

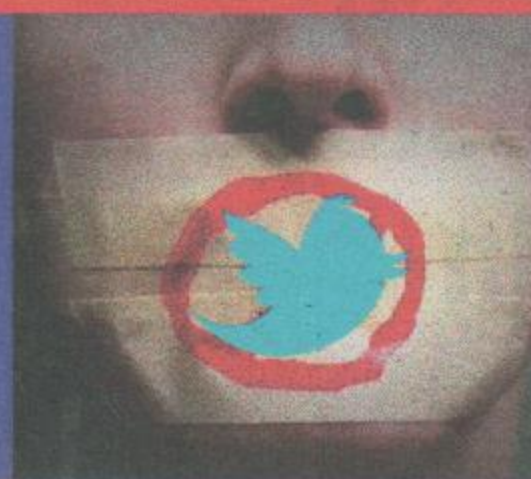
# workers power 5



**Lessons of the pensions dispute p8-9**



**Eurozone crisis grows p16**



**Battle for the internet p14**

— Tories target the sick and the poor —

# WHY WON'T LABOUR

# OPPOSE THESE VICIOUS CUTS?

**Joy Macready**

TORY PROPOSALS for welfare and higher education (HE) reforms suffered sound defeats in the first month of 2012. Sighs of relief could be heard around the country from those fighting against the cuts - but the struggle has just begun.

The government's flagship Welfare Reform Bill, which marks the biggest overhaul of the benefits system since the 1940s and introduces a 'Universal Credit' scheme, was defeated twice in the House of Lords. Cross-benchers and bishops led the revolt but Labour peers and some Lib Dems and Conservatives joined in - notably former Lib Dem leader Lord Ashdown and former Tory lord chancellor Lord Mackay.

The bill proposes to:

- Cap out of work benefits at £26,000, the average weekly wage earned by working households from 2013 - the Bishop of Ripon and Leeds



Two-headed monster: Cameron and Miliband

amended the bill to exempt child benefit. Charge parents between £50 and £100 upfront to use the Child Support Agency - Lord Mackay spearheaded this defeat by tabling an amendment to exempt some single parents.

- Limit the time people can receive contributory Employment and Sup-

port Allowance (ESA), which replaced incapacity benefit.

- Replace Disability Living Allowance (DLA) with Personal Independence Payments (PIP) - the government narrowly won the vote but lost on compulsory means testing after one year.

In addition, the government has

dropped controversial proposals to make it easier for private businesses to set up universities. Minister David Willetts' whitepaper has been shelved 'indefinitely' - although he stated that the discussion is continuing. The Lib Dems oppose further reforms to HE after voting to raise tuition fees to £9000 last year.

These defeats have exposed cracks within the coalition and even within the Tory party itself. However, these objections were more to specific details of the cuts and the speed at which they were being made, rather than representing any fundamental opposition to the destruction of the welfare state the "reforms" represent.

Labour is the most spineless opposition, voting in favour of the welfare bill with only minor tweaks. They cannot vote against it after stating that they too would impose drastic cuts if they were in power.

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## War against Iran looms

Simon Hardy

AN ISRAELI military strike against Iran in 2012 are now considered more and more certain by international commentators. Israel war drums beat louder by the day. And in an election year neither US party is likely to exert any restraint against their closest ally.

Iran is now at the centre of a complex international web of economic sanctions and power games, officially targeting Iran's nuclear power programme which the US and Israel claim is a nuclear arms programme.

But this issue is only a part of the picture, as the US and Israel struggle to maintain hegemony in the region in the face of, the enforced retreats from Iraq and Afghanistan, an increasingly assertive Russia and China and the incalculable consequences of the Arab revolutions. Ironically, there are strong parallels with the build-up to the Iraq invasion, with western politicians making the case that Iran is a rogue state and must be dealt with 'by any means necessary'.

### Israel straining at the leash

Israeli Prime Minister Benjamin Netanyahu described Iran's nuclear programme as "the greatest threat to Israel, the (Middle East) region and the world." Other Western politicians have repeated verbatim the kind of pro war stance that Bush and Blair adopted against Iraq in 2002. Although Israel has been threatening a strike against Iran since before 2008, many analysts now believe that 2012 will be the year. They believe they have the assurance that a US president, Democrat or Republicans will at least block any attempt by the UN to criticise - let alone sanction - Israel will dare to criticise an Israeli and might even back up any military strike with US forces.

A US build up in the region is continuing. The USS Carl Vinson aircraft carrier, the very ship from which US servicemen threw Osama Bin Laden's body into the Indian Ocean, has been dispatched to patrol the Gulf waters. The US is adamant that the Straits of Hormuz must be kept open as it is a key part in the global transport links for oil

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## The editorial SIMON HARDY

### 2012: a year for shedding illusions if we are to win

2011 WAS a remarkable year for protest movements, mass uprisings, general strikes – and revolutions. Millions of young people and workers across the world have taken to the streets and workers have taken strike action in the fight for more control over their lives. No wonder *Time* magazine made 'the protester' its Person of the Year in 2011.

The Occupy Movement in the US from Wall Street to Oakland challenged the grotesque inequality of capitalism – the way the 1 per cent of billionaires exercise a dictatorship over the 99 per cent, even in the most democratic of republics. It issued a call to fundamentally reorganise society, to make the world one of freedom not dictatorship, of sustainable wellbeing for all not misery for the vast majority.

No wonder the bosses and their hired politicians in all the major parties – right and left – are afraid. They know that 2012 will be a year of more chaos for their economy with the euro crisis adding to grinding stagnation across most of the world, with governments hell-bent on making the poor pay for any recovery in profit making. The IMF – no friend of the poor – is worried that 2012 could see a '1930 moment' when austerity and budget slashing could tip the world into a new Great Depression.

The year 2012 will be one of struggles and new rounds of resistance, but also potentially horrific new wars, with Israel and the US's threatening Iran.

No doubt we will suffer setbacks as well as breakthroughs and victories. Egypt will be either an example or possibly a warning... the democratic revolution did not destroy the military regime in Egypt. The reactionary Muslim Brotherhood and even more reactionary Salafists completely dominate the new parliament. So the struggle for democracy in Egypt continues.

In Britain, too, after an initial breakthrough, Occupy has reached a deadend. In addition, the pensions revolt that brought two million on the streets on 30 November has split, with the biggest unions trying to force through a rotten compromise with the government that could lead to a major defeat. The major far left groups keep trying to brand the movement of resistance, resulting in unnecessary rivalry and duplication.

#### The future is bright

What does this mean? Not that the battle is over, nor that our hopes for revolutionary change were delusions. Sure we need to shed certain illusions, which the apparently irresistible forward surge of many struggles last year engendered. The most illusory of them is the idea that the very power of spontaneity means we can actually have 'leaderless revolutions', and that leadership itself is the antithesis of democracy and freedom. Nothing could be further from the truth.

2010–2011 was a period when we rediscovered the power of spontaneous rebellion by tens of thousands and millions, and the incredible creativity of youth and workers, using new social media tools to mobilise action. We learned to improvise mass democracy in the squares and on the streets, focusing on one or two simple but powerful demands – for the dictators to go and for real democracy to oust politicians who offer no alternative to the people.

However, what the outcomes of struggles from Egypt to Britain show is that strategy is a critical question, and it becomes more and more so as a potentially revolutionary situation unfolds. The spontaneous anger and action of millions pose the question of power in society – who should rule. They often also create the embryos of a solution in terms of new mass organisations of struggle – from people's assemblies to new rank and file-based trade unions and factory committees.

The events of 2011 in the UK and the US, as much as in Tunisia and Egypt, show us that the existing masses of the working class movement – political parties and trade unions – play a critical role and cannot simply be ignored or bypassed. So let's make 2012 a year when we not only unite our forces for effective resistance, but start the process of creating effective organisations for the struggle for power (a revolutionary party) based on a democratically agreed strategy (a revolutionary programme). Last but not least we have to recognise that this will require the international unity of our experiences and forces: a new – fifth – revolutionary International.

# Labour's right turn

ED BALL'S announcement, rapidly endorsed by Ed Miliband, that a future Labour government would not promise to reverse a single cut and supports a pay freeze on public sector workers has caused outrage amongst Labour's working class base.

Balls was unambiguous. On the Tory–Lib Dem freeze on public sector pay, which is a real pay cut of five per cent, year on year, he said:

"It is now inevitable that public sector pay restraint will have to continue through this parliament. Labour cannot duck that reality and won't. There is no way we should be arguing for higher pay when the choice is between higher pay and bringing unemployment down."

On the Coalition Cuts in Health, Social Security and Education he added:

"We are going to have keep all these cuts. There is a big squeeze happening on budgets across the piece... At this stage, we can make no commitments to reverse any of that, on spending or on tax. So I am being absolutely clear about that."

In an interview in the *Guardian*, Balls said that he showed the plans for the right turn to Martin Wolf and John Plender from the *Financial Times*. Not surprisingly, both approved and said they were "brave" but warned "it is the end of you, the Labour Party will never forgive you".

Perhaps – but the Labour Party is convinced it has to suck up to the right wing press and the City if it is to stand a chance in elections. That is why, time and again, it has accepted all kinds of outrageous right wing, anti-working class policies. The announcement by Balls and Miliband comes after Liam Byrnes' savage attack on "welfare scroungers" and the "giant evil of benefit dependency". Needless to say, the *Daily Mail* gave



Ed Balls showing where Labour's axe will fall

glowing approval. Meanwhile, George Barratt, the only London councillor to vote against the cuts in 2012 was expelled from the Party.

#### Labour does the bosses' bidding

Why have the Labour leaders adopted the policies of the Tories when they know those policies have worsened the economic downturn? Balls and Miliband start a sentence by declaring that the coalition government's policies have "been shown not to work" but then they end it by saying that they will continue

them when they come to office.

This contradiction comes from toadying to the wishes of the majority of capitalists themselves. They want a decade of austerity to break up the public sector so that private businesses can move in. The Blairites in the Labour leadership, Compass and Blue Labour David Miliband, know this and they used low poll ratings for Ed Miliband (or "Weird Ed" as the Tory media have dubbed him) to strike, forcing the current Labour leadership to carry out a humiliating climb-down.

## Tory setbacks on welfare and education reform

Continued from front page

However, these defeats do not mean that these reforms are off the agenda – this must be seen as a tactical retreat. The Tories are determined to push forward their plans and will do so at the next opportunity – ministers have already said they will overturn Lords defeats in Commons.

#### Protest matters

We cannot rely on the good graces of the Lords to save us from the government's austerity and privatisation agenda. We have to build a movement which can stop the cuts.

The only way to guarantee the government cannot move forward with their attacks is to build the fightback on the streets and in our communities – pulling the trade unions into struggle against the coalition government and smashing it apart. Direct action must be part of this battle, such as the disability activists who locked down on Oxford Street on Saturday 28 January, blocking traffic in one of London's busiest shopping areas, to protest against the government's attacks on their wellbeing and independence. The battle for our rights is on!

## Threats of war against Iran

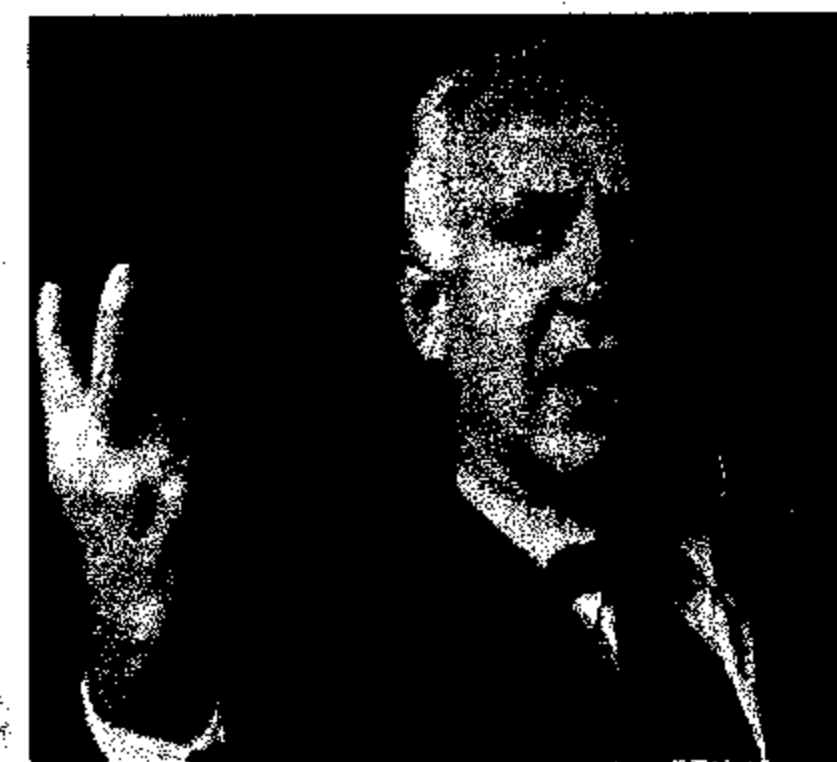
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and gas, with one third of the world's crude oil passing through the sea lane every year.

An Iranian MP said that the closure of the straits was an option as a retaliation against the UN sanctions that have been imposed on the country: "The Islamic republic has never been the initiator of sanctions or threats but Europe and the West have been endangering our country through sanctions, propaganda and even military threats... Now that the threats have escalated, Iran has all options on the table including stopping oil exports to Europe and even closing the Strait of Hormuz", said Ali Aghazadeh. Despite the repeated claims that Iran is the 'threat' it is in fact surrounded by US military bases on the Arab peninsula, in Iraq, Afghanistan and Pakistan.

#### Dirty Tricks

Before the open war, the covert war continues apace. US and Israeli special forces operations in Iran have stepped up since 2010, four lead scientists on the nuclear enrichment programme have been killed either by bombs or snipers. Rick Santorum from the US Republicans bragged "on occasion, scientists working on the



Israeli Prime Minister Benjamin Netanyahu eager for war

nuclear programme in Iran turn up dead... I think that's a wonderful thing."

Comparing the treatment of Israel, which reportedly has 200 nuclear weapons and has never once been subjected to an International Atomic Energy Agency inspection and refused to sign the Nuclear Non-Proliferation treaty.

Pressure needs to be brought to bear against the western powers that are involved in the build-up to war. An attack on Iran would have the most serious international consequences, resulting in many deaths. It could even trigger a regional war. The worldwide antiwar movement needs to rally its forces in preparation.

# The problem for the Labour left

Simon Hardy

THE LABOUR Left, aka John McDonnell MP, was outraged by the new turn. The left union leaders from non-Labour affiliated unions; Bob Cflow and Mark Serwotka, have denounced Balls and Miliband in even sharper terms. But, again, there is no political alternative on offer.

Owen Jones, writing in the *New Statesman*, bemoans the gloating triumphalism of the Tory right and the helpless surrender of the Labour front bench. After hearing a Labour shadow minister accept that Labour had overspent and had caused the deficit (not the massive bank bailout) Jones admits; "I felt that if senior Labour figures were happy to accept dishonest blame handed out by the Tories, then it was hopeless."

He concludes, "If a broad coalition of Labour activists and trade unions unites around a coherent alternative and puts concerted pressure on the leadership, this surrender can be stopped in its tracks." Maybe, maybe not – but even if the Labour lead-

ership shifted left again, it would still face a fundamental problem. As long as it accepts the logic of the markets, under the shadow of Goldman Sachs and the IMF, it cannot develop a truly independent alternative.

The problem facing all left reformist solutions is that the capitalists don't want to play that game anymore. The entire post war edifice of the welfare state, the massive public sector, expanded higher education, grants for students, growing wages and a free health service, were all the result of a historic compromise between labour and capital. At that time, the capitalists were willing to make concessions because of the threat of communism and the militancy of the working class. In short, they were scared of being overthrown and grudgingly accepted the kind of social democratic model that the Labour Party implemented between 1945–1951.

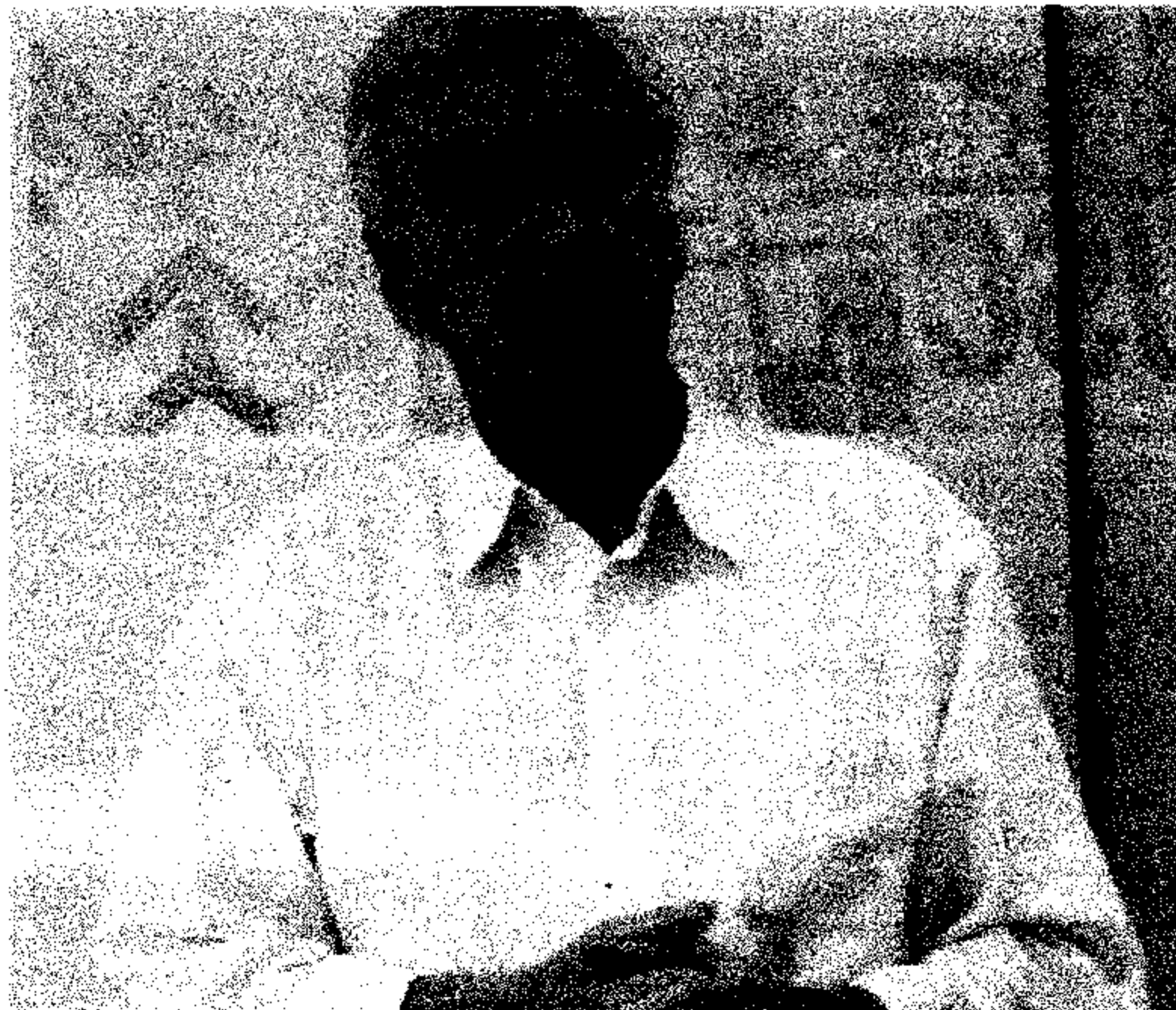
Today, those fears no longer exist for them. The energy and confidence of the Tories comes not just from naive bullshism, it comes from the

sense of urgency and strength of the ruling class itself. If a left Labour government tried to turn the clock back to the 1950s then they would face militant resistance from the ruling class, the kind of resistance that a parliamentary party, even with the best will in the world, simply could not break.

## Can we reform Labour?

The Labour Party is not a vehicle for the alternative to the coalition. It is lost to the "third way", social liberal model. That is not to say that there are no good activists or even MPs who are still committed to the movement – people like John McDonnell. But they are few and far between, they are the last remnants of a Labour left that has been ineffective for years.

Of course, the anti-cuts movement should continue working with the beleaguered few in the Labour Party in parliament, in the constituencies, that are against the cuts. But we have to face facts, the main battle is not going to be in the Labour Party with



John McDonnell, Left Labour MP

the hope of 'shifting it left'. The key battle is in the unions and in the communities faced with cuts. It is the battle to unite the anti-cuts movement, to create a new sense of energy and

activism that UKUncut and Occupy exemplified. But it is also a struggle for a political alternative to making workers pay the costs of the crisis, an alternative to capitalism.

# Labour and the unions

Dave Stockton

LABOUR'S VIOLENT swing to the right caused outbursts from the Labour funding unions. Paul Kenny from the GMB, which bankrolls Labour to the tune of £1.6 million a year, wrote a letter to other union leaders saying, "It is now time for careful consideration and thought before the wider discussions begin on the long-term implications this new stance by the party has on GMB affiliation."

Unite's Len McCluskey voiced his outrage in the *Guardian*;

"No effort was made by Labour to consult with trade unions before making the shift, notwithstanding that it impacts on millions of our members. It is hard to imagine the City being treated in such a cavalier way in relation to a change in banking policy." Indeed, Len, but what conclusion do you draw from that? He stormed on;

"Where does this leave the half a million people who joined the TUC's march for an alternative last year, and the half of the country, at least, who are against the cuts? Disenfranchised." Indeed.

What he fears is that the old Blairites, the "Blue Labour" MPs and the media rat pack, having changed spineless Ed's policy to one of open support for austerity, will now move on to get rid of the leadership that the hapless "centre left" union leaders placed all their hopes on.

However, the conclusions he draws are the usual weak-kneed stuff. "It is time for those who want a real alternative centred on investment, job creation and public intervention to end the slump, and a Labour Party



that will articulate that, to get organised in parliament and outside."

And where will this new Labour Party come from? That was the little detail missing in McCluskey's article. There also have to be serious doubts whether Kenny will follow through with his threat in the GMB. The trade union leaders may moan about Labour policies and leaders, they may even threaten to withhold funding, but they always accept the logic that it is better to pay the devil-you-know and exert some pressure, no matter how modest, than be cast out of Westminster altogether. The Labour leaders know that the union chiefs have no alternative, so they are happy to keep kicking them.

A step in the right direction was taken by Jerry Hicks, who won 52,000 votes in the 2010 election for Unite's general secretary and who is a leading figure in Grassroots Left, the rank and file trade unionist campaigning body. His response to McCluskey's moaning over Miliband's betrayal was;

"There is an alternative, and my position is clear and consistent. Unite should only fund the Labour Party when it supports our union's policies. I say to McCluskey "Stop wringing your hands, stop moaning and stop funding them! This should be the day we say 'Defy the cuts, confront the anti-union laws and follow the lead given by construction workers, by supporting demonstrations, walk-

outs and occupations."

Whilst it is a right to put demands on Labour we need to go further and start building alternatives.

As *Workers Power* has said since Blair went to war in Afghanistan and Iraq and launched the privatisation binge that began the break up of education and health – the working class needs a new party.

In times of crisis like these the working class needs a political party that can fight for its interests. That is why we need a campaign to break Labour's control over the unions.

In affiliated unions, activists need to make the case for disaffiliation or, if we cannot win in some unions, for temporary withholding of all further funding. Ultimately, the unions, all

unions, need to put their money behind building a new fighting, socialist party. The unions without political party funds should set them up, not just to fund candidates in elections but to build up an activist presence in every workplace and working class community.

This party must be democratically controlled by the hundreds of thousands of working class militants who are fighting the cuts, defending their jobs and wages. It must be a party whose aim is not to court the selfish individualism of the middle classes but to lead the working class in a struggle for power. This must be a struggle not to "renew" or "reform" capitalism but to throw it into the dustbin of history.

## Sparks fly for more strike action



Joy Macready

AFTER SIX months of rank and file militant action including wildcat strikes, picketing out sites and demonstrating, the union Unite is now reballoting 800 electrician members for strike action at Balfour Beatty Engineering Services (BBES) – around 70 per cent of the workforce. The result will be announced on 2 February and the next ‘official’ strike is expected to start on 9 February – the last vote for strike action was an overwhelming 81.6 per cent.

BBES is one of the seven major construction firms that have ripped up the previous national agreement in favour of the Building Engineering Services National Agreement (BESNA), which was to come into force on 7 December. The strong and courageous sparks have faced intense bullying, with all of them threatened with the sack if they did not sign up to the rotten deal. The new deal would see some lose up to 35 per cent of their pay packet.

But instead of buckling to the bosses’ pressure, rank and file sparks have organised, resisted and rallied support, building a strong network across the UK. Even better, they have organised a week of action at

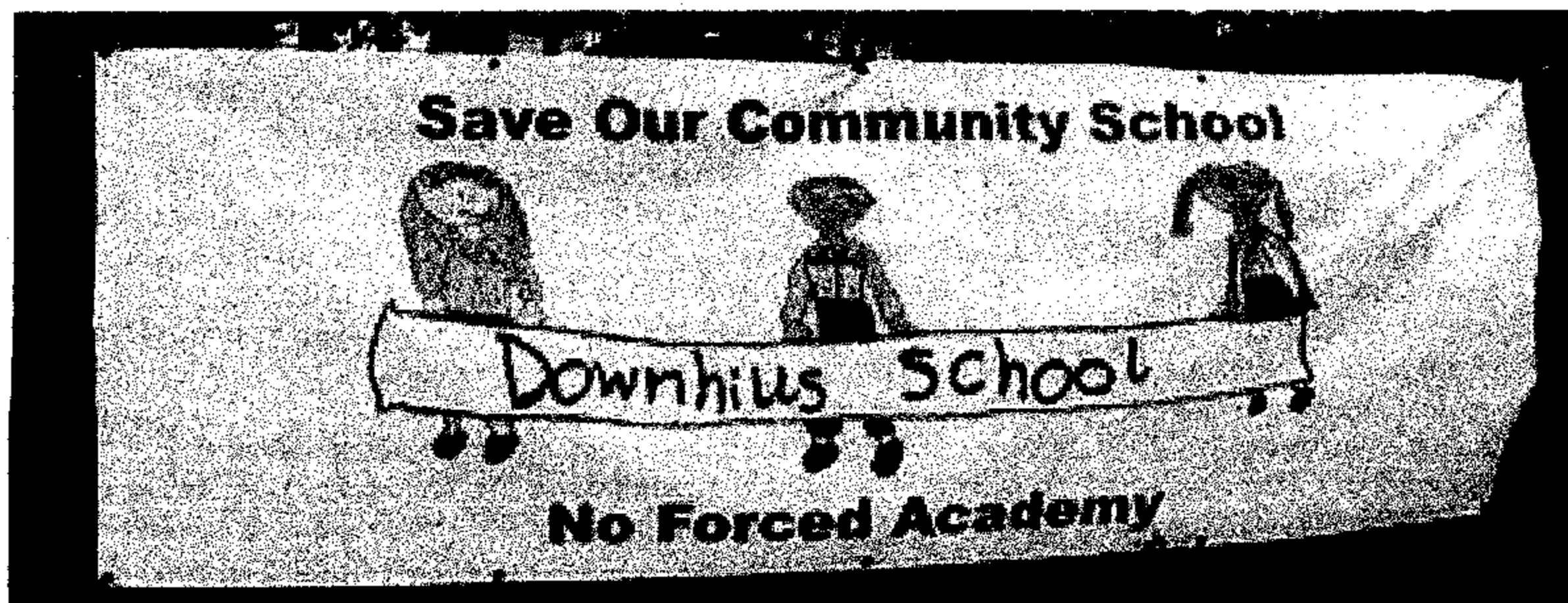
NGBailey sites – the next firm on the hit list of construction companies. They have done this outside the union structures and effectively forced the union take up the dispute.

However, they have not let the union bureaucracy take over running of the strike. Elected rank and file reps met with Unite General Secretary Len McCluskey, who promised full backing for the dispute including financial support. But the sparks aren’t relying solely on the General Secretary’s word and are calling directly on Unite bus drivers to ferry flying pickets around to different sites during the strike. They are also organising democratically on each site to build up the rank and file network and make their fight stronger.

In the latest rank and file newsletter, the call went out: “It’s time to up our game. This is an important week of demonstrations and it is imperative that we make a huge impression on as many sites as we can. Unofficial action will also be needed to win this dispute and a total shutdown would be the answer.”

They know that a massive step like this is needed to have a chance at winning. The newsletter also called for a mass walkout if any stewards or workers are victimised during the coming weeks.

## Stop Gove forcing primary schools to become academies!



Rachel Brooks

MICHAEL GOVE plans to privatise education in Britain in a desperate bid to turn learning into a profit driven enterprise. As a result the fight is on to stop the Tories forcing 200 primary schools to become academies and leave the local education authority. Teachers and support staff at Montgomery in Birmingham have mounted their second strike in as many months, while staff and parents at Downhills in Tottenham have launched an impressive campaign to keep their schools in the state-run system.

The governors at Montgomery primary school voted to convert to academy status rather than be pushed. But they have failed to convince staff, parents or pupils, who believe Montgomery can continue to improve with the help of three other excellent schools in the area.

Over 100 supporters, including children, attended the picket line on 26 January. Now after two successful one day strikes, there is an opportunity to escalate the action to an

indefinite strike, which could force the governors to back down.

At Downhills the coalition is trying every trick in its book to force the school into academy status. Education Secretary Michael Gove gave the head teacher and elected governing body an ultimatum: convert to academy status or you will be replaced by appointees.

Frustrated at the lack of primary schools taking up his offer of academy status, Gove has turned to forced conversion by exercising his power to remove elected governing bodies. The North London originally had until 20 January to convert or face the wrath of Gove.

But the Tory minister is meeting tough resistance. After a week of local protests and meetings, 600 angry parents, pupils and staff packed an anti-academies meeting, linking up with the local anti-cuts group.

The campaign around Downhills is exemplary, because it has drawn in the entire community, emphasising the importance of schools being run democratically, on the basis of need not profit.

Climbdown

By 20 January, Gove was forced to back down and drop his ultimatum. Instead an Ofsted inspectorate will come to the school and there will be more consultations in the coming months. An important climbdown by the government, but the threat of privatisation still lingers.

If the campaign against academies is to go to the next level it has to play on its links to the community, but have a national strategy. Gove is picking on schools like Downhills because of their relative need to “improve”. But, as with secondary schools, the Tories eventually want all 16,000 primaries to become academies – and open the door to multinational corporations to profit from their running.

This is a huge threat that will damage young people’s educations, lead to the return of “sink schools” in deprived areas and tear up national pay and conditions. If we can have national strikes over pensions and workload, why can’t we strike against academies?

## Solid strike at Unilever Leeds: now nationally escalate to defend pensions

Andy Yorke

FORTY UNILEVER workers, USDAW reps and officials, and supporters joined picket lines on 23 January outside the big plant at Seacroft in Leeds to kick off a second 24-hour strike. Workers were angry that the multinational plans to close their final salary pension scheme while it rakes in mega-profits. A week of rolling strikes began on 18 January with a two-day strike at the Warrington plant, the first action after the one-day national strike on 9 December.

The national strike was the first in Unilever’s history.

The pickets were upbeat and picketers waved flags as workers leaving the last shift leaned on their car horns and raised their fists in support. Workers were confident that the strike would be solid and sure enough you could count the scabs going in on one hand. Security guards closed the entrance gate at 6pm –

Unilever management didn’t even bother to pretend the plant would run.

Pension cuts = big profits

Unilever is one of the top five consumer goods companies in the world and owns major global brands such as PG Tips, Dove and Persil. The pension cuts would affect 5000 of its 7000 strong UK workforce in favour of a career average defined benefits scheme, which could see workers losing up to 20 per cent of their pensions. In 2008 it closed the final salary scheme to new starters, while hiking contributions from existing workers, promising that this would mean making it “sustainable”. Now the company has ripped this up and is attacking the workers’ pension rights yet again.

Despite the crisis, Unilever is raking in £6.1 billion in profits, up more than £1 billion on the previous year. CEO Paul Polman gets an annual package worth £3 million, not



including £300,000 pension contributions.

Escalate to win

The upbeat mood in Leeds has been reproduced across the country as the weeklong schedule of rolling strikes began. If Unilever bosses still refuse

to budge after this action, then workers need to dig in too.

As one night shift worker at Leeds told us: “The problem is we’re on strike today, but on Sunday they’ll make up the production in overtime. We need to go out for two or three days at least.” Indeed the Warrington and Purfleet plants both took two days of strike action. Why not send a clear signal to Unilever in the next round: three days one week, four days the next, then all-out?

Unilever workers can learn from the 2009-2010 BA strikes, where Unite leaders imposed on the workers a long, exhausting series of one-day actions and concession after concession, so that after two years they settled with no gains. The workers need to organise jointly across the three unions and take control of the strike themselves to ensure it is effective.

Workers’ democracy

The solid strikes show too that many

non-union members are supporting the action. Mass meetings are the way to bring newer layers of angry workers into the debate on the way forward. Elected plant strike committees could involve workers from all three unions to ensure the strike is united, the goal of defending the current final salary scheme is made clear to all, and the strategy is decided by the workforce. This is especially true since the three unions’ officials have already proposed savings and other concessions.

Unilever workers can make links with other workers in Unite by means of Grassroots Left, a rank and file initiative, while similar initiatives in USDAW and GMB could bring together a fighting wing, winning policy and members’ democracy too. A rank and file movement and local, open coordinations with delegates from the various workplaces would allow private sector workers fighting pensions to strike alongside public sector workers doing the same.

# Economic outlook worsens as cuts deepen crisis

Simon Hardy

THE UK is facing a double dip recession, the first since 1975, according to recent economic data.

The coalition government had hoped that manufacturing would pick up the pace, making up for job losses in the public sector. This was dubbed the "march of the makers", with growth to be led by the productive sector. But now it seems, they have been mugged by reality as manufacturing output is down in the last quarter. This is because many capitalists have been hoarding their money in off shore tax havens or using it to pay off debts rather than invest.

Inflation is still over 4 per cent, although it is declining due to high street shops slashing prices. This is disproportionately affecting lower paid workers and the unemployed with increasing travel and energy costs.

Official unemployment is at its highest level since 1995, standing at 2.7 million, just under 9 per cent. The increase in people out of work, at a time when benefits are also being cut, threatens a serious social crisis across the country. London mayor Boris

Johnson angered many with recent comments that young unemployed people lacked the "energy and appetite" for work. The answer is plain - drive them to it by cutting their benefits.

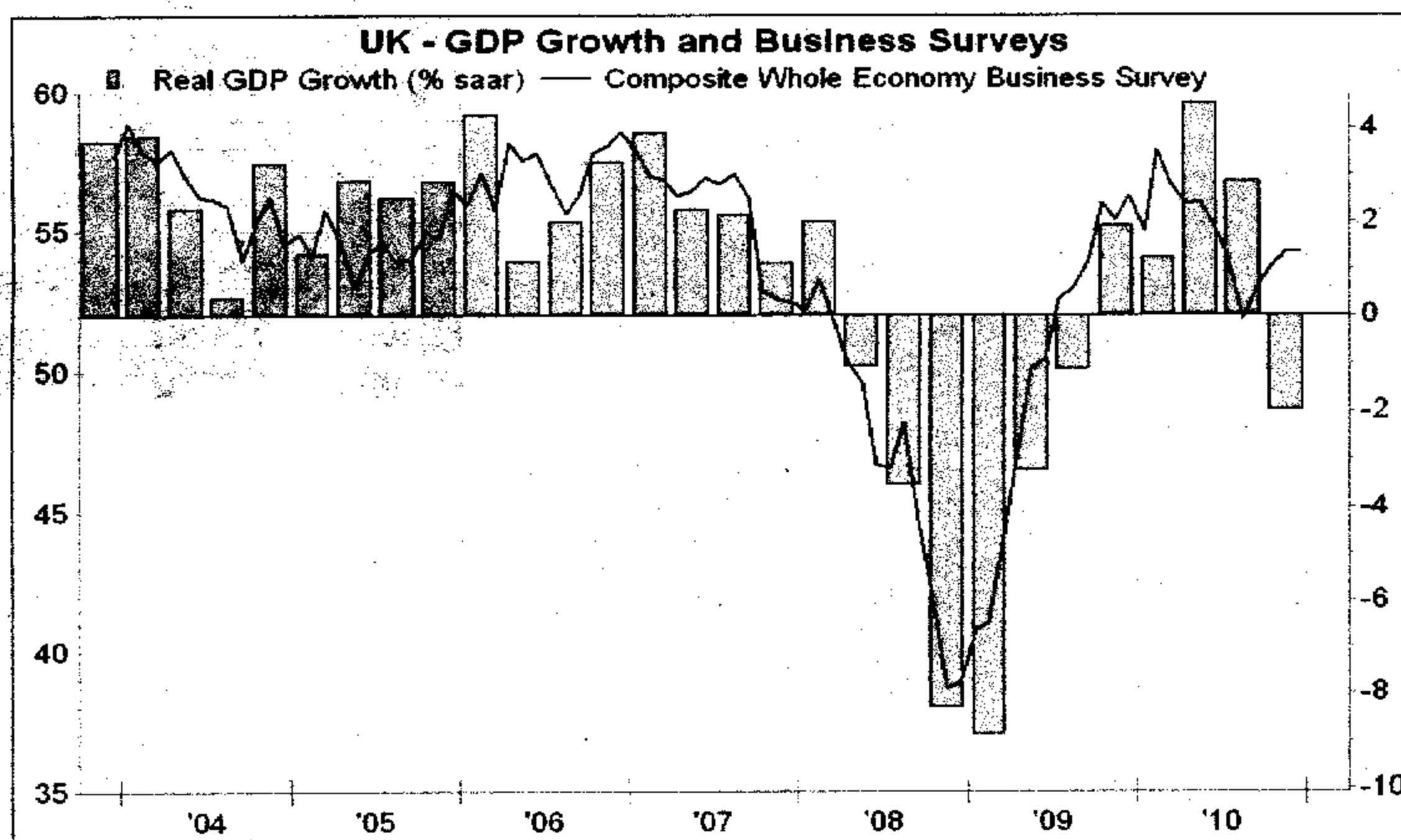
Middle income earning households which do not rely on state benefits (this includes many public sector workers) are also feeling the impact of the economic downturn. Labour has referred to them as the "squeezed middle." If the current economic trends continue, or worsen, then the squeezed middle will see their disposable income lower in 2020 than in 2007.

However, nearly all indicators point to an increase in wealth for the richest 1 per cent. The top 1 per cent in Britain now owns 21 per cent of the wealth.

## A "Lost decade"

Economists are now predicting a lost decade - or more - in Britain which will see the return of long term structural unemployment and massive social deprivation.

But Osborne is adamant that his cutting strategy will work. He has blamed the eurozone crisis and pre-



vious Labour spending for the weakness of the economy. He is a natural ally of the City of London bankocracy who are demanding deficit reduction above everything else.

The truth is that the government is willing to suffer the backlash from another recession because it has

longer-term interests than merely cutting the debt. It wants to massively downsize the public sector and welfare state, break the back of its unions in order to drive up the profitability of British capitalism.

This is why the government is defying all calls to relax fiscal aus-

terity and is driving ahead, even aggravating the slump by freezing public sector wages for the foreseeable future. The government is of the rich and for the rich, and its strategy is to make the working class and poor pay the full horrific costs of the crisis.

## Eurozone crisis

Continued from back page

Italy is too big to fail but also too big to bailout - its debts are 2.7 times the size of Portugal, Greece and Ireland combined and could cost as much as €1.4 trillion, against a current stability fund with only €250 billion. But the Monti government has not blocked interest rates on its debt rising steadily towards 7 per cent again, and now Monti, terrified of unpopularity and revolt, has called for the ECB to act and less stringent bailout conditions: "Fiscal discipline [austerity] is a necessary condition for growth. It is not however a sufficient condition."

As unemployment in Spain hits 5 million, the right-wing Rajoy government has joined in, demanding the EU relaxes its deficit targets. They are part of a growing chorus, which includes the IMF, arguing in favour of austerity but against EU dictates forcing countries to put in place procyclical, recession-reinforcing policies. The problem is that the Merkel government is unwilling to pay the bill for this.

The Eurozone crisis does not just threaten Europe with recession - it threatens a world recession. According to the Bank of England (BoE), the four biggest UK banks have a net exposure to Ireland, Spain, Italy, Greece and Portugal of £172.3 billion, 83 per cent of their total core

capital. Meanwhile the French and German banks hold the bulk of these countries' debts; the US banks are also heavily exposed.

The leaders of the big powers of the EU - Sarkozy, Merkel and David Cameron - all point the finger at each other and demand someone else acts to stave off disaster, effectively passing the buck. The historic, intractable crisis has become a zero-sum game as the capitalists seek to make each other pay the costs of the crisis while minimising domestic damage. The only thing they can agree on is the poorer, debt-strapped countries of Europe, their working class and poor, should pay up with savage austerity.

Everyone except Germany is insisting that the continent major economic power allows the ECB to follow the US and Britain and put money (quantitative easing) and print eurobonds. But this would lash the fate of the big powers to those of the small indebted states.

Since the ECB is not a government that can then implement austerity to pay off the socialised debts of the banks, such a move would almost certainly mean inflation and the need for sharp deflationary policies, imposing deep recession on the EU and dragging Germany down with it. Hence the German capitalists and the Merkel government have adamantly refused, demanding first the indebted countries adopt more austerity



instead and pay for the crisis. So piecemeal, inadequate measures trickle out and the crisis deepens.

## Historic crisis requires historic struggle

The poor indebted EU countries - Greece, Portugal and Ireland - face a decade or more of punishing austerity back to Third World living standards. This clearly exposes the two-tier nature of the EU, with an imperialist core that exploits its poorer neighbours. A report last year by accountancy firm Ernst & Young predict it will take Ireland two decades to achieve pre-crisis levels of unemployment, and even then only if the intervening years see mas-

sive emigration.

The inexorable deepening of the Eurozone crisis is a manifestation of the historic crisis of the whole capitalist system that opened with the credit crunch of 2007. The rise of state debt from recession, and the socialisation of the banking sector's debts by means of bailouts, is not simply cyclical but also historic. It is rooted in the falling rate of profit at the heart of capitalism, its productive industrial sectors, and can't be reversed by Keynesian measures such as borrowing more to re-float economies with public spending and avoid recession. As the vicious circle of debt and interest rates shows across the Eurozone, these measures will simply send

debts skyrocketing in an uncontrollable spiral, followed by hyperinflation.

Instead the workers movement must attack the fundamentals of capitalist power: fight to cancel all the cuts along with all the debts, nationalise the banks and downsizing companies that are laying off workers without a penny of compensation, placing them under democratic control of the workers and consumers. If resistance to the cuts becomes all-out general strikes coordinated across Europe, then it can develop into a revolutionary challenge to the bankrupt system and install democratic planning for a Socialist United States of Europe.

# Fear and hypocrisy: the Arab League monitors in Syria

Marcus Halaby

THE ARAB League comprises some twenty-odd dictatorships and absolute monarchies in varying degrees of dependence on the United States. So it was predictable that its observers' mission in Syria could only either whitewash the Syrian regime's crimes or pave the way for foreign intervention against it. In the event, the mission served both purposes. But the monitoring mission was in disarray at the time of going to press, the Arab League abandoning it shortly after announcing its extension.

It was intended to monitor Syrian President Bashar Assad's compliance with an Arab League peace plan to end to Syria's ten-month long uprising, by releasing prisoners, withdrawing troops from the streets, and beginning a "dialogue" with the opposition. But it was headed by Mohammed Ahmed Mustafa al-Dabi, a Sudanese general and former ambassador to Qatar, accused of involvement in atrocities in Darfur.

As if this didn't damage its credibility enough, the largest group of monitors was provided by Iraq, whose government shares Assad's pro-Iranian orientation and opposed the League's imposition of sanctions on Syria on 27 November. They, equally predictably, contrived to see

and hear no evil on the carefully guided tours they were given by the Syrian authorities, although at least 800 people were killed during the month-long mission, with reports of 17 corpses being thrown into the main public square in Syria's fourth city Hama on 27 January. Sudan's leadership of the mission allows it to break out of its relative isolation since George W Bush's War on Terror, the Darfur conflict, and the secession of South Sudan.

The Syrian government tried to manipulate the outcome of the mission in other ways. Oppositionists in Homs report that tanks were painted blue and soldiers were given police uniforms to feign military withdrawal from civilian areas. A car bombing in Damascus on 23 December killed 44 people, injuring 166, and was followed by an alleged suicide bombing in the Syrian capital's Midan district on 6 January, which killed 26 people and injured more than 60.

Blamed by the government on al-Qaeda, these attacks – the first of their type since the uprising broke out – were deeply suspicious, coinciding as they did with the arrival of the monitors. They were most likely staged by the regime to threaten the hostile conservative Arab Gulf states with chaos if they push too hard in the direction of



Members of Free Syrian Army openly protesting against Assad

regime change. Certainly, the bombings fit all too neatly into the regime's established narrative that the popular uprising is a conspiracy of foreign-backed armed gangs.

## Intervention still possible

On the other hand, the failure of the mission to alter facts on the ground has emboldened those in favour of external intervention, with the Emir of Qatar, Sheikh Hamad bin Khalifa Al Thani, arguing that an Arab force should go into Syria "to stop the killing" on 14 January. Previously an ally, oil-rich Qatar has turned against Assad since the uprising. Qatar was also the leading Arab country in arming the Libyan rebels

against Gaddafi and in assembling an Arab consensus in favour of NATO's intervention.

Burhan Ghalioun, head of the opposition Syrian National Council, lobbied the Arab League on 20 January to take the issue to the United Nations and establish a Libyan-style "no-fly zone". The six Arab Gulf states, led by Qatar and Saudi Arabia, withdrew their monitors in ostensible protest at Assad's continuing crackdown on protesters, following Assad's rejection of the League's plan to hand over power to a deputy, form a "national unity" government within two months and prepare the way for multi-party elections. Now, the Arab League itself has abandoned the mission.

An official UN-backed intervention remains unlikely, as Russia and China continue to veto UN Security Council resolutions condemning their Syrian ally. Indeed Russia has agreed to supply Assad with 36 combat jets. But underlying the moves to "internationalise" the conflict is the fear – on the part of the Arab regimes and the bourgeois wing of the Syrian opposition – that otherwise the question of power will be decided on the streets.

The movement of military defectors is growing. The Free Syrian Army is bold enough to establish checkpoints in the Damascus suburbs of Douma and Saqba – barely 30 km from the capital – for hours at a time. Similar stories have emerged from Homs, Idlib and Harasta, while civilian demonstrators have marched in support of the military defectors in Zabadani near the Lebanese border.

The danger however remains that Assad's continuing repression and intransigence may make calls for intervention gain popularity on the ground, allowing the Arab regimes to place a straightjacket on Syria's revolution in the name of "defending" it. Intervention would be a disaster in Syria, the hope for the future of the country lies with the growing rebellion as Syrian people struggle to take power into their own hands.

# Egyptian elections show sweeping gains for counterrevolution

Dave Stockton

DESPITE MASSIVE mobilisations in Tahrir Square and other city centres in November and December, Egypt's Supreme Council of the Armed Forces (SCAF) still maintains its illegitimate rule. The focus of the popular upsurge was to force SCAF to withdraw from power and hand over to a genuinely independent civilian government. The generals, however, just reshuffled their stooges and hope to carry on as before.

SCAF has continued to violate its promise to lift the state of emergency, in force since 1981. Military courts continue to try civilians for political crimes, and thousands are detained and mistreated in jails and military prison camps. Late last year, dozens more martyrs have been added to the list of those who have died for the revolution.

But the repression continues to generate resistance. The brutal mistreatment of a young woman demonstrator in Islamic dress, viewed by millions, shocked the county and brought 10,000 women onto the streets in Cairo, and 6,000 in Alexandria. They forced SCAF to give an apology and promise an investiga-

tion – although such assurances are invariably worthless.

SCAF also ignored calls to delay parliamentary elections, which began on 28 November. They took place under former president Hosni Mubarak's undemocratic system, which officially prohibits parties based on class politics and falls well short of embodying universal, equal and direct suffrage.

## New parliament

The Freedom and Justice Party, led by the Muslim Brotherhood (MB), was the biggest winner, with 235 seats or 46 per cent of the 508 seats in the new parliament. But the more radical Islamists (Salafists) of the Al-Nour Party won 123 seats, or 24 per cent of the deputies. Far behind lag the secular bourgeois liberals of New Wafd Party with 38 seats and the Egyptian Bloc with 34 seats. The Revolution Continues, a bloc of reformist socialist groups, won nine seats.

This gives Islamists a huge majority to steamroll undemocratic and socially reactionary policies through the Assembly. And if the MB candidate were to win the presidential election too, then this could have dire consequences for the youth – includ-



Egyptian Salafists have won 20% of the seats in the new parliament

ing the young women – who made the revolution, and for activists of the growing workers' movement.

Of course the huge Islamist majority could also prove a problem for the SCAF. Field Marshal Hussein Tantawi and his cronies clearly want only a parliamentary façade for the continued rule of the military, which controls 30 per cent of the country's GDP. But there are rumours of divisions within the army, with some younger figures advocating an alliance with the MB, a withdrawal from public

day-to-day politics and the adoption of a "behind the scenes" model of rule, like that of the Turkish army's cohabitation with the Islamist Justice and Development Party.

MB leaders, while they certainly want a compromise with the military, have a mass base with much more radical expectations. In addition, the electoral surge of the Salafists, who are more openly opposed to the army, puts the MB under pressure. The MB dare not simply let itself be turned into a cover for the generals.

This contradiction will dominate debate over the new constitution during the next six months.

Meanwhile the threat of a backlash against the revolutionary youth and the working class is very real. The only effective response is for the Egyptian working class to continue to organise and mobilise on a mass scale, and for the youth and union militant vanguard to create an alternative centre of power to that of the government and the army.

A revolutionary party is essential to make the case for this struggle. For without the emergence of dual power in which the workers, peasants, youth and ordinary soldiers look to an alternative source of authority, SCAF and any civilian government working with it may acquire just about enough momentum to bring the Egyptian revolution to an end.

Such a revolutionary party must take its programme and key slogans to the masses, addressing their main economic and social demands, as well as defending their democratic rights. It will have to be capable of surviving assaults on its legality, in conditions where the state's repressive forces have survived 2011 largely intact.

# Nigeria: cut in fuel subsidy sparks general strike

Millions of people in Nigeria took action against the government's cut in fuel subsidies, writes *Dave Stockton*, but the union leaders have betrayed them

NIGERIA'S TWO union federations, the Nigeria Labour Congress (NLC) and the Trade Union Congress (TUC), have called off an eight-day general strike that mobilised 10 million workers and paralysed the country. They did so just as offshore oil workers, a key sector, were about to join the action and deal President Goodluck Jonathan's government a devastating blow.

The union leaders had already been signalling their inclination to end a strike that they never wanted. NLC president Abdulwaheed Omar claimed, "both sides have agreed to shift ground". In fact it is the union leaders who have shifted the most, letting down their members and the entire impoverished and exploited people of the country.

Their excuse for this betrayal was that the government came up with a "compromise", setting the pump price of petrol at 97 naira (about \$0.60) per litre, instead of the 140 naira set on 1 January. Even this is only for a few months, after which the price will almost double from its original 65 naira, threatening to eliminate what is in effect the only welfare subsidy available to millions.

The union bosses claimed that "lawless elements" were trying to take the strike over, and that there was a threat to national unity if it continued. The exact opposite was the case. The strike was truly nationwide, uniting North and South with huge demonstrations in Kano and Lagos, with Muslim and Christian workers in both areas declaring their solidarity and guarding each other's places of worship. The main "lawless elements" were the Nigerian Army, called out onto the streets by Jonathan, where they killed three and hospitalised 600 demonstrators.

## IMF diktats

The strike began in response to the government's cutting of fuel subsidies on the advice of the International Monetary Fund (IMF). Basic food prices rose immediately, with a basket of tomatoes rising sevenfold to 7,000 naira in a week.

Low petrol, oil and fuel prices are all that most Nigerians see from their country's production of 2.4 million barrels of crude a day. The country's wealth flows into the coffers of Shell and other oil giants, with kickbacks given to the country's political, military and business elites.

This not only provides for cheap transport, but is also used to power the huge numbers of small-generators that provide shops and homes with electricity, in a nation with a hopelessly inadequate national grid.

On 3 January mass rallies protesting against the price hike forced the unwilling leaders of the two union federations to call a strike



starting on 9 January. In the first days of the strike, rallies across the country were wildly enthusiastic.

There were dozens of #OccupyNigeria protests, with young people mobilising through social media and mobile phones. Demonstrators made constant references to Egypt and the worldwide Occupy movements, testifying to the powerful social mobilisation, which accompanied the general strike. The universal demand of both workers and youth was for an unconditional and total restoration of the fuel subsidy.

However it was ominous that the union leaderships waited a week before calling out the oil workers, and at the same time cancelled the weekend rallies and demonstrations. Al Jazeera journalist Haru Mutasa reported that the leaders seemed "keen to end the strike. They don't want to go back on the streets on Monday."

## Nigeria and its oil

Nigeria is the largest crude producer in Africa, with oil accounting for about 80 percent of the country's state revenues, about 65 percent of government budgetary revenues, and over 95 percent of export income. It also supplies about 8 per cent of United States oil imports.

Of its population of 160 million, most are forced to live on less than \$2 a day. A 2007 survey by Amnesty International found that 70 per cent of the six million inhabitants of the Niger River Delta, the main location of the country's oil reserves, live on less than \$1 a day.

The central question is who controls the oil reserves and their exploitation. Fuel subsidies are actu-

ally quite an ineffective way of giving workers and the poor the lion's share of the country's wealth – the wealth that they produce – and

subsidies are prone to corruption and abuse. The answer is total nationalisation under workers' control, the creation of a refining industry, a

decent national electricity grid, and the ending of the horrific pollution caused by the oil multinationals.

The lessons of the betrayed Nigerian general strike – like those of the Britain's of 1926 or France's of 1968 – are never to trust the reformist trade union bureaucrats to lead a strike movement to victory. The bureaucrats must be controlled and as soon as possible replaced by a national strike committee of strikers' delegates.

Action councils need to be elected from mass assemblies in every city and locality to unite union members with delegates of youths, housewives, small shopkeepers and stallholders. Once formed these councils must strive to take charge of the strike and form a national coordination.

The fact that President Jonathan will continue with the IMF-inspired robbery of the poor means that even this betrayal will in all probability not break the masses' will to revolt. Nigerian workers urgently need to form rank and file organisations in the unions, and create a new revolutionary workers' party, not only from the ranks of the union militants but also from the youth of #Occupy and other social movements.

## John Lewis: profiting from sweatshops

Peter Main

LAST MONTH David Cameron and his deputy Nick Clegg were presenting John Lewis as an example of "popular capitalism", a model of corporate responsibility that not only increased its profits but also gave its workers a share in them.

Soon afterwards, it was reported that some of those profits are based on the super-exploitation of sweatshop workers in China.

A report by the Hong Kong based SACOM group details how workers at the Rainbow Factory in Dafeng, Jiangsu province, making Olympic mascots, are forced to work for even less than the pitiful minimum wage of CNY930 – some were making only CNY900, that's about £90 for a month's work! The workers say the contract was with the wholesaler Golden Bear and the consignment was for John Lewis.

The report is based on the experience of volunteers who worked undercover in the factory last year, as it geared up for Olympic orders. They found that the rights that China's labour laws supposedly guarantee were continually ignored.

For example, there is a maximum overtime limit of 36 hours per month, but workers were regularly working up to 110 hours overtime every month – and when there is a rush on they have no days off at all.

Overtime pay is also a scandal; the law requires a premium of 150% of the normal rate, i.e. time and a half. Rainbow is paying its workers just CNY1, that's about 10 pence, on top of standard pay. Most workers are employed on piece rate – but they are not told what the rate is until after they have completed an order! That means managers can always manipulate the rate to guarantee the maximum profit.

Any attempt to defend workers' rights, by seeking legal redress, for example, is impossible because that requires evidence based on contracts and pay slips – but the workers are not given either!

## Inspections are ineffective

Although the firm takes no notice of its workers' rights, it's a different story when it comes to the goods themselves – even the slightest flaw in the sewing is penalised.

In 2008, the London Organising

Committee of the Olympic Games (LOCOG) issued "sustainable and ethical" sourcing codes that were supposed to ensure that all products associated with LOCOG would be produced under internationally acceptable social standards. That code has proved to be ineffective. When inspectors visited the Rainbow factory, management gave the workers prepared answers to give if they were asked anything – they had to deny working any overtime and to say they only worked until 5:30. According to the workers, the inspectors were also given falsified time sheets.

Since the onset of the world crisis in 2008, much has been written about China's economic dynamism and its development away from sweatshops and towards modern high-tech industries. What this report shows is that there is still another side to the picture – many sweatshops have simply been relocated from areas such as Guangdong, where wages have been forced up, to less developed provinces such as Jiangsu. And Western retailers, even the supposedly enlightened ones, are still profiting sweated labour.

# Stop the sellout – lessons from the

THE TUC and right wing union leaders have moved swiftly to break up the magnificent united front of two million public sector workers, who took coordinated strike action on 30 November last year.

In fact, it took them just over two weeks to undo the work of tens of thousands of activists and workplace reps, who campaigned tirelessly to shut down schools and colleges, operating theatres and ports, council depots and libraries.

On 15 December the TUC's Public Sector Liaison Group met and a plan was hatched to sign up to the government's "heads of agreement" deal. The following day, the chief negotiators for Unite, Unison and the GMB circulated a letter to local government reps, saying that, although details could not yet be circulated, the deal "lay a positive framework for negotiations, starting in January".

On the 19th, TUC chief Brendan Barber addressed the cameras outside the Congress House after a frantic day of negotiations, saying, "a new atmosphere" existed in the talks, with "some real progress in local government and health on key points and key principles". The millionaire papers' headlines ran: "Government close to pensions deal" and "Union signs NHS pension reform pact".

Unison announced that strikes were suspended. Even Christine Blower of the NUT said, "There had been some movement".

## Rotten deal, rotten leaders

It soon emerged that the talks had produced virtually no movement whatsoever.

- Workers will have to pay more in contributions, about 50% more or 3% of their gross pay.
- Workers will have to work longer before they can retire, at 67 for those under 51 years old and 68 from those under 34.
- Workers will get less with pensions pegged to the lower CPI rate of inflation and based on career average salaries (this will particularly hit women hardest).

The concessions were tiny. Health-workers earning under £26,000 would have a year's grace before the doubling of their contributions kicked in; council workers were afforded a two year delay. Some improvements to the accrual rate was granted and workers within 10 years of retirement would not be touched.

But no new money was on offer, so we would pay for these "concessions" further down the line. Even worse, many union leaders rushed to throw away their major weapon: the mass, coordinated strike. Christina McAnea, Unison's head of health, told viewers on Channel 4, that the strike had only been a 'damage-limitation exercise'.

Of course the millions who took action last November thought they were striking to save their pensions. As Mark Serwotka said to an activists' gathering in the New Year, "I don't remember anyone saying in November we were going to the barricades over accrual rates."

Of course not – all these conces-

sions were on the table before the 30 November strike. When Treasury minister Danny Alexander first made them on 3 November, they were dismissed by one and all as too little, too late, and the strike went ahead.

As we go to press, Unison local government leaders have signed up to the deal, while its health group executive is balloting its members (while of course suspending all action). The GMB has thrown in the towel as well. Some moderate unions, like the ATL and Prospect have also signed up.

The one bright light is that Unite's elected executives have overturned their unelected fulltimers and thrown out the deal. This shows that it is possible to reverse these setbacks – if we can pile pressure on the executives or, as activists are attempting in Unison, delegate conferences can be recalled.

While union officials tell members that any final agreement will go to a full membership ballot before agreement is reached, this democratic figleaf obscures the fact that, until then, they are kept in the dark, their strikes are suspended and unity shattered. Overall, considerable damage has been done to the cause.

## What about the lefts?

But there is a left wing in the TUC. These leaders have not fallen at the first hurdle. They refused to sign up to the "heads of agreement" offer or to suspend further strike action.

But as we go to press, only the lecturers' UCU – which started the pensions revolt with a strike on 29-30 March 2011 – has named a day for the next strike. Their NEC has called a strike for 1 March. But even here, UCU General Secretary Sally Hunt is desperate to overturn the NEC decision.

As for the other rejectionist unions, especially PCS, NUT, NASUWT and Unite, none of them have set a date for further strike action. Initially there was talk of a strike before the schools broke up for half-term on 10 February, but this soon faded.

This is a serious mistake. After all, unions still representing over 1 million public sector workers could keep the momentum going – and by so doing pile the pressure onto Unison and GMB to withdraw their support for the agreement and rejoin the fight. By taking a "pause", as PCS leader Mark Serwotka has called it, that momentum will be broken Serwotka told a left conference in January:

"If there are less people in the coalition, you have to do more... The heads of the unions rejecting the deal need to meet – I'd rather go slower, but get the strategy right."

But what is this strategy? For the past decade, the PCS leadership and the Socialist Party, which is very influential in it, have refused to call strikes of more than one or at most two days duration. And it has proved disastrous. Tens of thousands of job losses, real pay cuts, privatisation and office closures have followed.

Another possible strategy is to mount a series of sectional or rolling strikes – also known as "smart strikes". The aim is to keep the dis-



pute constantly in the public eye and the members' minds. Days of all-out action are interspersed with longer strikes by different sections of workers (usually those involved in revenue collection or with a high public profile) or in different parts of the country. A levy of the non-striking membership would raise strike pay to sustain those taking action.

This strategy was most recently used by Southampton City Council unions, which have been fighting pay cuts of up to 5 per cent for a year now. But despite thousands of workers taking tens of thousands of days of action, the council has not budged and the pay cut has been implemented.

Like one day strikes, rolling and selective action is only useful if they escalate sharply towards an all-out strike.

## General strike

Workers Power has long warned that the union right wing and Prentis in particular would move to sell out the strike as soon as he could. Sure, unions were right to co-ordinate action against the great pensions robbery, but this never could be a substitute for a general strike to defeat all the cuts and break the coalition.

Public sector pensions was always too narrow a political base for the kind of fightback we need. Yes, it has proved useful in pulling together 30 trade unions to launch the biggest

strike since 1926. But the working class as a whole is facing a whole series of austerity measures:

- 2.68 million unemployed with job cuts in financial services, manufacturing, retail and the public sector
- Welfare cuts from the abolition of the EMA for further education students to the devaluation of pensions, from the cap on benefits available to large families to the removal of Employment Support for hundreds of thousands of disabled people
- Average salaries rose by 0.5 per cent in 2010, while inflation hovered around 5 per cent: a real pay cut of 4.5 per cent. Further pay cuts are expected across the board
- The state school system and NHS are being broken up into thousands of competing units. Big business is poised to profit while universal services are being destroyed.

Meanwhile anger at the bankers remains at historically high levels and the economy is back going into recession. If the trade union leaders called a general strike against the coalition government's whole cuts package, they could mobilise not only the other public sector unions, like the RMT, CWU and FBU, but also private sector workers, coming into struggle. Millions of young people, service users and unemployed would also see this as their opportunity to fight back.

To achieve this, we need to do two

things:

- Build local committees of action to cement the united front from below, so that we can coordinate strikes, demos and occupations, and resist any attempt to splinter the fightback by the bureaucratic union leaders.
- Organise a network of rank and file organisations, based in the workplaces, in the unions and in the different sectors, which can mobilise for action with the union leaders where possible, but without them when necessary.
- If the pensions revolt fizzles out and millions of workers go down to defeat in the first big test of strength against the government, it will undoubtedly be a real blow to the whole movement. But this is by no means the inevitable outcome. There is everything is still to play for.
- All out with the lecturers on 1 March
- Stop the sell out in Unison and the GMB – demand recall conferences to put the strikes back on
- Escalate the action – to two or three days, then an indefinite strike if the Tories do not back down
- For rank and file control of negotiations and the action, for local committees of action to unite the struggles from below
- Forward to a general strike to smash the cuts agenda and bring the government down.



# The pensions struggle



# The left and the unions

THE MAIN socialist organisations in Britain – the Socialist Party and the Socialist Workers Party – have been tested and found wanting in the pensions dispute. Despite holding leading positions, and influencing thousands of union activists, neither the SP nor SWP warned that a sell-out was coming or organised independently to stop it.

The SWP held a Unite the Resistance conference on 19 November, 11 days before the strike. But not a word was uttered about the right wing's reluctance to fight beyond one day or the need to organise from below to keep the united front going.

They had the opportunity. Workers Power submitted a motion, which said, "We cannot allow the trade union leaders to limit the struggle to one day actions every three or six months... [we will] reject any attempts to break ranks by the union leaders/TUC on November 30 or after – no settlement until everyone settles."

We also called for "cross union strike committees" and "practical steps to build a cross union rank and file movement to organise for

the above actions, hold our leaders to account and transform the unions into fighting organisations".

At the time, the SWP leaders said there was no time for debate. In reality they did not want to upset their allies in the trade union bureaucracy.

After the sell-out the SWP changed their tune. In January, at the Unite the resistance emergency conference, their members called for unofficial strike action, and for Unison members to refuse to cross picket lines. Mark Campbell, UCU General Secretary candidate, even said we should "go over the heads of other union leaders" and call on their members to take action alongside us.

These are all good points. But it's a case of shutting the gate after the horse has bolted. Because the SWP failed to raise the alarm and organise the rank and file independently of the bureaucracy, they now cannot seriously challenge the leaders, left or right, outside of the small UCU union.

The SP has been even more cowardly. Whereas the SWP has, however late in the day, opposed

Mark Serwotka's "pause" and called for the immediate resumption of the action, the SP has gone along with it.

At the PCS Left Unity conference, PCS chair and SP member Janice Godrich said it would be "wrong to name the day" for the next strike. When this was challenged in the form of an amendment from the floor Godrich ruled it out of order!

The SWP, SP and Counterfire are all guilty of placing petty sectarian advantage above the interests of the struggle in refusing to take basic and simple steps towards uniting the various anti-cuts and rank and file campaigns: Unite the Resistance, National Shop Stewards Network and Coalition of Resistance.

As a result, none of them are growing and the pressure on the reformist leaders to fight the Tories is lessened. We demand that a unity conference, with delegates from workplaces, union bodies and anticuts groups, is immediately organised. Resolutions should be tabled with democratic debates and voting to determine a clear line of march.

# Why do union leaders betray?

THOUSANDS OF workers are asking why their leaders have betrayed them. Even Unison members traditionally loyal to the Dave Prentis leadership, like Manchester local government branch, have denounced the sell-out and angrily rebuked their leaders. So why did the big union leaders betray their members and how have they (so far) got away with it?



**Unison leader Dave Prentis** punch: massive job losses, real wage cuts, privatisation and pensions robbery. If they simply sat on their hands and declared nothing could be done, they would be thrown out of office when union elections came round.

Leaders like Barber, Prentis and the GMB's Paul Kenny have an agreed and worked out political ideology. They support the Labour Party. Indeed, for them the Labour Party is the only vehicle to bring about change in society and elections the only road down which that change can be arrived.

The trade unions should restrict themselves to piecemeal struggle over contracts, wages and the terms of our exploitation, within the framework of the currently existing capitalist conditions. To venture outside this framework would risk, they argue, pitting organised labour against the democratically elected government of the day, and can only end in the unions becoming isolated, reviled and broken.

But the capitalist crisis has posed a real problem for these leaders. They have to be seen to do something for workers, who are being pummeled by a combination

What Barber, Prentis and co. fear more than anything is that the pensions struggle turns into a head-on struggle with the government. For them, it was always meant to be a "damage limitation exercise".

After all, they do not face the uncertain future of the average civil servant or council worker, eking out their retirement on £4,000 a year – their pensions really are gold-plated. Derek Simpson, for example, received £361,000 when he retired as general secretary of Unite.

# All in it together?

Marxists call the trade union leaders a bureaucratic caste. This is because they have interests separate from the membership and enjoy a lifestyle closer to that of the bosses than it is to the members'.

For them, trade unions exist to negotiate a compromise between the bosses and the workers. But in times of capitalist crisis, when the bosses' system itself is in danger or their standing against other blocs of capital is at risk, then these brokers of labour for capital will always side with the bourgeoisie.

To underpin this system, capitalism has encouraged the development of a trade union bureaucracy with pay and perks that create a material basis for their role as capital's labour lieutenants.

Just look at the pay packets of our leaders – all in this together?

General Secretary	Salary	Benefits
Sally Hunt (UCU)	£98,238	£17,719
Paul Kenny (GMB)	£87,000	£27,000
Dave Prentis (Unison)	£97,327	£34,169
Mark Serwotka (PCS)	£86,244	£27,110
Derek Simpson (Unite)*	£97,027	£82,394
Chris Keates (NASUW)	£96,316	£28,720
Christine Blower (NUT)	£94,374	£22,462
Mary Bousted (ATL)	£108,300	£27,096

\* Figures for Len McCluskey not yet released

How can we change this situation? We campaign for:

- All officials to be paid the average wage of the members they represent
- The regular election of all officials and right to recall them immediately should they sell out
- Elected strike committees to control all disputes, negotiations and strikes.

# Stephen Lawrence: racism, lies and reluctant justice

After nearly 20 years two murderers have been convicted of a racist killing. But, *Haleema Jamal* asks, why did justice take so long, and have things really changed?

ON THURSDAY 22 April 1993, a young man was murdered in a racist attack while waiting for a bus in South-East London.

After nearly two decades of incompetence, inquiries and retrials, two men have been found guilty of murder. The student was Stephen Lawrence, murdered because of the colour of his skin. The guilty men were petty criminals and racists Gary Dobson and David Norris.

The case exposed the systematic discrimination that infected the police force to its core – what would become known as institutional racism. This engrained racism was condemned by a major inquiry, but 18 years after Lawrence's death, young Blacks are still up to 26 times more likely to be stopped and searched by the police.

Ironically Stephen's brother Stuart was stopped 20 times as a criminal suspect while the police were failing to find the murderers.

The depth of corruption exposed by the investigation and the campaign mounted by Lawrence's family and supporters turned one family's tragedy into a national disgrace.

Initially five suspects were arrested but none were convicted. The murder had a clear racist motive; as Gary Dobson and his racist gang approached the bus stop, they repeatedly shouted "nigger" before surrounding Lawrence and stabbing him twice, fatally.

Both Dobson and fellow gang member David Norris were later recorded on film calling for the mass murder of black and Asian people, while Dobson postured with a knife and demonstrated how he would like to kill ethnic minorities.

The handling of the case by the police then led to the Macpherson Inquiry, which concluded that the police force was institutionally racist. The fact that the Lawrence family had to make a private prosecution (which failed) and then campaign for a public inquiry into the murder stands testimony to the police's systematic inaction when it comes to black people's lives.

The conviction is a historic moment. But it is tempered by the knowledge that the remaining members of the murderous gang remain at liberty. And those police officers, who consciously obstructed the investigation and sheltered the guilty, must be brought to face justice.

## The more things change...

Yet, for all the self-criticism in the wake of Macpherson, stop-and-search by police still disproportionately affects young black men. The police's own statistics reveal that black and Asian men are three times more likely to be searched than their white counter-



Gary Dobson and David Norris were always suspected of the killing

parts.

However, recent research by the LSE and Open Society Justice Initiative has found that the real factor is 26. Yet arrest rates remain marginal: roughly one in 50.

This prejudice is fuelled by racist assumptions about the behaviour of black and Asian people. These assumptions were echoed in the recent coverage and responses to the August Riots where celebrity historian David Starkey claimed, "the whites have become black".

This used the underlying idea of a particular crime-based and inherently negative "black culture" to stig-

matise and stereotype all black people.

There is no doubt that racist ideas are increasing in Britain today. As the recession deepens, people facing financial and social pressures are looking for somebody to blame. As the bankers and politicians who plunged the world into crisis demand ever more punitive cuts to refloat their profit-machine, the class of millionaires, bankers, and their political parties must divert popular anger onto a weaker enemy, one less capable of resisting the attacks of the media, police and political institutions.

## Police – racist and corrupt

The case of Stephen Lawrence reveals a picture of racism and corruption at the heart of the British police. On the night of Stephen's murder, police officers arriving on the scene failed to attempt to give him any medical assistance, not even getting the first aid box out of the car.

Contrary to police claims that their inquiries met with a wall of silence, they were given the names of the suspects 26 times in the first 48 hours, including by Neville Lawrence, Stephen's father. Instead, they prioritised a case of theft, involving a black suspect.

Stephen's murder did not come as a surprise. There was a series of racist attacks in the area, including two murders: Rolan Adams, stabbed to death in 1991 by white youths shouting "Ku Klux Klan", and Rohit Guggal, also fatally

knifed the following year by a gang calling him "Paki".

The same suspects were named time and again but none of them were charged. One of the ringleaders, David Norris, was the son of a well-known gangster, Clifford, who bragged about how he had bribed police officers and nobbled Old Bailey juries. It was Clifford Norris, who lent an air of invincibility to the racist gang.

Police corruption and racism are endemic. They cannot be reformed, but need to be broken up and replaced by a working class guard, drawn from and accountable to the communities they defend. That can only be done as part of the struggle for socialism, where the state is not there to rule over the people, but to protect us from anti-social and racist elements until they are eventually

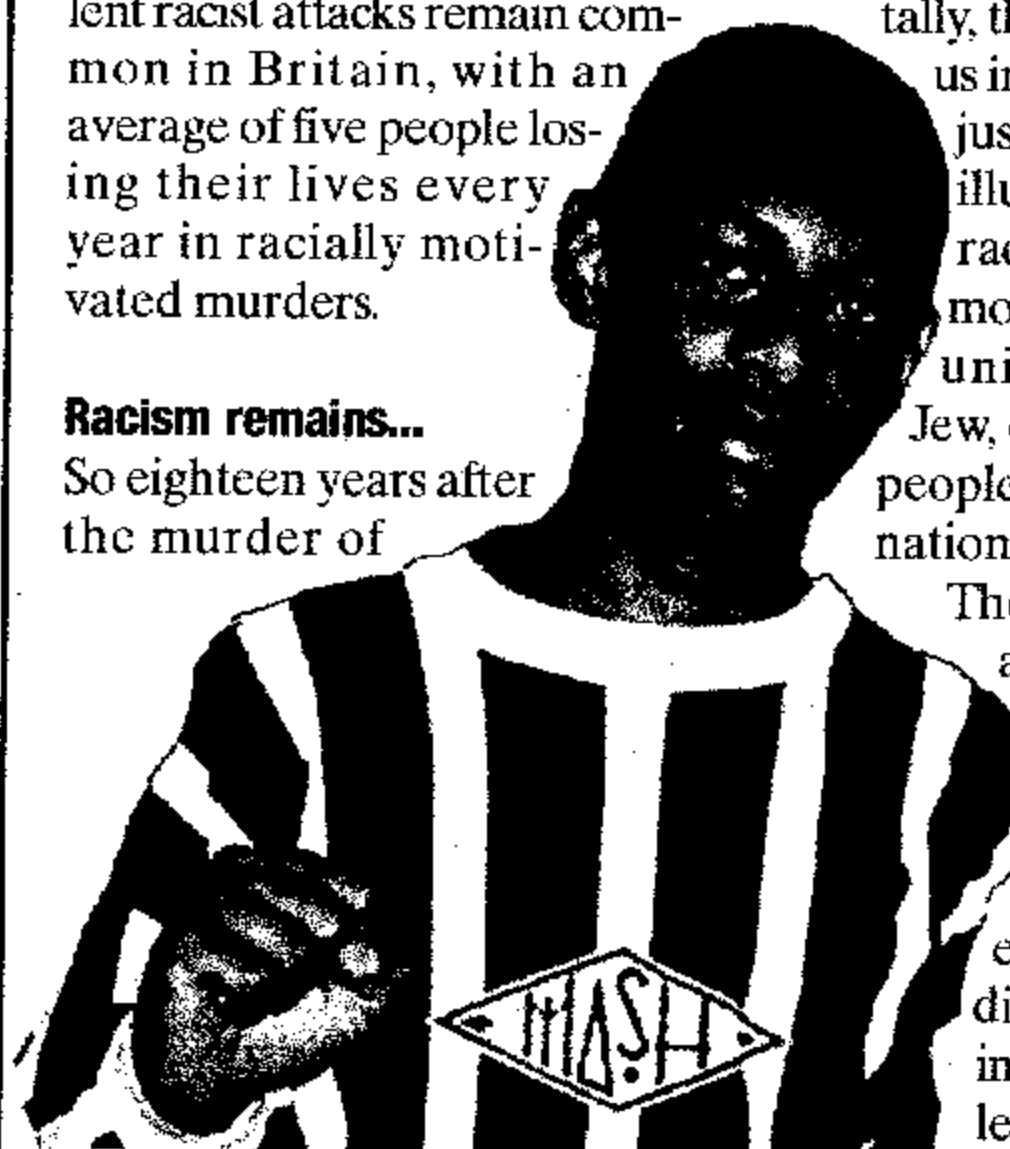
There is a clear divide and rule tactic encouraging white workers to blame their black and Asian co-workers and neighbours for the lack of jobs, housing and decent public services. This is exacerbated by the fact that there is an average of seven people competing for each job. But if the working class unites against its real enemy – the bosses – it could spell the end for the coalition government and its austerity programme.

Doreen Lawrence, Stephen's mother and a tireless campaigner against racism, made the point in an interview in *The Guardian*: "It is the working class and black people who are going to suffer the most – they are at the bottom of the ladder."

The rise of racist and nationalist rhetoric from politicians provides cover for fascist groups, like the English Defence League, to grow. Violent racist attacks remain common in Britain, with an average of five people losing their lives every year in racially motivated murders.

## Racism remains...

So eighteen years after the murder of



Stephen Lawrence

Stephen Lawrence, and as racism is whipped up to disorganise resistance to the destruction of our jobs and services, can we really say that the police are less racist?

An unequivocal 'no' is the answer. For proof you only have to look at the police response to the murder of Indian exchange student Anuj Bidve. Anuj, who was visiting Manchester over the Christmas period and was shot point blank in the head in an unprovoked attack by two white men. His family have complained about their treatment at the hands of the British authorities. His parents found out through Facebook about their son's death. Delivery of his body to India has been delayed.

Bidve's parents commented in the aftermath of the murder: "It is extremely disappointing the way we have been treated. We still don't know what course of action was taken by the British police when they were informed of the attack. We don't know what hospital he was taken to, what treatment he received or whether he was taken there in time. We are told it took half an hour and that that is not normal for the UK. If there was a delay in taking him, why did that happen?"

The treatment of Bidve's remains and his family betrays the same sort of ambivalence and reluctance to act as was displayed by the Met during the Stephen Lawrence case.

Ultimately, reports and enquiries, however important as part of a wider struggle, will not stamp out racism for good. Racism is deeply entrenched in our society today.

The institutional racism still displayed by the police is part and parcel of their role in society: the paid defenders of capitalist exploitation, standing between the mass of normal working class people and the bosses, bankers and their government.

Racism is so deeply ingrained in capitalist society because, fundamentally, the class system needs to divide us in order to survive. Racist ideas justify inequality and spread the illusion that people of different races cannot unite around common aims. But the truth is, we are united – black, white, Asian, Jew, or Muslim – as working class people, not just in Britain but internationally.

The only way to defeat racism and condemn it to the dustbin of history is to overcome the exploiters' attempts to divide us by organising together against capitalist exploitation itself, against all discrimination, against every incident of police and racist violence, and against every cut in our jobs and public services meted out by this rotten gov-

# Ron Paul: a bigoted, reactionary enemy of the 99 per cent

Ron Paul, standing to be the Republicans presidential candidate, has some support on the left because he is antiwar and anti-bank bailout. *Mike Wilhelm* examines his actual political message

SOME PROGRESSIVE activists in the US Occupy Movement look to Republican Senator Ron Paul as a force for radical change. His anti-invasion position on Iraq and Afghanistan and anti-big business outbursts have fooled many into thinking he is on the left wing of politics. But the reality is very different.

For years, Paul has been a political underdog, a niche favourite with his wide support base of libertarians, federalists and free-market evangelists. Perhaps no other mainstream politician has been as ideologically consistent (or rigid) in the application of his philosophy as Paul. He has earned the nickname 'Doctor No' from his fellow congressmen, as he is better known for voting against legislation than for it, especially when it fails to fit his strict 'constructionist' view of the US constitution.

He rabidly opposes taxes and the Federal Reserve Bank. Compared with other Washington politicians, it is no surprise that he is enjoying an upsurge in popularity.

Paul is a rare creature: a straight-talking, no-nonsense advocate of limited government and low taxes who actually seems to believe what he is saying. Therefore, he has a dual role: an appealing populist and one of the most dangerous political figures in the US today. Behind his 'country-doctor' persona lurks an unrepentant and anti-working class bigot.

## The "Ron Paul Revolution"

The devotion exhibited by Paul's supporters is legendary. Under the banner of the Ron Paul Revolution, his 2008 campaign raised about \$20 million, much of it from individual online donations. On 5 November 2007, his campaign raised \$4.3 million, the largest single-day donation for any Republican candidate and the most money received online in a single day by any presidential candidate.

The dynamism of Paul's political machine as expressed through the internet and social networking is undoubtedly due to his mainly young followers. They flock to him for a myriad of reasons, often related to his 'defence' of civil liberties and opposition to the Patriot Act. He is also a favourite with advocates of drug legalisation, as he opposes the federal government's collective-drug policy and believes that drug policy should be determined at state level.

Beyond all this, he has an unquantifiable 'anti-establishment' appeal. Compared to his Republican rivals Rick Santorum and Mitt Romney, he is relatively free of corporate-money influence and patronage. This allows him to appear relatively independent from Wall Street's political influence.



Paul is particularly popular with soldiers and ex-servicemen, some of his biggest donors, as he is the only mainstream candidate, Republican or Democrat, to profess a 'non-interventionist' platform, and has openly criticised the failed project of 'nation-building' (that is, occupation) that the Obama administration continues to pursue in Afghanistan. He has called for the withdrawal of all troops stationed abroad in 'friendly' nations, and has even criticised the supply of US aid to Israel, something most of his counterparts would consider political suicide.

## Isolationism

Although he claims to oppose wars of aggression, Paul is no anti-imperialist or anti-militarist. His opposition stems merely from the legality of waging such wars abroad, tempered with his entrenched suspicion of the ever-expanding military-industrial-federal complex.

According to Paul, 'Big Business' and 'Big Government' are more threatening than a foreign aggressor. His opposition to some wars is the cornerstone of an ideology that champions individualist 'middle class' interests above all else. He would happily support a war if it was approved according to the War Powers Clause of the constitution and all war material was produced by small businesses.

All the same, his anti-war posturing has galvanised the support of groups that would not normally identify with the Republicans: young people, anti-war liberals and independent voters. This has helped to shift him further into the mainstream and potentially drag the political centre in American politics further to the right.

After the billions squandered on two failed wars and occupations, the

## Ron Paul's politics

### On Race

"I think we can safely assume that 95 percent of the black males in that city are semi-criminal or entirely criminal" Paul's description of most black men in Washington DC.

In 2011 Paul said he would have voted against repealing the racist Jim Crow laws in the US, people "would be better off" without "government intrusion"

Accused Martin Luther King jr of sexual harrasment of children, saying; "And we are supposed to honor this 'Christian minister' and lying socialist with a holiday that puts him on par with George Washington?"

### On immigration

"Our current welfare system also encourages illegal immigration by discouraging American citizens from taking low-wage jobs."

### Workers rights

He supports the National Right to Work Act in Congress which would make it illegal for unions to collect dues from their members automatically through pay checks.

### On the free market

He supports free markets with minimal government safety nets for welfare or against discrimination "The true antidote to racism is liberty. Liberty means having a... government devoted to the protection of individual rights rather than group claims. Liberty means free-market capitalism, which rewards individual achievement and competence—not skin color, gender, or ethnicity.

public is largely critical of the costs associated with maintaining the America's global empire. His radical-sounding, isolationist rhetoric talk to the most disaffected and cynical (non) voters. They are then drawn further in by his views on privacy and individual responsibility, especially political-cum-moral issues such as marijuana legalisation and gun ownership.

### Government... who needs it?

Small business owners like his sentimental recount of capitalist society's recent past, when all you needed to succeed was a good idea and a little sweat. If only the 'free market' was truly free of 'job-killing' regulations and burdensome taxes, Paul cries, it would be crisis-free.

As a result, many are prepared to use Paul as a protest vote against the mainstream currents of two increasingly unpalatable parties. Yet, from his perspective, this is less about individual liberty or justice, and more about the separation of constitutional powers at state versus federal level.

So his support for marijuana legalisation, or the decriminalisation of all drugs, is less about stopping the 'War on Drugs' but rather a 'state's rights' issue, as the 10th Amendment does not give congress the power to ban or regulate drugs. The outcome of such logic would accept 50 separate war on drugs, rather than a single, federal one.

Paul worships the constitution like a holy text, while using it as a justification for reactionary positions past and present, such as his opposition to the 1964 Civil Rights Act. Rather than craft legislation to address the dire problems of the here and now – rampant unemployment, a crumbling national infrastructure, gross social inequality, racism, and environmental catastrophe – he prefers to stay well within the limits an extremely literal interpretation of a 200-year-old document.

He wants to eliminate the Department of Education, and public education with it, as well as the Department of Health and Human Services, because the constitution does not specify these federal agencies. The same would apply to Medicare, the popular social insurance programme that covers the medical needs of millions of children and senior citizens.

With local and state budgets already pushed to breaking point, downshifting responsibility for what remains of the social safety net onto the state and municipal level really means killing it by way of a constitutional technicality.

### No support for workers rights

Using the relatively banal 'freedom' doublespeak, Paul equates freedom

of association with his support for the national Right to Work Act, which would further strip the power of workers to organise in trade unions – a fundamental human right. In Paul's new America, where only those with money can access essential health and social services, the unemployed rust-belt factory worker, the debt-ridden college student and the urban and rural poor will be the first to be discarded.

Believing that government regulation undermines 'private market' (that is, no) regulation, Paul opposes agencies such as the Environmental Protection Agency (EPA) and Occupational Safety and Health Administration (OSHA), in favour of a system that supposedly polices itself in the best interests of all, similar to Adam Smith's 'invisible hand' of the market. He similarly opposes federal environmental laws to curb the worst excesses of heavily polluters such as the coal industry.

Paul drapes his right wing proposals to tear down the welfare state and attack the working class in the deceptive language of 'constitutionalism'. Welfare, taxes on corporations and the rich, regulations to prevent the destruction of our planet or to provide safe working conditions, become dead through ideologically imposed impossibilities. It is nothing more than a highly convenient method – from the point of view of the capitalist class – to deny the working class and oppressed the ability to try to change or make better the society in which they live.

### Why is Paul popular?

No one can deny the latest crisis of capitalism is squeezing the working class hard. Unemployment and dwindling prospects for social improvement are forcing millions into increasingly desperate circumstances.

This desperation is reflected back politically. While in the past workers looked to their mainstream elected representatives in the vain hope that they would solve the key issues facing the country through bi-partisan deliberation, this has become near impossible in today's unstable world.

After seeing a dysfunctional congress and a weak president locked in one impasse after another, millions are rightly disgusted with the political and economic status quo. Figures like Paul try to rise above the current crop of political mediocrities to offer plausible sounding yet ultimately false solutions.

The fact that he maintains a policy against drug criminalisation and touts an ambiguous anti-war position does not mean that we should overlook his disgusting racism and brutal 'Ayn Rand' worldview. A vote for Paul is a vote for an anti-working class platform and against the interests of

# The Fidesz Government in Hungary: a parliamentary coup d'etat as civil rights under attack

Tobi Hanse

DEMOCRACY IN Hungary is under attack as the government implements extraordinary new constitutional changes, writes Tobi Hanse

Late at night on 2 January, tens of thousands demonstrated against Hungary's new constitution in front of the Budapest Opera, where prime minister Victor Orban and his cabinet was celebrating its coming into force. With its two-thirds majority, the ruling Fidesz party can change the constitution without infringing formal parliamentary rules.

The new constitution gerrymanders constituencies to re-enforce the Fidesz majority; removes opposition representation from the electoral commission; curtails the powers of the constitutional court and the judiciary; allows for packing the latter with Fidesz appointees; sets up a new budget commission that can block future governments' legislation and trigger new elections; sets up another new watchdog, staffed by Fidesz appointees, to ensure "balance" in the media; and lengthens the terms of many of Orban's political appointees to key positions while making it harder for future governments to replace them.

Fidesz has also been especially



repressive on welfare cuts. In future, it will be possible to send unemployed people across the country as forced labour, accommodated in camps.

Finally, this transition to "Hungarian democracy" finds its highest expression by classifying Communist organisations as criminal. Demonstrations against the constitution and various other anti-democratic measures, including a massive purge of both private and state media and the passage of anti-union laws, have been mounting in size and militancy since early December.

Some of these measures – primarily the undermining of the independence of the Central Bank – have even drawn protests from Hilary

Clinton, the International Monetary Fund (IMF), the European Commission and European Union (EU) governments.

## Debt crisis

Behind all this lies the country's dire economic crisis. Hungary is unable to pay the interest – hovering around 10 per cent – on loans from the IMF and the EU. The ratings agencies have now reduced Hungarian bonds to "junk status".

This is why the government placed the central bank under its direct control. In the weak capitalist semi-colonies of the EU, like Greece and Hungary, central banks are expected to function primarily as agents for the

European Central Bank in Frankfurt, and thus for the continent's dominant imperialist nation, Germany. This, rather than the above raft of anti-democratic measures, is the real cause for the threats from the EU and the IMF to refuse further support and to cut off EU subsidies.

The opposition parties in Hungary, the social democratic MSZP and the liberal-ecological LMP, boycotted the vote on the new electoral law and instead held a demonstration in front of Parliament. This is all that these parties can do. Against the austerity measures and the debt crisis they have no alternative, and they only moved when their own electoral chances were threatened. The MSZP was in government at the time when far-right Jobbik party became a mass movement and pogroms took place against Roma and Sinti, and as the Jobbik party's Magyar Guard grew to several thousand.

The MSZP proposed nothing except a state ban on Jobbik, only to see Jobbik then enjoy electoral success. The MSZP embodies the crisis of leadership of the Hungarian working class; unable to make a stand against nationalist and fascist mass movements, their weakness actually encouraged the growth of these movements.

However, the thousands who

demonstrated in December opened up a new chance of a struggle for democratic and social rights. Even if the crisis has demonstrated the emptiness of capitalist democracy, the democratic mass movements in North Africa, the Middle East and the Occupy movement have shown the great revolutionary force that can develop in a battle for democracy and in protest against cuts in social services and mounting inequality.

The question now is how to broaden the fight against the Orban government across the country, both geographically and politically. For this, there needs to be a fight against the social cuts and the mass layoffs, just as there must be a fight against constitutional "reforms" and the new electoral law.

To believe that mass street protests alone will win would be a big mistake. On 21 January Fidesz mobilized hundreds of thousands on the streets in its support. We need to involve trade union and workplace organisations in order to fight back. The attacks on the working class in Hungary, Greece, Italy, Great Britain, Portugal and Spain show the need for a co-ordinated European anti-capitalist left, the internationalisation of the struggle and the development of a common programme to combat the crisis.

# Italy's new government launches major attack on workers

Martin Suchanek

MARIO MONTI whose "government of experts" was installed in December, has wasted no time in launching his "anti-crisis" programme. It reads like a wish list of the big bourgeoisie and represents a historic offensive against the Italian working class:

- Cuts in public services of €24 billion in 2012; freezing of salaries until at least 2014, massive cuts in expenditure on welfare, training and transport;
- Privatisation of local and state undertakings and responsibilities;
- Further liberalisation of entire sectors, including banks, pharmacies, taxis and petrol stations;
- Raising the pension age and cutting pension levels;
- Increasing VAT to 21 per cent;
- Aiming for a balanced budget and writing this objective into the constitution;
- Attacks on the right to job security and other employment protection rights;
- Support for capital regarding reductions in working conditions and workers' rights.

The European Union (EU) decision that brought down Berlusconi was actually widely welcomed in Italy. Most of the labour movement were, and are, happy to see their



archenemy forced out. What the parliamentary opposition, the trade unions and the left had been unable to do for years, because of their political disunity and cowardice, was now seen as a gift from the EU.

It's not only Monti who is exploiting this. The parliamentary left, the "Democratic Party", a fusion of the former Communist Party of Italy and a minority of Christian Democrats, has also justified its support for

Monti's government by saying that a return of Berlusconi had to be prevented by any means. Ultimately, they said, it was a matter of "saving the country", that is, saving Italian capitalism. For that, they had already agreed to Berlusconi's billions of cuts in the spring of 2011.

The only parliamentary "opposition" came from the right wing, chauvinist "Northern League" of Umberto Bossi, who want to make the EU, migrants and "lazy Southerners" responsible for the crisis. This almost complete support for Monti from the left, however, will not last forever, even if the Democratic Party has said that it will give Monti "as much time as he needs".

## The role of the trade union bureaucracy

Equally, in the working class, the fear of a return of the right wing will not weaken resistance and mobilisation forever, even if the leaders of the main union confederations remain committed to negotiations.

They are the main obstacles to effective mobilisation against the biggest attack on the working class for decades. Although there was a three-hour general strike in December after the formation of Monti's government, the trade union bureaucracy, as in many European countries, see such one-off actions as a means of "letting off steam". They

hope this will be enough to persuade the government to enter negotiations, even though Monti has made it clear he will not withdraw his "balanced" programme of cuts.

## Mass strike action is needed

In this situation, a drastic change of course is necessary for the Italian labour movement. We must demand that the trade unions, the social movements, in fact, all the groups in the labour movement, must make a complete break with any support for Monti's government.

The general offensive can only be stopped by the most decisive fight-back, by an unlimited political general strike. For that, it is necessary to build strike and action committees as well as self-defence groups against right wing and state provocation and repression.

In order to realise such a perspective we need a force that is consciously fighting for it. The Italian left and the labour movement is faced with the task of building a new workers' party to do that. Trade unions such as FIOM and COBAS, as well as the various "communist" and "socialist" groups, must take up the task of the creation of a new workers' party; and revolutionaries must fight from the beginning not only for a general strike and militant resistance, but also for a revolutionary action programme.

# Anti-austerity protests in Romania

JANUARY HAS seen days of mass militant action against the government, as thousands of people took to the streets across Romania to protest against austerity and corruption. Clashes in many cities have seen police attack protesters with tear gas and batons

The capital Bucharest has been repeatedly filled with crowds of people angry about a 25 per cent pay cut in the public sector and an increase in sales tax from 19 to 24 per cent.

In a dramatic moment in 2010 Adrian Sobaru, a TV engineer, threw himself from the balcony of the parliament in protest against cuts to health care. Health minister Raed Arafat, a Palestinian with Romanian citizenship, resigned from the government because of the cuts, an act which triggered the protests.

One protester, who had been involved in anti-Stalinist protests in 1989 against the hated dictator Nicolae Ceausescu said, "The political class is the main culprit for the collapse of our economic system and the ills of the society."

Popular anger is directed at the government, the state media and the IMF which provided a €20bn loan in 2009 on condition that drastic cuts were made to the state budget.

The protests so far have yet to threaten the government – for that larger mobilisations and strong working class resistance is needed to bring the economy to a halt.

## The battle of Saltley Gate - 1972

# “Close the gates!”

On the fortieth anniversary of the Battle of Saltley Gate *Norman Goodwin* then a shop steward at GKN Salisbury Transmissions plant in Witton recounts his memories of the day when Birmingham engineering workers struck in solidarity with the miners against the Tory government

ON 10 February 1972 I started out for work. But I would do no work on this day.

The miners were out on strike for a fully justified wage claim. This was not simply a fight between the National Union of Mineworkers (NUM) and the National Coal Board, the true obstacle was the Tory government. In truth this was a political strike against a Tory government intent on holding down all workers' incomes.

All the means that the boss class could use against the mining community came into play. The Tory press turned its big guns on the striking workers but to little avail. This was a strong brave time in the lives of British workers.

My union the Amalgamated Union of Engineering Workers (AUEW – today part of Unite) had been in the forefront of resistance against all Labour and Tory government attempts at introducing anti-trade union laws, against Barbara Castle's In Place of Strife and Ted Heath's Industrial Relations Act of 1971. We had as a union struck for 24 hours against the Heath government's threat to sequester the funds of any union that dared to defy the anti-union laws.

In fact I had moved a motion at a mass shop stewards' meeting which said we cannot define any difference between the employers and their mentor, the Tory government. The motion said that we should move first, we should “sequester” the employer by striking. The motion was passed and the whole of the Birmingham East District AUEW came out on strike against the threat of sequestration.

As a shop steward at Salisbury Transmissions, I was a member of the AUEW East District which was a real rank and file organisation made up of convenors and shop stewards from right across engineering in East Birmingham. From 9 January 1972 we were facing a total national strike by the NUM – the first since 1926.

### Gathering our forces

Miners had been sending mass flying pickets around the country to stop the movement of coal. Railway workers, dockers and TGWU lorry drivers refused to move coal. But countless scab lorries were breaking picket lines at Saltley to keep the coking plant working.

Arthur Scargill, the leader of the Yorkshire miners, had been in Saltley at the plant gates organising the pickets from the Midlands, South Wales and Yorkshire. Nevertheless thousands of miners and local workers had so far failed to stop scab lorries from entering. Then Arthur Scargill was invited by the President



Saltley Gate was a large coke processing plant in the midlands, the biggest open fuel depot in the country at that time. Shutting it down was part of the strategy to stop fuel supplies getting across the country which led to the three day week as electricity supplies ran low.

of Birmingham East District AUEW, Arthur Harper, to make a request for assistance. This became a recommendation that the East District strike and march on Saltley coking plant. All raised their hands in support.

This recommendation was brought

would march on Saltley gates and picket.

Forty years on and looking back I recall going down Deykin Avenue and into the clocking in area. My fellow workers were striking the clock 7.20am. Then the silence of the machine shop hit me as I entered the

“Some of the lads... were a bit dispirited... And then over the hill came a banner and I've never seen in my life as many people following a banner. As far as the eye could see it was just a mass of people marching towards Saltley... Our lads were jumping in the air with emotion – fantastic situation... I started to chant... ‘Close the Gates! Close the Gates!’ And it was taken up, just like a football crowd.”

Arthur Scargill

back by our District delegate Jack Ashby and overwhelmingly approved by a mass meeting of Salisbury workers. Personally I was exhilarated by the result. Yes we

plant. Deadly silence you might hear a pin drop, not one machine had started up and there were thousands in that plant.

I walked to my workplace and



looked around me and almost nothing was said. One or two men pulled on their work clothes but no one pushed a green button, it was quite extraordinary. At 7.30 the start work bell rang. At that moment all the workforce present walked away from their machinery toward the exit. Men who had changed for work changed back and also walked to the exit. All workers were on strike.

Out into Deykin Ave they went and lined up four or five abreast not to go home but to march on Saltley. Our big red banner was hoisted and read “Salisbury Transmission East District AUEW - Arise ye Workers.”

Looking back down Deykin Avenue you could see plant workers from GKN Forgings and Press works also spilling out ready to march. A group of our stewards went up the road and talked with the Forgings lads, and then by agreement we united and moved forward to Saltley. It was the proudest day of my life.

### March on Saltley

I was at the front alongside the banner but looking back over my shoulder I read no anxiety on the faces of my fellow workers. In truth I could see the buggers were up for it. It's not too far from Witton to Saltley gate and we were in quick time maybe 30 minutes. Now it became interesting, there across the road as we approached Nechells Place were a handful of police in traffic duty white tops. I saw Frank Watters, the District Secretary of the Communist Party standing on one side shouting at us ‘take your banner down’.

Only days before he was instrumental in linking Scargill to Arthur Harper and now he was telling me to lower a red banner in the face of a few pink faced bobbies. I looked back for a response from those behind me; they looked at me and I at them.

They said “Go fucking through them” and we did. The police for what they were jumped out of our way. No banner came down and I saw a group up on the right side of me standing on an outbuilding jumping for joy with our lot and Scargill.

We had arrived earlier than most and could see a lot of young miners looking tired out. They had been picketing round the clock against scab lorry drivers. Now we were literally on the gates with them wide open. Salisbury Transmissions were first on the gate but I suppose Tractors and Transmissions will always dispute the point. It matters little.

Many of our lads including me stood on the blue brick wall adjacent to the gates. The cry to “Close the gates” was deafening. I watched con-

tingent after contingent of workers from my industry pouring in and filling up Nechells Place until there was no room.

How long for I cannot recall. I know that none of the green police buses became active. They remained lurking in the side streets; we had taken them by surprise and outnumbered them. How long did we wait? I don't recall anymore but then the Chief Constable himself showed up right on the gate with some guy who put a big chain on the gate and locked it.

It was over, the battle was won and maybe up to 40,000 engineering workers on strike had won the day. Engineering and building workers had flocked to Saltley from Tractor and Transmissions, Morris Commercial, Lucas, Dunlop, Hardy Spicer, women from SU Carburettors, Rover plants in Acocks Green and Solihull and numerous sites in the city. Out of the 15,000 on the picket line at Saltley Gate, around 800 were from the two GKN plants.

### Lessons

Saltley proved that you can only rely on the rank and file. No engineering officials organised Saltley and none were seen on the day. This was unofficial action.

Workers were responding directly to a plea for solidarity from the miners. It proved that a strong organisation of shop stewards like the East District AUEW was essential in delivering solidarity action.

Today we need to rebuild a powerful rank and file movement across the unions that can deliver unofficial action when our union leaders drag their heels. Essential to that is rebuilding a strong shop stewards network.

Saltley was symbolic, as government knew they had lost the battle to keep coal moving. Although the full wage demands of the miners had not been met, the wage increase drove a huge coach and horses through the government's incomes policy. It raised the confidence of all workers fighting the bosses. Saltley was a victory for all workers.

That year we were also fighting for solidarity with the long and heroic strike at Fine Tubes in Plymouth. Later in the year the state locked up six London dockers for fighting against containerisation.

My comrades and I attended a mass picket of London Dock workers and their families on the Pentonville Road outside the prison. Alongside a steward from Lucas's I was invited to speak to a group of supporting London Fleet St print workers. Our credentials were quite simply “We had closed the Saltley Gates!”

# Battle for the Internet

The internet is one of the most important inventions in the last 30 years. Today it is a battle ground between the corporations, governments and users to determine who controls it, who has access to it and can make money out of it. *Kady Tait reports*

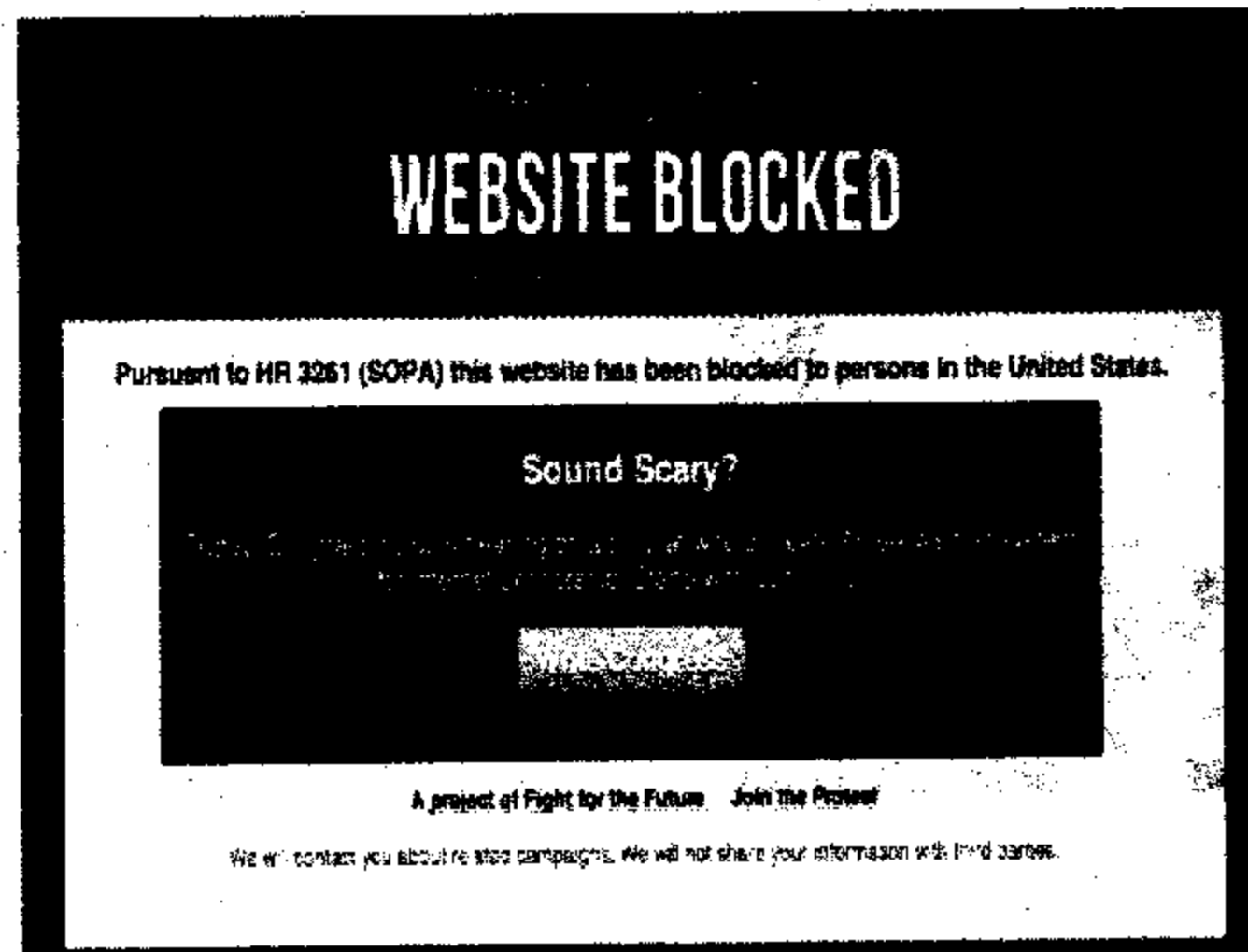
## Internet giants take actions against proposed censorship laws in the US

AN 'INTERNET blackout' on 18 January by industry giants including Wikipedia and Google succeeded in blocking attempts to pass new laws against 'internet piracy' through the US congress.

Reddit joined Wikipedia and Google in the largest protest of its kind by some of the biggest players in the internet industry. The protests targeted the Stop Online Piracy Act (SOPA) and Protect Intellectual Property Act (PIPA), which were designed to block access to websites hosting unauthorised copyrighted material.

The proposed acts aimed to give content owners and the government power to seek court orders to force search engines to block content associated with 'piracy'.

Critics claimed that the bills were so vague and broad that they present a real danger to freedom of the internet. While the US criticises China on a regular basis for its extensive internet censorship, it is currently debating laws which would remove



any foreign websites infringing US copyright law.

Predictably, the bills had their supporters, such as Rupert Murdoch and his fellow media barons with their legions of lobbyists.

Other sites, including Twitter,

refused to join the protest. Twitter boss Dick Costolo tweeted "Closing a global business in reaction to single-issue national politics is foolish."

Blunt, but perhaps more honest than Google's hypocrisy. The search engine involved in today's 'blackout'

has been criticised for co-operating with the Chinese government's efforts to censor online search results.

The proposed SOPA and PIPA laws are yet another infringement on the rights to freedom of speech, but equally they do no more than extend the already existing copyright laws to the online realm. The monopoly control of the majority of the world's information outlets is one of the single most important factors in shaping our ideas about the world we live in.

This isn't a clear-cut case of new, pro-freedom businesses against the old establishment. The case of Google, as well as Twitter's 'business as usual' stance, demonstrates that they are profit businesses like any other. As such we must not see them as reliable allies in the struggle to extend freedom of speech and information.

We should oppose any further power to curtail physical or online information industries. But equally we should not fall into the trap of uncritically supporting those for whom economic convenience means they temporarily find themselves defending free access to information.

We support Google and Wikipedia's protest against the SOPA and PIPA bills. But we need to remember that companies like Google have a huge influence over our lives, with virtually zero accountability to the millions who rely on it.

Although the acts were not passed, this is only a temporary retreat by those attempting to make the internet industry submit to the same property rights that control the distribution of physical-format information and media.

## Megaupload shut down by mega corporations

THE COLLAPSE of the Stop Online Piracy Act (SOPA) and the Protect Intellectual Property Act (PIPA) in the US congress might appear to be a victory for those who champion internet freedom.

But powerful supporters of the acts see it as a temporary setback and remain determined not to let it get in the way of forcing online industries to submit to IP rights.

Just as EMI and Universal sunk Napster at the turn of the century, so they are now trying to defend a moribund business model by taking court action against file sharing sites that allow people to transfer songs and movies without going through iTunes or Netflix.

While Google and Wikipedia crowded about the success of their blackout protest, the FBI leaned on the New Zealand government to arrest four people associated with the Megaupload website, which allowed people to view copyrighted material free.

Founder Kim Dotcom (real name Kim Schmitz) has been denied bail and is awaiting extradition to the US on charges of sharing copyrighted material without permission. He became a multi-millionaire through advertising revenue, so certainly did not set the site up from the goodness

of his heart. But his arrest and site closure was all part of the battle to make sure that the mega corporations that run the entertainment industry retained their profits.

Megaupload claimed 1 billion users, and 4 per cent of global internet traffic. Now it is closed down after 70 riot police storm the home of Dotcom. The struggle over internet freedom shows how capitalism is acting as a brake on the full development of humanity's creative forces.

### The reason it was shut down

Under the capitalist system, knowledge, culture and information are tied to private owners, available only to those who can afford it. The internet represents the sharpest challenge to this control, allowing billions of people to access information and ideas previously available only to a privileged minority.

Internet freedom challenges capitalist ideas of IP rights. The growing movement to defend freedom of the internet is a reaction against the growing monopolisation of broadcast and print media, and against the growing interference of government censors under the guise of 'national security', 'official secrets' and 'anti-terrorism' laws. No wonder people have started to refer to 'cyber-



**MEGAUPLOAD**

communism'.

The capitalist's power rests on private property rights, allowing a tiny number of people to own the natural, technological and intellectual wealth of the planet.

Inevitably they exploit the reproduction and distribution of these resources for their own benefit, not the benefit of the people who extract, package and rely on these resources.

We need to support the movement in defence of internet freedom and give it a perspective of challenging the fundamental pillars of the capitalist system - if we are opposed to the 1 per cent profiteering from our entertainment, then we must even more oppose the 'right' of these few billionaires to profit from their monopoly control over the planet's human and natural wealth which rightly belongs to all of us.

We want to put these resources under the democratic control of the majority who rely on them, whose democratic organisation is the only possible means of challenging and replacing capitalist exploitation with a better society.

## Twitter has 'different ideas about freedom of expression'



IN A move calculated to appeal to investors, Twitter has announced it is now able to censor tweets by country of origin. Previously, if a tweet was deleted, it disappeared from worldwide search results. The new technology allows Twitter to selectively target content and remove it from search listings within a particular country.

Twitter said they had made the move in an attempt to accommodate countries with "different ideas about freedom of expression". Quite.

Looking to expand its global business, Twitter is developing ways in which it can ensure that its information-sharing model doesn't stand in the way of securing operating rights in countries whose governments exercise tight censorship laws.

Twitter is willing to accept limits on its operations, in return for access to an even wider user-base. Making a principled stand in defence of

internet freedom is not part of this equation. Twitter CEO Dick Costolo explicitly made this point when he said that Wikipedia's 24-hour blackout over the Stop Online Piracy Act (SOPA) was "bad for business".

The new tools, strongly criticised by Twitter users and Reporters without Borders as 'opening the floodgates' to internet censorship, has been justified as a 'clarification' of Twitter's response to legal requirements. Twitter feels that its brand image was soiled during the Arab Spring, when the media routinely reported the role that Twitter played in helping to organise protests. Rather than protest against repressive regimes, they chose to accept censorship rules.

For all the talk of how revolutionary social media can be, it is gradually integrating itself into the business model of 'old' media - compromising with the established power structures if its profit margins are threatened.

# South London Anticapitalist Network formed

Simon Hardy reports on a successful meeting in South London for an anticapitalist alternative.

AROUND 40 people met on Saturday 22 January to discuss the way forward for the left in the face of the crisis.

Anticuts activists, trade unionists, student activists, socialists and anticapitalists gathered together to debate problems on the left, and the way forward to a revitalised left which could defeat the cuts and pose the question of an alternative to capitalism. Members from Workers Power, Permanent Revolution, Committee for Marxist Revival, the SWP and Green Left were present, all contributing useful points to the discussion.

There was a thorough debate, covering the present situation, past and the way we the left needed to change for the future. A number of contributions focussed on the problems of the socialist left, why there was a decline in numbers of active socialists since the 1970s, and the problems of disunity in the anticuts movement.

In the debate some activists raised the question of whether this would be another anti-cuts organisation. Others replied that this new initiative was not designed to replace the already existing anticuts groups but would unite those within the anticuts movement that wanted a more radical and active orientation, a political response which is more than just resistance and protest, and that

would actively work to overcome to divisions and disunity on the left.

As the meeting went on, more people began to focus on the future and what to do next. Other important issues which were only really flagged up for future discussions include how the new horizontally organised "new left" and "old left" can work together, what kind of action we need to stop the cuts and what kind of politics a revolutionary organisation would need to have to defeat the cuts and change the system. Some raised a criticism of even using the terms new and old left and asked if we could move beyond these concepts.

The meeting had been called by south London activists and brought together people from across Lambeth, Southwark and Lewisham. Activists also came from other parts of London to see what the meeting involved, to hear the discussion, and similar events will now be organised in other parts of the capital.

The meeting came after discussions by several groups and individuals to launch a new anticapitalist organisation, aiming to bring together those that want to fight the cuts and challenge the system. Whilst there are many different views on what we need, most agreed that there was an urgent need for a new kind of politics on the left, and the need to create a forum where these debates

could be had out, and steps towards and new organisation could be made.

## Next steps

The meeting voted to invite Paul Mason to speak at a public forum in 3 weeks time to speak on his new book. We will also set up a blog and a facebook group to organise ourselves. The name South London Anticapitalist Network was adopted.

Workers Power members handed out a document (attached below) which made the case for why we wanted to build an anticapitalist organisation and what kind of politics we think it should have.

The initiative is open, and activists can and should try and launch similar meetings in their area. We already have meetings being planned in Sunderland, Liverpool, Leeds and Doncaster.

If activists build Anticapitalist Meetings/Networks/Forums across the country, bringing in people who are currently unorganised, as well as people in groups and important campaigns we can develop the discussion on the way forward, and begin the next task of organising a national meeting with delegates from each group to launch a proper national co-ordination.

Email: [anticapitalistalternative@gmail.com](mailto:anticapitalistalternative@gmail.com) to get involved

# Manchester Anticapitalists discuss anticuts unity

Socialists and anti-cuts activists are getting organised in Manchester for the strike on 1 March by education unions, writes John Bowman

THE SECOND meeting of Greater Manchester Anticapitalists on 21 January, brought together a diverse audience of radical activists wanting to work together to build a stronger left in the city, and a stronger movement against the Tory government.

The meeting saw an open discussion of how to take things forward after the 30 November strikes, and how we should relate to the newly formed Unite the Resistance group in Manchester, and what part we could play in truly uniting the resistance.

There was common agreement in the room, and a lot of enthusiasm, to work towards building the broadest mobilisation on 1st March for the UCU strike (and hopefully other strike action) that could happen on that day.

It was agreed that Unite the Resistance could be a real opportunity in Manchester, but only if concrete moves were made to bring in the trades council, Manchester Coalition Against Cuts, Greater Manchester anticuts campaigns and other

bodies – bringing in activists from all across the Greater Manchester area for a powerful mobilisation.

It was thought such a coalition formed through action could provide the basis for a badly needed unified anticuts movement in Manchester that has been notably lacking in the city. We agreed to take this idea to the different campaigns – official and unofficial bodies, including Unite the Resistance, and to go all-out to build for the Unite the Resistance rally on 29 February, where Mark Serwotka will be speaking.

"We call for an open forum to build for a major mobilisation in Manchester on 1st March, when the UCU will be taking strike action. To encourage the greatest possible unity, the forum should be unbranded aiming to draw in all local anti-cuts and progressive campaigns."

If such a coalition can be formed around 1st March, it would mark a big step forward towards a united Greater Manchester anticuts coalition, and the potential for rank and

file action in the city to fight the attack on pensions as well as service cuts.

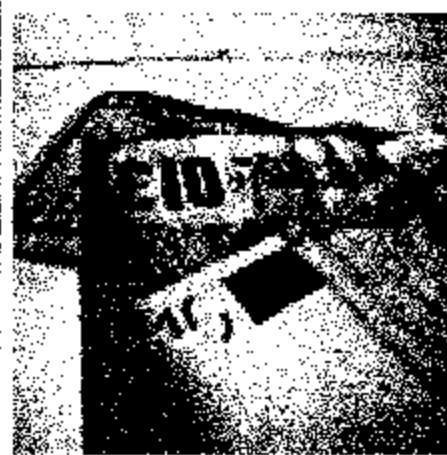
We also raised the idea of bringing activists together to hold a festival on Mayday this year.

## Organisation

The meeting debated the topic of forming a new, united anticapitalist organisation in Britain. There was discussion on questions such as how it would be formed, what the timescale could be and what such an organisation could look like. This was naturally more controversial in nature – but it's a real plus that Greater Manchester Anticapitalists can be a place to hold such discussions in a welcoming, non-sectarian and friendly environment where differences as well as shared beliefs can be discussed.

We will naturally have more discussions on this highly important question as time goes on, and we agreed to take further steps to organise by discussing a founding statement and setting up a public blog next time.

# WHERE WE STAND



**Capitalism** is an anarchic and crisis-ridden economic system based on production for profit. We are for the expropriation of the capitalist class and the abolition of capitalism. We are for its replacement by socialist production planned to satisfy human need. Only the socialist revolution and the smashing of the capitalist state can achieve this goal. Only the working class, led by a revolutionary vanguard party and organised into workers' councils and workers' militia can lead such a revolution to victory and establish the dictatorship of the proletariat. There is no peaceful, parliamentary road to socialism.

**The Labour Party** is not a socialist party. It is a bourgeois workers' party – bourgeois in its politics and its practice, but it gets its support from the working class through the trade unions and is supported by the mass of workers at the polls. Socialists work alongside Labour Party members in the workers movement and argue for our revolutionary positions within the struggles.



**The Trade Unions** must be transformed by a rank and file movement to oust the reformist bureaucrats, to democratise the unions and win them to a revolutionary action programme based on a system of transitional demands which serve as a bridge between today's struggles and the socialist revolution. Central to this is the fight for workers' control of production. We are for the building of fighting organisations of the working class – factory committees, industrial unions, councils of action, and workers' defence organisations.

**The Russian revolution** established a workers' state. But Stalin destroyed workers' democracy and set about the reactionary and utopian project of building "socialism in one country". In the USSR, and the other degenerate workers' states that were established from above, capitalism was destroyed but the bureaucracy excluded the working class from power, blocking the road to democratic planning and socialism. The parasitic bureaucratic caste led these states to crisis and eventual destruction. We were for the smashing of bureaucratic tyranny through political revolution and the establishment of workers' democracy. We opposed the restoration of capitalism and recognised that only workers' revolution can defend post-capitalist property relations. In times of war we unconditionally defend workers' states against imperialism.

**Stalinism** has consistently betrayed the working class. The Stalinist Communist Parties' strategy of alliances between workers and capitalists (in popular fronts) and their stages theory of revolution have inflicted terrible defeats on the working class world-wide. These parties are reformist.

**Social Oppression** is an integral feature of capitalism, systematically oppressing people on the basis of race, age, sex or sexual orientation. We are for the liberation of women and for the building of a working class women's movement, not an "all class" autonomous movement. We are for the liberation of all of the oppressed. We fight racism and fascism. We oppose all immigration controls. We fight for labour movement support for black self-defence against racist and state attacks. We are for no platform for fascists and for driving them out of the unions.



**Imperialism** is a world system which oppresses nations and prevents economic development in the vast majority of third world countries. We support the struggles of oppressed nationalities or countries against imperialism. We unconditionally support the Irish Republicans fighting to drive British troops out of Ireland. But against the politics of the bourgeois and petit-bourgeois nationalists, we fight for permanent revolution – working class leadership of the anti-imperialist struggle under the banner of socialism and internationalism. In conflicts between imperialist countries and semi-colonial countries, we are for the defeat of the imperialist army and the victory of the country oppressed and exploited by imperialism. We are for the immediate and unconditional withdrawal of British troops from Ireland. We fight imperialist war not with pacifist pleas but with militant class struggle methods including the forcible disarmament of "our own" bosses.

**Workers Power** is a revolutionary communist organisation. We base our programme and policies on the works of Marx, Engels, Lenin and Trotsky, on the revolutionary documents of the first four congresses of the Third International and the Transitional Programme of the Fourth International. Workers Power is the British Section of the League for the Fifth International. The last revolutionary International (the Fourth) collapsed in the years 1948-51. The LSI is fighting to refound a revolutionary International and build a new world party of socialist revolution. If you are a class conscious fighter against capitalism; if you are an internationalist – join us! ★

# €urozone crisis

- Austerity has led to massive slowdown
- Credit ratings downgraded
- Greece, Italy and Portugal in debt crisis

Andy York

THE EUROZONE crisis has returned with a vengeance in the new year, despite desperate actions by central bankers and governments in December to push it back. The result is a creeping recession across Europe, almost certainly sparking a double-dip global recession. The collapse of the Eurozone would mean even deeper crisis, a world recession of far greater severity than that of 2008-9 and tremendous political instability across Europe.

In Greece and Italy, the countries at the heart of the crisis, the unelected, technocratic governments led by Lucas Papademos and Mario Monti came to power in November to implement austerity. As ex-vice president of the European Central Bank (ECB) and ex-European Union (EU) commissioner, both were approved as a safe pair of hands by the 'Troika' - the ECB, EU and IMF - to oversee the bailout process of the worst-hit countries; they have faithfully pushed sweeping cuts programmes over the heads of the people.

Then on 1 December the ECB lent billions of euros to the European banks and, with help from five other central banks including the US Federal Reserve, managed to stave off a looming credit crunch. An emergency EU summit on 8 December agreed to a new fiscal union to slash public spending with legal debt limitations. Hedge funds and billionaire speculators that control the international market in public and corporate debt, along with central bankers and politicians, breathed a sigh of relief.

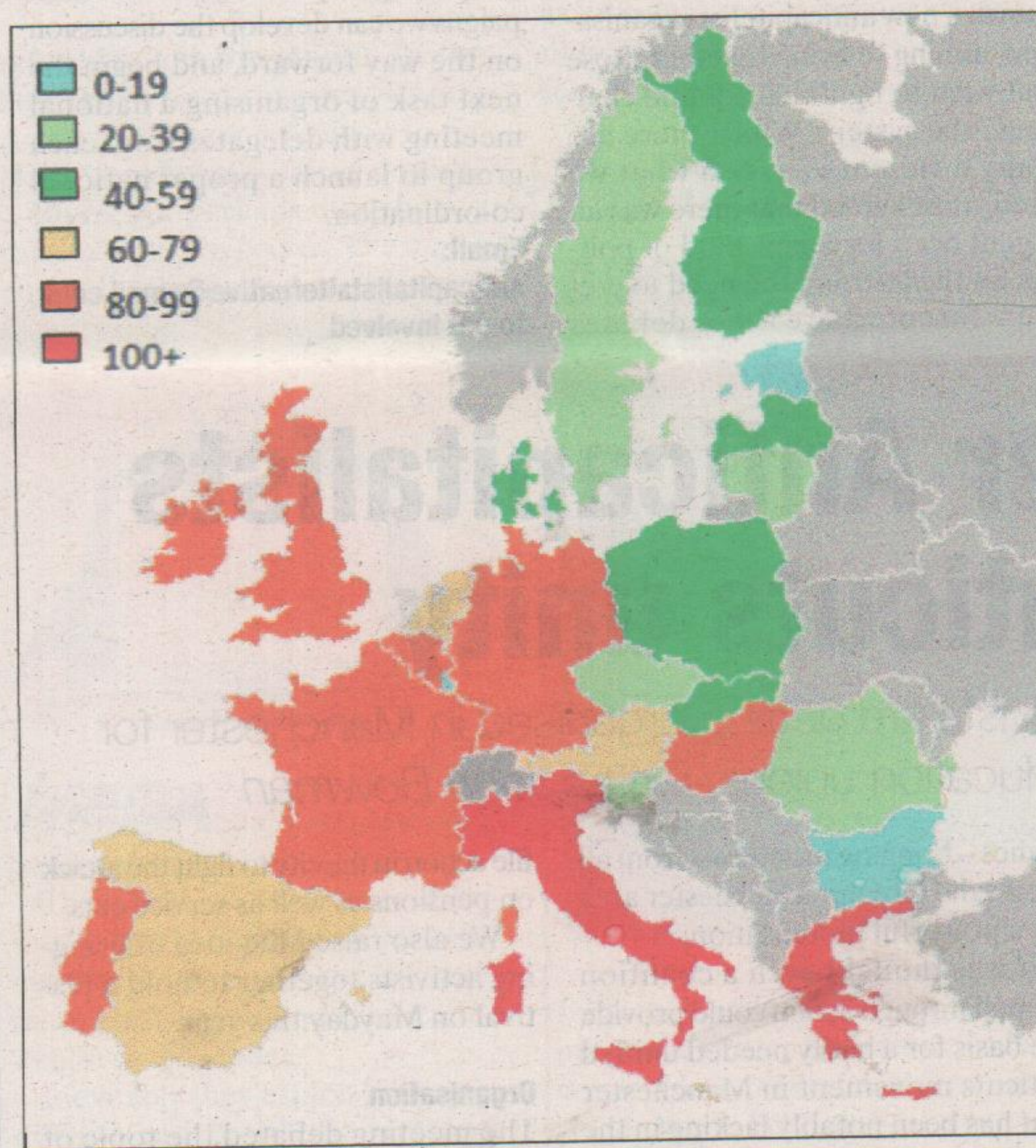
Yet the lull never came. Each time more radical, desperate measures are used to halt the advance of the crisis, it returns with renewed strength. It is no exaggeration to say that 2012

- indeed the next few months - will determine the future of the Eurozone.

The German Chancellor Angela Merkel talked tough on the need for "binding" legal limits with "automaticity" in their enforcement by EU bureaucrats. "The lessons are very simple: rules must be adhered to, adherence must be monitored and non-adherence must have consequences," she said. While this is a shared strategy with France's president, Nicolas Sarkozy, it is Merkel alone who has a veto on the whole Eurozone bailout operation due to the relative size and industrial strength of the German economy in Europe. Yet despite promises to speedily finalise a fiscal union at a 30 January summit, the markets remain underwhelmed.

The plan was almost immediately compromised in the eyes of the bond markets as the ECB bureaucrats, backed by Merkel, refused to issue euro bonds. These would lower interest rates by pooling the debts of the poor countries with those of the rich EU economies including Germany. Without ECB bonds, speculators were sceptical about whether the new compact would have much affect on the immediate crisis, and returned to demanding higher interest rates to buy government bonds.

In the context of the deep recession gripping Greece and Portugal, this has meant the vicious circle of the last two years of crisis accelerating: rising interest rates fuelling ever-rising debt, requiring more borrowing, and investors demanding even higher interest rates due to fear of default. The bailout packages taped together last year are coming undone already, further contributing



EU countries showing amount of debt to national GDP - Greece and Portugal's debt is far in excess of their national GDP

to investor uncertainty.

Then the US-based ratings agency, Standard & Poor's, dropped a bombshell on 13 January, downgrading nine Eurozone countries in one go, taking France down a notch from its triple-A rating and relegating Portuguese debt to junk status. The following week it downgraded the rating of the European Financial Stability Facility (EFSF), the EU bailout fund, from its triple-A rating. The negative trends began to pick up pace.

**The vice tightens on Greece**

With renewed strikes and street protests outside of the Athens par-

liament against this savage austerity, coupled with the possibility that another round of deep cuts might not be voted through, has raised once again the question of default and a 'disorderly' exit of Greece from the Eurozone.

As a result, scores of suited bureaucrats representing private investors and the Troika have descended on Athens to try to re-float the bailout and impose further austerity. In reality, the money will go directly from Greece into the vaults of the European banks and global finance houses that own its debt - they are the real ones that are being bailed out.

The Troika is there to negotiate a second €130 billion bailout, going through the government accounts to find more cuts to pay for it. A bailout is the one thing that stands between Greece crashing out of the Eurozone and wrecking it, along with the fortunes of the big French banks and German export firms that profit so handsomely at the other countries' expense. They want Papademos to cut faster, arm-twisting him into adopting a law to commit state revenues to debt payments first before any other spending, and cede tax and spending decisions to a EU budget commissioner. The financial dictatorship of capital, the international banks and financiers has gone from a hidden economic reality, mystified under the term 'the markets', to an open political fact.

At the same time, ECB bureaucrats and a group of more than 450 banks, insurance companies, hedge funds and other investors are haggling over who will shoulder the greater bulk of Greek debt write-downs, possibly up to 70 or 80 per cent of the original debt. They have no choice: Greece in recession doesn't have a hope of ever paying off its massive debt.

**Portugal and Italy drawn deeper into the vortex**

So far in the euro debt crisis, 7 per cent interest rates have been considered the threshold of crisis, triggering an unsustainable spiral of growing debt. Since the downgrading of its debt, Portugal's three-year debt costs have rising to an eye-watering 19.2 per cent and 10-year debt to 14.2 per cent as the markets bet against it, raising the spectre of a second bailout from an already strained EU fund.

Continued on page 5