganize production and distribution in a way that was free from the profit maximization motive, replacing it with one based on the estimation of needs and ecological sustainability.

A democratic reordering of society from top to bottom in which the division between economics (workplace) and politics (occasional voting for unaccountable MPs) was abolished and instead replaced with the labour force active in determining both, through becoming politically engaged citizens in the workplace.

It was left for later Marxists, like Lenin and others, to spell out exactly what this would mean for the nature and form of the state and representative democracy.

But the fact that the disillusioned commentariat feel they can hold Marx up to the light without fear, is because the working class movement in the UK has a long way to go before it is guided in its action by Marx's revolutionary ideas.

Only when the multi-millioned working class becomes fused with these ideas and enforces their conclusions upon their rulers will Marx's ideas become a real menace to the established order. When that day nears the exasperated pundits and analysts will not be so eager to recommend Marx to their readers.

PENSIONS

Are we prepared for 'the fight of our lives'?

THESE WERE the words of Unison General Secretary, Dave Prentis, used at the end of this year's TUC conference. He was referring to the looming pensions battle with the Coalition. His comments followed the decision, unanimously passed at the conference, to move towards an escalation of coordinated strike action on the pensions issue at the end of November.

His words coincide with a stiffening of resolve across the big trade unions in the UK on pensions due to the government's intransigence on its proposed attacks on public sector pensions. Other words spoken by Prentis, however, may cause us to view the outcome of this struggle with concern. Interviewed in the *New Statesman*, (12.09.11), Prentis offered the following pearl of wisdom, "I never view a battle as lost, just a victory postponed".

Aside from Prentis musings, we should be in no doubt a serious confrontation is likely. The unions involved in the 30 June action, PCS and teachers' unions, have now been joined by the big guns - Unison, Unite and GMB (plus up to another 10 unions and professional organisations). Over the coming weeks ballots will be held and, if successful, could result in up to three million workers taking strike action on 30 November in the first instance, with more to come.

Indeed *The Economist*, in its post-TUC conference issue, quoted Brian Strutton of GMB who said there would be "a long, hard and dirty campaign" ahead. The article goes further, suggesting "the angry unions could inflict enormous disruption at a vulnerable time for the economy, ranging from smart strikes to mass walkouts... Next summer's Olympics could be targeted". We can only wish the

union leaders were that determined!

Is this all just sabre-rattling at the TUC designed to get some concessions? Of course, that is part of it, but it's important to understand the significance of the coming battles. For rank and file workers the issue is simple - the Tories are making us pay more, work longer, receive less at a time of cuts, redundancies and falling wages. It's a no brainer to resist. None of these attacks are faced by the head officials at the top of the movement but they are coming under increasing pressure to organise resistance from their members.

However the issues go deeper. At stake is the continued relevance and even existence of the trade unions - bureaucrats included. If these pension attacks go through, membership will go into further decline as workers see their fundamental rights cannot be

A mass strike by three million workers on 30 November, a partial general strike, will be only a one-day demonstration of strength - a starting point

defended, so what's the point of paying union dues?

And if that were to happen, how would the general secretaries, full time officials and regional organisers continue to be paid? In addition - and you don't have to be a revolutionary socialist to work this out - the Tories will move on from a pensions victory to more attacks on workers' rights including, the right to strike in the public services. All of this illustrates how this pension battle

is shaping up. It will be the determining political conflict of this parliament.

Recognising its significance doesn't mean normal rules of industrial engagement will not apply though. The danger of division and sell-out remain. The room for manoeuvre is increasingly restricted but it hasn't gone away. Before the TUC conference the potential for division was clear to see. The big unions, in particular Unison, had not moved to organise a ballot. It appeared that the PCS, NUT, UCU etc, were on their own.

The move to ballot in Unison changes things dramatically. However, the danger of sell-out and division remains. Separate negotiations and a deal on the local government pension scheme may still be done.

During the summer this was very likely. Writing in *Labour Briefing*, in August, Jon Rogers a Unison NEC member said, in a personal capacity, that talks and employer lobbying on the contributions issue "could pave the way for unions to take local government workers out of a unified fight to defend pensions." That he said would be a "major error".

Clearly, over the summer Prentis and others have not received

enough concessions to follow that path. In the weeks ahead it will be important to guard against this possibility very closely. Militants in all unions will have to argue against any moves to decouple from a campaign that should clearly say "no settlement without a successful settlement for all pension struggles". We're all in it together!

Much will depend on the coalition's course of action. A number of factors are at play. The worsening state of the economy

Will union leaders defend our pensions?

THE TUC Conference saw another layer of unions declaring they would ballot their members to take action in defence of pensions. Yet if you listened carefully, not one of the leaders called on the government to withdraw its attack on our pensions.

Every statement, soundbite and press release emphasised that the unions had no choice but to move towards strikes because the government refused to negotiate. But what is there to negotiate?

The government wants us to pay more, receive less and work longer, arguing it cannot afford to keep on paying for public sector pensions in their current form.

We should counter this, pointing out that there is no need to attack our pensions, that it is not true that private sector workers will have to fork out to protect the pensions of public sector workers and by demonstrating there is plenty of wealth in this country.

We need to show how the government has made a political decision to attack the jobs and working conditions of public sector workers. It could decide to attack the rich instead – making them pay for our pensions and public services.

The danger is the union leaders will agree to negotiate so that we do end up paying more, receiving less and working longer, just not as much as the government would like. In the latest edition of the NUT magazine, *The Teacher*, NUT Head of Pay and Pensions, Andrew Morris outlines the trade union leadership's plan.

Firstly, the TUC and public sector unions have agreed the next step is to start discussions about each scheme. According to Morris this will allow the NUT and the teaching unions, for example, to "press our case" with

the Department of Education. This will mean the unions not presenting a united front over all pensions. If we really want to undermine the government's claims and unite all unions we should be arguing for private sector pensions to be raised to the current public sector level and all workers fighting together, not pleading a special case for each union.

Morris then goes on to describe the NUT's case:

- › any contributions increase should not exceed that required by the 2006 agreement with the last government
- › that younger teachers cannot afford the proposed increases
- › working until 68 or beyond is unrealistic for teachers

In other words some increase in contributions might be agreeable as long as it does not include younger teachers and an increase in the pension age is possible as long as it is realistic. He doesn't say whether or not it is acceptable that the pension payout should be cut.

Union members and local branches must organise to stop any attempts by union leaders to divide the struggle in defence of our pensions. We should also demand that the union only negotiate one thing – the withdrawal of the attack on our pensions by the government.

Union branches should send in resolutions demanding action in defence of pensions but also clearly calling on the national executives and lead negotiators to stick to a clear policy:

- › No increase in pensions contributions from workers
- › No increase in the retirement age
- › No decrease in the level of pension paid out

We should also demand that negotiations are not separated

sector by sector and that we take united action against the government attack.

The plan by more unions to ballot is welcome but we should remember the record of the big unions such as Unison and the GMB.

According to the *Telegraph* (14.9.11) almost a quarter of a million jobs have been cut in the public sector in the last year. Many of these workers will have been Unison, GMB or Unite members yet these unions have done next to nothing to stop this jobs massacre.

Those in unions that have already won ballots for action – NUT, UCU, PCS and ATL – should ensure their union leaders organise further action whether or not the other unions do.

Union members are prepared to fight on this issue and this was demonstrated by the recent ballot of UCU members in the USS pension, scheme of the "old" universities, where 58% voted in favour of strike action in a ballot with a good turnout. Even more members were in favour of taking other forms of action as well.

It is quite likely that the government will refuse to give any concessions, feeling it can take on the union leaders that have so far have shown little resolve to fight.

The government may well decide the TUC and union leaders talk of strikes is so much hot air, that it can attack our pensions and go on to deliver more blows to public sector workers and indeed to the unions themselves.

It will be up to ordinary, rank and file members of the unions to organise, stand united and take the action needed to defeat the government not just in defence of our pensions but also to defend our pay, working conditions and even our trade unions.

David Esterson, UCU

could well rule out making any concessions to leaders such as Prentis. The line will be pushed that the economy "can't afford it".

At the same time, the government will desperately try to drive a wedge between public and private sector workers. They will gamble on any action by public sector workers being unpopular. In their endeavours there will be no opposition from the Lib Dems so we can anticipate a united ruling class offensive to force through the pension and subsequent attacks.

Our side must be ready with its own counter-offensive. Our watch words should be - with the union leaders where possible, without them where necessary. Build action committees in all areas, committed to united strike action and no

separate deals. Link up local unions in struggle locally through joint union committees and mobilise jointly with the anti-cuts committees.

A mass strike by three million workers on 30 November, a partial general strike, will be only a one-day demonstration of strength - a starting point. To win on pensions this action needs to be turned into a sustained nationwide campaign of sustained strike action, by region and sector, in a coordinated way that causes mass disruption.

The aim of militants and socialists should be to build this action into a mass, all out general strike to smash the attacks on our pensions and hopefully to bring down the coalition itself.

Andy Smith

which has lost 250,000 jobs in the last year, with 110,000 culled in only three months between April-June this year, the largest fall since records began. Nearly three-quarters of the losses were in the North West and Midlands.

As women outnumber men two to one in the public sector they have been hit especially hard. The number of women out of work has risen to 1.06m - the highest since 1988.

Private sector job creation in 2011 has not been able to compensate for the fall in public sector jobs, meaning that overall unemployment rose by 80,000 to 2.51 million in the second quarter, with one in five economically active 16 to 24-year-olds out of work.

Given the slump in growth and the failure of the coalition to hit both its growth target and private sector job creation target, it might be thought that chancellor George Osborne, or at least the Lib Dem junior partners would be drawing up Plan B in time for the chancellor's autumn statement on the economy on 29 November.

Not a bit of it. Despite the "disappointing" (Cameron's words) figures on unemployment and growth the government is "not for turning", as Thatcher used to say in the 1980s.

They insist they must stick to their target of eliminating the budget deficit by 2014 so that the financial markets "believe" in the UK's government's debt reduction programme and thereby continue to lend money at low interest rates.

UK ECONOMY

The return of the slump politicians

A HUGE increase in public sector unemployment in the spring together with the negative effect of tax rises and wage freeze has meant the UK economy hit the buffers over the summer.

This has forced the International Monetary Fund (IMF) to cut its growth forecasts for the UK to 1.1% in 2011, down from its 2% estimate at the start of the year. Projections of GDP growth in Britain for 2012 has also been downgraded from 2.3% to 1.6%.

Domestic demand is expected to decline by 0.5% this year, the weakest of any G7 economy; that leaves hope for growth in the hands of exports. But growth in Germany and rest of EU is predicted to be less than previously thought, leaving it more than possible that the UK could be in recession again by early 2012. Already it is pretty certain that growth this year will be less than the "recovery year" of 2010.

This economic outlook means that the UK is going through one of

its most prolonged periods of economic downturn since the early 1980s and, given the latest data, it is likely that the overall loss of output and the duration of the downturn will be deeper and longer than at any time in the last century.

During the Thatcher slump of 1979-83 it took four years for economic output to recover and surpass its previous high point. Yet

The fact remains the government is committed to a full frontal political assault on the public sector which it is barely a third of the way through

now GDP is still 4% below the last peak of April 2008. It is highly unlikely to regain that level by April 2012.

At the heart of this slump is the onslaught on the public sector

But an army of independent economists are warning that given the weakness in external demand in the year ahead, the lack of a government programme to kick-start growth is likely to see the UK

fall into a protracted slump, which in turn will make the debt as a proportion of GDP worse not better.

The *Financial Times* has revealed that a £12bn black hole has opened in the public finances, "in a forecast that threatens to derail the coalition's deficit reduction strategy and prolong austerity well into the next parliament." Such an outcome would completely wreck the coalition's initial plan of going to the next election having got the cuts and recession out of the way and promising the return of the "good times".

In March, the Office for Budget Responsibility (OBR) estimated that the current budget deficit would be £99bn in 2011-12, of which £49bn was persistent and needed action over this parliament. But it now appears that this estimate was based on an erroneous idea of how much spare capacity there is in the UK economy and hence the potential for growth in the recovery. This seemingly arcane issue matters because it reduces the amount of the deficit which is deemed "cyclical" (i.e. will disappear with economic growth) and how much is "structural".

This change alone raises the structural deficit in 2011-12 from

£49bn to £61bn, an increase of almost a quarter. If the government insists on more spending cuts and tax increases to plug this gap (for example, a further 2.5% rise in VAT) they could easily send the economy into a prolonged depression.

It is possible the coalition will announce some small public infrastructure investments in the autumn to fend off claims that it is doing nothing to stimulate growth; but their effects will be minimal and long term.

The fact remains the government is committed to a full frontal political assault on the public sector which it is barely a third of the way through.

A real plan for growth means not only halting the jobs cull and unfreezing wages and benefit increases but ignoring the market dictates and introducing a huge programme of public works, building much needed social housing and converting the economy to a low carbon producing one to combat global warming. It means ending the massive military budgets and withdrawing troops from all imperialist wars overseas. And it means taxing the rich to pay for it.

Keith Harvey

language used to oppress them. "Historically, the term 'slut' has carried a predominantly negative connotation. Aimed at those who are sexually promiscuous, be it for work or pleasure, it has primarily been women who have suffered under the burden of this label. And whether dished out as a serious indictment of one's character or merely as a flippant insult, the intent behind the word is always to wound, so we're taking it back. 'Slut' is being re-appropriated," said a statement on the organisers' website.

It continued: "We are tired of being oppressed by slut-shaming; of being judged by our sexuality and feeling unsafe as a result. Being in charge of our sexual lives should not mean that we are opening ourselves to an expectation of violence, regardless if we participate in sex for pleasure or work. No one should equate enjoying sex with attracting sexual assault."

Slutwalks bring together those who reject victim-blaming – the "she must have asked for it" notion that persists in all cultures, to a greater or lesser extent, with regard to rape and sexual assault. As the organisers of the London Slutwalk in June said: "The event aims to challenge the default social position of 'Don't get raped' and replace it with 'Don't rape', taking the focus off the victims by showing that what they wear/dress/say/do prior to being raped is irrelevant: rapists choose to rape, and changing our behaviour as women won't stop that."

Slut is clearly a word that provokes some strong feelings. Debate has flourished in the blogosphere since April regarding the pros and cons of "slutwalks". Is the Slutwalk movement counter-productive? Is it impossible to reclaim words such as slut? Are women who join in Slutwalks just jumping on a misogynistic objectification bandwagon? Gail Dines noted in the *Guardian* online: "... the focus on 'reclaiming' the word slut fails to address the real issue. The term slut is so deeply rooted in the patriarchal 'madonna/

WOMEN

Slutwalks: reclaiming the language?

➤ HONG KONG, Amsterdam, Glasgow, Delhi, Singapore, Durban, Paris, Berlin, Sydney, Auckland, New York, Toronto, Kuala Lumpur, Cardiff, Cape Town, London, Sao Paulo, Mexico City, Seoul ... the list goes on and on.

About 70 "Slutwalks" have so far been organised this year following Police Constable Michael Sanguinetti's now infamous remarks at Osgoode Hall Law School in Toronto. Sanguinetti had been giving a talk on personal safety to a group of students when he

reportedly told them: "You know, I think we're beating around the bush here, I've been told I'm not supposed to say this – however, women should avoid dressing like sluts in order not to be victimised." As a result of the furore that followed his remark he has since apologised and has been disciplined by the Toronto police; he remains on duty however.

Following Sanguinetti's remarks, Toronto's feminist activists organised the first Slutwalk in April to, in their words, reclaim the

whore' view of women's sexuality that it is beyond redemption."

"Slut" is a word with a history. The Oxford English Dictionary (OED) defines it as follows: "1: 1. a. A woman of dirty, slovenly, or untidy habits or appearance; a foul slattern. b. A kitchen-maid; a drudge. rare. c. A troublesome or awkward creature. Obs. 2. a. A woman of a low or loose character; a bold or impudent girl; a hussy, jade."

According to a Lisa Sutherland, commissioning editor at Collins Language (quoted on the BBC website) while the earliest record of the word dates from the 1400s: "There was a big spike in its use in the early 1920s – just after the end of the First World War."

Women had gained more independence during the conflict and following the struggle of the suffragettes, "this might have frightened men because women were encroaching on areas they used to dominate. Women were going out, they were drinking and they were being referred to in a derogatory way."

There was also a smaller spike in the 1980s – in reaction to second wave feminism – when terms like "little slut" and "cheap slut" tripped frequently off the tongues of sexist men. The piquancy of slut as a woman hating term of abuse appears to go up and down given the relative confidence of women to organise, express themselves and claim a range of other privileges as well – the right to work, to vote, equal pay etc.

Clearly the word slut is used in different ways in different social contexts. And as many in the blogosphere have pointed out, one person's "slut" is another person's demure conservative. But as has happened so many times before, feminists are split over Slutwalks between those who insist that protests about stopping rape must be serious (who prefer Reclaim the Night marches which have seen a resurgence in recent years), and those who want to hit back at the victim blamers with an "in your face" assertion of a woman's right to choose what she wears. Pro-sex and

anti-sex, social purity verses libertarianism. The debates around Slutwalks seem to divide feminists into the same camps that the debates around sex work do.

What is striking from all the reports is that a lot of the women involved in organising Slutwalks are young; many are in their mid-teens. This has to be welcomed. The political agenda may be narrow, maybe Slutwalks can be accused to a certain extent of preaching to the converted. Maybe there is no worked out analysis of rape or women's oppression in class society in the Slutwalk model. But if young women are angry and motivated to take to the streets that is a good thing.

Some will be further politicised by their experience, begin to look at other issues, get involved in other campaigns. Others will feel more confident and have a boost to their

self-esteem just as a result of getting organised and doing something collectively to shout out against sickening sexist hypocrisy.

Let Black Women Against Rape have the last word: "SlutWalk is a much needed occasion to break down divisions and strengthen everyone's right to protection and justice, no matter who we are, where we were raped or who raped us . . . We want to make visible the women of colour everywhere who are fighting for justice after reporting attacks by men in positions of authority. Like the placards at the Paris SlutWalk march referring to the black refugee housekeeper who has accused the ex-head of the IMF of attempted rape: 'We are all chamber maids'."

If there's a Slutwalk in my town, count me in.

Alison Higgins

LINKS

www.slutwalktoronto.com/about/why

www.thefword.org.uk/blog/2011/04/slutwalk_london

www.guardian.co.uk/commentisfree/2011/may/08/slutwalk-not-sexual-liberation

NHS

Listening exercise falls on deaf ears

IN APRIL the coalition government agreed to slow down the NHS reforms in order to "listen to the views" of professionals and the public on Andrew Lansley's reforms. An extensive and expensive listening exercise was undertaken with most voices opposed to the fundamental part of the Bill that further opened the NHS to the market.

The proposed reforms will see GP's buying services from "any willing provider" including the major international health care corporations. Competition would be based on price and quality, and NHS trusts would be accountable to the regulator, Monitor, which would

focus on the financial viability of the NHS trusts.

Five months later and the Health and Social Care Bill returned to the House of Commons almost unchanged, and was easily passed with only a handful of Liberal Democrats voting against it. The debate was obscured by a smokescreen created around an amendment to the same Bill from Nadine Dorries that was trying to stop abortion providers from having a role in counseling women who are considering a termination. That amendment was thrown out, after a number of government twists and turns that appear to have been choreographed to steer

attention away from the heart of the Bill.

The debate around the Bill now moves to the Lords, and without a massive opposition from outside it is likely to be passed. Those who were hoping to rely on Lib Dem opposition will be disappointed. Lib Dem peers Shirley Williams and Evan Harris may have some excellent arguments against privatisation in the Bill, but at the end of the day they are propping up the government that is determined to push it through.

Health workers and patients are already feeling the impact of the coalition's policies on health and a cuts programme inherited from the Labour government. The 4% cut in budget (rebranded as £20bn "efficiency savings" over five years) means that jobs are going, services reduced and hospitals closing. The results of Labour's Private Finance Initiative (PFI) building programmes have landed the NHS Trusts with huge debts and are providing massive profits to the multinational PFI firms.

The Bill is not the only issue facing hundreds of thousands of NHS staff. Those earning more than £21,000 a year are suffering a two-year pay freeze until 2013 while retail price inflation is running at more than 4%.

Like millions of other public sector employees the pensions of NHS staff are under threat from the government's determination to make staff work longer, receive less and pay in more in for the privilege.

As if this was not bad enough, the senior managers of NHS trusts (NHS Confederation) have once again raised the demand for an end to national pay bargaining and pay scales in the NHS.

Under pressure from central government to make "savings" and where 70% of NHS costs are the wage bill, the NHS trust managers want to be able to pay nurses and doctors less in say the North West than they do in London or the south-east.

If the government wins the national battle over pensions in the coming six months you can be sure that introducing a local market for

NHS pay and conditions will be their next goal.

Of course, the reality is that the market has already made great inroads into the NHS with its associated inequalities, greater bureaucracy and inefficiencies. Indeed, it is the cumulative effect of recent years' reforms and the soaring costs that come with it that has led to a new craze sweeping the

and Brown. Even without the additional changes proposed by the controversial new health and social care Bill, the NHS is already based on the idea that the "money follows the patient", with payment by results meaning, in reality, payment for activity.

The government and particularly the department of health realise that hospital care is generally more

Current reforms are designed specifically to reduce the kinds of treatments available on the NHS and make people take out extra health insurance

NHS, spurred on by the numerous advisors from McKinsey, KPMG and other management companies who now infest our hospitals and other trusts.

It is called "integrated care". It is a really good idea: lets get hospitals, community health services, GPs and social services to work together to try and improve the care and experience of patients. Lets make sure they don't end up unnecessarily in hospital and put the patients' needs before those of the different bureaucratic organisations involved.

You might think this is what the NHS is for, but over the past couple of decades it has been steadily transformed into a series of relatively autonomous organisations, each of which has a different role and its own budget. Each trust, and often separate teams within them, are regarded as business units that have to break even or even make a surplus year on year.

Any innovation has to be accompanied by a business case that shows how it will be at worst cost neutral and at best profitable (by saving expenditure or increasing income).

The flow of money in the NHS is increasingly based on the internal market, introduced by the Thatcher/Major government and enthusiastically extended by Blair

expensive, and most people want to stay out of hospitals. Medical and technological advances mean that more and more diagnostic services and treatments can be done in the community or as day cases without people being admitted to hospitals.

But why should hospitals cooperate in keeping patients at home when their income depends on them being admitted?

Enter the idea of integrated care. Set up networks involving all the players in the local health economy, and establish financial arrangements that mean any savings resulting from improved care that keeps people out of hospital are shared across the organisations.

Here's an even better idea. Why not have a single organisation, devolved to localities or regions, that provides all services including hospitals, GPs and community care, we could even add in preventive health and social care, and then when the community services are so good that it saves money on expensive hospital care, that money could be invested in even better services for everyone?

We could call it . . . the National Health Service – one run not by the market and without the swarms of accountants and business consultants.

The government is eager to reassure an anxious public that the

NHS is safe in their hands and that NHS treatment will remain free at the point of delivery. But their current reforms are designed specifically to reduce the kinds of treatments now available on the NHS and over time to make people take out extra health insurance.

The NHS currently faces a massive assault on several fronts – privatisation, pay and pensions – and NHS workers, highly unionised as they are, have a great chance to repel this onslaught.

There is every chance that more than 500,000 NHS staff will take industrial action on 30 November as part of the national day of action against government plans to

overhaul public sector pensions.

At the same time a series of ballots in coming weeks is expected to see paramedics, radiographers, physiotherapists, chiropodists and a host of non-clinical staff such as cooks and cleaners participating in some form of action.

As part of a fightback against cuts, for decent pay and conditions, against pension reforms and for social health care, NHS workers and users need to join in campaigns like Keep Our NHS Public, work with the unions to organise strikes and occupations against the cuts, and demand that the PFI debts be cancelled. Save our NHS!

Clare Heath

armed and given air support by NATO. Iran, be warned!

Some on the left immediately recoiled from supporting the rebels when the imperialists intervened. NATO's participation, they argued, had turned the rebels into "puppets of imperialism"; anti-imperialists could not support either side. Some went further and reverted, or never gave up their support for, "anti-imperialist" Muammar Gaddafi. Hugo Chavez, the Venezuelan President, was one of these.

But Gaddafi's "anti-imperialism" was skin deep. Even when his regime was most isolated, Italian and French multinationals continued to run his oil and gas industry. From 2004, when Libya's diplomatic quarantine was ended, Gaddafi was hugged and kissed by Tony Blair. In return the country was opened for business to British and US multinationals.

Gaddafi was also a filthy dictator who regularly massacred any potential sources of opposition – as the recent discovery of mass graves of up to 1,200 prisoners in Tripoli bears witness to.

The uprising against Gaddafi was clearly a people's revolution, with city after city resorting to arms. In some they were quickly victorious – Benghazi and Tobruk – in others they triumphed only after a long and bitter struggle – as in Misrata and Zawiya. In Tripoli the rebels were crushed with the utmost brutality and only rose again in the final battle for Tripoli 20-27 August.

LIBYA

Left is divided over support for revolution

THE LIBYAN people's revolt against the Gaddafi dictatorship is clearly nearing its end game. Although Gaddafi loyalists put up stiff resistance in Sirte and Bani Walid, once Tripoli had fallen to the rebels at the end of August the writing was on the wall for the regime.

Whether the remnants of the dictatorship have the resources and will to launch a long term, semi-guerrilla struggle from bases in Niger or Algeria remains to be seen. What is clear is that the Transitional National Council (TNC), formed in Benghazi in the early days of the revolution, will move to consolidate its power and control over the rebel forces and the economy.

The TNC is no friend of the Libyan people. Many of its leaders and "generals" are former Gaddafi loyalists rightly viewed with suspicion by the young militants who did most of the fighting. One of them, Abdul Fatah Younis, who was made rebel army chief despite his crimes against the Libyan people, was assassinated at the end of July

by a group of fighters in Benghazi.

More importantly, the TNC under its chairman, Mustapha Abdul Jalil, has been building ever-closer links to the imperialist alliance that led the NATO intervention against Gaddafi – especially France, Britain and the US. Cameron and Chirac paraded around Libya for the cameras soaking up the cheers and plaudits, before arguing the case at the United Nations for the benefits

If the leaders are conservative or reactionary the task is to turn the base against such leaders not dismiss the whole movement in a sectarian fashion

of this new type of "humanitarian intervention" which they think can be a model for the rest of the world.

Unlike Iraq and Afghanistan, they argue, these interventions involve no "boots on the ground" but rather rely on a population in revolt doing the fighting, rebels

The rebels included a few defecting soldiers but were mostly made up of students, teachers, medics and technical workers. They were politically heterogeneous, as were the revolutionaries in Egypt and Tunisia, but they were united in

their desire to overthrow the dictatorship.

They included, again like Egypt, Islamists who had taken up arms against Gaddafi. To argue that this entire movement has the same politics as the TNC, or to say it will necessarily follow it politically, is wrong.

In Poland in the 1980s some on the left denounced the multi-million Solidarnosc workers' movement as "reactionary" because it was led by Lech Walesa and others who had close ties to the Catholic Church and imperialism. It led these "socialists" to directly support the Stalinist dictatorship against the Polish workers when it suppressed the latter.

A mass movement has a base and a leadership, like the British trade unions; if the leaders are conservative or reactionary the task is to turn the base against such leaders not dismiss the whole movement in a sectarian fashion.

The Alliance for Workers Liberty (AWL) on the other hand has become merely an attorney for David Cameron, devoting megabytes of internet space to arguing "Why we should not denounce intervention in Libya". While the AWL recognises that NATO's actions are not disconnected from their desire to get their hands on Libya's oil and gas, that the rulers of these countries are "hypocrites" and that "we should not give them credence or endorsement", this is exactly what they are doing.

The question is: "what is the main objective of imperialism in this intervention?" Is it a "humanitarian intervention" or a cynical move to establish a regime in Libya that is acceptable to and safe for multinationals' economic interests? The AWL clearly thinks it is the former. They argue as though there was no alternative to be pursued, nor actions that would have aided the people of Benghazi and Misrata during the Gaddafi counter offensive beyond a full scale air bombardment by NATO. Yet clearly there were.

Permanent Revolution at the time called for the Egyptian and

Tunisian revolutions to come to the aid of their Libyan brothers and sisters and for their armies to provide arms and volunteers to protect the rebels. We said that if Britain and France really wanted to defend the rebels they would have shipped in anti-tank and anti-aircraft missiles for the rebels to use, without any political or economic strings attached.

Instead they introduced a UN arms embargo that applied to the rebels as well. These were demands

What is true is that the working class in Libya is much weaker than in Egypt or Tunisia... Gaddafi never developed the country despite his nationalist rhetoric

that could have been raised by the workers' movement in Egypt, Tunisia, Britain and France.

The actual NATO intervention was designed to gain political control over the rebel forces, to make them militarily dependent on the imperialists. It involved not only airpower, bombing and high tech surveillance, but special forces on the ground, military trainers and carefully controlled arms supplies.

Above all, economic aid (in fact the unfreezing of Libyan assets abroad) was used to ensure "moderates" and pro-imperialists took leading positions on the TNC.

By early September the AWL declared "NATO intervention in Libya has now largely come to an end" and said the "independence of the rebels and the TNC is quickly being asserted". This is very far from the truth. The imperialist intervention in Libya, of which the NATO intervention was the very first stage, has only just started.

The struggle ahead will be precisely for the masses of Libya and the rebel armed fighters to maintain their independence from the TNC and establish democratic and trade union freedoms which the imperialists and their allies in the TNC will try to prevent coming into being.

The reason the AWL sees none of this is that it long ago abandoned the Leninist understanding of imperialism. It therefore rejects the idea that imperialism maintains its grip on the Middle East despite the nominal independence of its governments. Through its mechanisms of exploitation and political control – multinationals, IMF, World Bank – backed up by its military trained allies on the ground, be it the TNC in Libya or the Supreme Council of the Armed

forces in Egypt – imperialism maintains a vice-like grip on these formerly independent regimes.

The Socialist Workers Party took a much better position both as regards the initial revolt and in relation to the NATO-led imperialist intervention. Socialist Worker (SW) has continued to support the struggle to overthrow Gaddafi and criticised those who backed off after the NATO intervention. It has consistently and correctly denounced the NATO intervention and campaigned for an end to it, as has the Stop the War Campaign.

However, by August its support for the rebels had become lukewarm and its prognosis for the revolution increasingly despairing. An article entitled "How the west lost Libya's revolution" (SW, 6.8.11) set the tone. "The revolution had lost its independence." It had become "a series of bloody battles involving a few hundred men, with neither side capable of making a breakthrough". Libya faced "cantonisation – with western areas under the control of the old regime and fractured rebel areas beholden to imperialist powers". The only hope of reigniting the revolution lay in the continuing revolutions in Egypt and Tunisia.

This "perspective" was to be

proved wrong on all counts. The rebels went on to overthrow Gaddafi, ending with a popular rising in Tripoli, while the revolutions in Egypt and Tunisia faltered as the ruling classes and militaries, backed by imperialism, attempted to stabilise the countries under their rule.

Even after the fall of Tripoli, SW remained downbeat, the revolution was effectively lost already: "The end of Gaddafi's regime is a cause for celebration. But the nature of the struggle in Libya is now fundamentally different from the revolutions in Tunisia and Egypt that originally inspired it... The imperialist powers hijacked the Libyan revolt and bent it to their own interests - trade contracts and international oil deals." While there was a chance of divisions between fighters and the TNC, the SWP held out little hope that the revolution could be put back on track.

Such a counsel of despair would be hopeless if the SWP had any supporters or influence in Libya. It is precisely in the next period, with the defeat of Gaddafi, and the TNC trying to exert its control over the fighters, that divisions and struggles will open up. There is no love lost between the fighters of Misrata and the Benghazi-based TNC who have spent much of the war hobnobbing with presidents and prime ministers in Europe.

Already the TNC's attempt to put

an ex-Gaddafi general in charge of security in Tripoli has been rejected by the fighters there. Abdel Hakim Belhadj, commander of the rebel forces of Tripoli, an Islamist who was tortured by the CIA and handed by MI6 to Gaddafi, is in open opposition to the pro-US chair of the TNC. These divisions can only grow as imperialism advises the TNC to crack down on dissent.

What is true is that the working class in Libya is much weaker than in Egypt or Tunisia. Libya has a small population and is rich in oil and gas. Gaddafi never developed the country despite his nationalist rhetoric and industry was heavily dependent on foreign workers and technicians.

At the same time many everyday jobs were carried out by foreign labour, by migrants from the Egypt and surrounding countries in Africa. A bloated middle class lived off the oil and gas rents doled out by Gaddafi's clique, its main source of political support.

The Libyan revolution is not over. Its development depends, as with Egypt, on the masses being able to conquer a democratic space and using it to develop their own organisations and demands. A crucial component of this will be to develop the country's resources for the good of the Libyan people, not for the profits of the imperialist owned multinationals.

Stuart King

terror attack, it was the same as 2007 - about 60%.

The Norwegian Social Democracy's (Arbeiderpartiet's - Ap) vote increased keeping it as the biggest party in the country with 31.7% of the vote. If this had been an election to the Norwegian parliament the government probably would have been forced to resign, since it's junior partner in the government coalition, the reformist Sosialistisk Venstreparti (Socialist Left Party - SV), won only just over the 4% needed to get into parliament.

As is usual when a parliamentary party suffers a bad result at the ballot boxes, SV is to make a change of guard. The leader of party for 15 years, Kristin Halvorsen, declared she was going to resign during the spring. It's time for renewal before the parliamentary elections in 2013.

SV is hard pressed to get it's house in order. According to the mass media more and more Ap politicians have given up hope of a red-green majority in 2013 and now look towards the Kristlig Folkeparti (Christian Democrats - KrF) as a possible third coalition partner.

But there's a problem; neither SV nor KrF are prepared to sit in the government with each other. And if that's not sorted out and SV continues to look like a loser, Ap is probably going to put its money on KrF.

The xenophobic Fremskrittspartiet (Progress Party - Frp), of which Breivik was once a member, didn't waste a second in condemning him. It's chairman Siv Jensen called the massacre a horrible and cowardly act.

"Today we are all AUF members", she declared. "We share the grief with everyone. It's a national tragedy. It's an attack on government and the youth organisation of Arbeiderpartiet, but also an attack against the whole Norwegian democracy and our whole nation."

But obviously this didn't help. The party lost 6% of its votes and is down to 11.4% share which is nearly exactly half it's best result in the parliamentary elections of 2009,

NORWAY/DENMARK

Right wing populist parties suffer setbacks

WITHIN A couple of days of each other elections were held in two Scandinavian countries. As in all elections, those in Norway and Denmark were snapshots of the political situation. And in these two cases it seems the right wing populist parties are losing ground.

In the shadow of the right wing extremist Anders Behring Breivik's

murder orgy, in which 77 people, mainly Social Democratic youth, were murdered at a summercamp on the little island of Utöya, the municipal and county elections were held in Norway on 12 September, after a very low key election campaign. However, despite predictions of a big turnout of voters in reaction to Breivik's

when it got 22,9 percent.

It lost mainly to the conservative Høyre who gained 9%, up to 28%. But whether this signals the beginning of Frp's decline is an open question.

The Danish elections to parliament on 15 September resulted in the end of 10 years of a Liberal-Conservative government consisting of the Venstre (V) and Konservative, based on support of the xenophobic Dansk Folkeparti (DF) which, in exchange for its support, demanded and got a more xenophobic anti-immigrant legislation.

There is now a majority in the Danish parliament, Folketinget, for the formation of a coalition-government led by the leader of the Social Democratic Party (SD), Helle Thorning-Schmidt.

In fact the main parties of this coalition, SD and Sosialistisk Folkeparti (SF), both lost votes in the election. Winning only 24.9% of the vote, it was the worst election for SD since 1906(!). The SF polled just 9.2% and lost 7 seats.

The latter party, which was founded by the Danish Communist Party's expelled chairman Aksel Larsen at the end of the 1950s, has during recent years been working closely with SD trying to establish itself as a "responsible" party.

Amongst other things, SD and SF have made clear they're not going to change the restrictive immigration policy. They will, for instance, uphold the controversial 24-years rule which only permits non-resident spouses to be united with their partners living in Denmark when both parties have reached the age of 24 years.

It was only because of the gains made by Radikale Venstre (Radical Left), a social liberal party, and the self-styled "democratic socialist

party", Enhedslisten (Red-Green Alliance), which believes "in building socialism from below", that the coalition became a realisable political alternative, giving the "red" block 89 seats against 86 for the "blue" block.

Not surprisingly Enhedslisten has mainly gained from SF's loss of support. With 6.7% and 12 MPs, Enhedslisten tripled its electoral support compared to the elections in 2007. As a result of its advance its membership has also grown from 5,100 last year to somewhere around 7,500 this year.

Enhedslisten was formed in 1989 as an electoral alliance by three left wing parties - Danmarks Kommunistiske Parti (Danish Communist Party - DKP), Venstresocialisterne (Left Socialists -VS) og Socialistisk Arbejderparti (Socialist Workers Party - SAP), the Danish Section of Fourth International, and in 1993 it entered parliament with 3.1% of the votes and six seats.

By the middle of the 1990s the formal influence of the parties in Enhedslisten had been abandoned and membership was based on individuals. The majority of members no longer had any connection to the original parties even where they still existed as organised currents within Enhedslisten.

Line Barfod from the leadership of Enhedslisten explained that the party wasn't prepared to join the government but saw its task as a "support party" making sure that SD and SF keep to the election promises they have made.

What Barfod's statement means in reality we will soon see. Anyway the development of Danish politics and especially Enhedslisten is worth close attention.

Lars Persson

Here we go sovereign debt

Greece on the verge of default, bank credit drying up, the survival financial crisis has returned with a vengeance in a new form. Keith Harvey and

OVER THE summer the economic recovery of the major western industrial states stuttered then flatlined. The main reason is that the positive effect of the massive monetary and fiscal injections by several governments in 2009-10 to stave off a global depression has waned. To make matters worse the even more powerful negative effect of the deficit-reducing cuts in public spending has kicked in.

As this became clear over the summer the global stock markets fell sharply, in some cases wiping out all the gains they had made over the last year or more. The feverish rise in the price of shares in late 2010 and early 2011 was based on the huge injections of electronic money into the financial markets by the world's central banks (quantitative easing).

This resulted not in any great uplift in lending to firms for investment or to households for spending, but rather simply put a lot of cash into the hands of banks and hedge funds which they used to speculate on the stock market, hence bidding up share prices.

For six months or so "the markets" convinced themselves that the propaganda of the OECD, IMF and G7 governments was correct; namely, that as public deficits were pared back, the private sector's inherent dynamism would generate more than enough investment and jobs to kick-start a lasting, strong economic upturn. Early in 2011 strong GDP growth figures for Germany gave the markets hope, but this mild euphoria collapsed in early summer as grim economic data piled up.

In spite of profits standing at record levels (a function of falling real wages, job shedding and a rise in productivity), sovereign debt, budget deficits, the after effects of the Japanese tsunami and ongoing uncertainty around the

future of the Euro, all combined to push the west back towards stagnation if not recession.¹

The US grew just 1.3% (annualised) in the second quarter of 2011, a rise from 0.4% in the first quarter, but still too weak to seriously dent unemployment, which remained above 9%. The Eurozone slowed to just 0.8% down from 3.2% in the first part of the year, while Japan, suffering from the tsunami and its aftermath, fell -1.3% in the second quarter, following a slump of -3.6% in the first.

When it became clear that government and independent agencies' economic growth projections for the US and the EU in 2011-12 were grossly optimistic (and hence also the future profit projections underpinning the share price boom) it was only a matter of time before the latest stock market "correction" should occur.²

Spreading stagnation

The fragility of the Eurozone and US capitalism is obvious as final demand has collapsed sharply. Working and middle class consumption is being hit. Wages as a proportion of national income have fallen in the US to 62%, down from a post-war peak of 69% in 1980. At the same time, US households have been using much of this declining income to save hard, as families have tried to pay down debts and banks have written-off the value of bad loans.

Meanwhile, faced with the uncertainty of the recovery, firms have used their cash-rich balance sheets to depreciate existing investments (i.e. write down their value) rather than increase their fixed capital stock; hence, investment is at historically low levels. Non-residential fixed investment has fallen from \$357bn in 2008 to \$155.2bn in 2010,

again: the crisis of 2011

of the Euro in question, stalled economic growth in the USA:

Bill Jefferies examine the causes of the latest North Atlantic economic crisis

its lowest level in 30 years. This largely explains the ongoing stagnation of the US economy.

Capitalists prefer to squeeze every dollar they can from investments made in the run up to the credit crunch, while simultaneously writing their value down to guard against the possibility of future crises.

In short, the US and Eurozone (and UK) are in the grip of stagnation whose ultimate cause is the mountain of debt (sovereign and private) that was inherited from the long boom of the 1990s and 2000s, when re-cycled savings and profits from the rapidly expanding Asian economies were used to finance cheap credit to US consumers (necessary, as real wages stagnated), and underpin speculative expansion of property markets in the US and parts of Europe.

Much of this lending was undertaken by the large banks, and the value of the assets bought with the loans boosted bank profits and market valuation. When the expansion of this credit/debt cycle collapsed in 2007-08 so too did the value of the assets and the worth of the banks. At the same time many banks held sovereign debt in the form of government bonds, which governments issued to pay for public spending projects. As economies shrank in 2009-10 much of this debt too became unsustainable, demanding an ever-higher proportion of national income to service the interest payments on the bank loans.

The banks, faced with this huge deterioration in their balance sheets, still struggling in the aftermath of the credit crunch and suffering an ongoing crises of confidence around the Euro, continue to shore up their capital base, increasing the ratio of assets to loans. This limits the availability of credit to working and middle class consumers, further hitting consumption.

Both private sector banks and governments in Europe are in the throes of "de-leveraging", that is, writing off and paying down the debts they have accumulated in the last two decades. Various proposals from regulatory authorities and governments, which are likely to be passed into law in the coming years, are set to deepen this process in the short to medium term as they seek to increase the amount of capital banks must hold and limit credit expansion.

This process of de-leveraging is in essence a process of destruction of defunct useless, excess capital that cannot earn a profit and must be destroyed and purged from the system. It means the writing off of large parts of the existing sale value of millions of homes that have been built but never lived in. It means the sacking of hundreds of thousands of public sector workers whose jobs depended on stable or growing government revenues, which are now being slashed. It means the loss of similar numbers of private sector jobs that depended on the spending of incomes of those public sector workers.

The purpose of such a crisis of capitalism is to restore profitability and hence the conditions for a future upturn in investment. A crisis devalues capital and squeezes the working class by increasing productivity and cutting wages and in so doing it restores the mass and rate of profit.

This is what is happening now. At the top of the last boom in mid-2006 US corporate profits peaked at \$1,655bn, they fell back to \$971bn at the end of 2008, but by the second quarter of 2011 had risen to \$1,885bn, a new record. The current production rate of profit, the proportion of profits in current production not including the fixed capital stock³, rose from 22% in 2009 to 34% in 2011, in the

sharpest recovery in corporate profitability since 1929 and probably therefore, in the history of capitalism.

But this process of profitability recovery is a contradictory one, since the very pre-condition for it – deleveraging, jobs cull, wage stagnation – is *at the same time* intensifying the problem that gave rise to the crisis of profitability in the first place, namely the burden of debt.

The politics and economics of austerity, of deficit reduction, are causing growth to stagnate at best and, in cases like central Europe and Ireland in 2009-10, and in Greece

But as important as this economic root is, the key factor in explaining the depth and duration of the present crisis is the crisis of political leadership within the EU

today, to collapse completely. This makes the debt burden (ratio of debt to GDP) worsen even as the nominal amount of debt is reduced. In turn the financial markets raise the interest levels on loans to these stricken countries to such levels that they are effectively frozen out of the market for such loans, raising the spectre of sovereign debt default.

Eurozone: heart of the crisis

The crisis convulsing the Eurozone economies is at root an objective economic one:⁴ the uneven competitiveness of member states has been masked since monetary union by low interest rates for loans to the peripheral southern European countries (and Ireland). The credit crunch all at once stripped away the mask revealing Ireland and Greece above all to be burdened with huge and unpayable sovereign debts, threatening in turn the solvency of banks that hold that debt.

But as important as this economic root is, the key factor in explaining the depth and duration of the present crisis is the crisis of political leadership within the EU and the inadequate nature of the EU institutions tasked with providing a solution.

What is needed to restore European capitalism's stability and calm the financial markets is an orderly default of the sovereign debt burden by Greece. But this is being prevented by the competing political pressures on German and French governments, on the European Central Bank and by the massive, semi-insurrectionary resistance on the streets to debt-reduction measures in Greece. This forestalls economic recovery on a capitalist basis and hence is making the debt crisis even worse and, possibly, not containable within the framework of continued monetary union.

In May 2010 when the European sovereign debt crisis first threatened the Euro, a \$900bn European bailout fund was arranged by the ECB, IMF and the US. Within months this was seen as inadequate by the financial markets, insufficiently large to cover all potential liabilities of the European banks.

But anything larger and more comprehensive was ruled out by the EU's leading economy and political leader, Germany, as its government would suffer a huge blow to its electoral fortunes if it was seen to be writing a blank cheque to the Greek population using German taxpayers money.

For a year the Greek government was caught between the hammer and the anvil; between a mass revolt by its people who refused to accept savage spending and welfare cuts and tax rises lying down, and IMF/ECB officials refusing to release aid unless major austerity was imposed not just announced. The result? The austerity was draconian enough to collapse the Greek economy (a 7.5% fall in GDP is likely in 2011) but the aid was not big enough to ease Greek's financial plight or restore the economic conditions for recovery.

The second Greek bail-out in July this year was an attempt to go further. Until this summer the Eurozone capitalists have insisted that the Greek people alone foot the bill for the state's massive and often illegal borrowing over the last decade. But faced with repeated general strikes, violent protests and the prospect of a Greek revolt of insurrectionary proportions, the latest deal indicated a slight shift in priorities.

While insisting that more austerity is the pre-requisite for any further funds, a far-reaching privatisation programme requiring the fire sale of most Greek state assets is part of the deal. In addition, this time the Europeans forced private sector bankers to pay at least some of the bill. A "voluntary"⁵ haircut from private sector banks worth around 21% of their debt was agreed. The European Central Bank (ECB) reduced debt interest payments on its own debt from 5% to 3.5%, an effective write down of around a further 20%, and extended the length of repayment by up to 30 years.⁶

The Euro authorities will provide a further 109bn of AAA-rated funds alongside a pro-growth fund from the European Commission of around 15bn. Euro governments will provide up to 20bn of new capital for the Greek banks and up to 35bn of guarantees for Greek government debt pledged to the ECB as collateral. In addition the rescue mechanisms can now provide funding for bank recapitalisations and can, under certain conditions, buy bonds in the secondary market.

But the markets, i.e. the capitalist financial speculators, did not buy it. "Too little, too late" was their response. The deterioration led inexorably over the summer to the worsening of the economic situation of the European banks that hold Greek sovereign debt, especially French banks, adding to and deepening the run on European stock markets in August-September.

An orderly, rational solution on a capitalist basis would require four things: first, the construction of a huge – limitless even – EU fund, backed above all by Germany, giving a cast iron commitment to the financial markets to act as lender of last resort to all sovereign debt in southern Europe at least. Secondly, greatly enlarged powers for the ECB to issue and buy bonds of member states in unlimited quantities in conditions whereby private banks have shunned them.

Third, a willingness of the ECB and private sector banks

to write-off a considerable portion of the bad sovereign debts on their books and simultaneously a willingness of the Eurozone country banks to recapitalise the stricken banks with "good" capital.

Fourthly, a political-constitutional reform of the EU treaties to extend federalism and specifically the powers of the Brussels EU institutions to impose/supervise tax and spending limits on member states.

As the crisis has deepened and lengthened, Germany and France's leaders have urged steps to a greater fiscal union, recognising the status quo is not an option and that either there must be greater union or a partial or full break-up of the Euro.⁷

Euro fights for survival

As the Eurozone crisis has deepened more and more credence has been given to the doomsday scenario: the break up of the Eurozone. The argument runs that the burden of membership on the highly indebted countries is so great due to the austerity measures needed to cut the fiscal deficit that it is better to quit and regain competitiveness by restoring an independent currency.

On the reverse side it is argued that it would be in the interests of Germany (and a few closely tied members) to be free of the Euro as the cost to it in terms of transfer payments to weaker members to keep the currency afloat is too great.

But both scenarios massively underestimate the political difficulties and the devastating economic consequences of leaving the Euro. In the first place there are no mechanisms in any treaty for leaving the Euro, nor for expelling a member state from the single currency union. Of course, a member state may quit unilaterally but every serious study of the effects underline how catastrophic this would be in the short term if undertaken within the confines of the capitalist system.

A recent study suggests the costs of a Greek default would likely exceed 50% of Greek GDP. This is because its debts, denominated in the new currency, would multiply massively and if it defaulted on them it would be frozen out of capital markets and unable to access any official aid. Being uncompetitive in most internationally-traded goods and not resource rich, the Greek economy would implode.

In short, it would be an economic catastrophe with severe social and political consequences. As USB said recently: "It is also worth observing that almost no modern fiat currency monetary unions have broken up without some form of authoritarian or military government, or civil war"⁸.

Of course, this does not make it impossible; the internal domestic balance of class forces in Greece, between an insurgent, nationalistic population desperate for relief from the pounding it is getting, and a weak, divided political leadership class, could lead to steps that are not "rational" from a capitalist point of view.

The consequences for Germany too would be huge. It sponsored the creation of the single currency as a way of enlarging the penetration of its multinationals in Europe; a break-up or major shrinkage of this market would be

a blow, as the Eurozone still accounts for nearly 70% of German trade. But at the same time many German multinationals are firmly oriented to the new non-European markets; BMW and Porsche both announced record profits on the back of exports to China. If the German mark replaced the Euro the new currency would appreciate massively and its exports (Germany is the world leading exporter) would take a hammering.

For all these reasons, the pressure on the Eurozone political leaders to solve the crisis through a combination of debt restructuring, more fiscal federalism and greater financial support is immense. Should the national pressures on them inhibit or prevent them from taking those measures then the European project will be dead, European imperialism's role in the world retarded and the repercussions on the global economy will be far-reaching.

For the moment the markets do not anticipate a break-up of the Euro. If they did we would be seeing real signs of pension funds, hedge funds, banks and foreign exchange managers selling off Euro-denominated assets in anticipation of such move – but as yet there is not sign of this. At present they betting that the Euro is too big to fail.

NATIONAL DEBT

Marx on the national debt

IS THE present debt crisis simply a form of the general crisis of the over-accumulation of capital and subject to the same laws? For some on the left such as the SWP, the credit crunch of 2007-08 was only peculiar inasmuch as the general over-accumulation of capital took the form of the amassing of private and national debt. But this was not Marx's view.

In the third volume of *Capital* Marx demonstrated that, "The accumulation of the capital of the national debt has been revealed to mean merely an increase in a class of state creditors, who have the privilege of a firm claim upon a certain portion of the tax revenue."^{*}

National debt consisted of capital that had already been spent. It did not extract surplus value from the working class. It was not subject to the laws of capital accumulation, such as the tendency of the rate of profit to fall. Rather this now fictitious

capital was nothing more than a claim on the future tax revenues of the state. This debt earned the rate of interest not the rate of profit.

The rate of interest was largely independent of profit rates. Its mass and rate depended on political economy not economics. It could be affected by the ability of the state to devalue the real value of these loans through the printing of money; in contemporary parlance, quantitative easing, the rate of inflation, the demand of investors for this debt, the distribution of enterprise profit and bank interest, the ability of the government to redistribute the tax burden from workers to capitalists or vice versa and so on.

The accumulation of national debt is not the over-accumulation of capital and is subject to different, essentially political laws.

* www.marxists.org/archive/marx/works/1894-c3/ch30.htm

EMERGING MARKETS

One world, two capitalisms

AFTER THE post-Lehman recession of 2008, the years 2009, 2010 and into 2011, saw world growth in excess of 4% a year, but with a striking disparity between the relative fortunes of the older western powers and the new emerging markets, notably China.

GDP in the emerging markets, now worth over 40% of world output in dollar terms and including the overwhelming majority of the world's population, grew 6% annually, compared with just 2% in the advanced economies.

In terms of dollar growth the contrast is even more striking, with the emerging markets growing around 15% in 2010 and 2011, as strong GDP growth is combined with currency appreciation against the dollar.

On current trends by 2013, these emerging markets will account for more than half of world output in dollar terms. By the end of 2011 China's economy will be worth around \$7tr, with annual growth in dollar terms of around 20% per annum and at this rate will surpass the USA sometime in the latter half of this decade if it continues at current rates.

In late 2008 China was hit by the post-Lehman triple whammy. Its export markets in the west collapsed as the US, Europe and Japan went into sharp recession. Its export markets to the emerging world also dived as raw materials prices slumped. The collapsing external demand was combined with a sharply slowing domestic economy.

Through the summer of 2008 the Chinese authorities had been tightening domestic demand, raising bank lending limits to reduce fixed asset investment, demanding increased deposits to slow residential housing construction and raising the

Yuan, which had appreciated 21% against the dollar, to reduce inflation.

China only avoided recession by a complete turnaround of these policies. Its state capitalist government oversaw a huge increase in investment in infrastructure projects, notably in fast rail (China now has twice as much as the rest of the world put together) housing and the Olympics. A \$590bn reflationary package was combined with bank lending of around \$1tn a year.

But that was then. After saving the world economy from a slump the old realities have reasserted themselves. Rising raw materials prices have caused domestic inflation to rise, up by 6.5% year on year. Rising wages have meant rapid investment in manufacturing capital.

Once again the Chinese economy is overheating, growing by 9.7% year on year in the second quarter. Once again China has had to tighten lending criteria for residential construction, to limit fixed asset investment and allow the Yuan to appreciate against the dollar, up around 7% in the year to August. Chinese exports rose 20% in the year to July, imports rose 23%, while the trade surplus rose to \$31bn.

Despite the property tightening measures, property sales and starts have stayed resilient, not least as China has embarked on the construction of 10 million subsidised houses this year, amounting to around half of residential construction. While housing sales have decelerated in recent months (up 18% year on year in July), housing starts have accelerated (up 34% year on year in July), probably due to social housing construction.

Before the recession of 2008/09 this journal pointed out that China was far less export

dependent than was traditionally understood by the left. While the value of exports peaked at around 38% of GDP in 2007, this was sales not value added. In fact exports account for around 11% of GDP and around 3% of GDP growth.

Since 2008 exports have declined still further, to around 31% of GDP in 2011 and strong import growth means that exports will be unlikely to contribute to GDP growth this year. Given that it is very unlikely that foreign markets will collapse in the dramatic post-Lehman fashion, this means that any slowdown in Chinese growth, around 9%+ this year, will result from the domestic economy.

China has a reasonably low government and private debt. Total government debt including local government debt is around 50% of GDP, although there is an unknown amount of local government debt, while household debt is relatively small.

Nonetheless, China national debt is not especially high, not least as it has around \$3tn of foreign assets and rapidly expanding foreign direct investment. Faced with a crisis, the Chinese nationalised banking system and local government could be instructed to write off this debt overnight were it necessary to revive the economy.

But China remains a dictatorship, a brittle political system, increasingly involved in suppressing working class and local outbreaks of struggle. If living standards were to stall and unemployment rise the Chinese dictators could face a sudden explosion of working class anger and a political revolutionary situation.

A long period of such turmoil could dramatically change the face both of the Chinese and world economy.

Austerity-lite?

When the credit crunch erupted in 2008 with the collapse of Lehman Brothers there was near-universal consensus among capitalist politicians and business leaders across the globe that governments and central banks had to step in with emergency financial support (and even nationalisation) for stricken banks to prevent a complete freezing of the money markets and with it international credit and trade.

The measures taken prevented a global depression in 2009 but not recession in important regions of the world, especially Europe and the US. The sums mobilised were enormous and this led to a considerable extension of public debt, either as a result of hand-outs to banks or increased welfare payments to the newly unemployed.

By 2011 the new consensus was that the public debt was "unsustainable" and austerity was needed to cut back the national debt to GDP ratio, otherwise the financial markets – which had caused the credit crunch in the first place and had been rescued from their mistakes by the taxpayer – would penalise these "profligate" governments by demanding high interest on government bonds.

A minority of commentators and opposition politicians, influenced by Keynesian demand-led economics, argued that while the debt/GDP ratio should be reduced, it was not so high (by historical comparison or by ability to sustain payments) that it needed to be reduced so fast and as savagely as was being proposed. They argued that such measures would ensure only a slow recovery, if not a return to recession.

They were a voice in the wilderness, or were until the recovery faltered and the debt burden in southern Europe grew. Now even the OECD, a year ago a passionate advocate for austerity, admits that "stronger fiscal consolidation may have been exerting more drag on activity than anticipated".

Critics of prevailing policies, such as Martin Wolf of the *Financial Times*, insist that governments can borrow at ultra-cheap rates at present and should do so to invest in infrastructure projects, to finance the investment needs of small and medium businesses (because banks will not); others like Martin Jenkins advocate "throwing money from helicopters", that is, putting cash in the hands of consumers to kick start consumer spending and demand for goods and services.

In the US the Obama administration has launched a \$450bn jobs bill⁹, which if implemented is large enough to provide a significant short term boost to the economy. It includes a \$175bn payroll tax cut, \$35bn for public services, \$50bn for infrastructure and \$49bn for unemployment benefits. Whether it will get through a Republican Congress is doubtful.

All these pro-capitalist critics are understandably afraid that without such adjustments to government deficit-reduction programmes the US and Europe face a decade-long period of stagnation or worse, just as Japan did in the 1990s after its property market bubble exploded.

The problem is that for the last three decades the anti-Keynesian ideology of neo-liberalism (privatisation, deregulation, less state) has been so triumphant both in

centre right and social democratic parties, as well as the offices of the OECD and IMF, that there is no political appetite for a change of course.

Naturally, the revolutionary solution is not even entertained on the airwaves never mind the corridors of power. The chronic financial instability in the Eurozone, the persistent holding-to-ransom of countries by money markets – none of this can be eradicated while the levers of credit and money are in the hands of private investors. Without the nationalisation of the financial markets – the pension funds, hedge funds, private equity companies and foreign exchange dealers – it will be impossible to remove short-selling, speculation, "irrational exuberance", bubbles and busts, with all their destructive effects on millions of people's lives.

Decisions on investment cannot be left to the profit-maximisers, those whose only god is "shareholder value".

These pro-capitalist critics are afraid that without adjustments to deficit-reduction programmes the US and Europe face a decade-long period of stagnation or worse

Destroying this driving motive in economic and the political institutions of capitalism has to be the goal of all revolutionary socialists.

What happens next?

"The outlook for the rest of the world's developed industrial nations is very bleak." Such is the OECD's assessment of the global economic outlook published in September. It said that growth in the G7 economies (with the exception of Japan) is likely to be less than 1% on an annualised basis, in the second half of this year. It could be much worse if the crisis in the Eurozone enters a new and more dangerous phase.

The ongoing divergence between the continuing, often strong, growth in the emerging markets and the relative stagnation of the western world continues to form the backdrop to the crisis. As the west slowed in mid-year, China and the emerging markets continued to grow, such that world growth as a whole remained above 4% annualised, while profits soared worldwide. Whether the present slow down will morph into a full-blown world recession remains to be seen.¹⁰

Much depends on politics. Obama's \$450bn jobs bill¹¹ is large enough to provide a significant short term boost to the economy. It is designed to favour Republican tax cuts, but it will undoubtedly run into opposition in Congress and although it is likely something will be passed, its eventual form remains unclear.

In the second half of 2011 Japan will begin to recover having overcome the effects of the Tsunami and nuclear energy crisis. China will continue to expand, even if at a marginally slower rate as is suggested by some business

JAPANESE TSUNAMI

THE JAPANESE tsunami of March 2011, led to a catastrophic decline in Japan's industrial output and exports. They fell by 17% in the month to April, a rate of decline matching, albeit briefly, the steepest falls of the credit crunch in late 2008.

Nevertheless, by June, as Japan's multinational corporations started to rebuild their plant and government infrastructure spending came on stream, Japan's core machinery orders rose 7.7% month on month and core non-manufacturing rose in June by 15.7% from a contraction in May of -5.4%. As a result Japanese GDP

contracted by an annualised 1.3% for the second quarter – less than was anticipated.*

The next reconstruction package was discussed at the extraordinary Diet session in September, but the Nikkei's survey on corporate capital expenditure suggests strong, 16.3%, growth year on year. Capital expenditure plans have become more upbeat, possibly repeating a pattern that was last seen in 2004.

By June 2011 world imports and industrial production had already recovered, but with a further shift of demand and output towards the so-called emerging economies.

More significantly, Japan will re-start growth from the second half of 2011, even while its industrial output remains just 95% of its 2007 level, which is still further below its pre-credit crunch peak.

But it is the knock on effect of the tsunami which largely explains the mid-year slowdown in the pace of the recovery worldwide. In the still relatively sluggish advanced economies this was enough to push them back towards, if not into, recession.

* www.bloomberg.com/news/2011-08-15/japanese-economy-contracts-less-than-estimated-on-recovery-from-earthquake.html

surveys, and in the west sections of manufacturing, notably cars, previously hit by the Tsunami will resume growth.

But the ongoing uncertainty about the Eurozone crisis is a persistent sore – even if it is moving towards a resolution. The possibility of an economic/political debacle à la Lehman's bankruptcy, will remain until fiscal union is consummated.

An unstable equilibrium prevails in the world econ-

omy: relative stagnation in the US and Europe and strong growth in Asia, India and much of Latin America. Much will depend on whether the economic conditions in the west drag down the prevailing growth in the emerging markets by choking off their export markets; or whether the latter countries can "rescue" the old industrial and financial powers by providing the finance and markets they need to stay afloat while working their way through debt deleveraging.

END NOTES

1. It did not help that a stalemate in the US Congress between Democrats and Republicans over whether and by how much to allow the national debt to increase, flirting with the prospect of a default, also panicked the markets.
2. The value of stocks is the capitalisation of their annual rate of return or price to earnings ratio. The price to earnings ratio of US stocks on 4 August 4th was 20.71, well below the hi-tech bubble of 45 and on the low side of levels since the mid-1990s. But they remain about 25% overvalued when measured against long-term averages. Present economic conditions certainly do not warrant any further overvaluation, or bubble.
3. Marx uses two rates of profit in Capital, the current production rate of profit $s/c+v$, profits divided by circulating constant capital, depreciation and wages, and the rate of profit $s/K+v$, the above plus the fixed capital stock. In practice the two rates of profit follow each other. While the current product rate of profit will always be higher than the actual rate of profit their movements, in terms of levels and direction are the same.
4. See Permanent Revolution 20
5. Meaning involuntary
6. The reduced interest rates on the EFSF loans will apply to Portugal and Ireland, which previously paid in excess of 6% on the main part of its European loans. Estimates suggest this will reduce Irish interest payments alone by around 1bn a year.
7. www.permanentrevolution.net/jentry/3036
8. "We estimate that a weak Euro country leaving the Euro would incur a cost of around EUR9,500 to EUR11,500 per

person in the exiting country during the first year. That cost would then probably amount to EUR3,000 to EUR4,000 per person per year over subsequent years. That equates to a range of 40% to 50% of GDP in the first year. ...If Germany were to leave, we believe the cost to be around EUR6,000 to EUR8,000 for every German adult and child in the first year, and a range of EUR3,500 to EUR4,500 per person per year thereafter. That is the equivalent of 20% to 25% of GDP in the first year. In comparison, the cost of bailing out Greece, Ireland and Portugal entirely in the wake of the default of those countries would be a little over EUR1,000 per person, in a single hit.... It is also worth observing that almost no modern fiat currency monetary unions have broken up without some form of authoritarian or military government, or civil war." UBS Investment Research Euro break-up – the consequences 6 September 2011 NEED TO EXPLAIN FIAT CURRENCY

9. www.washingtonpost.com/blogs/ezra-klein/post/now-its-up-to-congress/2011/08/25/gIQArMIIDK_blog.html
10. There's an excellent set of data here www.econbrowser.com/archives/2011/09/double_dip_or_n.html
11. www.washingtonpost.com/blogs/ezra-klein/post/now-its-up-to-congress/2011/08/25/gIQArMIIDK_blog.html

12. www.bloomberg.com/news/2011-08-15/japanese-economy-contracts-less-than-estimated-on-recovery-from-earthquake.html
13. www.marxists.org/archive/marx/works/1894-c3/ch30.htm

Building unions that can fight and win

Trades Union Congress officials have agreed to back public sector strikes against pension changes this winter. But as Mark Hoskisson and George Binette explain, they head up a bureaucratic strata within the trade union movement that needs removing if workers are to wage a real struggle against government cuts that go way beyond pensions

In times gone by a Trades Union Congress (TUC) annual conference would have had its daily sessions televised hour by hour on BBC TV, with a raft of commentators and experts mulling over the significance of composite resolutions and card votes. Whole seaside towns would have been effectively taken over by hundreds of delegates and their families, block-booking swathes of local hotels, living it up on delegates' expenses.

This year's affair was somewhat more in keeping with austerity Britain as well as the shrunken importance of the TUC. The conference was held in the basement of Congress House in central London. Media interest was small, and would have been smaller still had not resolutions been on the agenda calling for a ballot for strike action by millions of public sector workers over the government's attacks on pensions.

Yet, throughout the long history of the working class, trade unions have been the most numerous and important organisations created in order to carry on the class

struggle in Britain. That is why ensuring that we have unions that are able to fight and win is a strategic task for British revolutionary socialists.

State of the movement

We are a very long way from fulfilling this task. Union victories in the last 25 years are hard to come by since the crushing of the NUM in the 1984-85 miners' strike. Subsequent defeats suffered in major industrial conflicts like the printers' Wapping dispute had a corrosive effect on workers' confidence and organisation. Given the age profile of trade union membership in many sectors, the defeats of the 1980s have shaped the outlook of all too many members and indeed activists. In turn, this has led to the isolation and demoralisation of militant advocates of strike action, while giving all too many union leaderships the excuse that the members are not willing to fight.

Alongside this union numbers and density have

dwindled. From a peak density of 1979, when nearly 55% of the national workforce was unionised, the ranks of TUC-affiliated unions have witnessed a sharp decline, somewhat arrested though by no means reversed during the Blair-Brown years, a period of rising employment prior to the economic downturn ushered in by the banking crisis of 2007-08. There has also been over this period a more or less parallel decline in union combativity, at least as measured by the number of strikes and the number of working days lost to the employers.

Several smaller unions with left wing leaders continued to educate their members in the spirit of militant activism

At the start of this decade a little more than a quarter of workers are union members, with density at or below 15% in the private sector; whole swathes of industry, particularly in new service sector industries, remain to this day unorganised. Employers and governments have cemented this decline by imposing a raft of legal barriers to effective trade unionism. An arsenal of anti-union laws were passed, first under Margaret Thatcher and then consolidated during the John Major years in the form in the Trade Union and Labour Relations (Consolidation) Act 1992.

Thirteen years of New Labour government left these laws virtually intact. This legislation remains the most draconian piece of its kind in the EU, with its balloting provisions being more restrictive than typically stipulated in the US. The widespread fear of the law, which many union officials constantly seek to reinforce, has enormously strengthened the hand of full-time, often unelected officers, frequently backed by solicitors' opinions.

"New realism"

Under the weight of these defeats and legal attacks the dominant faction of right wing bureaucrats in the major unions reshaped their organisations into mini-service industries which emphasise the benefits of union members in terms of discounted holidays and insurance policies (including private healthcare!) and engendered a widespread culture of passive consumerism, leaving many committed shop stewards to juggle heavy individual caseloads.

Instead of investing time in the recruitment of new members and, crucially, seeking to organise collective activities, stewards are immersed in advising, supporting and representing often desperate individuals, who cling to the hope that the Employment Tribunal system will deliver them a measure of redress. Almost invariably, however, neither the local steward or an elected branch official has much say in deciding whether the union backs a member's claim at tribunal – again the decision-making

power rests with full time officials and solicitors working for a firm, generally Thompsons, under contract to the union.

Stewards and lay officers at branch level, who in theory at least are subject to annual election, are to varying degrees incorporated into bureaucratic structures but are the everyday link between national union officialdom and the membership at large. In itself any paid facility time such local representatives may have does not make them part of a bureaucratic caste, though the more it removes the representative from workplace life the more it carries the potential for a cosy and even corrupt relationship with management. It also opens the door to higher union office providing the union representative toes the line of the union leaders.

The collective ideal did not die entirely with "new realist trade unionism" and several smaller unions with left wing leaders continued to educate their members in the spirit of militant activism. But collective strength and the idea of using it as a force to beat the bosses was severely curtailed from the 1990s. Many shop stewards reared during these new realist years were taught to promote partnership with the bosses as the cornerstone of industrial relations and were instructed to "represent" their members not "defend" them.

The strength of this trend in the union movement has dire consequences. The huge strike on 30 June 2011 by college lecturers, teachers and civil servants was denounced with relative impunity by the leader of the Labour Party, Ed Miliband. He even called for scabbing on this strike. The reason he was able to get away with this treachery was because he had aligned himself with powerful forces within the right wing of the TUC who were bitterly opposed to waging a fight against the Con-Dem government's austerity programme. Dave Prentis of UNISON was foremost amongst them.

Like Miliband these leaders favour a docile trade union movement that eschews militant struggle, preferring maintenance of the service union model and waiting for the return of a Labour government that will reward such docility with a handful of reforms and a handful of appointments to high office.

Fully in line with their goal of sculpting the trade union movement into a harmless statue that the bosses might just tolerate in their back garden, the right wing leaders developed, in tandem with the last Labour government, a so-called modernisation programme. This programme states that it exists to "promote transformational change within unions." The transformation it seeks is aimed at "improving the understanding of modern business practices by full-time officers and lay representatives, to better enable unions to work constructively with employers as partners to improve business performance."

According to the TUC this programme for trade unions means "we will be able to deliver more tailored services and deal with members' enquiries more efficiently. The project has led to a major transformation in how our members relate to the union as they get a faster, better quality service" (all three quotes from the TUC "Union Modernisation Fund" available at: www.tuc.org.uk/extras/UMFguide.pdf).

Looking for an alternative

This push for a professionalised service union model of organisation is prevalent throughout the unions. It is simply a new form of the trade union bureaucracy's old credo of class collaboration championed by the TUC from the very first day it was founded in 1868. But because the unions are not just the bureaucracy who run them, because the unions are made up of thousands of members who every day face difficulties imposed on them by the class system at work and across every aspect of society, such collaboration always provokes a reaction. The rank and file members, feeling the need for protection, will turn to alternative leaders who promise action on their behalf.

In the last century many such leaders emerged. Ten years ago commentators were talking of the rise of the "Awkward Squad", a group of left leaders who made a lot of noise about challenging the right and its fawning attitude towards the Blair government. Tony Woodley of the TGWU, Derek Simpson of Amicus and Andy Gilchrist of the FBU were heralded as symptoms of a left wing revival in the unions. Andrew Murray in his book, *A New Labour Nightmare - The Return of the Awkward Squad*, (London 2003), saw their emergence as evidence that "the era of 'social partnership' and 'New Labour' is drawing to a close" (p???, from Murray's Preface to the above book).

Eight years after this book was published Derek Simpson

departed the scene as a strong ally of New Labour and a strong enemy of rank and file activity in his union, Andy Gilchrist sold out a national FBU dispute after being leant on by Brendan Barber, and Tony Woodley continued his left wing bluster to the end but demonstrated during the Gate Gourmet dispute at Heathrow that far from being awkward he would toe the TUC line, call off solidarity action and leave the strikers to their fate. This was something he repeated in a number of key disputes throughout the first decade of the twenty first century.

The problem was - and is - that the capture of a union by a left wing leader is not enough to transform the union he or she is leader of, let alone the movement

The problem was - and is - that the capture of a union by a left wing leader is not enough to transform the union he or she is leader of, let alone the movement as a whole. The left wing leaders that emerge to challenge the cowards at the top do represent the will of the rank and file but when they assume leadership unless they embark upon the road of transforming the unions themselves

UNISON

A prison house for militants

WITH A total membership possibly exceeding 1.3 million, UNISON, which emerged from the merger of three unions in 1993, is far and away the largest public sector union in Britain, the TUC's second largest affiliate and arguably the nation's biggest union.

UNISON's general secretary, Dave Prentis, widely seen as on the centre-right of the TUC and a supporter of Ed Miliband, won re-election comfortably to a third and final term of office in spring 2010. Yet in the poll fewer than one in six union members actually cast a ballot. Over the course of the past five years UNISON's bureaucratic machine has been one of the most ruthless in seeking to stifle opposition from left activists within its ranks, expending substantial sums on disciplining and on occasion expelling key local

officers on spurious grounds.

Among the victims since 2007 have been two SWP members, Yunus Bakhsh, a one-time national executive member and secretary of a large NHS branch in the North East of England and Tony Staunton, secretary of the Plymouth local government branch. Both were expelled from the union, a ruling that Bakhsh successfully challenged at an Employment Tribunal. Caroline Bedale, a non-aligned socialist, was barred from holding any union office for five years (down from an original eight), while four Socialist Party members in London branches were barred from office and two (Onay Kasab and Glenn Kelly) were subsequently expelled.

In three of these cases the union's regional bureaucracy took over the running of these branches, with Bromley and

Greenwich among the 11 branches still under these "special measures" nationally. One result of this was a considerable exodus of members into Unite.

The general secretary is among other things effectively the chief executive of a large organisation that employs more than 1,100 staff, many of them, of course, administrative and clerical workers on relatively modest salaries, with more than a quarter concentrated in the union's newly opened headquarters in London's Euston Road.

A few months after Prentis' re-election UNISON unveiled a new "senior management structure", which entailed the creation of five new posts for assistant general secretaries. The salaries for these posts vary, but all are in excess of £60,000 and, of course, the individual post-holders are all appointees of the existing UNISON hierarchy including Prentis' long term partner, Liz Snape.

from top to bottom, they cannot impose that will on the organisation as a whole.

Even the best left leaders around today, such as Bob Crow of the rail union RMT and Mark Serwotka of the civil servants union PCS, find the obstacles that exist within the deeply entrenched machinery of the labour movement limit their scope for change, hamper their attempts at action and pressure them into concessions. This has happened to Serwotka over pensions a few years back and to Bob Crow during the ballot for national action on the

You are drawn into a world of chauffeur driven cars, expenses, hotels and without any counteracting influence you will succumb to one extent or another

railways in 2010 when he called the agreed action off in the face of a judge's ruling against the union.

We haven't seen enough of him yet but the same pressures will inevitably take their toll on new general secretary Len McCluskey and his promises to ensure that Unite moves away from being the byword for compromise and betrayal that it became under Simpson and Woodley.

A privileged strata

The reason why even the best trade union official is prone to either selling out (in the worst cases) or selling short (in the best cases) is nothing to do with the personalities involved. They are not always "bad people". Once elected an official one becomes part of a privileged elite within the working class movement.

The perks and privileges of senior union officials are undeniably substantial, more or less regardless of the absolute size of the national union's membership. While salary and total remuneration packages may seem puny in comparison to those of FTSE-100 corporate bosses, they are not dissimilar to those associated with senior management positions in local government or the NHS.

The most recent annual report of the Certification Office for trade unions and employers associations (2009-10) is probably the definitive source for information on the pay and benefit packages of union general secretaries. Of course, it is information that gives delight to the editors and publishers of the gutter press, which is only too keen to inform the general public that RMT firebrand Bob Crow's combined package amounted to more than £113,000, while mild-mannered Dave Prentis' salary was just below £95,000 with a benefits package worth a further £35,136. These figures are added to by various other perks such as the million pound plus grace and favour mansion claimed by the now retired joint general secretary of Unite, Derek Simpson which passes to his wife on his death for as long as she lives.

While it may indeed be the case that Crow and PCS head Mark Serwotka put substantial sums back into union

funds, the reality remains that senior national officials have continued to enjoy living standards far in excess of the vast majority of their ordinary members. The salaries and privileges rest heavily on those same members' subscription fees, but serve to create a material existence that makes the top officials a distinct layer, cosseted from the day-to-day pressures that so many of their members face.

The people the top leaders deal with are other officials or employees (officers) of the union. The offices they work from are sealed from the norms of everyday working life. The peers they meet with in other unions and in the TUC command powerful machines and can turn on and off support with a nod of the head.

In short, what gets lost in the process of joining the ranks of the trade union bureaucracy is accountability. And without accountability – or rather with being only accountable to other bureaucrats – you are open to powerful pressures: from the bosses, the media, politicians, other union leaders, government officials, ACAS professionals, lawyers and so on. Your decisions begin to be shaped by these forces and the connection you had to the rank and file, either as a candidate seeking their vote or as a shop steward relying on them for support in the workplace is increasingly undermined.

You cannot be held to account by rank and file workers – at least not until the next election, if there is one – and you cease to think things through from the standpoint of the worker. You are drawn into a world of chauffeur driven cars, expenses, hotels, negotiations with nibbles, and without any counteracting influence you will succumb to one extent or another.

Add to these huge material pressures the political influence exerted by the outlook of a bureaucracy that puts a premium on "partnership" with the bosses – modern reformism – and you will feel the psychological pull of not wanting to sound outlandish in what you propose. Of course outlandish, in bureaucracy-speak, is anything the bosses won't contemplate. And so psychologically you are drawn into a process of lowering the stakes not raising them, bluffing occasionally but never going all in. And if you ever think of going all in there are hundreds of bureaucrats in the movement, from the top to the bottom, who will gently warn you not to "do a Scargill".

Arthur Scargill, the miners' leader in 1984, went all in and lost not only the battle but an entire union. He and the National Union of Mineworkers (NUM) were right to refuse to lie down in face of a massive programme of pit closures, but the failure of the rest of the movement to rally to the miners meant that the odds were stacked against them.

So the warning about "doing a Scargill" is actually a threat – go all in and we will shaft you just like we did the miners. Such is the way of the British trade union bureaucracy. It is devious, calculating, bullying and vicious in its pursuit of its own caste interest which rests on the maintenance of capitalism through class collaboration, so that it can act as a well paid broker between the workers and the bosses.

This all means, challenging the right wing for the leadership of the unions is all well and good – but it is never

enough. And on its own it will just convert class fighters into disappointments or traitors.

Building from the base

So what is needed to rebuild the unions and transform them into "schools of war" in the fight against capitalism? The answer is to start from the bottom, not the top. The bureaucrats don't simply fool people into acquiescing in their way of running the unions. They get away with it because for much of the time most of the rank and file accept that the limitations placed on what the unions can achieve by the leadership cannot be overcome. So, in order to transform the unions militant socialists need to root themselves inside the working class and its organisations and wage an ideological campaign for change. They need to convince people that if we fight we can win.

In certain circumstances – outbursts of anger and action in the face of management attacks – the rank and file can be convinced quickly that fighting organisations are needed. It is absolutely clear that militant unions, those that strike and fight for their members interests grow (RMT, PCS) while those that prevent action and sabotage it have shrunk (UNISON, Unite). Militants must use this argument against the bureaucrats conservatism and legalism.

Outside of these situations of direct confrontation with the bosses militants need to patiently explain to the rank and file the real nature of the bosses' attacks, the need to organise against them by recruiting new union members, by building effective workplace organisations, by publicising the effectiveness of the union in winning wage rises, by defending members in disciplinaries and grievances, by resisting redundancies, and by linking the struggles in the workplace to the wider issues in the working class. For example, showing the union has an effective response to the recent riots, that it is playing a part in city-wide anti-cuts campaigns, that it takes the issues of international solidarity seriously.

All of this can break down the barrier that exists in most members' heads between them (as an individual) and the union, which is seen as something separate to them, something over there that they call on now and again as payback for the subs they pay. It can make the union a living and breathing entity in the workplace which the rank and file feel connected to. And when it comes to mobilising for action the trust and understanding has been built up.

To achieve this each workplace needs shop stewards and a shop stewards' committee. Stewards should be elected – though the reality is at the moment that most are volunteers – and need to take the lead in linking the union to the members. Shop stewards' committees need to hold negotiators to account by electing them, regularly receiving reports from them and formulating all demands to be placed before the bosses. Where there is more than one union in a workplace there should be joint shop stewards' committees carrying out similar functions.

The days of the closely typed four page trade union bulletin are long gone. Members won't read them. Shop stewards' committees need to inform members of developments regularly through things such as e-lists, mass texts

and leaflets. These methods can be backed up by internet sites for the workplaces, social media and issue based leaflets. Obviously not all members will have internet access at home but many will have it through phones or at work. These are the ways in which the message for militant trade unionism needs to be relayed to the members.

The Lyndsey oil refinery dispute two years ago was a worked example of how action can be co-ordinated by these means. The workers had a genuine grievance about the use by management of foreign labour to undercut agreed terms and conditions. They formulated and won the argument at mass meetings for a series of demands to stop the exploitation of foreign workers and for equal pay for equal work to all workers involved in the industry. They then organised their dispute and their highly effective pickets through text messages.

They also ensured that their dispute was run by a democratically elected strike committee accountable not to the union officials, who rarely appeared, but to the mass meeting. This showed that the strike committee is an essential element of rank and file control over any dispute. It also showed the continuing importance of the mass meeting, not just in strike situations but as a feature of

TRADE UNION COORDINATING GROUP

THERE ARE certainly tensions within the TUC bureaucracy, which have seen an organised expression in the past three years. The PCS's Mark Serwotka is one of the key figures in the Trade Union Co-ordinating Group (TUCG). The TUCG is a loose coalition of ten small to medium-sized unions, which was launched at a TUC fringe meeting in September 2008 under the auspices of the left Labour MP, John McDonnell. While McDonnell is a leading figure in the socialist Labour Representation Committee (LRC), of the ten constituent unions, nine are actually not affiliated to Labour (the FBU and RMT having left or been disaffiliated).

To a large degree this group has focused on parliamentary pressure to either amend or repeal the anti-union laws or on campaigning on specific sectional issues. It is very much top down, does not appear to have any established life at a local level and is almost certainly not known to the vast majority of the union members involved. But three of the TUCG's affiliates, the PCS, NUT and UCU, were at the centre of the 30 June day of strike

action, and there is some evidence that it has become something of a ginger group within the TUC, applying pressure on the "big three" unions: UNISON, Unite and the GMB. The effect of this may be partly reflected in the fact that Unite general secretary, Len McCluskey, agreed to speak at the LRC's fringe meeting at the Labour Party conference in Liverpool.

The TUCG could only offer an alternative pole for a left within the TUC if it committed itself to a militant campaign against the cuts, with or without the support of the rest of the TUC. What it will not solve through its current structures is the chronic problem of bureaucratism in British trade unions.

To overcome the democratic deficit, the widespread absence of membership engagement and the myriad other deformities of contemporary trade unionism will require a root and branch transformation of the sort outlined in this article. This is something both the rank and file members of the TUCG and the other unions will need to address together.

union life in the workplaces. It was also the leadership of this strike committee, and the socialists involved in it, that prevented the Lyndsey strike raising the chauvinist slogan of "British jobs for British workers" which was heard briefly in the beginning of the dispute and was quickly knocked on the head.

As far as possible we need to build workplace union branches and win the right to hold meetings in work time. Through such meetings people can come together, see who is and who isn't in the union, come up with ideas on what needs to be done, how to build, how to improve commu-

The more success we have in developing such directly democratic inner-union and cross-union bodies the stronger we will be in taking on the bureaucracy

nication. Regular mass meetings in work time - or at the very least during dinner times - can weld the rank and file to the stewards and through them to the union.

Only on the basis of organisationally sound workplaces where the members are well informed and see themselves as an integral part of the union can we begin to talk about building any meaningful rank and file movement. If strong workplace organisations are not built then no rank and file movement will be either.

Taking control of the union

On the back of strong workplace organisation, however, militants can begin the fight to take the unions back from the bureaucrats. This is a burning task today. In certain unions a failure to toe the line can result in suspensions, frame up and union complicity in your sacking - UNISON take a bow. [see box] Under Prentis UNISON has become a prisonhouse for militants, with branches placed under "special measures" at the whim of right wing officials. It faces derecognition by Tories in Plymouth yet still wages a more ferocious war on its militant members rather than on the bosses.

To counter this we need workplace branches with simplified rules that make all branch officials accountable to branch members. At the moment in many unions branches either don't meet or where they do they are the preserve of timeservers clinging on to privileges earned as a result of yesteryear's efforts. Branches should be the opportunity for members to debate wider social, political, economic and regional and national union matters. In reality they are disconnected from the members and are a platform for mind-numbing speeches by officers with nothing to say.

We can breathe new life into branches by giving them real influence and control over regional and sector committees, over national conferences, over policy and structure in the unions. Branches should be the basis of delegations to all committees and conferences. Delegates should be

elected and accountable. National conferences should be made up, for voting purposes, exclusively by branch delegates. Only this way will we build a bridge between the currently isolated - and in many cases stifling - union structures and the members in the workplaces.

Likewise branches should play a full part in the wider labour movement. We should organise regular conferences of branches in the regions and in the sectors. And through local trades union councils, or other local fighting bodies like anti-cuts committees, we should build strong cross-union organisations that bring together workers from different industries and services and unite them in common causes, from solidarity with the people of Chile through to joint campaigns against the Con-Dem cuts. We should fight to make the unions open up their local and regional headquarters to such joint union bodies.

And in industries where different unions are involved we should try to build cross-union shop stewards' combines - in Britain, and linking to related plants internationally - to promote unity, solidarity and a culture of common action.

The more success we have in developing such directly democratic inner-union and cross-union bodies the stronger we will be in taking on the trade union bureaucracy. That bureaucracy needs to be overthrown. The national headquarters belong to us in the sense that we pay for them but every day the officials sit in them and thwart our real interests. In taking them back we don't just want to replace the personnel. We want to replace the whole system. We want:

- › All officials and officers to be elected annually and subject to recall should 50% of the members request it - this is the only way to stop all leaders, but especially those elected on the back of a left wing campaign, from bowing to the pressure of the bureaucratic lifestyle once elected
- › All officials and officers to be paid the average wage of the workers they represent
- › All national negotiations conducted by officials or officers to be subject to a decisive vote by the workers involved and officials to be obliged to resign from negotiating positions if the members they are representing pass a motion of no confidence in them
- › All perks for officials and officers to be removed and replaced with a transparent expenses system
- › All disciplinary matters under the jurisdiction of the national union to be heard by a disciplinary committee elected annually from delegates at the national conference
- › Delegates to the TUC and its committees as well as others set up by the labour movement to be elected from national conferences not appointed by officials
- › All executive/national/sectoral committees to be elected by regional and sectoral ballots of the whole membership
- › All policy made by national conferences to be binding on all officials; all policy made by regional or sectoral conferences to be binding on their delegates to executive/national/sector committees.

These simple measures can ensure that an elected official

remains an elected servant of, not a bureaucratic master over, the members. They will lay the basis for a national TUC made up not of jaded pen pushers but of elected officials who have been voted in by members who know they can hold them to account for their actions.

Can it be done?

From a shop stewards' committee to a TUC that will fight instead of funk is a long journey. But it is one that can be made. The struggle to impose this type of rank and file democracy and militant trade unionism is one that has necessarily been described in a linear way. But its actual evolution may be anything but linear. The Lyndsey strikes referred to above show that a sudden explosion can shake a union to its foundations, throw up new ways of organising and achieve real victories. And winning can be contagious. Others will learn and copy.

For that reason it is vital that trade union militants

committed to the radical transformation of the unions described here take modest steps to organise together the better to promote these goals. This could take place through co-ordinating local shop steward and trades council events to stand back from day to day issues and discuss the wider issues facing the movement. It could take place through caucuses and networks of members in particular industries and unions (such as the current developments in the construction section of Unite). It could take place as a result of militants coming together to co-ordinate solidarity with workers in struggle. Or it could take place by simply seeing who, in a given town, is willing to come along to a rank and file trade union forum, a meeting of activists who want change.

However it happens, if militants start coming together around the campaign to put the unions back under the control of the members then we will at least have the nucleus for the rank and file movement we need to see the job through.

Fighting the cuts in the 1980s

In the 1980s there was a mass campaign against local council cuts being driven through by the Thatcher government.

Lambeth and Liverpool were at the centre of this resistance. Ted Knight, leader of Lambeth Council at the time, looks back on those years while Mark Hoskisson assesses the lessons of Liverpool fightback.

Here Stuart King sets the scene

The mid-1980s saw one of the biggest struggles against Margaret Thatcher's public sector cutting government. In 1984-85 the Tory government was fighting on two fronts: it faced a year long all-out miners strike led by Arthur Scargill and the National Union of Miners (NUM) campaigning against pit closures and at the same time it took on a series of Labour councils refusing to implement swingeing central government imposed cuts in local services.

Today we have a very different situation. Labour councils up and down the country are dutifully carrying out the Con-Dem coalition's dirty work, chopping vital services at a local level with only a handful opposing this policy.

In 1985 fifteen Labour-led councils came together and decided not to set a rate (the equivalent then of the council tax then) if it meant attacking services. Yet within a few months this resistance had collapsed, leaving only two large councils fighting the Thatcher government cuts: Lambeth and Liverpool.

What lessons can we learn today from these two struggles? We interview Ted Knight, leader of Lambeth Council at the time and now an active member of the local anti-cuts campaign, Lambeth Save Our Services. Ted explains the origins of the decision to fight the cuts and the problems that arose in the struggle. In a second article, Mark Hoskisson, currently secretary of Liverpool Trades Union Council, looks back at Liverpool Council's struggle against the Tories and, while praising its strengths, recognising the weaknesses of the campaign led by the Militant Tendency.

When Labour-led councils set out to fight back against the Tory cuts the outcome had looked good. Not



A demonstration in support of the Militant led Liverpool City Council, against job cuts and rate capping. *John Sturrock/reportdigital.co.uk*

only was the Thatcher government rocked by the mass support for the miners' strike but by, refusing to set a legal rate, Liverpool Council had already forced significant concessions out of the government. In July 1984 the Tories granted the Council an extra £20 million for housing. This was as a result of the city-wide public sector strikes in Liverpool in support of the Council and the ongoing miners' strike, and the Tories wanted to avoid a fight on two fronts at the same time. As the Times leader stated at the time: "Today, in Liverpool, municipal militancy is vindicated."

By 1985 the circumstances had changed. The Tories had in place a raft of rate capping measures and a plan to remove militant councillors, and the miners' strike was defeated in March that year. Despite the united front of 15 large councils, including the Greater London Council (GLC), Inner London Education Authority (ILEA), Sheffield Council under David Blunkett, and Islington, where Labour controlled 51 out of 54 seats, there were already signs that a coalition challenging the law would not last.

The GLC, a bastion of the London left, had already backed down faced with court intervention three years earlier. A GLC cheap fares policy, subsidised through the rates, had been challenged in the courts by the Tory-run Bromley Council and the judges ruled against the GLC. The majority of the Labour Group led by Ken Livingstone, quickly caved in and fares were doubled across London in March 1982.

Despite support at the 1984 Labour Party Conference for the policies of the left councils, the Neil Kinnock leadership was resolutely hostile to a struggle outside of the law, especially one that could lead to Labour

councils being removed by auditors. Kinnock posed instead a "dented shield" policy, believing it was better to carry out the cuts and stay in power than run the risk of losing subsequent local elections. As he put it to the Local Government Conference in February 1985: "Better a dented shield than no shield at all. Better a Labour council doing its best to help us than government placement extending the full force of government policy."

Of course the "us" was not the working class that was to suffer the full force of the Tory cuts, but the reformists who wanted to avoid any action that might threaten their council and parliamentary careers. This policy is the same one that is now being pursued up and down the country by new Labour councils who have the nerve to tell the people who voted them in: "Suffer the Tory-Lib Dem cuts now and vote for us for something better later".

As Ted Knight explains, the 1985 coalition against the cuts quickly unravelled, with council after council ducking out and setting a legal rate. Instead of facing the Tories with a position of having to surcharge and ban thousands of councilors, at the same time building a massive movement in the localities, an alliance between the trade unions and service users, building local general strikes and militant actions, the Labour Party Left retreated.

As a result it allowed the Thatcher government to ram through a series of massive cuts to local services, abolish the GLC and ILEA and it gave them a free hand to quickly take on and smash the printers' and the dockers' unions. The "dented shield" became in reality a headlong flight from the field of battle.

INTERVIEW WITH TED KNIGHT

'You can build a mass struggle providing you tell people what's going on and ask for their support'

Permanent Revolution: As the leader of Lambeth's Labour Council in the early 1980s you faced Margaret Thatcher's Tory government, an administration determined to cut local government spending. How was this affecting the council's finances and services at the time?

Ted Knight: What happened, as soon as the Tories won power in 1979 and because of the growing economic crisis they faced, was an attack on local authority spending. They reduced the Block Grant that was allocated to local authorities, hitting, of course, primarily the inner city areas where they had no requirement for electoral support. As a consequence the councils were faced with cutting very valuable services at local level if they were to carry out the instructions of the Tory government.

This was under Michael Heseltine?

Very much so. Labour councils, not just in Lambeth but mainly in the inner city areas, the major cities in the country, reacted by putting up council rates. Council rates at that time were both domestic and business rates and they were both collected by the council for the council's use, so any increase in rate was obviously heavily loaded on the businesses and not so much on local domestic families.

That means you could tax all the big businesses in the area. So in Lambeth at the time that would include major offices in the north of the borough?

Wherever they were. At the time there was still industry around the area and we were able to do it. The borough stretches to Waterloo. There were some heavy private sector funds to be drawn on. The Labour councillors decided that was the way forward. If the Tories were reducing the block grant we would increase the rates, maintain the services, and that is really what happened. Few cuts were made and certainly they weren't made in Lambeth, and I doubt if they were made in most Labour controlled areas. They put up the rates.

There was conflict within the Labour Party about that argument and there were those who argued that if you

put up the rates you were actually making a cut, because families would have to pay increased money from their wages and have a cut in their living standards. The argument, however, didn't win the day inside the Labour Party and there was general support for councils putting up the rates.

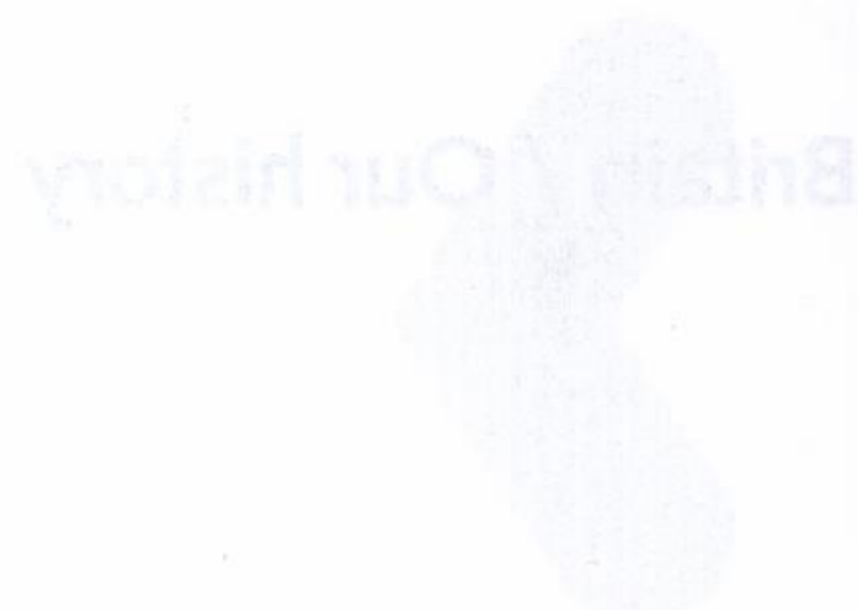
After Thatcher won a second term in 1983, the Tories decided to cut off that method of funding for councils. They decided they were going to cap the rates to force councils to make cuts. How did Labour councils such as yours respond?

That's right. The Tories were very upset and felt they were losing control of local authority expenditure and they weren't getting their policies carried through. So they decided they would stop councils raising rates and they talked about "rate capping". In other words they would impose a limit on what the council rates could be, and they intended to introduce this in May 1985. That was the period of the new Block Grant, April/May, when a rate would be set. They brought in the legislation to cap rates at the latter part of 1984. There was a reaction to that across the country from Labour councils because they could see that the easy method, as it were, to counter government policy was now being taken away.

So how did the decision to refuse to set a rate by many left Labour councils come about?

What happened was the Labour Party local authority conference in 1984 discussed this policy and there was a meeting of Labour council leaders at that conference to discuss what reaction could be organised. Were they going to have to face massive cuts? Would the government impose a limit that would not enable councils to function properly? The general view was that the Tories would be harsh in their application of the cap and that Labour councils would be forced to make decisive cuts in their budgets.

There was a debate within the Labour councillors, and



myself and a group of the council leaders from London posed the possibility of not making a rate in 1985. The purpose of that was that if you didn't make a rate, then of course you were not going to raise the money for the budget at all; it was an action that could take place by all Labour councils at the same time. There was a different point of view put forward by Liverpool council which suggested setting a "needs budget". This suggested councils should put forward the budget which the council required but set the rate that the government was allowing. At some point you would run out of money and that would be the stage of confrontation with the government.

Our disagreement with that was that of course each council's financial position was different. Some councils had big reserves, some had smaller programmes, and therefore if you were going to wait for the money just to run out then it would happen at different stages for councils across the country. That would allow the Tories to pick off one after the other as it happened. Whereas if you decided that you would not set a rate, and every council was setting the rate on the same night, then you actually brought all the councils into conflict with the government at the same time. This idea won the day, and Liverpool comrades agreed to go along with it. It initially involved a block of councils. As I remember anything up to 30.

And it included a number of councils in South London like Greenwich and Lewisham?

That's correct and including the GLC and ILEA.

And Sheffield under David Blunkett as well?

Yes, and Birmingham and Manchester. Many of the major city areas were involved in it.

So the idea was that if you had enough major councils as a block doing this you would actually force the government to back down?

You were certainly going to be able to force a conflict with the government. You were not going to allow the government to pick you off one at a time. You were going to be able to build a national campaign against the government and the hope of Labour council leaders at that time was that they would be able to persuade the government not to pursue its policy.

This was also taking place in the middle of the miners' strike?

That's right. Which of course was a factor that brought these Labour leaders to such a decision. All of the Labour councils, irrespective of where they were, were involved in helping the miners' struggle in whatever form they could. So there was a feeling that the government could be confronted. The miners had done it or were doing it, there was a feeling that the councils could do it too and there was a hope, certainly expressed by myself and some other comrades, that the miners and the local councils together, if that were possible, would form an alliance which could be much greater in its impact on the government. But that wasn't to be of course because of the betrayal of the miners' strike.

Talking about the unions, what was the attitude of the local municipal unions i.e. the workers in the councils?

I can only talk about Lambeth with any certainty. In Lambeth we organised immediate meetings with the leadership of the unions at local level and we explained what the effect of the government's policy would be. We explained that major cuts would come about, jobs would be lost, services would be destroyed and the only fight back that we could see possible was to mobilise a cam-

If you decided every council wouldn't set the rate on the same night, you actually brought all the councils into conflict with the government at the same time

paign around not setting a rate. For the unions of course that was a major problem because they had also to sell to their members the fact that in supporting that policy their own wages would cease, because if the council was not raising the rate there would be no money to pay the wages and the council workers would be asked to continue without wages in support of this council. We discussed that with them.

They allowed me and other leading members of the Labour council to speak to their members to discuss with them. We attended meetings and we got the agreement of each of the unions to the policy. They also initiated meetings in every workplace so that we could speak with the leading branch secretaries. There were similar discussions going on in other councils. I'm not sure the depth of those discussions but certainly the Lambeth unions organised meetings with other Labour councils in London to put forward the position. This was because we had built up a very good relationship over several years with our own unions and had engaged in a joint fight against the Tory government, so they were confident that at least we were people that weren't going to run away.

We also of course didn't stop at the local authority workers. We did several things: the Labour Party first of all. We went to the local Labour parties obviously and put this position to them and said in our view it was the only way to fight back. There were three constituency Labour parties (CLPs) in Lambeth and we got the support of all three after a very heavy debate and discussion. We then went to the Labour Party Conference in 1984 and got a motion passed at the conference to support the policy of not making a rate and that included support for Labour councillors that might be forced to operate illegally.

That was passed against the leadership of the Labour Party wasn't it?

Yes, against the view of Kinnock in particular. And it was supported by Rodney Bickerstaffe, General Secretary of NUPE at the time and later UNISON. He was the main proponent in support of the councillors. Not only was the

resolution carried but they also actually carried something that's never been heard of before, that if any councillors were put into difficulties financially, a future Labour government would retrospectively compensate them. That was the national Labour Party. We also went to the London Labour Party and got the same support.

At local level the chairs of each of the local CLPs and myself interviewed every Labour councillor in Lambeth and posed to them the policy of the Party. We told them that the possible consequence of that policy was that they could be surcharged, they might lose their homes, if they were solicitors for instance, they could lose their careers. We said that if they couldn't face up to those consequences there was no dishonour in saying that. They certainly weren't betraying their principles. We understood every councillor had different domestic circumstances but what we required of them, if they weren't willing to carry through the adopted policy, was to resign as a councillor so the Party could replace them with another candidate.

About five or six councillors took that course of action. And we fought those by-elections on the basis of not setting the rate and won them with big majorities. We took the party with us and there was no witchhunt or anything else against such comrades. There were three Labour councillors in Lambeth who said that they wouldn't carry out the policy but who wouldn't resign. There are sanctions you can take, of course, but there were no sanctions. They were told regrettably we don't accept that but you are not going to be excluded. We hope you may change your view and they were allowed to participate in Labour Group meetings and in the meetings of the Labour party and no action was ever taken against them. But the position of the Party was the position of the Party and it operated and people respected it and it was a disciplined situation.

So that was the plan, and you had quite a large group of councils who were committed to this, but then this alliance fell apart with councils when it came to crunch, setting a rate.

Well over two months of the rate setting one council after

another left the scene. All councils on the first night carried through the policy. In other words, all councils refused to set the rate. Then there were further meetings of each council about three weeks later. Quite a number of the councils on the second meeting set a rate. Some stood firm for two meetings, some actually stood firm for three meetings but then set a rate. The GLC was the key. Previously Ken Livingstone had supported the position of not setting a rate, then he turned.

And John McDonnell was on Finance Committee at the time?

Yes John McDonnell was Finance Chair and supported the policy. But Livingstone changed his mind. There were various reasons given. In one particular interview he said he woke up one morning and suddenly realised that he possibly would never be an MP if he pursued that position and he couldn't take it.

There was massive pressure of course from the Labour Party leadership to climb down. What happened was that the Labour GLC Group met and all the Labour Council leaders in London, who were still standing firm, attended the meeting and we tried to lobby them. We had brought in the trade unions, there was a lobby outside. We had the most despicable situation. Audrey Wise a supposedly Left MP, her daughter was a GLC member, came down and denounced me and told me I was ruining her daughter's career! What happened was that they were able to build up enough GLC members to support reversing the position and it allowed some of the left to still vote against. So the GLC collapsed on not setting a rate.

So basically by 1985 there was Lambeth and Liverpool left?

The whole thing hadn't started until April 1985. It was within two months that the whole thing had collapsed and there was just Liverpool and ourselves still there. Of course the Labour Party leadership wanted us to collapse, to give in, but our Labour Group wouldn't do so. The Labour Group in Liverpool obviously wouldn't do so



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and we held the situation in Lambeth, we had no defections. There were 31 of us and there were three that had already conceded at the very beginning, they voted every time with the Tories, but we still had a majority and that 31 stood firm for nearly four months.

Then one morning the Director of Finance was informed that there had been a mistake in the grant allocation formula and as a consequence Lambeth was to receive that very day, I think it was £9.5 million pounds, which of course, was sufficient to balance the books and make no cuts. The same thing happened to Liverpool as well although Liverpool went earlier than us, a matter of a week or so. Lambeth had held firm. The government, in the end, conceded to the extent of making a surreptitious allocation of funds which enabled us to balance the budget without any cuts and that was put to the council and of course it was carried.

But by this time the District Auditor was involved?

No. The District Auditor was always involved right the way through – threatening, threatening, threatening. What he was telling us was that the longer you don't set the rate, the more loss of income was involved, this is your responsibility and so forth. Rates were being paid in actual fact because businesses pay by direct debit or whatever the form of payment. There was plenty of money around. There was immediate money it was never a problem, so all the workers were paid. All the services continued in that period. At some point it would stop obviously, but it hadn't been reached at that point.

We didn't just stand still, in order to win support we held meetings right across the country, right across the borough. Every ward, every area we had trade union speakers, myself, Labour councillors, tenants, everybody speaking on a platform, holding the position. We had massive demonstrations in support of the councillors, a big build up of support from the unions, from the community groups and so forth. It was very big. I think I spoke at about 250 meetings within a couple of months during that period, with everybody building up the big meetings. Much bigger than we've ever held here in the current struggle.

We had about eight council meetings where we didn't set a rate and the place was packed with people cheering us on. This is one of the lessons I think that we have to learn from the past. You can actually build a mass struggle providing you are actually telling people what's going on, telling them what can happen and asking for their support. So we had that situation but in the end we weren't defeated because we made no cuts.

The government had conceded but then once they had conceded bumph, the District Auditor moved. They got their revenge through surcharging and disqualification. The District Auditor prepared, assessed the "damage" on two occasions. It came to about £700,000-odd. He claimed it was the sole responsibility of the councillors.

Was this damage based on loss of interest?

Loss of income and loss of interest. Yes. We had debates with him obviously. He had to win a case and we had experts come in and show him how in practice it was bullshit. None of that money would have ever been invested to get

interest anyway because it would have been spent. But he said it was notional but that was the only gauge he could have, so they took us to court. He issued a charge against each and every councillor that each and every one was responsible, both individually and collectively, and it had to be paid by a certain date – the full £700,000.

We appealed to the High Court in the February/March of the following year, 1986, and we organised a march on the court because Liverpool were also in the same position. They were down there and I think the court case lasted for nearly two weeks. They said we had no right to decide against government policy. Our argument was primarily that we had a manifesto commitment to not make cuts, to defend the services. They said manifestos are "expressions of opinion", that's all. They decided on a

To win support we held meetings right across the country, right across the borough . . . we had trade union speakers, myself, Labour councillors, tenants

vicious class denunciation declaring that we were guilty of defrauding the council coffers of the amount of money and we should also pay the District Auditor's costs. And we were disqualified.

For five years?

For five years and that disqualification came on a certain date after the judgement. There was a possibility, which the Liverpool people took, of appealing to the House of Lords and that's why the Liverpool councilors continued in office for another year. But frankly we were wondering how the hell we were going to raise £750,000 and then another £100,000 to go to the House of Lords. So we decided we would not appeal. And there was a local election.

The council elections were due in the April and in the seven weeks before, while 32 Labour councilors were disqualified, we ensured, by altering the standing orders of the council, that we didn't allow the Tories to take office. We allowed the Mayor total control. We elected a Labour Mayor the night that we were being disqualified who was going to be one of the councillors to stay, on and they had full power and the Tories couldn't take it away from them.

And Labour won that next election in April 1986 in Lambeth?

The election – Labour swept it. It was the biggest election victory that Labour had had up to that time in Lambeth.

So then you had to raise the £750,000 to prevent bankruptcy of the disqualified councillors?

We toured the country raising the cash. People paid. The trade unions, the local NALGO, as it was then, were very heavy contributors to it. Local people and also trade unions

round the country helped. There was no question that they would do it – and they did.

The national Labour Party didn't help you out?

No. Not at all. We raised the money from the ordinary members and then of course it took us five years to raise the cash. They allowed us to pay it off in sums across the five years. And as we were approaching the end of the five years the District Auditor appeared on the scene again to say that he'd made a miscalculation and there was a further payment required and a further five year ban. So the ban is for ten years. Then of course after the ten years the Labour Party banned me from being a councillor for a further five years at the conference.

And that was under Neil Kinnock?

That's right.

Turning to today and the current round of cuts, the law has changed hasn't it? Today's councillors aren't in the same position as you were.

That's right. The current councillors cannot be surcharged. You can only be surcharged if you're actually stealing money out of a council, not for an act of refusing to carry out government policy. There is no penalty at all, you are not surcharged for any loss whatsoever and you cannot be removed from office for that reason either.

In similar circumstances today the officers of the council would advise the Labour councillors to carry out a legal budget. If they still refused the government could then send in a commissioner to take control of the council finances but then it would be the government representative that was carrying out the cuts, not the councillors.

So if a council stood against these cuts and mobilised the local population it would be a case of the local people and the elected council against the central government's commissioner?

I think it would be virtually impossible for the government. I think it would meet with a massive reaction and it would not enable them to carry it through. And if it was more than one council it would be even more difficult for them. That's why we argued, as we have done in Lambeth SOS, that it should be Labour councillors right across the country that say no to the cuts. If they forced the government to step in and trample on local democracy there would be a major reaction.

It says something about the changes under New Labour that here in Lambeth we now have only have one councillor who hasn't voted for the cuts.

Absolutely. I think the Labour councillors here believe that they are there to carry out government policy. They believe there is no alternative to whatever the government instructions are. A Labour councillor told me and other Labour party members in our ward that she felt she had a legal and moral responsibility to carry out the government's instructions. That's New Labour for you.

Which is why in Lambeth we've had our crossing patrols sacked, our park rangers and adventure playground youth workers made redundant.

What is quite interesting is that it was only in April of this year when the riots of 1981 were being commemorated and people were commenting on the disturbances that took place 30 years ago.

At the very time the Labour council was pushing through cuts in youth services and so forth, people like myself and others involved at the time were saying that the conditions, whilst not exactly the same, were all building up for trouble.

We pointed to the situation where the youth of Brixton have no future, no jobs, and that we were building to a possible explosive situation for those people. And we were poo-pooed of course.

Liverpool – the city that dared to fight

In early 2011 at a packed Liverpool Trades Union Council public meeting to mobilise for the anti-cuts struggle a voice from the back of the crowd shouted "God bless the 47".

The 47 in question were Labour councillors from the city who, nearly three decades earlier, had dared to challenge Margaret Thatcher's cuts programme. Under the political leadership of the Militant Tendency, Labour took control of the council in 1983. The 47 were disbarred from

office and surcharged £106,000 plus £242,000 in costs by the Law Lords in March 1987. All of the local leaders of the council struggle were subsequently expelled from the Labour Party as well.

The five judges from the House of Lords upheld a decision by an unelected district auditor to dismiss, surcharge and threaten with both bankruptcy and prison 47 democratically elected councillors. Their crime was that they

had remained faithful to their electoral pledge that it was "Better to break the law than break the poor". They refused to set the cuts budget demanded by the national Tory government.

Instead they set about building 5,000 thousand new homes and refurbishing 7,000 older houses. They re-organised schools in the city in favour of the working class. They created thousands of jobs in a city plagued by mass unemployment. They opened more nurseries than any other council in the country and froze rents for five years.

Little wonder then that their memory and legacy lives on in "The city that dared to fight", as one of the 47 Tony Mulhearn dubbed it. Little wonder also that the stand taken by the 47 - whose record is available at www.liverpool47.org - is a point of reference for today's battles against Tory-Lib Dem imposed cuts. The decisions taken by the Labour council between 1983 and 1987 are in stark contrast to the council elected in May 2010.

Today's Labour Council, led by Joe Anderson, has agreed to impose a cuts budget with £91 million of spending being slashed, housing programmes frozen, school building projects axed and of course thousands of jobs being destroyed. Today's council has chosen to do the Con-Dem coalition's dirty work rather than call on the people of the city to rise up in resistance.

Only a sectarian would regard the legacy of the 47 as an example of "Labour betrayal". The achievements of the council were real. The councillors' fight was part of a real mass movement of resistance and the attempts to link the council's struggle to strike action by the city's workforce were absolutely correct in their intent.

But to defend the record of Liverpool Council between 1983 and 1987 is not to say - as some of Militant's heirs, like the Socialist Party today claim - that no mistakes at all were made and that the tactics used during the struggle were all perfect and the only model to follow.

Rather, we need a balance sheet that builds on the legacy of the 47, that faces up to the mistakes made and the weaknesses in Militant's politics that those mistakes revealed. And given the struggle ended in defeat we need a balance sheet that does not uncritically bless it, not withstanding the call for the divinity to do just that at the mass public meeting of Liverpool Trades Union Council!

The Background

In 1981 Liverpool exploded with the Toxteth riots as black and white youth rose up against a regime of police brutality and harassment and against the city's staggering devastation at the hands of the Thatcher's Tory government. Liverpool's industries were laid waste by the slump politicians at Westminster - down by 65% in 1983. Mass unemployment was like a plague killing the city, whose population fell to a record low of 460,000 in 1983. The social carnage suffered at the hands of the Tories was captured in a 1980s television play, "The Boys from The Blackstuff", with its infamous catch phrase "gizza job".

Thatcher's cuts to the grant allocation system for local government had, in real terms, taken £34 million from Liverpool between 1979 and 1983. The Liberal council had played along with these cuts - chopping the council

workforce by 2,000, freezing council house building and cutting local services to the bone.

The uprising of 1981 though, showed that Liverpool was prepared to fight back. And in May 1983 a Labour council was voted in. A month later Thatcher won her landslide election, but Liverpool bucked the trend. It was a Tory-free city and in Terry Fields, the MP who won Broadgreen, a

The Liverpool 47 ignored this call for submission to the enemy. In November 1983 a demonstration of 25,000 was held in the city supporting the council's stand

Militant supporter and well known local class fighter, the city demonstrated that it wanted politicians who would take the fight to Thatcher.

Thatcher was choking off funds to local councils she despised - and Liverpool was top of her list - by capping rates. She aimed to bankrupt councils like Liverpool committed to socially progressive spending programmes. For a period she met resistance from an alliance of left Labour councils. But as the battlelines hardened many Labour councillors caved in to Neil Kinnock's appeal to avoid a fight. He argued that it was better for Labour councils to give in and act as a "dented shield" than to engage in an all out fight with an enemy he believed could and should only be challenged at the polls.

The Liverpool 47 ignored this call for submission to the enemy. In November 1983 a demonstration of 25,000 was held in the city supporting the council's stand of setting a budget to meet the needs of the city. In 1984, as the day loomed for setting the illegal deficit budget the scale of support for the 47 was revealed when 50,000 took to the streets to back them. This was soon followed by more victories at the polls, giving Labour seven more seats on the council.

This show of strength terrified the Tories, but it also exposed quite how calculating they could be. After all, at this point the miners had gone on strike and the struggle that was to define a generation began. To avoid the pitfall of fighting on two fronts the Tories "found" an extra £60 million to save the council from having to set a deficit budget.

This was to prove the high point of the mass struggle. Of course further strikes and demonstrations in support of the council followed in 1985 and 1986. But the situation had changed. The council was now under direct attack not only by Tories gleefully waving the scalps of the miners' union at Liverpool but also by Kinnock who denounced the Liverpool councillors at the 1985 Labour Party conference as the opening shot of his war against the left in the party.

From this point on the Liverpool council - having missed the chance to make common cause with the miners in 1984 with the explicit goal of bringing down Thatcher - now found itself under fire from many sides, and with

fewer and fewer allies in a labour movement demoralised by the miners' defeat. In September 1985 the councilors were suspended by the District Auditor and in November the Liverpool District Labour Party was suspended by Kinnoek. From that point on the struggle was on the ebb.

Militant's political approach

In 1983 the District Labour Party (DLP) in Liverpool was dominated by Militant, with leaders like Tony Mulhearn, the party chairman at the time. The DLP, as Tony Mulhearn explained at the time, was decisive in drafting the 1983 anti-cuts manifesto in the city, one which produced a historically unprecedented swing to Labour. The DLP also exercised control over the council itself. As Tony Mulhearn put it:

"The District Labour Party is the policy-making body but also the Labour group implement that policy and the Liverpool District Labour Party elect the leader, the deputy leader and the chairman of the key positions in the Labour group, a position which as far as I know is unparalleled."¹

In the light of this it is clear that the decisions and strategy of the DLP shaped the struggle in Liverpool. We have explained above what we think it got right. But what did it get wrong?

There are three key elements to Liverpool DLP's strategy that contributed to the eventual defeat of the struggle. Inevitably they overlap with fundamental aspects of Militant's overall strategy for socialist struggle at the time:

- ▶ Militant's conception of the role of the party in carrying through the struggle
- ▶ Militant's view of the mechanics of social transformation
- ▶ The council's view of its struggle as a sectoral confrontation with the Thatcher government

In 1983 Militant believed that the only way to build a mass socialist party was through capturing the Labour Party – by entering it and working in it – and winning

The council substituted the DLP for mass working class participatory democracy. The DLP decided policy and then appealed to the masses for support

its leadership to Marxism. Regardless of the rights and wrongs of this schema (a schema the Socialist Party has now broken from), they maintained a view of the "leading role of the revolutionary party" which had its origins in the distortions of revolutionary communism during the rise of the bureaucracy in post-revolutionary Russia in the 1920s.

This view elevates the party to the role of supreme arbiter of the interests of the working class and underestimates the pivotal role of generalised working class democracy

and non-party organisations. The party can only be a true leader by virtue of the consent of the masses – party and non-party. It cannot and should never be the sole decision making body on behalf of the masses.

In Liverpool this meant that, once captured and placed in the hands of the "Marxist leadership" i.e. the Militant Tendency, the District Labour Party became the exclusive means through which strategy in the city could be debated and decided. The contribution of other organisations, the democracy of other organisations, and the role of political and social organisations outside of the DLP was limited. They could all have their say, but they were not involved in taking decisions.

A non-Militant member of the council, but one who worked very closely with them, Tony Byrne (the architect of the council's financial strategy), put it bluntly:

"All policies are decided and supported by the Labour Party, not outside organisations. The best way to contribute to policy in the Labour Party is to be in it. In fact I wouldn't think there is much hope of influencing policy if you are not in." (Footnote 2. Quoted in *Labour, a tale of two parties*, p131, Hilary Wainwright, London, 1987)

In Liverpool there was, and is to this day, a rich tradition of non-party working class organisation, through the unions, through community organisations, through sizeable non-Labour working class political parties. These organisations represented thousands of workers and their direct involvement, not just their support, in deciding the fate of the struggle was something that needed to be developed, cherished and incorporated into a strategy for change.

The council did not take this road. It substituted the DLP for mass working class participatory democracy. The DLP decided policy and then appealed to the masses for support.

The most well known example of this approach came with the appointment of Sam Bond as the head of the Race Equality Unit. Sam Bond was a Militant supporter from London and his appointment was opposed by representatives of the local black community and the Liverpool Trades Council. The decision to push ahead with the appointment regardless alienated sections of the black community in Liverpool and the trade unions who felt that Militant was putting its own narrow party interests ahead of building a broad campaign in support of the council.

Whatever the motivations for this approach by Militant and the non-Militant members of the 47, it was a serious mistake. Had the council and the DLP consciously set out to build mass democratic organisations and had they issued a call to such organisations to take control of the running of services, the running of schools and so on, then the Tories would have faced a far more formidable enemy than they did in 1987 when they were able to disbar the 47 from office with relative impunity.

There is less chance now of the left "capturing" the leadership of a local Labour Party, let alone one as strategically important as Liverpool. Nevertheless, we have already seen a recurrence of the far left's use of the same concept of "the leading role of the party" today – by the SWP in its "Right to Work Campaign", by the ex-SWP leaders of Counterfire in their "Coalition of Resistance" and of the

Socialist Party, which set up a third anti-cuts campaign via its control of the National Shop Stewards Network.

The lesson of the defeat in Liverpool under the leadership of the DLP is that the left needs to set aside its obsession with front organisations whose hallmark is absolute control by a particular faction. They put off thousands of potential fighters even where they manage to hornswoggle a few hundred.

We need to build genuinely independent, mass democratic anti-cuts organisations that embrace those within and without the established parties, that draw in hundreds and thousands of activists who remain suspicious of the bureaucratic legacy of twentieth century left politics. Such campaigning rank and file organisations need to taste their own power and become imbued with a confidence and belief in their own role, the better to fight to the end, and win.

Militant's view of revolution

Which brings us to Militant's conception of how to bring about fundamental social change – a view put to the test in Liverpool where it had won leadership of the Labour Party. Our criticism of Militant then was that their years of entryism in the Labour Party had blunted their revolutionary edge.

In order to stay in the party at all costs they evolved a theory of revolutionary change that could be accommodated inside a reformist party. They embraced a top down, parliamentary conception of change. The leadership would “enable” change in either the council chamber or parliament and the masses would be mobilised to support this top down change.

A key leader of Militant, and now of the Socialist Party, was Peter Taaffe. He spelt out Militant's view of social change quite clearly:

“... in the pages of Militant, in pamphlets and in speeches we have shown that the struggle to establish a socialist Britain can be carried through in parliament backed up by the colossal power of the labour movement outside.”²

This was no isolated statement. It was at the heart of Militant's approach. And in Liverpool it was carried into practice once the Council was elected. The councillor did not say to the working class of the city – “over to you”. Instead it said, we have decided this course of action, support us.

Of course the action the council took, especially in 1983, was courageous. It defied the Tory government and demanded the government provide funds to meet the needs budget it had set. So far so good. The council then had a choice – when it was attacked it could have declared all out war on the Tories and called on the masses to engage in an indefinite general strike to force the government to retreat.

This would have meant actively dissolving the antiquated and bureaucratic machinery of local government and establishing the elements of working class rule in the city. Far fetched? Given the DLP had declared it was under Marxist leadership and prepared to fight to the end, clearly not.

However, this was not the course of action taken by the

council. It went half way towards it, calling mass demonstrations which numbered tens of thousands, supporting strikes by council workers and others and organising democratic consultations with the working class of the city over changes. All of this was good – but still within the framework of capitalist legality.

The lesson is that the working class must never be used as “extra support” a stage army marched out to strengthen the negotiators' hand

But at the same time it sought to maintain the council in power by striking a deal with the government over the budget. The deal enabled the council to carry out important election pledges, but it was a compromise that left the city well short of the money it needed. A Financial Times journalist summarised the deal as:

“The fact is that Liverpool's muscle won, but less than it might have done, and the government lost, but not as much as it might have done . . . For its part Liverpool made substantial concessions too and any claims to the contrary are simply disingenuous.”³

The compromise provided Liverpool with £17 million – still £13 million short of the budget it required to meet its pledges. What followed was a period of creative accounting by Tony Byrne, and later loans from Swiss banks in order to keep the council afloat.

Throughout the negotiations that led to this compromise the council had mobilised the extra parliamentary power of the workers – notably in a massive public sector strike in its support. But this was orchestrated and limited action being used to strengthen the council's hand in negotiations with the government. It was not independent working class action setting the terms for any deal.

The workers were a supporting cast – and Derek Hatton, the Deputy Leader, was very much the star. Looking back at every piece of footage this is clear. We hear far too much from Hatton and not enough from the workers.

The result was that the support amongst the working class drained away. In 1985 workers voted not to strike and both the government and the Labour leadership sensed things could be moving in their direction. They both moved against the council in a combined legal attack and political witchhunt. They found that the councillors' failure to capitalise on the mass support they had in 1983/84 by turning it into an all out struggle against Thatcher by the working class of the city had led to things going off the boil. The council was now receiving less support from the very people who had been the “extra parliamentary” army the previous year.

The lesson is that the working class must never be used as “extra support” a stage army marched out to strengthen the negotiators' hand. Their independent struggle is always and under all circumstances more important than the battles, negotiations and deals struck in either parlia-

ment or the council chamber. The independent strength of the working class in struggle will give rise to a new politics in which decisions are made by the democratic organisations of the strikers, the communities and the campaigns not by the parliamentarians either locally or nationally.

National not local battle

Finally we come to the council's view of its own struggle. It set the limits of its campaign around the borders of the city. It was a battle that pitched militant Liverpool against Thatcher's London regime. It aroused tremendous civic pride and fierce loyalty to the council by people who were suffering 24% unemployment at the time and enduring some of the worst housing conditions in Europe.

The council quite rightly mobilised the famous sense of city patriotism felt by the Liverpool working class and directed it towards progressive ends. There was nothing wrong with that except...

The backcloth to the major budget crisis and struggle in the city in 1984 was the great national Miners' Strike. Thatcher was at war, quite literally, with the best organised and most militant section of the working class. This battle, as every socialist knew at the time, would shape the entire future of the class struggle in the country. For that reason every socialist worth their salt tried to do one thing - join up every local and sectional struggle into one class front against the Tories and alongside the miners.

Thatcher was well aware of this and staved off the danger by deliberately making concessions to other workers to ensure they did not start striking alongside the miners. Rail workers got one of their best ever pay deals. In the face of two dock strikes concessions to port workers were made by the Tories. Pay rises were sprinkled across the public sector.

Everywhere a Labour and trade union bureaucracy terrified of the miners' struggle becoming generalised jumped at the compromises on offer and kept their men and women out of the order of battle. Everywhere the possibilities of opening a second front against the Tories to help the miners were closed off.

In these circumstances Liverpool City Council, which was being offered a compromise by the Tories in order to keep it separated from a generalised struggle alongside the miners, had a duty to reject all offers and declare solidarity with the miners under the banner of "Liverpool's fight is the miners' fight - united we can win". This was not only a duty but offered the only perspective of Liverpool winning. A united struggle could have crippled or defeated Thatcher, reaching a shoddy compromise with her one year, allowed her to defeat the miners and return to the attack the next.

The level of support for the council and for the miners in the city was phenomenal. In the spring of 1984 Everton

and Liverpool played each other at Wembley in a League Cup Final. North London was flooded with over 100,000 Scousers wearing their teams' colours and two stickers: "I support our Council" and "Coal not Dole". Many miners described the day as one of the best ever collections they had made to raise money for their strike.

A city united had the chance to forge a bond with a union waging a life and death battle for the future of the movement. It did not take that opportunity. It took the money on offer from the government and took the working class of the city out of the line of fire.

A year later, when the workers of the city voted not to strike in September 1985 and ill-thought out tactics were used to try and delay the consequences of the financial crisis that had gripped the city, the miners were back at work, defeated. Thatcher, and the right of the Labour Party, could turn on Liverpool fresh from the victory over the miners. And Liverpool - the city that dared to fight - now found itself alone.

The 47 stood firm and put up a brave fight, Tony Byrne set to work negotiating fresh loans, but terrible damage had been caused by the separation of the city's fight from the miners' fight. The end result was that not only did Liverpool find itself fighting alone as the auditors and witchhunters moved in during 1985/86, so too did the councillors. The demonstrations that had once numbered tens of thousands dwindled to hundreds as confusion and demoralisation set in as the scale of the defeat became clearer. Just as the miners had, for a time, believed they could go it alone, so had Liverpool.

For daring to fight it should always be remembered as a heroic struggle. But its defeat carried the all important lesson of the need for class wide unity to triumph over sectoral struggles.

And this, perhaps, is the most important lesson of all for today - the cuts are an attack on all of us, no matter who gets sacked or what gets closed first. We need to be conscious of the need to fight them together and use each sectional struggle that occurs as the starting point for developing a class wide battle to defeat the government's polices and bring it down.

The city wide strike in Liverpool in 1984 could have - and should have - been a building block for a nationwide general strike alongside the miners. It should not have been only the means of winning a local and sectoral battle.

All of that said the 47 stand head and shoulders above the Labour councillors today who, faced with the Tory demand for cuts, meekly reply "how much"?

Mark Hoskisson

ENDNOTES

1. The Politics of Local Socialism, p 91, John Gyford, London 1985
2. Militant International Review, No22, p28
3. FT, 17 July 1984



FRIEDERIKE SCHLESAK, known to all her political friends and comrades as Friedl, was a determined political activist and revolutionary from Austria who died in May 2011, in her one hundredth year of life. Friedl was known for her warm hospitality, especially towards young revolutionaries of the MRCI/LRCI Trotskyist current who visited Vienna for political discussions in the eighties and nineties.

Her life covered periods of great change: the Russian revolution, two world wars, the turmoil of the inter-war period and the rise of fascism, as well as the political changes in post-war Austria.

Born in February 1912, she was a child when her father was drafted into the army during the First World War. The effects of his experience left an indelible imprint on her life as well as his. Having worked as a coachman after moving to Vienna from the countryside, he experienced the cruelty of that war so intensely that he came to the conviction that "there can be no God". This made him turn towards social democracy (the SDAP) where he became a union and party representative.

Friedl accompanied him to many meetings and was attracted by the political discussions, many provoked by the Russian Revolution and its consequences. Throughout his life his main concern was that "the workers must not be divided". Thus he opposed his daughter moving to the left of social democracy and, at a later stage, becoming a revolutionary.

Her mother originated from Czechia and worked as a maid until she gave birth to her four children. She also became a convinced social democrat and Friedl experienced all the liveliness of political debates at home too.

The SDAP could have taken power during 1918/19 but it insisted it had to protect the masses from a failed revolution. It argued that Austria - reduced to a small portion of its pre-war size - was not economically viable as a socialist state and that in any case the powerful Entente powers would not

Friederike Schlesak 1912-2011: From Red Vienna to fascism, occupation to prosperity: an Austrian revolutionary life

have allowed such revolution. Otto Bauer, a leading social democrat, saw a dual role for the SDAP: using the revolutionary potential to gain power in communities, schools and factories, but obstructing any move towards revolution and civil war, which he equated with starvation, invasion and counter-revolution.

Austria moved from monarchy to a republic and in some places, particularly in "Red Vienna", social democrats introduced measures - such as an impressive public housing programme, progressive changes in social and labour laws, parks being opened to the public, childcare facilities being built - that nourished reformist illusions



The workers soon realised that demonstrations and marches were not enough to win change. Due to

"When my father heard that workers had gone on strike and were marching, he was one of the first to join . . . they almost got him, police shot fleeing workers"

in the possibility of changing capitalism through parliamentary and municipal reform.

The SDAP's path of "winning power by the ballot paper" did not impress the Austrian bourgeoisie, which rearmed its private armies, the Heimwehr and Frontkämpfer (combatants). By 1923 workers were already dying in bloody clashes with these forces and the SDAP leadership began to retreat step by step in the face of the bourgeois offensive.

the pressure of the rank-and-file the SDAP finally founded the Republican Schutzbund, a paramilitary workers' organisation which supposedly would defend the workers' movement.

In January 1927 an invalid and a child were murdered by the fascist Heimwehr but in court their murderers were later acquitted. Demonstrations and strikes erupted spontaneously, the Palace of Justice - symbol of the hated class justice -



was set on fire and in retaliation the police fired shots into the angry crowd.

Friedl remembered how her father participated on that day: "... it was terrible! ... when my father heard that workers had gone on strike and were marching towards the Ring (the city centre), he was one of the first to join, even though he risked a lot working for a small company. My mother and I wanted to walk in too - information ran like wildfire, that there were demonstrations, shots ... And behind the Volkstheater in the park, my father, they almost got him, mounted police shot fleeing workers. He was not caught, because he was well hidden in a bush. But they rode full speed into the people and shot unarmed workers ...

My mother and I did not get to the Palace of Justice ... Everything was sealed off. And we stood in a doorway, a whole group of working class women with children ... Everybody was disgusted. We all saw it as an attack of the capitalists on us, workers, and the whole labour movement."

Friedl was at school at this time. Being a good student she had the privilege of continuing into secondary school. It was a reactionary school, and the other students were rich compared to this worker's child. Giving private tuition, she earned a little money and got access to books. It introduced her to Vienna's cultural life, its richness in literature and poetry, and she was even invited to some plays in the theatre - a real treat and the beginning of a passion that stayed with her throughout her life. During these years she was active in the SDAP's school student organisation and local sports club.

1928, at the age of 16, she started training as a nursery teacher. She joined the SDAP and became an enthusiastic member. The section became her second home where she was able to read books on socialism and culture, and get involved with debates. After training she got work in a community childcare centre. She loved her work with children and the fact that it was organised by social democrats.

The events of 1927 showed that social democracy had little to protect the workers with against the rise of reaction except radical words. The bourgeoisie increasingly felt strong enough to go on the attack and clean-up the "revolutionary waste". In 1933, parliament was liquidated and a dictatorship was instituted under Chancellor Dollfuss. Step by step the gains of the working class were taken back: there were cuts in wages, and social services, restrictions of the right to strike. The Communist Party and the Trotskyists were the first to be illegalised, then the press was censored, organisations like the Schutzbund made illegal and weapons confiscated.

In February 1934, the fascist Heimwehr occupied Innsbruck and forced the dismissal of the local government. Alongside this, the central government started a broad attack: party premises were searched for weapons, representatives of the Schutzbund imprisoned. Social democracy's reply was to negotiate not to act. Thousands of Schutzbund members waited in vain for weapons,

arrested, but they managed to hide the weapons in time and in the following days they were released, because they had no weapons and because there were no battles in this area due to the betrayal of the leaders."

With no leadership and growing demoralisation, the resistance and the general strike soon collapsed. The retreats and concessions of social democracy did not avert civil war but left workers demoralised. It also opened the road for a victory of fascism.

In the summer of 1936 Friedl met Willi, her future husband, in a nudist club, a meeting point of illegalised social democrats. "We were both full of hate for our leaders, who betrayed us in 1934, who did not turn up, waited to be arrested, did not want to be drawn into anything."

The Austro-fascist regime had a profound effect on every aspect of life. In her kindergarten they now had to teach Christian values. "Our beautiful gym, we had to erect an altar to Mary ... now we had to pray in the morning and we could not do sports because of the altar! This was somehow symbolic. Now they were

Willi and Friedl's flat was not only a home to two adults and two children, but also a place for meetings and for printing the Kampfbund's paper

instructions and information. Part of the SDAP leadership fled the country; others were arrested straight from the negotiating table.

At last when workers started an armed fightback, it triggered off an unstructured, uncoordinated general strike and armed resistance. Willi, who was later to be Friedl's husband, went to the agreed meeting point of the Schutzbund and she described what happened "... they hid in the bus garage, but there was no battle. They hid for two days. A young one became impatient and crawled out of the cellar window. So they all got

ruling." Female nursery teachers were obliged to remain unmarried to keep their jobs, so she cohabited with Willi outside of marriage.

When the Nazis came to power in 1938, the law was changed and they married in time for their first child. She gave up her work for her own children but carried on her other interests.

Apart from culture, she was a dedicated sportswoman playing fistball and going skiing, swimming and hiking. Being able to knit and sew gave her the chance to earn some money, later doing it as a homemaker. She kept contact with

comrades and friends as much as she could during the years of illegality under fascist rule.

By the end of the Second World War Willi was in captivity in Russia. There he met comrade Stadler, a leading member of the Trotskyist Frey group before the war. The disappointment with the politics of the SDAP, especially the experience of 1934, convinced Willi of the correctness of Stadler's politics. Not being a Nazi, both were released from captivity and made their way back to Austria. Friedl was easily convinced to join the revolutionaries and by December 1945 they were both members of the Kampfbund. However, Stadler soon left Vienna and the organisation.

Austria at the time was dominated by hunger and deprivation and divided into four occupation zones by the occupying powers. Trotskyists were particularly in danger, since they were actively repressed, especially by the Red Army. Vienna was heavily damaged by bombs and the other comrades in the group had no flats of their own. Willi and Friedl soon became leading members. Their 33 metres square (355 square feet) flat was not only a home to two adults and two children, but also a place for meetings and for printing the Kampfbund's paper, which was spread out to dry on the beds.

By 1948 the economy was expanding but wages were so low that workers could not survive. Hunger struggles started – an October strike wave in 1950 had a revolutionary potential but was defeated; it was the last major strike for decades. With the long boom, concessions and promises were made to the trade unions and the anger of the workers was dissipated.

Expecting a revolution after the war many on the Trotskyist left were confused and demoralised. Many groups and individuals capitulated to reformism, while others left the movement. The Kampfbund continued but it remained illegal and an underground organisation. Sectarianism and lack of perspective were the result. After

Frey's death the Kampfbund was in crisis, but did not give up.

Political educationals were organised for the Kampfbund members' children from 1954. First contacts were made outside the organisation at the beginning of

She created a huge family, into which all of her friends and comrades were included. She was a dedicated fighter and wonderful mother and grandmother

the 1960s, particularly with students. The young people inside the Kampfbund started rebelling against the restrictions of underground work and founded a semi-legal organisation at the fringes of the group. In the early 1970s, when the young members got in contact with another group and wanted to found a new, legal organisation, the split with the Kampfbund was inevitable. Friedl and the Kampfbund majority joined the International Communist League (IKL) in 1975.

In autumn 1976 Willi, Friedl's husband, fell ill and Friedl was constantly by his side. Week after week she visited him in hospital, but his situation deteriorated. He died in January 1977 at the age of 69. A harmonious and productive marriage had come to an end.

In 1985 the IKL itself split and the Arbeiterstandpunkt was founded. It became part of a new international tendency, the Movement for a Revolutionary Communist International (MRCI). Friedl, now aged 73, was part of the new organisation, its treasurer for some years and later its honorary president. She hosted many

international guests from the other sections of the MRCI, and later the LRCI, at her flat in Vienna. At the same time she continued to meet up with the remaining members of the Kampfbund and organised regular meetings in her flat.

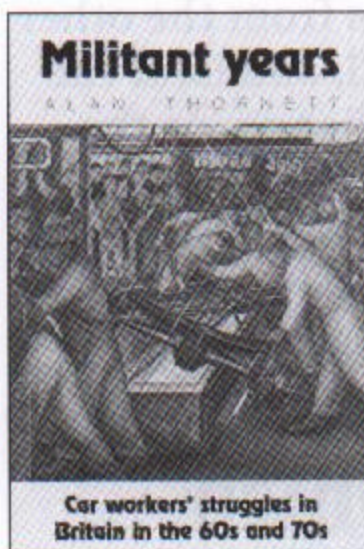
In 1994, she moved into a flat in a pensioner's home and regained her vigour. Soon she was the floor representative at the home and gave support to others in a weaker position. She remained interested in politics and a supporter of the GRA (Gruppe für revolutionäre ArbeiterInnenpolitik).

Even when she moved into the home's nursing section, she had her daily keep fit training. Only in the last five months of her life, when she was hardly mobile, did she lose her joy in life. In May 2011 at the age of 99 she faded away, surrounded by loving friends and relations and without pain.

She created a huge family, into which all of her friends and comrades were included. She was a dedicated fighter and wonderful mother and grandmother to all of her "children" worldwide. With her acuteness and her consistency, her courage and her cordiality, she will live on in our memories.

The comrades of the GRA

All quotations from Friedl are from: Marxism, Nr. 10, Dezember 1996, AGM or her Autobiographical Notes



Fighting 'new realism' in the UK car industry

MILITANT YEARS: CAR WORKERS' STRUGGLES IN BRITAIN IN THE 60S AND 70S

Alan Thornett

Resistance Books / 2010 / £12.00

THIS BOOK is a personal account by a former leading trade union militant and revolutionary of his experience in the car industry in Cowley, near Oxford over three decades between 1959 and 1982. Alan Thornett was a member of the Transport and General Workers Union (TGWU) and a leading shop steward in the plant.

During this period Thornett was a member of a number of different socialist organisations. He was in the Communist Party from 1961 to 1964, joined Gerry Healy's Socialist Labour League (SLL) in 1966, which became the Workers Revolutionary Party (WRP) in 1974. Thornett and the great majority of SLL members in Swindon and Oxford formed an opposition at this time and were quickly expelled. They then founded the Workers Socialist League (WSL). He was a member of the WSL when management collaborated with the trade union bureaucracy to force him out of the car industry in 1982. Today Alan Thornett is a member of the Fourth International.

His experience illustrates the issues that confront revolutionary workers organising in the trade unions. In the long run, failure to challenge capitalism itself leads to defeat. When trade union leaders accept the logic of the capitalist, that business must be profitable if workers are to have jobs, then they urge workers to make sacrifices to that end. Thornett writes in his final chapter, "Some conclusions", about the TUC's failure to oppose the Thatcher government's anti-union laws:

"By the end of the 1980s the ideas of class compromise and retreat

that underpinned all this were theorised into a new approach called 'new realism'. This was the idea that resistance to the employers was impossible, and that the only way was to work with them and try to get crumbs from their table.

"This had always come out most clearly when it was the defence of jobs that was involved – plant closures or redundancies – which became increasingly prevalent in the economic turbulence of the second half of the 1970s. This was where the unions found the logic of capitalism most difficult to challenge. If the employer was bankrupt or unviable, they would ask, what could you do? The answer they always come up with was get together with the employer and save the enterprise at the expense of the workforce." (pp355-6)

The most spectacular of these at the time was the "recovery plan" introduced by Michael Edwardes, who was appointed by the Labour government to make the nationalised British Leyland profitable in order to hand it back to the private sector. The Edwardes plan involved plant closures and massive job losses. Edwardes also moved to crush the unions. Thornett notes that Edwardes "became a role model in industrial relations for Margaret Thatcher after she was elected in 1979."

Thornett shows how union leaders collaborated with management against the workers. The "left" leaders Jack Jones (TGWU) and Hugh Scanlon of the Amalgamated Union of Engineering Workers (AUEW) under the 1974 Labour government played a particularly treacherous role. These leaders' support for the "Social Contract" led them to support wage restraint resulting in significant falls in real wages.

Thornett describes how right

wing, unelected full-timers and their allies among the shop stewards manipulated meetings, ignored union rules, and split the TGWU branch at the Cowley Body Plant into two and then three branches, in an attempt to isolate the militants. He shows how the Communist Party supported the union bureaucracy and their deals with government and employers against the workers.

Thornett describes this book as a "radical re-presentation" of his *From Militancy to Marxism* (1987) and *Inside Cowley* (1998). It also includes new material, notably a management dossier discovered in 2003, on a strike in 1976 to defend four shop stewards against victimisation. Thornett was not among the four, but two were his comrades in the WSL. The dossier shows that Oxford TGWU District Secretary David Buckle and convenor Reg Parsons (a former member of the SLL who had gone over to the right) asked BL management not to "falter or weaken" in withdrawing recognition from the four stewards, as this would mean the company "handing over to the militants". Parsons threatened to resign as convenor if management did not back him against the stewards. (pp180-2)

In *From Militancy to Marxism* (pp49-50, 74-81) Thornett describes how he and other car workers at Cowley first met the SLL in 1963. They decided to join after lengthy discussions with Gerry Healy and others, and chose the SLL rather than the International Socialists (IS), now the Socialist Workers Party. On these workers' view of the IS, Thornett wrote in 1987:

"We saw them as failing to address the problem of leadership in the working class. They looked instead almost exclusively towards rank and file organisation. We saw basic organisation as important as well, but the IS counterposed this to the main political issue – a fight against the existing leaders when they betrayed the workers and for a political alternative to them." (*From Militancy to Marxism*, p75)

It was in 1987 that Thornett and

others in what remained of the WSL after a number of splits, joined the Fourth International (USFI). Thornett in *Militant Years* discusses the role of one of Socialist Resistance's predecessors, the International Marxist Group (IMG).

He credits the IMG with a major role in Women in Support of the Union (WISOTU) formed in response to the anti-strike "Cowley wives' revolt" of 1974. Thornett contrasts the IMG's position on this issue to that of "the bankrupt politics of the SLL/WRP, which saw women's liberation as a middle class diversion from the real business of politics." He argues that the incident "demonstrated the superiority of the politics of the IMG against those of the WRP, particularly over issues of gender politics." Thornett argues that the IMG understood "the isolation of women in the home and the need to involve them in trade union struggle." (p 107)

Thornett in *Militant Years* is perceptive and balanced as regards the IS/SWP. A major battle – against the CP as well as the employer – was against the introduction of "worker participation" in Leyland Cars in 1975. The scheme undermined the independence of the unions and workers' bargaining power. The IS, along with the WSL, IMG and Militant, opposed the scheme, but the IS argued that if workers voted for the scheme then militants should stand for the participation committees. Otherwise, the IS argued, militants would stand "in splendid isolation". Thornett says this approach "underestimated the hostility to participation among shop floor workers" who rightly saw participation "as drawing the stewards into cosy chats with management." Thornett argues that instead: "The task was to fight for independent trade union organisation as an alternative to collaboration with management." (pp147-8)

The participation scheme was forced through. Most militants boycotted the elections to the participation committees, but two CP stewards and, bizarrely, Tom

White, the only WRPer left in the plant after the expulsions, stood for positions on the committees.

Thornett nonetheless praises the SWP for doing "a very good job" in 1978 in the campaign for a national delegate conference of TGWU branches and stewards' committees to defend the "Cowley Nine". The Cowley Nine included seven militants, Thornett amongst them, at the BL Assembly Plant whom the TGWU leadership were threatening with banning from office and – in Thornett's case – expulsion from the union. Two right wingers had "spoof" charges laid against them to give the hearing credibility. The conference, of 200 delegates from nearly 100 branches and stewards' committees, launched a defence campaign and the disciplinary hearing collapsed.

He criticises the Militant (now the Socialist Party) for its support in

Robinson could be sacked, no shop steward or activist could be safe."

Despite a spontaneous walkout by the workforce, the AUEW leadership refused to call an official strike to defend Robinson. Many members, led by the Longbridge branches, organised for a ballot for the removal of the Executive Committee. Two hundred branches supported this move, but Robinson's own CP opposed it!

Thornett is of course critical of the SLL/WRP. He argues that they "discredited" the demand for a general strike "by calling for it at every twist and turn, whether it was posed or not." (p 352) He feels, however, that the 1984-85 miners' strike was "one of those relatively rare occasions when a general strike was realistically posed."

Thornett notes that miners' leader Arthur Scargill did not call on the

The "left" leaders Jack Jones and Hugh Scanlon under the 1974 Labour government played a particularly treacherous role

1978 for "corporate bargaining". Militant argued that corporate bargaining was a move towards workers' unity, even though the proposed package increased differentials between the top skilled grades and production workers. Thornett shows how it was a management device to "take wage negotiations away from a militant shop steward's movement and put in to the hands of the national officials of the unions." (p 225)

On the CP, Thornett shows how CP member Derek Robinson, AUEW convenor at BL's plant at Longbridge, Birmingham, fully supported the Edwardes "recovery plan". Yet Robinson himself fell victim to Edwardes' attack on the unions. For Michael Edwardes, sacking Robinson in 1979 was a test of strength. As Thornett states: "Robinson was the most prominent shop steward in BL. If Derek

TUC to call for a general strike at the September 1984 TUC Congress, as he distrusted the TUC leaders and believed the success of the miners' strikes of 1972 and 1974 could be repeated. Thornett argues that in 1984, "extension of the strike into other sections of the trade union movement was crucial." He blames the defeatist "new realism" of the union leaderships, however, for the isolation of the miners. (p 353)

Thornett believes the SLL were also right to call for a general strike against the Heath Government's Industrial Relations Act. He argues this firstly in regard to March 1971, when the AUEW called a one day strike and many other workers supported the call. Thornett comments that: "The right wingers opposed the general strike call, but not the strike itself." (p 54) The IS in fact also opposed the call for a



general strike at this time, arguing that the working class were "not ready".

Thornett relates how on 1 May 1973, in the course of a strike called for that day, he called for a general strike in a speech as chair of the "Oxford Council of Action". He states that a call for a general strike from the TUC "would have got a big response." This may be true, but the "Councils of Action" were essentially creations of the SLL. Thornett does not criticise this initiative. The Oxford Council of Action may have meant something in the local working class, but this

was not true of the "Councils of Action" in most other areas.

Altogether, this book is an important contribution not just to labour history, but to an understanding of the issues facing revolutionary Marxist workers in their struggle to build a leadership in the working class and to help workers to develop class consciousness. Even where we do not agree with his conclusions, we can learn from the way Thornett explains the issues and reveals the real nature of the class forces involved.

Bill Jefferies

1997 to £4bn in 2008.

The main childcare subsidy was provided by Working Families Tax Credit, introduced in 1999. In April 2003 this was replaced by the more generous Working Families Credit, which eventually raised the reimbursement of childcare costs to 80%.

Nearly 450,000 parents claimed the childcare element in April 2008, up from 27,000 in 1997. As a result lone parent employment rose from 45% to 57%.

This meant that living standards for the poorest section of society improved dramatically even while income inequality rose and wage differentials between male and female and black and white workers remained intact.

The gap between the proportion of females and males employed fell from 11% in 1997 to 7% in 2009, but women continued to receive lower pay than men.

The proportion of ethnic minority workers increased from 7% in 2000 to 12% in 2009, yet they continued to receive lower pay and suffered higher unemployment than their white counterparts.

As a result of these improving living standards and in particular increased benefits, which the authors assess is by far and away the most important factor reducing child poverty, absolute child poverty, defined as 60% of 1997 median income, fell from 40% in 1980 to 26% in 1996 and to 12% by 2007, mainly as a result of higher benefits, which removed an estimated one million children from poverty. Relative poverty, defined as 60% of the median income, also declined but not nearly as much, due to rising median income.

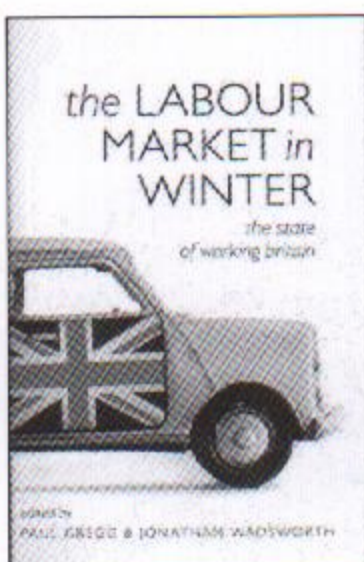
Most of these improvements, though, were not wrested from the government through militant action; rather they were the quid pro quo for the unions accepting massive rounds of privatisation (as with PFI in the NHS), huge rewards to the bosses and a growth in social inequality. Throughout this period the unions continued to decline in terms of membership, density and the coverage of collective

The New Labour boom and the working class

THE LABOUR MARKET IN WINTER; THE STATE OF WORKING BRITAIN

Ed. Paul Gregg and Jonathan Wadsworth

OUP / 2011 / £30



THE LABOUR Market in Winter is a collection of essays by leading UK labour market academics.

Although the prose style is firmly academic, the extensive chapters on older workers, young people, ethnicity, women, immigrants, income inequality and the trade unions, provide key pointers to the state of the working class today and graphically illustrates how its lot changed under New Labour in 1997.

It uses comprehensive empirical data to show that during the Blair years rising profits were combined with rising working class living standards for most people, a fact that might explain the continuing mass support for social democracy in Britain.

Absolute child poverty fell, terms and conditions at work improved, real wages grew, holidays got longer, hours shorter, child care provision improved and welfare benefits increased. Flexitime, part time working, maternity and paternity leave all increased, skills

rose and the intensity of work levelled off.

By 2009 median pay had risen 15% from 1997. At the bottom, pay rose 20% and at the top it increased by 18%. The percentage of men working more than 45 hours fell from 38% in 1997 to 28% in 2009, a trend that had begun before the implementation of the European Work Time Directive. Annual paid holiday increased from 23.5 days in 1996 to 25.5 days in 2009, while the proportion of workers not entitled to holiday fell from 12% in 1996 to 4% in 2009.

Paid statutory maternity leave increased from four months in 2001 to nine months in 2009 with a further three months unpaid optional.

A token two weeks of paid paternity leave was introduced. Universal and free pre-school education was provided to four year olds in September 1998 and then extended to three year olds in April 2004, with up to 15 hours a week provided from 2009.

Quality of provision was improved through the creation of a rigid inspection regime. Local authority spending on pre-school childcare increased from £1bn in

agreements.

Indeed the chapter on the trade unions does not even mention strike action, so irrelevant does it appear to the academics researching contemporary "industrial relations". Fewer than eight million employees are union members today, compared with 13 million in 1979. 51% of all employees have never been trade union members, up from 22% in 1985/6.

A majority of trade union members are women, as three fifths of trade unionists are now in the public sector, and a mere 19% of private sector employees are now unionised. Meanwhile collective agreements continue to fall and free-riding, taking advantage of union agreements but not joining unions continues to rise.

The recession of 2008-11 and the coalition government's policies from mid-2010 have naturally started to erode many gains of the previous expansionary period. Yet the authors show that although this current recession was, in terms of GDP loss at least, the deepest in many decades, its social consequences, particularly with reference to unemployment were not nearly so deep. In contrast to the recessions of 1979-83 and 1991-93, where unemployment continued to rise long after the official end of the crisis, this time unemployment peaked before the end of the recession.

How to explain this unusual situation in Britain, particularly, when in the US the fall in unemployment has easily outstripped the decline in output, and when, unlike in Germany, there are no direct state subsidies to keep people in work?

The authors attribute the relatively mild social consequences of the crisis to high corporate profitability in the run up the recession and to prompt government action after it. This enabled firms to retain staff in the expectation of an upturn.

They show that although wages and hours worked fell, supporting profitability, the value of aggregate demand was maintained, as New

Labour slashed interest rates, cut VAT and provided various employment and training initiatives to limit the rise in unemployment.

Rather than wholesale redundancies employers went on a hiring freeze, allowing natural wastage and staff turnover to reduce the payroll, so it was predominantly young workers who were hardest hit in this crisis. Unemployment for 18-24 year olds rose from 12% in 2007 to 18% in 2009 (it now stands at 20%).

This was combined with a renewed upsurge in part time working; the proportion of long term jobs fell from 48% in 1985 to 38% in 2010, so that by 2009 23% of all jobs were part time.

Working class families took up part time jobs and then subsidised their living standards through using Working Tax Credit. Indeed, while unemployment rates peaked near 8% in 2009, this was only back to their 1996 level and well under

the 1984 rate of 12% and 10% in 1994. Since then unemployment has fallen to 7.7%.

Of course all these figures are backward looking and do not take account of the current slowdown in the economy as a result of the Con-Dem cutbacks and the ongoing crisis in the Eurozone.

The Labour Market in Winter provides a wealth of empirical information and analysis about the state of the working class today.

The data shows that in a period of capitalist upturn a right wing social democratic government could both be "intensely relaxed" (in Blair's words) about the extremes of wealth, be pro-war and pro-privatisation, as well as implement top down social reforms as the price of keeping the trade union bureaucracy on board, and as a result oversee an unprecedented low level of industrial class struggle.

Clare Heath

Capitalism's contempt for women's bodies

MEAT MARKET

Laurie Penny
OUP / 2011 / £30

MEAT MARKET, Laurie Penny's recent feminist manifesto, wants to answer the questions posed to radical women faced with the credit crunch, Con-Dem cuts and general sexist raunch culture.

A journalist, blogger and activist who rose to prominence for her active reporting during the student demos against the hike in tuition fees at the end of 2010, Penny did not shy away from putting herself at the forefront of the action. Her involvement in the protests and kettling by police showed her to be a journalist who wears her heart on her sleeve and does not restrict herself to "objective" reporting. Unlike those writers who are dull,

aloof and indifferent to the progress of the struggle, Penny knows which side she's on. She wants justice and is prepared to fight for it.

In *Meat Market* she describes how modern capitalism has a contempt, even hatred, for women's bodies and has created a culture in which women are told to look sexy whilst at the same time calling them sluts if they are open about their sexual desires.

She represents a new generation of women who, while they may admire second generation feminists like Germaine Greer and Andrea Dworkin, ultimately feel let down by the fact that the fight was abandoned; women who recognise that capitalism has appropriated many of the terms and ideas of feminism, such as empowerment





and liberation, and used them to sell a new brand of femininity which seeks to create consumers and commodities out of women.

She is justifiably angry about the way women are treated and portrayed in capitalist society. Much of her anger comes from her own personal experiences which she talks about throughout her book. The personal is political and Laurie Penny uses her personal experiences as a starting point. One of the better chapters is where she describes and analyses the reasons for her eating disorder.

Whilst her personal stories are compelling there are too many of them and there is too little orientation to class or the labour movement, forces which, if organised, could actually change society. Her book is littered with anecdotes and generalisations. It's no surprise in a sense, after all Laurie Penny at 25 has lived through a period of low class struggle and weak trade unions: a period where left Marxist groups are so marginalised that they have no influence on the world, a period

which has left us with a generation of young people who are suspicious of Marxist and communist ideas and any group which espouses them.

She has criticisms of feminism "The absolute limit of what bourgeois feminism can offer us is terminal exhaustion and a cupboard full of beautiful shoes. I think that's massively unambitious." She is describing what has always been the limitation of feminism as a movement, it does not challenge the very system of exploitation, capitalism, in which family and women are oppressed.

In the end, despite her articulate, sharp observations, her answers for the way forward are also limited as she too, does not explore the material roots of oppression in any depth. What is her answer? To refuse to do what capitalism tells us, to refuse to wear the shoes we are encouraged to wear, "most of all we refuse to be beautiful and good". These are individual acts which leave the basis of the oppression of all women untouched.

Eleanor Davies

show how Malthus's method was both ahistorical and unsupported by facts. As Marx put it "he transforms the historically distinct relations into an abstract numerical relation, which he has fished purely out of the air, and which rests neither on natural or historic laws." (Grundrisse).

Against this Marx argued that the level at which population is sustainable depends on how people procure their subsistence. Contrary to Malthusian and eugenics-influenced arguments, world population, rather than increasing exponentially, is predicted to rise slowly through this century before levelling off at around nine billion. Likewise, according to the UN Food and Agriculture Organisation, enough food is produced globally to more than feed everyone.

In looking at why he believes capitalism cannot save the planet, the author points out that "the fact that the entire economy runs on essentially three substances - oil, coal and natural gas -and that these are the three most responsible for global warming presents capitalism with an essentially insurmountable problem."

The most important recent example of this is how President Obama has made little progress in his promise of a "green economy", even at the time when the Democrats controlled the House of Representatives. In his State of the Union address in January 2011, commenting on energy, he stated "that means building a new generation of safe clean nuclear power plants in this country. It means making tough decisions about opening new offshore areas for oil and gas development. It means continued investment in advanced bio-fuels and clean coal technologies."

Williams argues that none of these are solutions to global warming. Nuclear energy is not "safe" or "clean", "clean coal technology" does not yet actually exist, and biofuels are "more effective at fuelling hunger than being part of a clean energy future".

The coal industry remains a significant economic factor in

Politics to save a planet facing eco-disaster

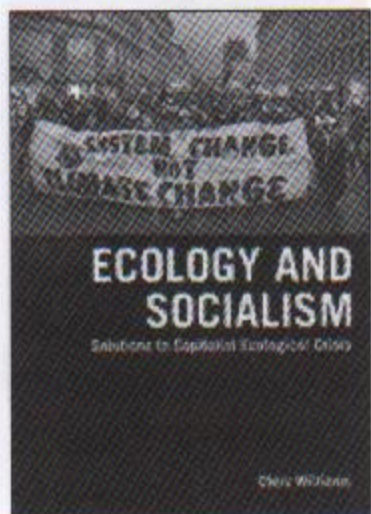
ECOLOGY AND SOCIALISM
Chris Williams
Haymarket Books / 2010 / £10

Written by American academic and environmental activist Chris Williams, this book comes at a time when the Republican candidate in next year's Presidential elections is likely to be a climate change denier. While written mainly for an American audience, Williams' book is also a useful tool for campaigners against climate change in Britain and Europe. It makes a clear Marxist case for the causes for climate changes and the methods needed to save our planet.

The introduction starts by

outlining the scientific evidence for global warning but goes on to look at the massive lobbying power of big finance, taking the example of ExxonMobil. Williams shows how Exxon set up a highly successful disinformation campaign based on the method of the tobacco industry's lobbying campaign to undermine the connection between smoking and negative health effects.

Williams then looks at how the arguments that population growth is the real cause of poverty and environmental destruction are returning to American scientific debate, harking back to the ideas of Thomas Malthus in the 18th century. He goes back to Marx to



thirty four states in America, and is heavily unionised. This means fighting for replacement jobs that are well-paid and unionised. He rightly sees this approach as vital to win the environmental argument.

The development of oil shale gas and coal tar sands, together with oil-drilling in the Arctic Ocean, all with potential for environmental destruction, once again shows how the big corporations, supported by governments, will literally go to the ends of the earth to get the last drop of profit from extracting fossil fuels from the planet.

Governments and scientists were concerned enough about global warming in the 1980s to set up the International Panel on Climate Change in 1989. From this came the 1997 Kyoto Protocol, the first and only serious attempt to do something to reduce greenhouse gas emissions. But even this was weak and unenforceable due to the US refusing to sign up at the time or since.

Since then it has been estimated that emissions are actually rising four times faster than a decade ago. More recently, the Copenhagen Summit agreed to do precisely nothing enforceable to combat climate change. Why? Because as the author shows "each country has to protect and where possible extend the influence and competitive advantage of its own national corporations". This is the nature of capitalism.

Williams looks at market-based solutions. He shows how "cap and trade" systems and "emissions trading schemes" have not worked to reduce emissions. He is also critical of reducing personal consumption as a solution. This implies a more frugal life, which doesn't actually apply to the vast majority of the world's population who live a frugal life already, by existing in poverty. He notes that only 2% of waste is residential, implying that recycling from home has minimal impact.

However, he argues, we in the rich countries can improve our living standards in an environmentally friendly way, for example along the lines of

"eliminating planned obsolescence, building houses that use thermal energy, shifting resources to public transport, building free public swimming pools and green spaces in place of parking lots, rapid conversion of energy production to renewables . . . more time in the great outdoors".

All these require not individual solutions but social solutions and a great deal of planning. Funding what he calls a "New Green Deal" could come from the estimated \$700-1,000 billion of uncollected tax each year in the US, largely from the rich.

With the chapter on "Marxism and the Environment" the book really comes alive with the possibilities for achieving real change. We know that all the technology already exists to provide the solutions to counter climate change. The money is available but under the current social relations we live under, capitalism, it will not happen. Capitalism is also incredibly wasteful of the natural resources of the planet. For

or even tourism was allowed. As Williams points out this was possible because "two days after the October Revolution, the crucial 'decree on land' was passed, abolishing the ability of anyone to privately own 'alienated' land. Because all land, forests, waterways, and natural resources were now publicly owned, a rational plan for their sustainable use and renewal could be put into action."

This was developed further in 1924 when the "All-Russian Society for Conservation" was created, to help build a mass social base for conservation and incorporate the study of nature in the school curriculum. All this was happening despite the crisis of the Civil War and economic chaos after.

These advances were brutally halted with Stalin's first Five Year Plan. Productivism became the order of the day and the ecology movement was broken, entire government departments purged or simply abolished. However, despite this, as the author rightly states "socialists have made serious and

There's a misconception amongst environmentalists that Marxism itself is a "productivist" ideology, with little concern for the fate of the environment

example, it has been estimated that "half to three quarters of annual resources inputs to industrial economies are returned to the environment as wastes within a year"!

As socialists, we come up against the common misconception amongst environmentalists that Marxism itself is a "productivist" ideology, with little concern for the fate of the environment. Yet many Marxists have made important contributions to ecological thought.

In its healthy period the Soviet Union actually pioneered ecological thought and practice. It was the first government in the world to create zapovedniki - nature reserves, where no hunting, logging

fundamental contributions to ecological or 'green' thought and practice. In addition, socialists were thinking along these lines and were able to make these contributions precisely because they were socialists. Marxism provides by far the best framework for understanding the concept of sustainability."

William finishes by looking at how a sustainable society might look and how we can use ecological insights of Marx and Engels in achieving this goal. With the abolition of private property, and democratic planning, all aspects of industrial life require a complete structural re-organisation. As the author points out "the re-



organisation of agriculture along sustainable lines, along with the expansion of alternative energy-harnessing technologies is a social project”.

For example, a carbon-free world energy supply could be brought in relatively quickly: the technology already exists.

Likewise, only products meeting the highest standards of use value would be made. Based on production for need, the solutions of reduce and re-use are more effective, as they reduce waste production rather than relying on recycling to justify waste, as currently happens.

In conclusion the author makes it clear that from a Marxist perspective “Instead of passive

consumers we will become active, educated, and involved participants in economic, cultural, and political life. Everyone will be involved in decisions about manufacturing methods, energy techniques, use of chemicals and so on, in order for the whole community to democratically decide the best alternative when toxin, resource, and energy minimisation are the goals.

“Furthermore, with everyone productively engaged, the number of hours anyone works will be drastically reduced, leaving ample time for both cultural and personal growth.”

What a great vision of how a truly sustainable future may look.

Pete Ashley

control of Israel.

But even South Africa didn't expect its black quislings to adopt the ideology of apartheid as their own. Livni and now Netanyahu expect the Palestinians to agree with the rightfulness of Zionism, that is, their own people's expulsion. In an unusual outburst, Saeb Erekat exclaimed that “the only thing I cannot do is convert to Zionism”. (p309) When a meeting on the refugee issue was held, Tal Becker for Israel objected to terms such as forced displacement and dispossession because it “touches our narrative”. (p209) And that “narrative” is the hoary old myth that holds that the Palestinian Arabs fled their homes in order that the Arab armies could conquer Israel and throw the Jews in the sea.

We read in the Papers that the PA were thinking of entering into a contract with Veolia despite the international boycott of the company for building the Jerusalem light railway which provides easy access to the settlements.

At one point Saeb Erekat pours out his frustrations to Obama's intermediary, Senator George Mitchell when he complains that “We delivered on our road map obligations. Even Yuval Diskin (the head of Shin Bet) raises his hat on security. But no, they can't even give a six month freeze to give me a fig leaf to see, to find out, what we can do . . . on swaps, but number . . . What good am I if I'm the joke of my wife, if I'm so weak.” (p285) And he has a point. Despite acting as the Palestinian extension of the Israeli Occupation Forces and doing their bidding whenever it is required (for example the Palestinian Preventive Security Forces torture 95% of their detainees), Israel refuses to provide even a fig leaf to its Palestinian collaborators.

Yet this doesn't stop the Palestinian “negotiators” from trying to ingratiate themselves with their oppressors. Ahmed Qurei says to Tsipi Livni “I would vote for you”. Not only is this pathetic in its eagerness to please but its only effect was to reinforce the contempt the Israelis held for their opposite numbers. Yet despite all this, the



Palestine: where the two state solution leads

THE PALESTINE PAPERS

Clayton Swisher

Hesperus Press / 2011 / £13.99

The Judenrat were the Jewish Councils established by the Nazis in areas under occupation and their collaboration was central to the implementation of the Final Solution. The role of the Judenrat was to compile lists of Jews with their addresses for the Gestapo. They were responsible for assigning the poorer Jews to labour camps and they vigorously opposed all resistance to the Nazis. They maintained the infrastructure in the ghettos, distributing food and welfare facilities and when ordered, helped to round up the Jews for deportation to the death camps.

The Judenrat operated, literally, at the point of a gun and members could be, and were, murdered for disobeying orders. However, what motivates the Palestinian Judenrat is altogether different. They don't fear for their lives when they betray fellow Palestinians. Even Israel hasn't threatened to hang or shoot

Abu Mazen or Saeb Erekat, the Palestinian chief negotiator. Yet as this book demonstrates, the obsequious behaviour of the Palestinian Authority (PA) negotiators, their fawning and eagerness to please their Israeli counterparts, is positively embarrassing as well as humiliating.

The Palestine Papers were leaked to Al Jazeera television in 2010 and were made public at the beginning of 2011. Israel was represented at the negotiations by the then Israeli Foreign Minister Tsipi Livni, of the “moderate” Zionist Kadima Party. Livni makes it abundantly clear that even a bantustan on the South African model is out of the question. The most that is on offer is a series of mutilated islands of land, surrounded by settlements and the apartheid wall on all sides – a Palestinian equivalent of Swiss cheese. The Palestinian “state” would be a landlocked entity that has no control over its borders or airspace, without an army and under the economic and military

representatives of the PA continued with the charade. The same Qurei, in a meeting with Condoleeza Rice and the Israelis, offers Israel every settlement in Jerusalem bar Har Homa. Even the settlement of Sheikh Jarra, which has been the object of weekly demonstrations against the eviction of its Palestinian occupants, has been conceded. As Qurei says, "This is the first time in history that we make such a proposition". (p163)

Or take the comments of Saeb Erekat, who led the Palestinian side: "It is no secret that we are offering you the biggest Yerushalayim [Jerusalem's Hebrew name] in history." (p10) Erekat must have been suffering from delusions because he was offering Israel nothing. Israel already occupies the "biggest Yerushalayim" and it is set to get even bigger. Erekat is trying to secure a few crumbs from Israel's cake by throwing overboard Israel's Arabs, the Palestinian refugees and most of the land of the West Bank.

The most disgusting example of their collaboration revealed in the book is the attempt of the Palestinian Authority to get the US and Israel to tighten the siege of Gaza. They urge them to get tough with Mubarak over the continued trade through the tunnels to Rafah. At one point the Palestinian negotiators suggest that Israel reoccupy the Philadelphia crossing. "You've re-occupied the West Bank and you can occupy the crossing if you want." (p117) For the so-called representatives of a subject people to be urging their oppressors to be more vigilant in regard to their interests shows the depths to which the Fateh leadership of the PA has sunk. And ironically, in giving way on every issue of principle, the PA makes a Palestinian state even less likely. Why should Israel partition the West Bank when the PA promises to faithfully serve them whatever happens?

No wonder the first reaction of Erekat and the PA, when the Palestinian Papers were revealed, was to attack the Al Jazeera offices in Ramallah and cry "forgery", a lie they have had to quickly abandon. What comes out clear is that

Israel wants "land swaps", whereby it retains blocs of settlements and in return it gives up parts of Israel near the proposed border which contain large numbers of Israel's own Arab citizens, a helpful bit of ethnic cleansing. Tsipi Livni is quite clear when it comes to the refugee question: "Frankly the Israeli position is that the creation of a Palestinian state is the answer to the refugee issue." (p104)

Livni, the daughter of a revisionist Zionist, shows herself to be no different politically from Netanyahu, merely more attuned to international thinking. Her slogan is "Two states for two peoples" - the same slogan as that of the leftist imperialists of the Alliance for Workers Liberty! What she desires is "Israel a state for the Jewish people,

state of the Jews, the Palestinian response is that "we recognise your state however you want [to define it yourselves]". But they don't want it included in any agreement because "We don't want our intellectuals to debate the true meaning of the sentence." That much at least we can take at face value!

As Yasr Abd Rabbo for the PA stated: "We don't want to join the Zionist movement. We want to leave the Arab national movement." (p79) And this in many ways is the crux of the matter, because what the PA negotiators want is to cut themselves off from the Arab east, as part of a pax Americana.

This is a useful book for activists and it clearly demonstrates that a pro-imperialist settlement, which is the only strategy of the supporters

This is a useful book for activists as it clearly demonstrates that a two states solution is impossible in Palestine alone because Israel doesn't want a settlement

and Palestine for the Palestinians." (p77) When a Palestinian negotiator refers to the Israeli people (an unknown concept in Israeli law) Livni is "visibly angered" and offers a lecture in (Zionist) Jewish history! (pp 89-90)

And when Livni speaks of Palestinian recognition of Israel as a

of two states, is impossible in Palestine alone because Israel doesn't want a settlement. It wants the land without (Arab) people. And with its proposed declaration of independence and statehood the PA takes absurdity to new heights.

Tony Greenstein

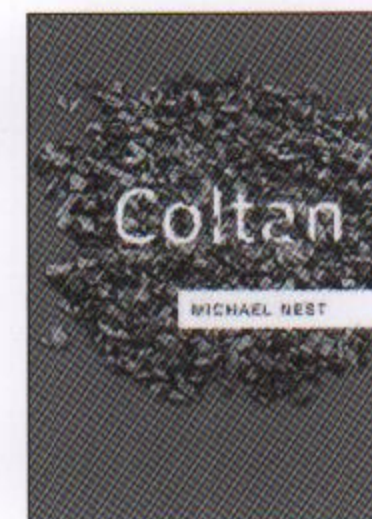
Wretched of the earth in Congo's mineral mines

COLTAN
Michael Nest
Polity / 2011 / £12.99

Coltan is a mineral, the abbreviated name of the ore from which the metal Tantalum is extracted in the Democratic Republic of Congo

(DRC). Coltan is a key component of many electronic gadgets bought in their millions in the west. But before it ends up in these "must have" consumables, it endures a bloody journey of rape, murder, warlord battles and multinational company double-dealing.

In *Coltan* Michael Nest





investigates the way that mineral's extraction, largely in the DRC, shapes the geo-politics of the region, intersects with the interests of western multinationals and shapes the everyday exploitation and oppression of the people there.

The first half of the book focuses largely on Africa in general and the DRC in particular, and provides an insightful, well-researched analysis of the material interests that shape the conflicting parties in around the DRC, Rwanda and the neighbouring region. It is the heart of the book.

Nest provides a very informative, concise analysis of the various wars that have gripped the region after the collapse of the USSR in the early 1990s

The second half discusses the various anti-Coltan initiatives in the west and, while retaining the clarity of exposition and analysis found in the first, neatly illustrates the shortcomings in Nest's political worldview.

Tantalum's chemical properties mean it is a key alloy in the capacitors that power today's mobile phone and hand held computer revolution; 68% of world output is used in these devices. Although tantalum is a key strategic material, unlike rare earths it is fairly common and widely mined around the world.

In spite of two price spike booms in the early 1980s and late 1990s, it generally trades at around \$50 dollars per pound. Annual global output has risen from about 500 metric tonnes in the 1980s to about 1,500 metric tonnes in the 2000s.

What makes it so significant in the DRC is that it can be produced there by cottage industry mining methods - there are an estimated 750,000 to 2 million artisanal miners in the DRC.

The alloys exist above ground and can be processed with running water. Its high value, relative to

mass, allows its transportation in small containers that prevents any effective regulation of the mineral.

This hand-to-mouth production system contrasts markedly with the capital intensive operations of the global companies that mine tantalum elsewhere; Australia alone accounts for more than one third of world output.

Nest estimates that DRC miners receive just 17% of the value of their output's sale price, with the remaining 83% going to the chief of mine, various middle men, armed groups, taxes and licences

and fees. Yet the total revenue of all DRC recipients represents just 12% of its global value, with minerals brokers receiving 14%, processors 27% and capacitor manufacturers 46%. In short, DRC miners receive a mere 2% of its eventual value. In Marxist terms that amounts to a rate of surplus value of 5,000%.

Artisanal mining is organised with mine chiefs grouping miners into teams of three to six. Child labour is common, as they abandon school to go mining and supplement family income. While pay is pitifully low it is still far more than is on offer from other urban jobs or what a peasant farmer can expect to earn.

Land is pillaged, top soil is removed, destroying its agricultural value. The pillage of the land feeds ethnic tensions, not least between Rwandan Tutsis and Hutus. Nest provides a very informative, concise analysis of the various wars that have gripped the region through the period of globalisation after the collapse of the USSR in the early 1990s.

He shows how the economic interests of various groups, nations, parties and ethnic groups clashed

over nearly two decades of virtually unremitting slaughter. The attempted overthrow of Congo President Mobutu in the early 1990s was swiftly followed by the Rwandan massacre of 1994 and a further war against Mobutu in 1996-97. This in turn was followed by the invasion and carve up of the DRC by Rwandan, Ugandan and Angolan armies, the ascent of Laurent Kabila to power in 1997 and a further Congo war from 1998-2003. Smaller scale conflicts are still ongoing.

An estimated five million people have been killed and millions more displaced, with all the respective fighting groups funding themselves through looting Africa's treasured natural mineral resources.

The second half of the book provides an extensive survey of the various western international initiatives to curb this internecine conflict and the mineral trade that underpins much of it. They have all failed.

The Durban Process for Ethical Mining found that any attempted reform was in collaboration with government authorities. But these same authorities are venally corrupt and repressive of their citizens.

The various United Nations' reports and resolutions were found to be "worthless". Germany's certification scheme faced "insurmountable" challenges. Chemical fingerprinting of Coltan's origin cannot differentiate the source. Ethical guidelines have "innate weakness".

So what are Neal's solutions to such a rapacious and intractable conflict? Neal ends up simply hoping that peace will return to the DRC. Some hope.

Campaigns to highlight the role of western electronics companies in profiting from the environmental and social degradation of the African continent and its people show the hypocritical stance of these touchy-feely firms. But this is the very stuff of capitalism and imperialism. To get rid of its effects you need to get rid of its cause.

Jenny Peters

Behind the anticapitalist rhetoric of Evo Morales

FROM REBELLION TO REFORM
IN BOLIVIA

Jeffrey R Webber

Haymarket / 2011 / £14.99

This is an excellent book, well informed and politically engaging. It deserves to be widely distributed and read, especially by those on the left interested in the present day political developments in Bolivia.

It provides an incisive and in depth critique of the politics and economics of the MAS governments of Evo Morales. It also places the government within the context of the preceding years of popular mass revolt and resistance (2000-05) against right wing neoliberal governments which led to their ultimate overthrow.

The author demystifies much of the "romanticisation" of President Evo Morales, with his "anti-capitalist and anti-imperialist" rhetoric, promoted by many left commentators outside of Bolivia.

This is not to say that what Morales has said about the evils of capitalism and imperialism and its relationship to looming global climate disaster is unimportant. But it needs to be placed in relation to the actual practice and implementation of his government's programme in reality. Words come cheap – especially in Latin America.

Jeffrey Webber presents a clinical dissection of the actual politics of the Movement for Socialism (MAS) government.

His basic thesis is that the MAS government led by Evo Morales has essentially served to demobilise much of the revolutionary and insurgent indigenous, workers' and social movements and co-opted much of their leadership into government and within an ever increasingly centralised MAS party.

While Evo Morales may wax lyrical about the evils of capitalism and imperialism and talk of "communitarian socialism", his own Vice President, Alvaro Garcia Linera, talks of the creation of an "Andean-Amazonian capitalism".

Linera repeatedly states that the objective conditions for socialism in Bolivia do not and will not exist for at least a hundred years! In reality the Morales MAS government is essentially implementing a capitalist economic programme with a few minor social democratic reforms.

It continues to maintain many of the tenets of the previous decades of neoliberalism, such as the repressive labour code and wage control measures, the

in this period. Yet social spending by the government has lagged behind, rising in real terms by only 6.3% between 2005 and 2008 and as a result declining as a percentage of GDP from 12.4% to 11.2%.

Poverty levels have been rising, especially as a result of rises in food prices: of those employed, only 60% are able to cover the costs of a basic food basket. Meanwhile little has been done to tax the rich and redistribute wealth.

The richest 10% of the population took home 43.9% of national income in 2007, exactly the same percentage as they did in 1999.

Few jobs have been created; extreme and grinding poverty and mass unemployment continue to exist for much of the population, and this in a country extremely rich in mineral and gas resources.

True, the government has renegotiated marginally more favourable contracts with imperialist multinationals, but they continue to extract vast

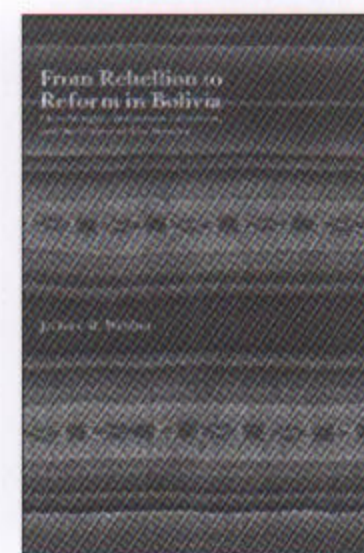
Webber's thesis is that the MAS government has served to "demobilize" much of the revolutionary indigenous, workers' and social movements

numerous privatisations, and the wholesale casualisation of a flexible labour market, resulting in the massive exploitation and impoverishment of a large part of the Bolivian working class, who continue to eke out a paltry and highly insecure existence on poverty wages and in appalling working conditions.

Webber produces statistics to back up his case. Bolivia has managed historically high growth rates, 4-5% between 2004-07, peaking at 6.1% in 2008. It has also achieved increased state revenue from hydrocarbon production – largely oil and gas – rising from 5.6% of GDP in 2004 to 25.7% in 2009, an extra \$3.5bn in revenue

profits, while massively exploiting Bolivian workers. These contracts, basically to increase rent paid by the multinationals, are falsely and deceptively presented as "nationalisations".

Certainly the MAS government has made some effort to use its increased tax revenues from multinational companies to ameliorate some of the worst excesses of extreme poverty – by funding limited social programmes and introducing some cash benefits for young children and the old, by starting health and other infrastructure programmes with help from Cuba, Venezuela and other ALBA countries.





But the means of production, the land, the power and privilege, the vast wealth and influence of the Bolivian ruling class remains essentially intact.

The Morales government makes great play of the creation of a new "pluri-national state" laid out in a new constitution, a constitution full of such ambiguities and complexities that it is incomprehensible to most of the population.

The recently re-elected MAS government, which now controls both the senate and congress, has fewer excuses not to pursue a programme that benefits the masses

It supposedly enshrines the rights of the majority indigenous population in law, embracing the ethnic and racial diversity of the Bolivian people, in an attempt to "decolonise" the racist apartheid colonial system, which has existed in Bolivia since the times of the Spanish conquest and colonial rule.

While it without doubt represents an improvement on what went before and is allowing for much greater political representation and engagement, it is deceptively presented as a "cultural revolution" and could be seen as a cynical attempt to repackage a form of multicultural neoliberal capitalism, albeit with a human face.

Webber accurately points out that what Morales/Linera have done is to decouple the "anti-colonial indigenous revolution against racist oppression from the socialist revolution to end class exploitation".

He points out that the insurrectionary movement between 2000 and 2005 correctly believed that the racist oppression and the class exploitation of the majority of the indigenous population were "organically linked" - to finally end racist oppression in Bolivia it is necessary to destroy its roots in

the capitalism that came out of the Spanish conquest.

The new constitution does not contain any pledge or commitment to in any way fundamentally improve Bolivian workers' rights and working conditions. It has completely ignored the earlier demands of the insurgent mass movements for nationalisation and workers' control of the means of production, a demand which came out of the radical mass

assemblies. In adopting the new constitution the Morales government made considerable concessions to the dominant white racist Bolivian landed oligarchy - allowing it to maintain its position and its control and ownership of vast tracts of land in flat contradiction to a promised radical agrarian reform made to the landless indigenous Bolivians.

The Bolivian oligarchy was quickly able to put the MAS government under extreme pressure as a result of a US-backed "destabilisation" programme of violence, orchestrated riots, racist attacks, bombings and mayhem.

The campaign came to a sickening climax in what became known as the Pando Massacre in September 2008, when hired guns and mercenaries of the right wing Prefect, Leopoldo Fernandez, cold bloodedly murdered dozens of MAS peasant supporters.

The book might benefit from the inclusion of much greater detail in this respect because this period of recent Bolivian history is perhaps pivotal. The extent of US imperialist involvement is still unclear but recent the Wikileaks exposé reveals that US complicity is far deeper and wider than first suspected.

Suffice to say that US imperialist

involvement runs deep in Bolivia, a country historically rich in resources, which has suffered more US backed military coups than any other country in Latin America. Close links exist and continue to exist within the political elites and military establishments of both countries.

It was no coincidence that the US sent thousands of troops to be stationed in neighbouring Paraguay at the height of the mass revolutionary uprisings in Bolivia in 2005.

The Bolivian people have an immensely rich and proud history of indigenous rebellion against Spanish colonial rule and of militant working class resistance to capitalist, economic imperialist exploitation and the threats and intervention of US imperialism.

Now the onset of the global capitalist crisis is beginning to have a destabilising effect on the Bolivian economy, while the recently re-elected MAS government, which now controls both the senate and congress, has fewer excuses not to pursue a programme that benefits the masses not the rich oligarchs.

The failure of the previous MAS government to deliver even radical reforms has led the Bolivian working class, the workers and social movements to start reasserting themselves with renewed vigour. This includes current and former supporters of the MAS. As a result they are facing increasing police repression from "their own" government.

At the end of the book, the author calls for a "nuanced, and non-dogmatic revolutionary politics".

Webber seems to be saying that the Morales government is deserving of critical support but not the unconditional and often uncritical support given at the moment from the "anti-imperialist left" internationally. Webber argues that the government should be defended where and when it acts in progressive ways, where it acts in the interests of the majority of the Bolivian people or defends itself in the face of attacks

from the Bolivian ruling class or imperialism.

He concludes "The hope for Bolivia's future remains with the overwhelming indigenous rural and urban popular classes, organising and struggling independently for themselves,

against combined capitalist exploitation and racial oppression, with visions of simultaneous indigenous liberation and social emancipation, as we witnessed on a grand scale between 2000 and 2005."

David Spence

Why Marx backed the North in the US civil war

MARX AND LINCOLN: AN UNFINISHED REVOLUTION

Robin Blackburn

Verso / 2011 / £12.99

If Marx's writings on the American Civil War are less well known than his analyses of the great western European class struggles of his day, it is not due to any underestimation of its significance on Marx's part. Marx considered it one of the greatest events of the nineteenth century, with huge implications for world politics on both sides of the Atlantic.

This collection, edited and with a substantial 100 page introduction by Robin Blackburn, brings together six articles by Marx, correspondence with Engels, Annenkov and Lincoln, key addresses by Lincoln, and several contemporary pieces on post-Civil War social struggles by US radicals. The theme of Blackburn's excellent and absorbing introduction is the realisation and frustration in equal measure of Marx's hopes for the outcome of the struggle between the Union and the Confederacy.

From 1852 to 1861 Marx had been the London correspondent of the *New York Daily Tribune*, and had taken a keen interest in American affairs. It had also provided him with his only regular paid employment. He was under no illusions about the deficiencies of American democracy, its corruption and its demagogic interest group politics. Nor did he believe that the leaders of the North were primarily

motivated by the desire to abolish slavery. He analysed the conflict as one between competing forms of capitalism:

"The whole movement was and is based, as one sees, on the slave question. Not in the sense of whether the slaves in the existing slave states should be emancipated or not, but whether twenty million free men of the North should subordinate themselves any longer to an oligarchy of three hundred thousand slaveholders." (p138)

From the first shots of what would become the greatest armed conflict between the Napoleonic

For Marx and Engels, it was generally alien to abstain in conflicts between competing bourgeois forces, even in the metropolitan countries

Wars and the First World War, Marx was a strong partisan of the North. In spite of the hesitations of Lincoln, the vacillations of Union commanders and the reluctance to proclaim the emancipation of the slaves, Marx was convinced that the logic of the struggle between the rising industrial power of the North and the slave-based plantation economy of the South – which was compelled to continuously expand into new territories to survive – would pose the destruction of slavery through revolutionary

measures, and create favourable conditions for the development of the US workers' movement.

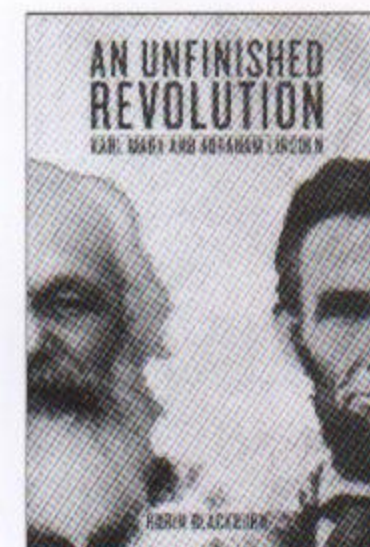
The stand taken by Marx and Engels was consistent with their position in relation to other conflicts involving contending bourgeois forces. They also supported Polish and Irish independence. During the abortive revolutions of 1848 they sought to push radical bourgeois democratic forces as far as they could, so as to open the road to working class independence and socialism.

Trotskyists have claimed, with some justification, to find within Marx's approach to these struggles anticipations of the theory of permanent revolution. Certainly, only the US working class had the potential and the interest to complete the struggle for democratic rights and liberate the country's vast productive forces from capitalist control.

However, there are also some historical differences. For Marx and Engels, it was generally alien to abstain in conflicts between competing bourgeois forces, even in the metropolitan countries, unless there was little or nothing to choose between them. For revolutionary socialists after Lenin, taking sides

in such struggles became the exception rather than the rule, except where clearly anti-colonial struggles were involved.

Many of the major conflicts within international socialism since the late nineteenth century have taken place along this axis. At the end of the nineteenth century, French socialism was riven by the Dreyfus Affair. The doctrinaire Marxist followers of Jules Guesde were mainly opposed to defending Dreyfus on the grounds that he was a bourgeois military officer, while





the centre led by Jean Jaurès passionately defended him, seeing the need to combat anti-semitism and the corruption of republican institutions.

Lenin theorised his fundamental change of direction towards revolutionary defeatism during the First World War by claiming that modern imperialism had arisen as recently as 1898-1900, thereby rendering previous tactics obsolete. This enabled him to step round the tricky issue of justifying Engels' support for Germany against the Franco-Russian alliance in 1891.

Trotskyism faced its own internal conflicts during the 1930s with both those who took a softer line towards the Popular Front (Serge, Sneevliet) and those who took a shrill abstentionist line on Spain and Ukraine (Oehler).

The ultimate test of socialist politics in the face of inter-capitalist conflict came with the Second World War. I have argued elsewhere that the Fourth International, armed with a reprise of Lenin's policy during the First World War, only partially modified by the Proletarian Military Policy, tended towards an economic reductionist analysis that underestimated the differences and emphasised the similarities between the Allies and the Axis powers.

All this may seem a major tangent from the subject under review, but the American civil war was undoubtedly a struggle between rival bourgeois formations, albeit with very different bases of support. And if there is a parallel with the Second World War, then surely it is between the slavery of the southern states and the situation to which the Nazis reduced the populations of Eastern Europe between 1941 and 1944.

Marx's analysis of the Civil War and the political perspective he sketched for the US working class has emphatically stood the test of time. In contrast, the argument advanced by leading British publications at the time, including *The Times* and *The Economist*, that the conflict was really a struggle between free trade and tariffs and not about slavery at all, has been

consigned to the dustbin of history.

Blackburn's parallel concern is the evolution of Lincoln's politics. Lincoln's resolute cautiousness was nevertheless capable of resolution at moments of great crisis. He found slavery morally repugnant, but his respect for the rule of law and property rights led him to envisage a long slow process of emancipation, involving compensation for slave owners and resettling of slaves in Africa or the Caribbean. He held back from proclaiming emancipation until the second year of the Civil War. He preserved a relationship with the Unionist slave owners of the border states, and wavered on whether to arm freed and runaway slaves.

But the objective logic of events compelled him to follow the path Marx predicted, even if the dithering of the northern generals and political leaders drove Marx to near-exasperation.

Blackburn stresses the role played by German Americans, 200,000 of whom fought in the Union army, many of whom had emigrated after 1848, and brought with them radical, democratic and socialist ideas. Among them were Marx's old comrades Joseph Weydemeyer, August Willich and Fritz Anneke, who became officers. Weydemeyer became a colonel and led the defence of St Louis. They also played a prominent role in the US sections of the First International.

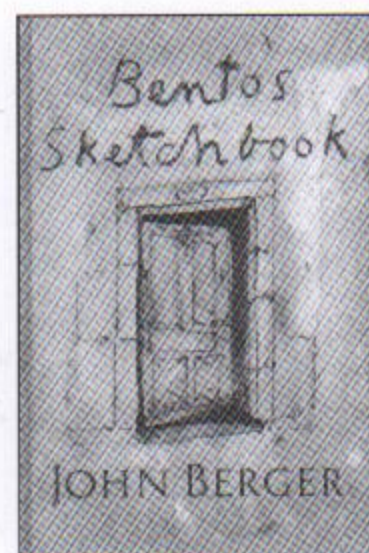
The German Americans went on to play an important part both in the attempts at radical reconstruction and in the great labour struggles that culminated in the great rail strike of 1877. Blackburn shows that there were weaknesses, as some on the left advocated a purely trade union agenda, while some socialists held sectarian positions towards the emerging unions.

The documents chosen to illustrate post-Civil War struggles span black radicalism, early feminism and Lucy Parsons' speech to the founding of the IWW in 1905. Parsons was a remarkable mixed race woman, the widow of one of the Haymarket Martyrs, whose career on the left extended from agitation in the 1870s, through anarchism and the IWW to joining the Communist Party in 1939, shortly before her death.

So while this book isn't a history either of the Civil War or of the various strands of radicalism and socialism it spawned, it is a thought provoking introduction that skilfully joins the dots between them.

It is happily free of *New Left Review*-style pretentiousness, and stands alongside Blackburn's three previous books on the development and overthrow of Atlantic slavery as a serious contribution to understanding US history.

Richard Price



Torn between a world of horror and beauty

BENTO'S SKETCHBOOK

John Berger

Verso / 2011 / £14.99

John Berger, now 85 years old, is an English art critic, novelist, painter and author. His novel *G.* won the 1972 Booker Prize and Berger famously gave half of the prize money to the British Black Panthers. His 1972 essay on art criticism *Ways of Seeing*, written

as an accompaniment to a BBC series, is a widely influential work still being used in art education today. His 1958 novel *A Painter of our Time* is the best novel on an artist that I know of and his other early work of art criticism *Permanent Red* and monographs on Picasso and Neizvestny were widely influential. He has produced more than thirty books including novels, sociological works, and essays on art, politics,

peasant communities and economic displacement of peasants and others. Berger proclaims himself a Marxist, which he did again in a recent interview for *Newsnight* when his new book *Bento's Sketchbook* was discussed (BBC *Newsnight* 27 June 2011).

The conceit of the book, as described on its back cover, is that Berger had long imagined that Spinoza's sketchbook, which he was known to carry with him but which has never been discovered, might turn up one day. When a friend of Berger's gave him a new sketchbook he began to draw: "what he hoped he might find drawn and observed by Bento" (his name being Bento de Espinoza in Portuguese).

This, then, is a book of words and images, exploring the practice of drawing - as befits an artist whose first job in art was to teach drawing. It is also an account of how many of these images came to be and/or how they might be contextualised, understood in their own specificity.

My one complaint about the book is that the drawings, of which there are over one hundred, are poorly reproduced and monochrome, not colour, which given that this is largely a meditation on drawing, is a serious flaw.

This is not an easy book, it makes serious demands of the reader. When interviewing Berger for BBC's *Newsnight*, Gavin Essler did manage to get him to describe in general terms what the book is about and I am going to use some of Berger's responses to provide access to what would otherwise require considerable work to achieve.

When asked about his interest in Spinoza Berger says, "He has interested me as a philosopher . . . since I was a young man . . . because he says that the dualism, invented by Descartes, between the existant being, on the one hand material and on the other hand spiritual - if you wish - this is nonsense. They make a whole, they are a unity." This led Essler on to the question of the book's overall purpose, to which Berger replies, "I hope it's a book about looking at the actual world in which we live today which is both horrific in its many ways and at

moments incredibly beautiful." So this is someone for whom a totalising attempt to grasp reality in all its complexity is not a vainglorious or quixotic venture but a duty. That some of the sketches accompanying the drawings achieve a scope and density unusual on the scale at which they are developed is witness to Berger's considerable storytelling abilities; he is after all a novelist of long-standing and considerable power.

Part of this complexity comes from his view of the storytelling process, which he explicitly reflects upon throughout; his most telling argument being the following. "There are two categories of storytelling. Those that treat of the invisible and the hidden and those that expose and offer the revealed. What I call - in my own special and physical sense of the terms - the introverted category and the extroverted one. Which of the two is likely to be more adapted to, more trenchant about what is happening in the world today? I believe the first." (pg 86) These sketches of different aspects of the drawings' origins and Berger's own experience often, quite unexpectedly, lead into more general and often counter-intuitive ideas of engagement, for instance where Berger suggests that, "To protest is to refuse being reduced to a zero and to an enforced silence. Therefore, at the very moment a protest is made, if it is made, there is a small victory . . . A protest is not principally a sacrifice made for some alternative, more just future; it is an inconsequential redemption of the present." (pg 79-80)

When asked about his Marxism Berger responded, "My reading of Marx helped me enormously to understand history and therefore to understand where we are in history and therefore to understand what we are to envisage as a future, thinking about human dignity and justice."

And these are obviously live concerns within the many-nuanced and many-layered sketches of the world as Berger experiences it today. In reply to the unasked

question on everyone's lips concerning the relevance of Marxism today, Berger responds, "If we look at what is happening to the world and the decisions being taken everyday and all made in the name of one priority, that priority of increasing, ever increasing, profit. At that moment Marx doesn't seem that obsolete does he?"

This is not a book that will attract a large following like *Ways of Seeing*, and its pleasures and insights will be hard won since I haven't yet mentioned the many short quotations from Spinoza that pepper the book. In order to do justice to this other strand I would have to know a great deal more about Spinoza and his philosophy than I do. Andrew Collier in his book on *Critical Realism* (1994) has suggested, "Spinoza provides the best historical paradigm for that 'readjustment' of ethics that transcendental realist ontology requires and I think that the possibility of a neo-Spinozist ethics opened up by critical naturalism is a fruitful and exciting one." (pp 185-186) So it may well be that the deeper structure of Berger's argument is operating at this level.

Towards the end of the interview Essler suggests that Berger is essentially a storyteller to which Berger enthusiastically agrees. Essler continues by suggesting that storytellers can, however, be dangerous to which Berger responds, "If I am dangerous to those who run the New Economic Order, I'm proud of that."

This book of sketches presents the reader with challenges that they will not normally encounter in such a seemingly simple text. In grappling to understand the connections between these different modes and their meaning and in coming to encounter a sensibility like Berger's one becomes aware of the real challenges there are in coming to terms with, and taking a full account of one's experiences of the world, without feeling in the least preached at or cowed by the subtle intelligence behind the book's surface.

Graham Clarke



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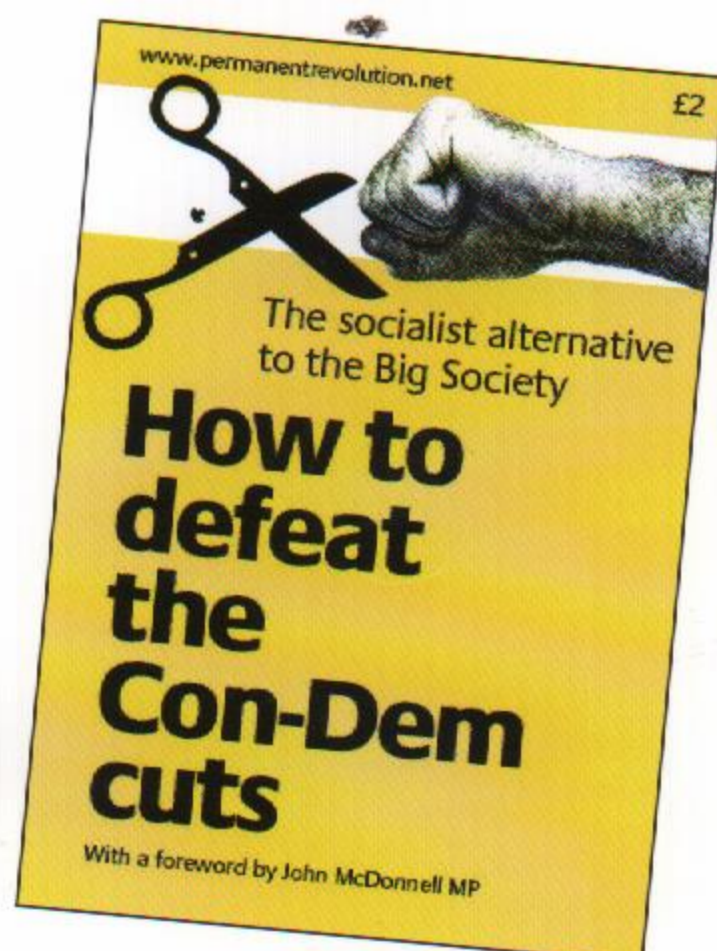
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