

# weekly worker



**Angela Merkel and François Hollande: Berlin demands yet more austerity**

- TUC demonstration
- ULA: end of the road?
- Hillsborough disaster
- Capitalist apologetics

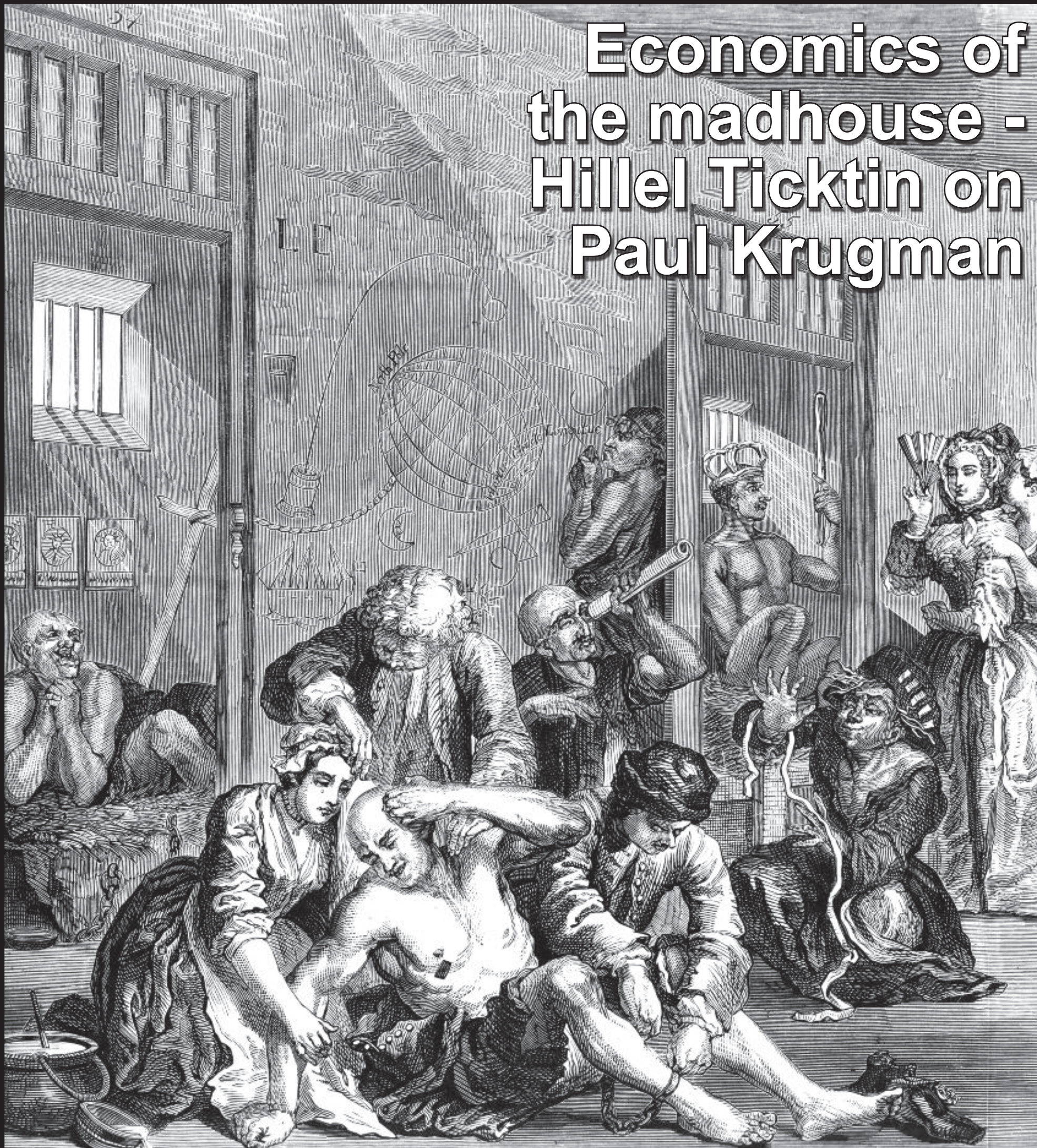
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Towards a Communist Party of the European Union

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## Economics of the madhouse - Hillel Ticktin on Paul Krugman





# LETTERS



Letters may have been shortened because of space. Some names may have been changed

## General strike

The TUC general council is supposed to be committed to investigating the practicalities of a general strike. Unite's general secretary, Len McCluskey, asked the crowd in Hyde Park on Saturday if they wanted a general strike and got a resounding 'yes'. The National Shop Stewards Network and Socialist Party are asking the TUC to name the day.

In fact we already have a day: November 14. As things stand, there are plans for simultaneous general strikes in five countries: three major (Spain, Portugal and Greece); two minor (Cyprus and Malta). And Saturday's large union rally in Rome heard calls for a general strike from the crowd - unfortunately, Italian General Confederation of Labour (CGIL) general secretary Susanna Camusso has said that she needs to discuss this with the leaders of the other union centres, the CISL and UIL, who are likely to sabotage plans for Italian involvement; CISL did not even participate in the recent Italian public sector general strike.

If this international general strike goes ahead it will be unprecedented in the history of the European labour movement. The only previous attempt at something of this sort - on the initiative of the Comintern in July 1919 - flopped due to the last-minute treachery of the leaders of the French CGT and of many, but not all, Italian trade unions.

The bosses' austerity offensive is being conducted on a European scale. Our response must be European, not national. The European Union-European Central Bank-International Monetary Fund troika cannot be beaten in one country. Nor can the UK escape from the austerity agenda by simply withdrawing from the EU, as certain of our more militant union leaders - the RMT executive in particular - believe. An independent capitalist Britain would be more closely linked to the American neoliberal agenda, rabidly hostile to trade unions and the welfare state. Equally an independent capitalist Scotland, like an independent capitalist Catalonia, is a blind alley. The problem is not the English or the Castilians, but international capitalism.

The European Trade Union Confederation is committed to a 'day of action' against austerity on November 14. Whilst its demands and plans are, predictably, inadequate, we must take advantage of this call to urge the maximum solidarity action with our brothers and sisters in southern Europe; even if we cannot push the union leaders into calling for a general strike in the United Kingdom, we must make sure that as many activists as possible are aware of what is going on across the channel and that any 'day of action' over here is not limited to some poorly attended lunchtime rallies in a handful of locations.

**Toby Abse**  
London

## Bloody obvious

Mike Macnair's article, which advocates the need to rebuild the movement before we can think about general strikes, is long on criticism, short on solutions ('Rebuild the movement', October 18).

In the end it boils down to a criticism that demonstrations like October 20 will not immediately lead to a general strike to overthrow the government. Pretty obvious - although it doesn't seem an unreasonable aspiration to build protests and strikes to a pitch that might cause

the government to fall. But it goes on to say that these sorts of actions - including strikes, preferably on a continental scale (does he mean coordinated strike action, or a protest general strike?) help develop the movement. So nothing to criticise then.

As for "the need to rebuild the movement", again pretty bloody obvious, but surely it will only be rebuilt in struggle against cuts, against the government and for a changed society. Not because someone decides to get more organised. That is the mantra of the union bureaucrats: recruit, recruit, recruit. But the question is what will cause people to join a union other than struggle, and success in that struggle? With the unions failing to fight, or losing consistently, for many not paying out £5-£10 per month to the union is an effective saving in hard times.

Comrade Macnair's big ideas seem to be 'area-based' unions to organise the part-time and unemployed workers, and cooperatives and mutuals, so we can get used to running our own society. To counterpose organising the unemployed to organising in the workplace shows a complete lack of understanding of the complexities of trade union organisation and negotiation, much dictated by legal requirements around ballots. Most of this is done by lay reps released by their employer - thus branches must essentially be employer-based. Employers don't give you time off to organise the factory down the road, and the unions don't have enough employees to do all the organising for lay reps - even if this was desirable. Of course, that doesn't stop initiatives like Unite's community branches (although they are not exactly being flooded with applications from these layers) and the actions of trades councils in linking up workers and fights. In my area the trades council has pulled all left political groups into an anti-cuts campaign, which has then involved disability groups and others.

Mutuals and coops are being put forward in the public sector by the Tories. They want workers to take over running care services, libraries, bus services, etc, because they will then squeeze them through the contract tendering process, forcing them to cut their own pay and conditions. This would be a façade of control. It is the equivalent of self-employed building workers being used to undermine organisation and cut pay and conditions. Hence, this is not a policy for the left to advocate. It is likely to atomise an already weakened workforce.

**Ray McHale**  
Cheshire

## No rebuilding

Mike Macnair's article has some serious, fundamental flaws. He criticises the demand for a general strike and instead insists that we should rebuild the movement, whatever that means. Like most pessimists in the workers' movement he doubts the capacity of the working class to fight.

Macnair says: "Slogans or strategies of a general strike to bring down the government are right now simply unrealistic." This is the old reformist lie: 'Wait until the movement is ready'. Macnair has a purely pessimistic attitude to the working class when he says: "The level of organisation remains extremely weak." The fact that the working class has changed from full-time to part-time work is irrelevant. The composition of the class has changed, but that has not changed its capacity to fight. The response to October 20 was massive - a sure

indication that it will do so.

Both Lenin and Trotsky wrote about the nature of trade unions in the imperialist epoch. In the *Transitional programme* Trotsky says: "The world political situation as a whole is chiefly characterised by a historical crisis of the leadership of the proletariat." This prognosis was true in 1938 as it is now.

In the British working class today the biggest brake on the working class taking power is the trade union bureaucracy, which like Stalinism is a counterrevolutionary caste, representing the wishes of capitalism. The Cameron/Clegg government rests completely on the role of this bureaucracy and, as Lenin said in *Leftwing communism: an infantile disorder*, "The victory of the revolutionary proletariat is impossible unless this evil is combated, unless the opportunist social traitors are exposed, discredited and expelled."

That is the task in this period - not solidarity or rebuilding the movement, but a ruthless and relentless struggle to smash this bureaucratic apparatus in the trade unions and build a genuine rank-and-file movement independent of the bureaucracy. That rank-and-file movement is Grassroots Left.

**Laurence Humphries**  
*Socialist Fight*

## Bent stick

Perhaps it's just me here bending the stick towards the political, but could CPGB comrade Mike Macnair please support his sentence, "At the core of any workers' movement are the trade unions"?

Maybe that is a British peculiarity, but continental Marxist parties and continental bourgeois-worker parties have quite a different history than said assertion. None of those parties were - thankfully, I should add - based on the ever apolitical trade unions.

**Jacob Richter**  
email

## Red herring

I genuinely intended to economise in my responses to Arthur Bough but not by as much as the editor of the *Weekly Worker* dictated when he cut my three observations to one (Letters, October 18). I fully appreciate the constraints of space in last week's issue and Arthur's misunderstanding of Marx's law of value is a particularly egregious error. However, I think my further two points in response to Arthur's letters of recent weeks are worth making.

First, while I may have differences with Andrew Kliman around how we should conceptualise the formation of individual commodity values (I intend to spend time working through this issue), when it comes to measuring the rate of profit, Arthur appears to confuse the effect of an appreciation of capital values on the rates of profit of individual capitalists with its effect on the *aggregate* rate of profit. My point has always been - and Arthur himself says the same thing - that one capitalist's capital gain is another's capital loss. In measures of *aggregate* profits (historical cost and current replacement cost alike) such gains and losses will cancel out each other.

It is striking that all Arthur's examples of capitalist production refer to a single capitalist or a single sector of the economy and all changes in commodity values are represented as phenomena external to the production process under examination. They are therefore useless for the purposes of discussing aggregate behaviour.

Much more important than *appreciation* is the question of capital *depreciation*. In my view, capital appreciation and depreciation have neither an equivalent nor symmetrical impact on profit rates. The devaluation of capital values - either as a result

of Marx's 'moral depreciation' or in an economic crisis - is not simply cancelled out. Capitalists as a whole can lose - aggregate exchange value can be wiped out and this has an impact on the aggregate economy.

Which brings me to my second point: I think Arthur treats Marx's discussion of *capital in general* and *many capitals* in a manner that is as undialectical as his understanding of the category of value. Marx's study of *capital* requires the analytic unity of capital in general and many capitals. Marx's method was to move from the abstract (capital in general) to the concrete (many capitals, including competition and the division of surplus value between different factions of capitalist class) and back again.

Many features of Marx's theory can only be examined by moving towards the study of many capitals: capitalism's drive towards increasing the productivity of workers; the creation of a general rate of profit; the tendency of the rate of profit to fall and its countervailing factors; the role of financial capital; the causes of cyclical crises.

I embrace Arthur's charge that the role of many capitals interests me, for it is only on the basis of Marx's complete method that we can usefully analyse the dynamic of capitalist reality. In fact, Arthur's accusation is a red herring. By measuring inputs and outputs to the production cycle at current replacement costs, the 'rate of profit' of Arthur and other opponents of the temporal single-system interpretation has nothing to do with an objective, *capital-in-general* rate of profit - as they might claim.

Their measurement of the rate of profit does two things. It treats all investments as if they had just been purchased at the prices that currently obtain for all the elements of fixed and circulating capital. It therefore abstracts from the effects of capital devaluations. While such a procedure will clearly miss many disturbances in the economy up to and including a slump, we might think that it ought to tell us something useful about the potential profitability of the economy once the crisis is overcome. It could therefore sit alongside the historical cost rate of profit in our analytic tool box.

However, the second thing a current-replacement-cost rate of profit does is to treat the production cycle as if time were abolished. Inputs and outputs, remember, are valued at the same moment. This is its ultimate absurdity. The procedure cannot capture changes in value over the course of the production cycle - let alone phenomena such as the falling rate of profit. Since an increase in productivity, by definition, will increase the output of physical use-values, productivity increases can only be represented in the current-replacement-cost model by an equivalent increase in the output of values - yet we know that an increase in productivity lowers the socially necessary labour time required to produce commodities and reduces both values and prices compared to the physical quantities of commodities produced.

The current-replacement-cost rate of profit effectively parts company with the labour theory of value.

**Nick Rogers**  
Tottenham

## Spelling it out

Heather Downs (Letters, October 18) confirms that, for her, class and women's oppression have no relationship with each other. She suggests, rhetorically, that I am concerned that she hasn't placed women's oppression "at the end of a very long queue, including Zionism,

imperialism, racism in the deep south". My whole argument was that the oppression of women is integral to all of these - including, of course, sexual violence against women in racist society.

Let me spell it out in terms that even Heather will understand. Do Palestinians not include women? Did the rape of Arab women by the Palmach shock troops in the Nakba, prior to their murder, not constitute sexual violence? Was the rape of black slave women by their white owners or by colonialists in, say, the Belgian Congo or Rhodesia divorced from women's oppression? Why then say I am placing women's oppression at the end of any queue? What Heather really means is that I am placing rape in a class and not merely a sexual and gender context.

Or, since Heather has a problem identifying with women of colour, perhaps she can tell me how many German women identified with and supported Jewish women in Nazi Germany? Was the outlawing of sexual relations between Jewish men and 'Aryan' women also not oppressive to Jewish women? Just as white women, unless they had a level of class-consciousness, identified with white men in southern Africa, so that was also true of the German *Fräulein*.

The fact is that white women were part of the oppressor society and also complicit in the oppression of both black women and men. If Heather had any knowledge of the case of the Scottsboro boys, she would be aware that the US Communist Party did indeed see it as an issue of class, because they sent Jewish attorney Samuel Leibowitz to defend them. He worked with Ruby Bates, one of the two women who had made false accusations of rape, and successfully persuaded her to withdraw her accusations. But, as Heather Downs indicated in a throwaway remark, the accused were nothing more than Jimmy Savile's counterparts.

I find Heather's defence of Andrea Dworkin quite remarkable. She was a good example of a rightwing feminist who ended up in bed with the far right in the United States, testifying to the Meese Commission on pornography. Leaving aside her own questionable assertions of rape (questioned, incidentally, by other women), she formed, along with Christopher Hitchens and David Frum, an alliance with the socially conservative right wing in America around the issue of pornography, because, to her, pornography was the theory; rape was the practice. To the right, all discussion and portrayal of sex had to be put back in the box: hence Dworkin located women's oppression in sexual intercourse *per se*.

I am also surprised that Heather is unaware that Dworkin was a racist and Zionist, with, for example, her essay 'Scapegoat: the Jews, Israel and women's liberation'.

Regarding the rest of Heather's letter, we don't disagree that the key issue is consent and whether it is meaningful consent. The issue of the age of consent is problematic, as is the state of someone's mental health. But this doesn't therefore mean that there aren't grey areas where people go to bed and one person feels pressurised to having sexual intercourse, only to regret it later and subsequently reinterpret what has happened. Or perhaps Heather has only ever had perfectly equal sexual relationships. Speaking from my own experience, there are times when I have given in to pressure or gone to bed with a friend to avoid offending them. Maybe the same has happened in reverse, but we are not talking about rape. Sexual relationships are not divorced from wider personal relationships



and people can also reinterpret what happened in the light of their own friendship or association. It would appear that is the case with Assange. Subsequent behaviour is very much to the point. A victim of rape doesn't usually tweet about her sexual conquests.

To view this in some political perspective, western feminists did indeed exclude questions of class and race from women's oppression. They were biologically determinist. 'The personal is political' was their slogan. The problem was that the personal was often anything but political. In so doing they were partners in the oppression of other women, just as women I know today are in favour of France's ban on the burqa, a detestable garment in itself, even if it leads to male violence as a result.

**Tony Greenstein**  
 Brighton

## Human nature

Bourgeois states are bodies of armed men, backed up by judges and prisons. Communists need to be cautious about supporting their laws. This applies to Swedish law too despite its reputation for liberalism. We should on no account support the use of the European arrest warrant (EAW), even for someone who may have committed rape. Extradition procedures are manipulated by the state, but at least they mean a *prima facie* case has to be made in public - incidentally extradition on to the US would be illegal if this procedure was followed. In the case of Assange, extradition to the US is the question primarily concerning those opposing his return to Sweden under an EAW, not whether he should stand trial for rape.

However, why a rape law which is infrequently used and under which 90% of those charged are acquitted should be relied upon to protect women's safety leaves me somewhat baffled. Surely we should be arguing for something more effective. However, leftwing arguments that prison does not work or that societal revenge is inappropriate in a modern justice system are brushed aside as rape denial. Rape is evil and evil must be met with hellfire. But we should have confidence in the improbability of human nature and the patience to see it through - despair in humanity creates impatience and recourse to terror. Why do the 'non-rape denialists', if I may so call them, despair of human nature?

The law's approach to the question of women's rights is also deeply flawed. Take the complaint made by the two women in the Assange case. It was not about rape. Neither woman was seeking his punishment: they just wanted him to have a paternity test to protect the interests of any children that might result from the act of unprotected sex. The law did not require him to have a paternity test; he was allowed to leave the country. In my view the women behaved reasonably, and the law showed no interest in representing their interests. The women also seem to have informed others in their circle of their sexual experience, so if anyone else was considering going to bed with Assange they would know what to expect. A practical and sensible measure. It should be developed. Especially as confronting someone with their behaviour is often the most effective way of changing them.

Heather Downs has studied how women feel when they have been raped, but these particular women didn't feel raped. I suspect their psychology is different. They are committed to casual sex. If it is good enough for men, it is good enough for them. They practise sexual equality and that means taking responsibility where the temporary relationship fails in some respect. They probably do not

expect too much of men's behaviour and are loath to exaggerate the degree of fear or repulsion they may feel in the overall interests of their lifestyle.

It is strange that we should be talking about rape now, when it was the first problem solved by our species. The females of our immediate genus did not want be dominated by the alpha males. Not so much a battle against rape as a fight for choice. To this end they formed a political alliance amongst themselves, and they lavished their attention on their offspring, because this resulted in a strong, lifelong, emotional bond and also allowed this alliance to extend to include the beta males. Alpha-male domination was overthrown and the alpha males, like all males, became providers, partners and parents. The uniquely useful male ape. Culture and a mode of production based on sex, not class, produced superabundance and modern humans without the need for police or prisons.

Sometimes to solve something you have to solve everything, but really it is the process itself that produces the answer and that process must come out of a belief in human nature, not reliance on the culture of punishment.

**Phil Kent**  
 email

## Leave me out

I regret having to raise further disagreements with comrade Dave Douglass, as I have on most issues, including clean coal, found myself in general agreement with him, but I have to address some of the points in his letter of October 18.

I take issue with his comment: "Terry Burns doesn't express a shred of communist humanity for people in this complex maze of judgment and punishment, but actually introduces a suggestion for further prohibition and restriction - age gap rather than age difference." Bollocks. I do not hold views of that nature. I agree that I did not address these issues, as I did not feel it was required. My aim was to make generalised comments. As to the views I hold, I would point out that Dave does not know me or my views, be they about these two people or others who face state or community "judgement and punishment". From his comments he makes assumptions as to my views based on a few sentences in a short section of a brief letter that was not intended to address the issues he raises.

My "communist humanity", subject to my lack of personal involvement with the two individuals, would include concern for their probable traumatic and complex feelings and, in turn, those facing their families and friends. This humanity would also manifest itself in the cases of others suffering from state, cultural or community actions. These are often extremely repressive actions, many directed specifically towards women and their social, including sexual, place in society - eg, shooting a 14-year-old girl, female circumcison, dress, access to a wide range of activities, etc. There are also attacks on those involved in LGBT activities. Throughout the world, there exist many state and communal taboos, commonly sexual, often highly repressive. These have to be challenged, rejecting claims of history or culture as reason for their continuance.

Dave then proceeds with the idea that I suggest "further prohibition and restriction" based on "age gap rather than age difference". I never used the terms 'age gap' or 'age difference', let alone pitted the one against the other. For me they mean the same thing. What prohibition did I suggest? On the age issue I said, "age is not the issue". In "communist humanity", I did say that age issues may bring problems and complexity to relationships, as I think Dave acknowledges in his reply.

As to Dave's past, present or future

sexual activities, he is 'free' to see "the joy and excitement of that moment". I don't believe this freedom really exists for all within our present society. With regard to such activities, I promise not to offer "sound wisdom and advice". My sole concern regarding free choice and actions was to reassert the views held by the old teachers of communism and libertarianism. There can be no fully free activities in an unfree society. This in no way stops us eating, drinking, sleeping, getting shelter or having sex. What Dave considers before having sex is between his various parts, his libido and, I would hope, his sexual partner. But I make the comradely request - please leave me out of it.

I also ask Dave to point out any comments I made about "suggestions for legislation". I made none and I make none. The main issue I raised was that of the role of power and authority, which can distort relationships, and pointed out that this had been ignored in Dave's original letter. I think Dave falls close to me on this issue when he talks about "the not unreasonable proscriptions on relationships with pupils, given the captive nature of teacher-student relations and balances of position and power" Although I regard the law as a factor, it is in itself a reflection of past and existing power and authority relationships in society.

I am for free love and many other freedoms, but all these are in general distorted in a bourgeois society by bourgeois morality and ideology. Further, our everyday life is distorted through the operations of bourgeois commodity relations.

**Terry Burns**  
 email

## Not comradely

In Maciej Zurowski's October 18 letter he selectively quotes from my Platypus president's report of 2011 ('The "anti-fascist" vs "anti-imperialist" left: some genealogies and prospects'), which concludes: "There are serious problems with the anti-fascist as well as the anti-imperialist 'left'. So it is important for us to be aware of this divide so that we can properly discern its - entirely symptomatic - character. We cannot afford to be either anti-fa or anti-imp in prioritising our approach to the problem of the left."

I don't see how Zurowski can take this as an endorsement of the "anti-fascist left". Platypus's mandate of "hosting the conversation on the death of the left that otherwise would not take place" means that we think no significant symptoms of the historical death of the left can be neglected without losing important educational prerequisites for a refounded, true left, on a global scale. Clearly, the *Antideutsche* are significant. As I wrote in my letter of October 11, "We want readers to think - really think - about how the 'left' has ended up taking such bad positions."

It's unfortunate that Zurowski cannot abide Platypus's essential point in presenting the symptomology of the 'left' and our clearly stated reasons for doing so, but must instead try to blame the messenger, stooping to insulting dismissal of Platypus as an "internet troll". Not comradely.

**Chris Cutrone**  
 email

## Correction

Just to point out that my letter last week was changed in the editing process (October 18). I wrote of the necessity to avoid "at all costs the splitting and censorious 'lefty' of smirking conservative caricature and popular fears". But this was unfortunately reworded so as to imply that it is we 'lefties' who might be smirking.

**Mike Belbin**  
 London

# ACTION

### CPGB podcasts

Every Monday we upload a podcast commenting on the current political situation. In addition, the site features voice files of public meetings and other events: <http://cpgb.org.uk/home/podcasts>.

### London Communist Forum

**Sunday October 28, 5pm:** Weekly political report from CPGB Provisional Central Committee, followed by open discussion and *Capital* reading group. Caxton House, 129 St John's Way, London N19. This meeting: Vol 1, chapter 7, 'The labour process'.  
**Sunday November 11, 7.30pm:** Public meeting, Calthorpe Arms (upstairs), 252 Gray's Inn Road, London WC1. 'Bringing back Bolshevism to the Bolshevik revolution'. Speaker: Lars T Lih. Organised by CPGB: [www.cpgb.org.uk](http://www.cpgb.org.uk).

### Radical Anthropology Group

**Tuesday October 30, 6.15pm:** 'Russian futurism and Chomsky's revolution in linguistics'. Speaker: Chris Knight. St Martin's Community Centre, 43 Carol Street, London NW1 (two minutes from Camden Town tube). £10 waged, £5 low-waged, £3 unwaged. Organised by Radical Anthropology Group: [www.radicalanthropologygroup.org](http://www.radicalanthropologygroup.org).

### Say no to Gove

**Wednesday October 24, 5pm to 8pm:** Protest, department for education, Sanctuary Buildings, Great Smith Street, London SW1. Followed by public meeting at 6pm, Central Hall Westminster, Storey's Gate, London SW1. Organised by London NUT: [www.teachers.org.uk/node/8189](http://www.teachers.org.uk/node/8189).

### Welsh Labour Grassroots

**Saturday October 27, 11am to 4pm :** AGM, Welsh Institute of Sport, Sophia Gardens, Cardiff CF11. Organised by the Welsh Labour Grassroots: <http://welshlabourgrassroots.blogspot.co.uk>.

### No more custody deaths

**Saturday October 27, 12.30pm:** Annual march. Assemble Nelson's Column, Trafalgar Square, London WC2, for silent procession along Whitehall, followed by noisy protest at Downing Street! Organised by United Families and Friends Campaign: [info@uffc-campaigncentral.net](mailto:info@uffc-campaigncentral.net).

### National Shop Stewards Network

**Saturday October 27, 11am to 4pm:** Regional conference, 84 Bell Street, Candleriggs, Glasgow G1. Organised by NSSN: [www.shopstewards.net](http://www.shopstewards.net).

### Anarchist Bookfair

**Saturday October 27, 10am to 7pm:** Stalls and political events. Queen Mary University, Mile End Road, London E1. Organised by Anarchist Bookfair: [www.anarchistbookfair.org.uk](http://www.anarchistbookfair.org.uk).

### No to EDL

**Saturday October 27, 11am:** Demonstration against English Defence League, Walthamstow, London E17. Organised by Unite Against Fascism: [www.uaf.org.uk](http://www.uaf.org.uk).

### Class war games

**Sunday October 28, 2pm:** Collective playing of Guy Debord's *The game of war*. Free entry.  
**Wednesday October 31, 5pm:** Collective playing of Richard Borg's *Command and colours Napoleonics* (1791 Haitian revolution version). Free entry. Followed by book launch at 7pm (entry £3, redeemable against any purchase). Housmans Bookshop, 5 Caledonian Road, London N1. Free entry. Organised by Class Wargames: [www.classwargames.net/?p=1337](http://www.classwargames.net/?p=1337).

### Labour Representation Committee

**Tuesday October 30, 7.30pm:** Launch meeting, Learie Constantine Centre, junction of Dudden Hill Lane/Villiers Road, Brent, London NW2. Speakers include: John McDonnell MP, Counihan family campaign, NHS campaigners and others. Organised by the LRC: [www.l-r-c.org.uk](http://www.l-r-c.org.uk).

### Radical alternative to austerity

**Wednesday November 7, 8pm to 9.30pm:** Public meeting, Great Hall, old Leyton town hall, Adelaide Road, London E10. With John McDonnell MP and John Cryer MP. Organised by Leyton and Wanstead CLP: 020-8556 5185 (Andrew Lock).

### Historical Materialism

**Thursday November 8-Sunday November 11:** Academic conference. School of Oriental and African Studies, Thornhaugh Street, London WC1. Organised by *Historical Materialism*: [www.historicalmaterialism.org](http://www.historicalmaterialism.org).

### Labour Representation Committee

**Saturday November 10, 10am to 5pm:** Annual conference, Conway Hall, Red Lion Square, London WC1. Organised by Labour Representation Committee: <http://l-r-c.org.uk/events/detail/lrc-agm-2012>.

### Socialist films

**Sunday November 11, 11am:** Screening, Renoir Cinema, Brunswick Square, London WC1. Edward Milner's *Vietnam after the fire* (UK 1989, 105 minutes). Organised by London Socialist Film Co-op: [www.socialistfilm.blogspot.com](http://www.socialistfilm.blogspot.com).

### Unite the Resistance

**Saturday November 17, 10am to 5pm:** National conference, Emmanuel Centre, 9-23 Marsham Street, London SW1. Organised by Unite the Resistance: [www.uniteresist.org](http://www.uniteresist.org).

### CPGB wills

Remember the CPGB and keep the struggle going. Put our party's name and address, together with the amount you wish to leave, in your will. If you need further help, do not hesitate to contact us.



## FIGHTBACK

# Union lefts rely on general strike strategy

Saturday's TUC demonstration showed that there is a burning desire to fight, writes **Peter Manson**. But ending the age of austerity requires a governmental alternative not on offer from Ed Miliband



**Committed and militant**

The October 20 Trades Union Congress demonstration in London showed that there is mass opposition to cuts and austerity. The mood for a fight was symbolised both by the booing of Labour leader Ed Miliband in Hyde Park and the huge cheers in response to union leaders' talk of further strike action.

Miliband, of course, will not be at all disappointed by the reception he got when he referred to the "hard choices" a Labour government would have to face on spending priorities. It goes without saying that there have to be *some* cuts, after all. This led to some quite widespread booing - up to then his speech had been interspersed with applause that was sometimes polite, sometimes enthusiastic. His statement that those "choices" would be "different but fairer" did little to subdue the opposition. But Miliband was well aware that his speech would be widely reported and he sees his job, first and foremost, as proving to the bourgeois media that Labour is a responsible party that will not shirk from doing what is necessary in the interests of capital. Which means 'standing up to the unions', of course.

But there were loud cheers when Miliband ended his speech with a promise to "end the privatisation of the NHS". Earlier he had tried to fit this into his new 'one nation' template. We must "stand with people who want to defend the NHS," he said - and added rather incongruously: "... and people right across British business". We are, you see, "one nation - young and old, trade unions and British business". Only Labour can promote this classless unity based on "fairness and values" - the Tories even have "a chancellor who tries to travel first class on a standard ticket". Disgraceful.

While the hostile attitude from 'militant trade unionists' might have been useful for Miliband's standing in the media, it was also useful from our point of view - in reinforcing the notion that a good section of the union membership is adamant that the leaders must fight. And several general secretaries referred from the platform to the need for some kind of united strike action - and not just those on the left. Early on Len McCluskey of Unite held an impromptu vote, asking: "Are you prepared to take strike action to save our communities? Are you prepared for a general strike?" When thousands of hands shot up, he announced: "Well, that's carried." In

fact it seemed to be unanimous - not that you would expect many people to 'vote against' in such circumstances. McCluskey concluded: "Sisters and brothers, have the courage, so we can rise like lions and fight, fight, fight for a better world."

Dave Prentis of Unison made a point of reminding the audience that his union had voted for the motion calling on the TUC to consider a general strike, as did Ucat's Steve Murphy - neither man is associated with the left. For his part, Bob Crow of the RMT not only called for a 24-hour general strike to be urgently considered, but pointedly criticised Miliband. It was all very well the Labour leader saying he is "with us", but he "should say he's on the side of working men and women and won't have any more cuts".

Mark Serwotka of PCS warned that despite the huge demonstration of March 2011, "We are in a worse place today than 18 months ago." That was because many cuts have been implemented and hundreds have already lost their jobs. So "If winning the argument doesn't stop them, if marching doesn't stop them", there will have to be "strike action right across the economy". Comrade Serwotka was right to point to the inadequacy of demonstrations and marches alone, however large. But he did not mention the fact that October 20 2012 was probably around half the size of March 26 2011: 100,000-200,000 is certainly impressive, but estimates last time began at 250,000.

But other union tops were if anything complacent. "If we're here again in a year - fine," said Sally Hunt of the University and College Union. Like others, she referred ironically to former Tory chief whip Andrew Mitchell in welcoming the "100,000 plebs" at the rally.

Matt Wrack of the Fire Brigades Union was the most militant of all. Dressed in his firefighter's uniform, he said to loud cheers: "Not one cut is necessary." He too called for more industrial action and "greater and greater coordination". And this should be led "not just from the top" - workers must take "direct action" themselves. We should say, when faced with cuts in schools and hospitals: "You're not closing them down - we'll occupy them." Once again there was prolonged applause.

As TUC general secretary Brendan Barber was speaking, a lone activist started moving towards the stage,

yelling "Call a general strike" through a megaphone. Although one man angrily remonstrated with him to let Barber speak, the general reaction was by no means hostile, with many in the crowd applauding and joining in the calls.

Two policemen approached the heckler and had a word in his ear, but by now a dozen or so people had gathered round him, clapping and shouting support and he just continued yelling. The two cops seemed at a loss as to what to do - arrest him for a 'public order offence' or just walk away? Instead they did nothing and just stood there embarrassed. But Barber came to their rescue by ending his speech, and that put an end to the heckling too, of course.

Frances O'Grady, who is to take over from Barber as TUC general secretary at the end of the year, pledged to "fight as hard for our people as that lot fight for theirs". Keen to make a good impression, she bellowed: "Stuff your austerity!"

### Look in the mirror

Although the BBC gave prominence in its news bulletins to the demonstration - not least the jeering of Miliband, of course - the printed media gave it minuscule coverage: some Sunday newspapers failed to even mention the event.

But one exception, obviously, was the *Daily Mirror* and its Sunday stablemate. The *Mirror* had given the demo great publicity beforehand - exactly the way it had behaved before the huge anti-war demonstration that preceded the March 2003 invasion of Iraq. The TUC's *A Future That Works* website even featured a link to the paper. (Although there was no link to any other supporting publication - like *Socialist Worker*, *The Socialist* or the *Weekly Worker*. Strange, that.)

And, sure enough, when it came to the Hyde Park rally, one of the three chairs was that staunch fighter for workers' rights, Kevin Maguire, associate editor of the *Daily Mirror*. It was Maguire who had the 'honour' of introducing Miliband and after the Labour leader's speech his comment was: "Bring on the general election!"

When Maguire later introduced Bob Crow, he reminded us that the "heroic guard" who challenged George Osborne over his train ticket was a member of Crow's union. Obviously that fact alone demonstrates that the RMT is a worthy, patriotic public body.

Commenting on one of the short TUC PR films that were screened between speeches - this one on the role of public service jobs and trade union members during the Olympics and Paralympics - Maguire declared that the games had shown "a future that works". What better example of "public and private sectors working together"?

And after comrade Serwotka's speech Maguire commented: "The left in the labour movement have certainly got the best speakers." However regretfully he uttered the remark, it was true enough on this occasion. In contrast to comrades Serwotka, Crow and Wrack, who all gave passionate performances without notes, the likes of Chris Keates of the NASUWT and John Hannett of Usdaw woodenly read out their speeches.

But, for all their passion and militancy, the left was not much better than the right when it came to a political strategy. Comrade Wrack said: "We're only ever going to make progress when we've stood up and fought for our own alternative", but he did not say what

that alternative should be (it has long since become unfashionable to utter the word 'socialism' on trade union platforms, even rhetorically). But comrade Wrack did state (to cheers) that we should "take over the banks and run them as a democratic public service".

Len McCluskey was certainly effective in building up morale and generating enthusiasm, but his "alternative" was nothing but warmed-over Keynesianism: "Let's go for growth". Comrade Serwotka's speech too, for all its militancy, looked no further than Keynesian policies. We should "tax the rich and put money into the economy".

Unfortunately the absence of anything approaching clear working class politics is a reflection of the general level of class-consciousness. Undoubtedly the tens of thousands who came to London last Saturday represented the most committed, most militant trade unionists, and it is certainly the case that a significant minority are searching for political answers. The leaflets on offer from the various groups (or free newspapers in the case of the *Morning Star*) were eagerly snapped up and CPGB comrades report that sales of the *Weekly Worker* were strong and steady. No doubt that was also the case with the other left papers.

To say this is not to overstate the success of the action. There is a big problem with the left strategy in opposition to the cuts: mobilise for a general strike in order to defeat austerity and bring down the government. And then what? Who do we vote for in the subsequent general election (assuming no-one seriously believes that a workers' revolution would immediately ensue)?

It is excellent that 150,000 got a glimpse of our collective strength (there were also sizable TUC marches and rallies in Glasgow and Belfast). But that potential will not be fully realised in the absence of a political force capable of harnessing and directing it ●

[peter.manson@weeklyworker.org.uk](mailto:peter.manson@weeklyworker.org.uk)

## Fighting fund

### Showing real interest

Our October fighting fund was given a filip by the donations we received for the *Weekly Worker* on Saturday's TUC demonstration in London (we had no comrades selling on the Belfast or Glasgow demonstrations - a pity). There were many complimentary remarks about our "excellent publication" and £55 worth of 'Keep the change'. The *Weekly Workers* sold solidly and steadily throughout the day. We also gave the paper to impoverished students, unemployed young people and those on disability benefit who showed a *real* interest in our ideas.

As for total sales, including badges and books, we ended the day with approximately £400 in notes ... and a huge stash of coins that is still to be counted. Of course, even with the boost provided by October 20 our print readership is dwarfed by the numbers who read us online - we had 9,589 at [cpgb.org.uk](http://cpgb.org.uk) last week. They included comrade EJ, who gave us an excellent £50 using our PayPal facility. Cheers,

comrade.

Then there were four cheques for the fighting fund received in the post - £20 from HG and two tenners (thank you, IP and SG). And among the standing order donations over the last seven days were those from EW, SK, GD and DO - they added up to £270. Which means that our October fund increased by £425, taking the total so far received to £1,485.

So we are just £15 short of our monthly target and there is still a week to go. So we have the chance to more than make up for last month's £167 shortfall. In fact, as I said last week, we should aim not for the usual £1,500, but for £2,000. Please pop a cheque in the post or make a donation online ●

**Robbie Rix**

**Fill in a standing order form (back page), donate via our website, or send cheques, payable to *Weekly Worker***



## ECONOMY

# Berlin demands yet more austerity

The October 18 EU summit was another exercise in procrastination, argues Eddie Ford, and Spain shows the worst is almost certainly not over

**F**ear of a financial collapse continues to haunt Europe. Maybe Greece or Portugal, possibly Spain, defaults on its debts. A medium to large European state goes bust due to toxic property assets in southern Europe. Contagion spreads.

Christine Lagarde, managing director of the International Monetary Fund, has openly acknowledged that the magic potions of austerity are not working - in fact, they are *counterproductive*, imposed on countries that are already in recession. Voodoo economics. Some 25 million people are without a job in the European Union and the prospects for economic growth look bleak. Next year there will be a dramatic hike in food prices due to United States drought and other factors.

So over October 18-19 we had yet another EU summit - and a lot more carbon emissions. True to form, it was another exercise in fudge and procrastination, even if Berlin did win on points. The battered and bruised can was given another kick down the road. Essentially, noises were made towards a banking union. The plan, insofar as there is one, involves three components - the creation of a single supervisory mechanism (SSM), a 'joint resolution' scheme to wind down failing banks and a joint deposit guarantee scheme. A legislative framework is to be in place by January 1 2013, with the schemes put into practice later in the year.

Theoretically, the European Central Bank-led mechanism will have the power to intervene in any bank within the euro zone. Armed with these new supervisory powers, the ECB, if all goes well, would be able to act early to prevent the build-up of dangerous levels of debt on a bank's balance sheets - no more reckless chasing of property nirvanas, for example. And once the legal framework is in place the new permanent rescue fund, the European Stability Mechanism, will be able to recapitalise struggling banks directly without adding to a country's sovereign debt pile - breaking the current vicious cycle whereby a sovereign bailout generates further indebtedness, as opposed to alleviating it.

After the summit, François Hollande, the French president, typified the official optimism. The meeting represented a turning point and the euro zone was "on track" to solve the problems that have paralysed it for so long - have no fear, Hollande added, the "worst is behind us".

### Slippage

But in reality the agreement on banking supervision was a delaying tactic primarily designed to serve the interests of Berlin, the euro's central paymaster. Therefore there is no firm deadline for the supervisory mechanism to be up and running, other than a slippery declaration that work towards its "operational" implementation "will take place" during the course of 2013 - more meetings about meetings, in other words. Whatever happened to the last-chance saloon and seven days to save the euro? Anyhow, all this is in marked contrast to the original draft presented to the summit, which talked about "completing" the process by the end of 2012.

Hardly a triumph, whatever Hollande might have us believe. The not unreasonable suspicion is that Angela Merkel wanted to postpone a decision on implementation because that means the ESM's big bazookas

will not be deployed until *after* the German general election in September 2013.

Significant consequences, of course, flow from this timetable slippage. Going by the most optimistic calculations imaginable, it will be at least a year before the euro zone can get to grips with the debt crisis in a more fundamental fashion by pouring bailout funds into banks without first lending to governments and worsening their debt burdens. That is, only when the SSM is fully operational can the ESM directly inject cash into distressed banks.

Merkel pushed a proposal for the EU's monetary affairs commissioner - Berlin's man in Brussels - to become an enforcer, or super-commissioner, of the bloc's supposedly strict budget rules, including the power to refuse member-countries' proposed spending and tax plans and send them back for revision. Germany hopes that having a 'budget tsar' will help keep Europe in line by stopping governments from 'overspending' and needing expensive bailouts. If you want 'solidarity' from Berlin then the cost is German control of your budget. France, unsurprisingly - Gallic national pride offended - detests the idea of handing control over its finances to a Berlin-friendly bureaucrat in a foreign capital.

Then again, we already know that the German finance minister, Wolfgang Schäuble, wants to set up an escrow account to make sure loan instalments stay out of Athens' reach (in order to guarantee that debt repayments are made to creditors). Could the same fate await Madrid, Rome or ... Paris?

EU leaders also agreed that the ECB's new banking supervisory responsibilities, when they get off the ground, would be strictly separated from its role in setting monetary policy. It almost goes without saying that the banking union scheme is fraught with all manner of legal and political complications, especially as it would give extra powers to the ECB and in that way possibly weaken - or interfere with - the already existing mechanisms of national regulators. There is speculation too that the logic of the SSM could well lead to treaty changes, something that has caused big headaches for the EU in the past - vehement objections of the British government being one. The "topic of this summit is not the fiscal union, but the banking union", Hollande stressed - despite the fact that Merkel "has her own deadline", he caustically added (ie, September 2103).

Furthermore, Merkel made clear that any direct bank recapitalisation, if and when it is allowed, would not be retroactive and could only be applied for future contingencies. Hollande had tried and failed to have the policy made retroactive. Two new, albeit slightly cryptic, proposals from Herman Van Rompuy, the European Commission president, were "explored" as well - a system of annual 'contracts' struck between euro zone governments and the EC committing governments to "reforms" of their labour markets and other "structural changes". Apparently, Van Rompuy envisages the establishment of a new euro zone 'budget' that would be used to cushion the impact of the various structural reforms and also act as a "redistribution" mechanism within the single currency area.

Arguably, overall the biggest loser from the summit was Spain. Effectively, the EU leaders have reneged on the decision taken at the

June 'make or break' Brussels summit, when Merkel appeared to back down at the very last minute and finally consent to the use of bailout money for bank recapitalisation. Previously, as our regular readers will recall, she had insisted that any rescue money doled out by the European Financial Stability Facility/ESM could only be channelled through the actual states themselves. Governments in receipt of such monies would be "fully liable" for any payment defaults or lapses.

At the time, Merkel's concession was hailed as a glorious victory for the 'Latin bloc' and the new Hollande leadership - Spain, and the euro, was saved. Rejoice. However, even before the ink was dry on the agreement - so to speak - it was engulfed in deliberately engineered confusion, with Germany and 'triple-A' allies denying that they had signed up to an imminent EU-financed clean-up of Spanish banks and lenders. What an absurd idea. Do you really think we are going to throw our money down a Madrid black hole?

Spain now knows that it will not benefit in the foreseeable future from direct bank recapitalisation, which may not kick in until 2014 or later. June seems like such a long time ago. Spanish diplomats said they had "given up hope" of being able to tap the bailout fund for the banks without having the loans put on the government books - the very situation they were desperate to avoid. The loathed men in black wait in the wings.

### Pressure

Lagarde said on October 11 that the policies pursued by EU leaders were generating "terrifying and unacceptable" levels of unemployment, and so a "brake" had to be put on austerity to prevent a further deterioration in the European economy. She even recommended that Spain, Portugal and, of course, Greece should be given a "bit more time" to pay back their debts. Indeed a Greek extension seems to be on the cards, though the deal still has to be agreed by the Greek parliament. There will have to be more cuts and so-called reforms.

Yet there is also every indication that the IMF, ECB and EC troika will demand much tougher action by Madrid, meaning that, rather than take its foot off the brake, the Mariano Rajoy governments needs to step up austerity and 'fiscal consolidation'. Troika officials are apparently losing patience with the "glacial" pace of cuts, according to the Spanish newspaper, *El Confidencial*.

In the words of one anonymous troika official, Brussels has had "too many bad experiences" with financial restructuring in Spain to feel confident that the latest plans will be any different. They might have a point. After all, some of the banks are wildly assuming large capital gains on assets that are in fact deeply underwater and are counting on a 20% rise in stocks by the end of the year if Rajoy buckles under the pressure and

formally requests an ESM bailout - the precondition, of course, for the ECB to start buying Spanish bonds. On the other hand, Madrid - more than understandably - sees the escalating demands as a foretaste of what could happen if the troika tightens its grip. Just look at Greece.

German officials have warned that the Bundestag will insist on tough conditions - probably including deeper cuts to public sector jobs, an acutely painful issue in Spain. Adding to the woes, the Bank of Spain this week estimated that the Spanish economy had contracted by 0.4% in the third quarter of 2012 - matching the decline in the previous three months (meaning that it is now 1.7% smaller than at the same time a year ago). But worse is almost certainly to come, as the statistics had been "distorted" by a rush of sales before last month's sharp VAT rise. Making Rajoy's task even more Herculean, it is now clear that last year's budget deficit was 9.4% of GDP - not 8.9%, as previously calculated. Therefore the

deficit this year is likely to be at least 7.3% - a full percentage point above the EU-dictated target. Inevitably, the deficit in the social security fund also reached a record 1% of GDP, as unemployment - now at 25% and still creeping up - remorsefully erodes the contributor base. Spain is being eaten alive by the troika's 'fiscal multiplier'.

Further piling on the pressure, on October 23 Moody's rating agency - one of the three horsemen of the financial apocalypse alongside Standard and Poor's and Fitch - downgraded five of Spain's regions because of their "over-reliance" on short-term credit lines to fund day-to-day operations; more an obvious statement of fact than a damning indictment. As a result, the yields (interest rate) on Spanish 10-year bonds have risen from a six-month low of 5.3% up to 5.57% - getting near the dangerous 6% level once again. Ring the alarm. That led Van Rompuy to comment that it would be "helpful" if Spain asked for ESM aid. Though naturally "it is up to Spain to make up its mind". Of course it is, Herman ●

eddie.ford@weeklyworker.org.uk



**Merkel and Hollande: official optimism**



## IRELAND

# Sectarian self-annihilation

The United Left Alliance has gone into destruct mode. Anne Mc Shane reports

**W**ith a draconian December budget looming, the Irish government is gearing up for yet another onslaught on our class. The necessity for strong working class leadership is critical in the struggles to come. There could not be a worse time for the United Left Alliance to go into meltdown. But it has.

You may not be surprised. The project was built on very shaky foundations, being yet another 'halfway house' of professed revolutionaries, including the two largest left groups, and a minority of reformists. The aim of the organisation from the outset was precisely to accommodate itself to the right. Being no exception to the rule, it has been the revolutionaries of the ULA who have reinvented themselves as tame reformists. Inevitably crisis ensues, as predictably one or another leading member is tempted too far down the road of populism. The Socialist Party's crisis is close to home in the form of Clare Daly, long-time (now ex-) member of the SP and a ULA member of parliament (TD). The Socialist Workers Party meanwhile has seized the moment to make an even more marked turn to the right with the relaunch of the People before Profit Alliance (PBPA). As resignations multiply and splits develop, there is chaos, confusion and deep demoralisation.

As I have described in previous articles, the ULA programme, drawn up behind the scenes and presented as a *fait accompli*, was limited to the most minimal of reformist demands. The SWP refused to allow even the word 'socialism' to appear in the 2010 election programme or any document since. A number of very important social issues did not get a mention either. Abortion rights, a central question in Irish society, was avoided, no doubt because of concerns that it was a vote-loser. It has only been this year that the ULA has taken a stand, when to her credit Clare Daly and fellow ULA TD Joan Collins presented a bill to legalise limited abortion rights. Ironically the other main signatory of the bill was Mick Wallace, maverick independent TD and former property developer, who has been the apparent cause of Daly's controversial exit from the SP.

Another problem from the outset was the determination of both main founding organisations, the SWP and SP, to restrict democracy. Both were deeply hostile to the prospect of organisational fusion, with the SP being the most reluctant. Therefore all decisions were made in private by the unelected national steering committee - after a tug of war between the two groups. It is only since April 2012 - when a group of non-aligned members was formed with the right of representation on the committee - that minutes have been circulated.

Behind the rhetoric of unity, the only thing which really brought the SWP and SP together was the prospect of advancing their own *separate* projects amongst the mass of discontented workers. They wanted to take advantage of the social discontent and found it convenient to picture local groupings such as the Tipperary Workers and Unemployed Action Group (WUAG) as the reformist wing of the ULA. But the WUAG has now resigned from the ULA, along with its TD, Seamus Healy, and a number of councillors. Reasons given were comrade Daly's cooperation with Mick Wallace and the narrow factional activity of the SWP. Its press statement argued that "the SWP has prioritised



**Happier days: Clare Daly (left) with other ULA TDs and SP councillor Ruth Coppinger (centre)**

recruitment to the SWP over building the ULA ... Our efforts to persuade our allies to desist from this approach have been unsuccessful." The press release goes on to say that is "regrettable that our allies have refused to prioritise the building of the ULA at a time when working people are being subjected to unprecedented attacks and the betrayal of workers' interests by the Labour Party is being ever more clearly exposed."<sup>1</sup>

By February of this year, the SWP seemed to have already decided that it was all over for the ULA. In an internal bulletin SWP members were told that a critique explaining the collapse of the ULA would soon be produced and little effort should henceforth be made to sustain its existence. The PBPA was relaunched on October 5, in a bid to "recapture the early dynamism that the United Left Alliance displayed". One hundred people at the national relaunch were addressed by Richard Boyd-Barrett, who has recently stopped describing himself as a ULA TD. We are told that, while the PBPA is still part of the ULA, it "offers a very different model of how to organise in the present situation". Rather than "start with the purity of its programme", it "urges activists to focus on campaigning that can draw in new forces to the left".<sup>2</sup>

The implication that the ULA has a 'pure' or dogmatic approach to programme is staggering. The SWP and the SP themselves made sure that it was a case of exactly the opposite. It is an indication of the depth of the SWP's own opportunism that it cannot even be saddled with the most minimal of reformist demands.

## Democracy

A lot has been lost along the way. The launch meetings of the ULA in January 2010 attracted new forces, eager for the opportunity to build a political alternative. The subsequent election of five TDs stimulated confidence among layers of the workers - and the hope of a strong working class party. But that proved illusory. Both founding groups concurred that there could not be revolutionary unity in Ireland today - they could not countenance the prospect of being in the same party as their fellow socialists. They could conditionally come together around a minimalist, social democratic programme, but revolutionary ideas had no practical application for leftwing unity. Those who insisted otherwise were dismissed as sectarian crazies.

From the outset there was little or no democracy, despite rhetoric from the top table at those launch meetings. SWP leader Kieran Allen pledged in 2010 that the ULA would be a vibrant, membership-led organisation

- we would have no more of the old bureaucratic diktats. In fact the opposite turned out to be true. In Cork the SP and SWP rallied to *prevent* the setting up of an email discussion list for members. They argued that it would be dominated by leftists, who would engage in endless criticism and polemic. The working class needed only simple solutions which could be provided by occasional leaflets on fighting back against the cuts. Arguments at meetings and email debates would put them off.

Of course, the reverse happened. New members who had initially supported the SP against the left found that the leadership also denied *them* a voice. Frustration at the lack of openness and the cynical 'on-off' attitude to the ULA caused them to leave in droves. Today branch organisation in Cork is largely defunct.

The ULA conference in April was a frustrating, stage-managed affair. Debate was allowed, but there were no motions or voting. The membership had no actual role in deciding the direction of the organisation or holding either the leadership or its TDs to account. Policy groups set up as a concession to the membership showed little sign of functioning subsequently. The conference promised for this November has been postponed until January at the earliest - rumours are that it will never happen.

There had been rumblings for some time about splits at the heart of the organisation. *The Phoenix* magazine reported "warfare" and "fratricide" on the steering committee.<sup>3</sup> Things reached crisis point this September when one particular savage row spilled into the pages of the bourgeois press. It was the first that many ULA members had heard of the dispute. The SP went to the media to air its grievances over the problems it was having with Clare Daly.

## Resignation

On September 1 the national press led with the news that Clare Daly TD had quit the SP "following a row over her political connection with independent TD Mick Wallace".<sup>4</sup> Although Daly declared that her resignation was due to the low priority being given to the ULA by her own party, the SP insisted that the problem was her connection with Wallace, who had allegedly evaded payment of €1.4million in VAT. The SP said it had insisted that she break her political connection with Wallace and she had refused and resigned. This had led to the "complete breakdown in the political and working relations between her and the Socialist Party nationally, in the Dáil, and between her and the branches of the Socialist Party in the Dublin North constituency". Worse, her political orientation had

moved significantly to the right and she had gravitated towards non-socialist "independent members of the Technical Group in the Dáil".<sup>5</sup>

Daly responded that such allegations were absurd and that the only reason she had not called for Wallace's resignation was because the Socialist Party itself had not done so. It is true that her fellow SP/ULA TD, Joe Higgins, had earlier refused to call for Wallace to resign, despite calls from Seamus Healy and Richard Boyd-Barrett for him to do so. Daly said she personally was entitled to half of the Dáil allowance paid to the SP, now that she was an ex-member. Higgins refused to pay her any money and said "he would be asking the department of finance to only pay the party the amount of allowance it is entitled to and to return the difference to the exchequer".<sup>6</sup> He chose to give it back to the state rather than to a fellow leftwing TD. Bitterness indeed.

SP members on the *Cedar Lounge* email forum insisted that things had been bad for some time, with Daly refusing to accept their organisation's discipline. One contributor argued that her "resignation brought an end to a very difficult period where the NC of the Socialist Party bent over backwards to try and facilitate Clare Daly in dealing with the political difficulties she created for herself, the SP (and the ULA ... in the wider context). Her resignation brought these difficulties to an end and the SP has moved on."<sup>7</sup> An SP statement of September 3 insisted that she be vetted before being allowed to stay on as a ULA TD: "Issues or questions over Clare Daly's status in the ULA can quite easily be resolved if Clare breaks her political alliance and connection with Mick Wallace TD, and the Socialist Party sincerely hopes that that is what she does. Asking Clare to do this isn't unreasonable: it's a political necessity."<sup>8</sup> The determination to push her out of the ULA is undeniable, even though the SP responds with mock horror at accusations of a witch-hunt.

The most hypocritical aspect of the Socialist Party stance is its defence of the use of the mainstream press to air its differences. One supporter on the *Cedar Lounge* debate demanded to know: "How exactly do you suggest that the Socialist Party communicates its views to ULA members in a way which won't immediately end up in the public domain? Through some sort of psychic link?"<sup>9</sup> Such sarcasm belies the depth of the problem. The concept of openness through our own press is alien to the SP. This is an organisation which believes in keeping all debate internal until the time comes for a split - at which time venom and acrimony is divulged to the lackeys of the bourgeois media; to an Irish press notorious for its virulent anti-socialism and attacks on the left.

The idea that the working class, never mind just ULA members, has a right to be kept informed of and be involved in such important political debates does not occur to the SP. The working class should be kept ignorant of all differences - lest it becomes confused. And this even goes for the membership, as was demonstrated by the opposition to the creation of a simple email discussion list. The only thing the membership should know is what picket line or protest meeting to go to.

As things stand, Clare Daly continues to deny any wrong-doing in respect of Mick Wallace. She and Joan Collins, rumoured to be about to split from the PBPA, are believed

to be working together. Neither has published any programmatic or theoretical differences and, beyond accusing the SP of not prioritising the ULA, Daly has said little of consequence in public.

## Where next?

Unaligned members of the ULA have been in discussions over the future of the project. A meeting will take place on Saturday October 27, which Clare Daly has been invited to address. Elections will also take place at the meeting to agree new representatives on the steering committee. However, with the ULA disintegrating around us, non-aligned members need to thoroughly debate out the political issues, rather than clutch at straws. Resuscitation of the project through the efforts of a couple of dozen individuals is not a serious option. The ULA was important because it brought a significant section of the left together, because it offered the possibility of a party. It is the question of party which must be debated and developed.

The most important lesson we need to learn is the fundamental necessity of democracy. Without openness, transparency and the free exchange of ideas, any socialist project is doomed. You would have hoped that the left had learned the lesson of the Soviet experience, but unfortunately it has not. I have not seen any recognition of this fundamental question in either of the election statements submitted by Alan Gibson and Eddie Conlon, who are both standing as reps to the steering committee. Indeed comrade Conlon proposes that the steering committee continue "decision-making by consensus", because "one vote at this stage would lead to permanent competitive mobilisation by the founding organisations against each other."<sup>10</sup> It seems to have escaped Eddie's attention that this is precisely what has happened anyway under the undemocratic system he proposes to continue. Bureaucratic methods do not stymie dictators: they assist them. As one email contributor remarked, "decision consensus = veto".

And, while comrade Gibson quite rightly argues for a revolutionary programme, he too misses the point. He makes no argument for democracy, working class or otherwise. The larger questions of how we transform society are inextricably linked to our methods for doing so. Contrary to what he argues, we should not be out to "salvage" the ULA - we need to transcend it. As a first step we need our own press (printed and electronic) and an open online discussion list ●

anne.mcshane@weeklyworker.org.uk

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## AGGREGATE

# Substitute for Marxism

The adoption of Keynesianism by the left and the confusion around the Assange case were the focuses of the latest CPGB members' meeting, reports **Michael Copestake**

**W**ith no motions proposed for voting, the October 21 CPGB aggregate took on a more educational slant, with interesting presentations on two very hot topics of current relevance, both of which are acting like political lead weights around the feet of much of the left. These are its adoption of basically Keynesian economic ideas and agitational slogans, and the confusion over the Assange case, where questions of anti-imperialism and women's rights seem to have been brought into irresolvable antagonism.

Opening the session on Keynesianism, Mike Macnair said that Keynesian economic ideas are now the default positions and slogans of substantial parts of the self-proclaimed Marxist left. Keynes, he went on, was not in the business of explaining *why* crises occur under capitalism: he mainly sought to suggest remedies to restabilise the system from the standpoint of a staunch supporter. The essence of Keynes's solutions is that, when private investment falls, which reduces employment and wages and thus the level of demand in the economy, which in turn discourages investment in a vicious circle, the state must step in to increase effective demand through deficit financing, public works, lowering interest rates and so on until growth is restored, the deficits that arise being paid off in the subsequent upturn.

One of Keynes's first texts was his 1919 *The economic consequences of the peace*, in which he opposes the level of reparations imposed upon a defeated Germany by victorious Britain and France in the wake of World War I. Given the events that followed - namely the rise of Nazism and World War II - Keynes's views here have since been lauded as wise and prophetic by many. In practice, said comrade Macnair, they were simply naive. The fact of the matter was that the Allies could not engage in debt forgiveness for Germany, as France owed too much money to Britain, which in turn owed too much money to the United States, which was unwilling to play ball on the issue.

Until 1929 Keynes was a perfectly ordinary marginalist economist whose theoretical ideas only began to take on any real distinctiveness in the slump of the 1930s, when he became an advocate of stimulus policies. Indeed, said the comrade, Keynes's main aim was to preserve the body of marginalist economic theory, whilst changing parts of it to fit around his advocacy of stimuli. In part his championing of national economic management and tariff policies were a regression to pre-Adam Smith economics and in part were driven by the necessity to separate off, in theory, hyperinflation from ordinary inflation in order to justify stimulus measures - for traditional marginalists, hyperinflation was simply ordinary inflation in a more extreme form.

By the late 1940s Keynes's ideas had become part of standard establishment ideology, albeit with modifications: added in was the idea of cutting off the top of a boom to prevent the economy 'overheating'. Even the Bretton Woods settlement for managing world financial affairs set up in the aftermath of World War II *appeared* to express Keynesian ideas, though the central principle - that creditor states should allow their currencies to appreciate to restore the international balance of trade in relation to debtor states - was



**John Maynard Keynes: no refuge**

missing. In its place came a fixed rate of exchange between the dollar and a quantity of gold.

Ironically, however, Keynes and his prescriptions were to provide first the Fabian socialists and later the 'official communists' with the basis for their economic ideas. Keynesianism was viewed as a kind of *non-class* set of 'technical' ideas to improve capitalism to the benefit of workers, without fundamentally altering property relations, thanks to the actions of the state. Like the Fabians the 'official communists' needed a theory that did not undermine their fundamental political commitments - in their case socialism in one country and the popular front. The Fabians and the Stalinists advocate Keynesianism *because* they are nationalists and anti-revolutionary, he stressed. The adoption by the state of national economic measures fits their ideology.

The question then, continued comrade Macnair, is, why did the far left, mostly Trotskyist in origin, which had opposed Keynesianism for the same reasons the Stalinists supported it, suddenly start advocating it at the very moment it was disproved by the 'stagflation' of the early 1970s? Stagflation being the supposedly impossible combination of inflation *and* unemployment, for which Keynes's theory was utterly unable to account.

The explanation was that it was in this period that, for example, the leadership of the Socialist Workers Party began to try and take over the role of the 'official' CPGB as the preferred interlocutor of the trade union bureaucracy in various spheres - anti-racism campaigns and Right to Work being two examples. Organisations such as the SWP, the comrade explained, seek to apply the nationalist and reformist ideology of the trade union bureaucracy in a more militant fashion ('Moderate demands, militant action'), to push the working class into revolutionary action.

Leaving aside all the other problems with this idea, comrade Macnair suggested that we imagine the practical consequences of a left-Keynesian government. It would entail a run on the currency and the immediate necessity of Stalinist-type economic controls. Famously, the Mitterand government in France failed dramatically in attempting a Keynesian approach, finding itself facing a flight of capital. A forced reversal occurred within months.

In practice, he continued, the international division of labour is

such that it is an illusion to think that any single country can opt out of the global capitalist order, whether fully or partially: rapid degeneration and collapse would be inevitable. Any economic area 'taken out' of the world market must be big enough and have a sufficiently developed division of labour within itself to be able to withstand capital flight, sanctions and blockade. The European Union is an example of such a potential economic area.

In the debate that followed Peter Manson questioned whether Keynesianism could only be nationally based, as comrade Macnair contended. Was it not possible for the leading capitalist powers to agree a programme of common Keynesian measures? For her part, comrade Farzad wondered about a worst-case scenario - we may not have time to 'rebuild the movement', the headline of comrade Macnair's article in the *Weekly Worker* produced for the October 20 TUC march. We have to think about more immediate demands.

John Bridge strongly emphasised that the antidote to nationalist ideas must be anti-nationalism and the advocacy of regional communist parties. Contrary to the standard left approach, Marxist ideas are of crucial importance. While class-consciousness and the class struggle can develop very rapidly, there is no alternative to the patient work required for rebuilding the organisations of our class. And there is certainly no refuge to be found in Keynesian policies, he stated.

## Assange and the left

Paul Demarty introduced the session on Julian Assange, rape and 'no platform' by also pointing to the left's political crisis. He discussed its response to the allegations of rape made against Assange by a Swedish prosecutor, the comments made by Respect MP George Galloway, and the subsequent decision of the National Union of Students to formulate a policy of no platform for 'rape deniers'.

Setting all this in context, comrade Demarty made it clear that the pursuit of Assange was an obvious part of a wider campaign by the capitalist class to deal with its loss of legitimacy following the Iraq war and the release of secret information via Wikileaks. Assange himself, said Demarty, is a strange character - politically eccentric, close to apologists for

Vladimir Putin and the late Muammar Gaddafi, and someone who has been accused of anti-Semitism.

Demarty reminded those present that Assange was wanted for questioning by the Swedish authorities following the attempt of two women with whom he had slept to get him to take a sexual health test. They were not pressing for a rape charge. Assange made his way to the UK before suddenly Sweden changed its mind and issued a European arrest warrant.

Galloway then made his controversial "bad sexual etiquette" comments. Up until this point the response of the left, said Demarty, had not been too bad, with the usual exception of the social-imperialist Alliance for Workers' Liberty. There then followed the decision of the NUS 'liberation officers' to cook up a motion calling for 'rape deniers' to be denied a platform, naming Tony Benn and George Galloway. Benn quickly apologised for a remark deemed to be too dismissive of the rape allegations, but Galloway remained intransigent.

NUS officer Michael Chessum then wrote a piece advocating that Assange be turned over to the Swedish authorities. He supported the motion on the grounds that "safe spaces" must be created for women, free from 'rape deniers' like Galloway. Kate Hudson and Salma Yaqoob resigned from Respect in the wake of these remarks. Yaqoob did not fully explain her actions to the membership of the party of which she was leader, only giving her story in an interview with *The Guardian* well after the event.

The response of the SWP to this, said comrade Demarty, was a mixture of the well-intentioned and the risible. On the one hand, the SWP argued that the wider context of imperialism's targeting of Assange could not be ignored, but, on the other, claimed that 'no platform' must *only* be used against fascists and to employ it against others dilutes the 'principle'. Only the fascists are sufficiently irrational, beyond debate and dangerous, according to the SWP.

The main problem, said Demarty, is the fact that the motion would empower the NUS bureaucracy as the gatekeepers of debate, proscribing the limits of thought and discussion to its own liking in the name of 'safe spaces' against 'rape deniers', fascists or whoever else. The logic, actually reinforced by SWP arguments, is that *no* irrational ideas ought to be engaged with - presumably the power of individual demagogues promoting them cannot be countered.

Returning to the wider picture, comrade Demarty pointed out that the ruling class was seeking to relegitimise itself by delegitimising prominent dissident and leftwing figures - perhaps it is no surprise that the rightwing Labourites on the NUS executive were prepared to go along with this.

The question is, he asked, why is the left so unable to deal with all this? The answer, he said, is the left's politics of seeking to "get people into action - any action" on a lowest-common-denominator basis, in the belief that doing so will in itself provide a motor towards revolutionary conclusions and activity. However, one negative side effect of this is that communists lose their political distinctiveness *compared* to social democrats and liberals. The only difference between the two becomes 'action' - in this case 'no platform'.

What the left has done, comrade Demarty continued, is to abandon the idea, as expressed in the *Communist manifesto*, that communists understand and present to the working class "the line of march, the conditions and the ultimate general results of the proletarian movement" - that is, political ideas and a strategy - in whose place have been put single-issue campaigns. The *general* politics of 'Marxism' is replaced by a focus on various 'particulars', something which has led the left into chaos around the issues of Assange and imperialism, as two of its *particular* commitments - to anti-imperialism, on the one hand, and women's rights, on the other - have come into antagonism with one another. Each of these commitments is framed within the reference of radical-liberal or social democratic politics in the name of getting people to move into 'action'.

Comrade Farzad was the first speaker from the floor. She continued the theme upon which comrade Demarty had finished - that the left creates its own problems, thanks to its opportunist politics. From the political paralysis of the Stop the War Coalition, through the idiot anti-imperialism that sees people siding with Islamists, to trends like the 'anti-Germans', the left digs its own grave.

Phil Kent noted that the left these days is all too keen to trust the state, forgetting that it consists of an armed body of men, courts and bureaucrats. He also noted that, even in 'progressive Sweden' 90% of those accused of rape are not convicted, adding that it was unlikely that the various bourgeois states have suddenly developed a great concern for the rights of women.

Mike Macnair commented that the 'hierarchy of oppressions' to which the NUS liberation officers took offence was in a way quite real, in that capitalism can be anti-racist and anti-sexist, but it can never stop attacking the working class. The idea of special groups with special powers was antithetical to political democracy - the 'safe spaces' merely hand power to the bureaucrats.

John Bridge said that, if the left were to be consistent, then the no-platforming of racists would have to include the no-platforming of Zionists, while the no-platforming of 'rape apologists' would have to include all Muslims who fail to denounce Mohammed's relations with young girls. Personally, he found capitalism pretty irrational and offensive - what with the war, poverty and mass suffering it produces - and perhaps we should therefore no-platform all pro-capitalists. He finished by saying that when the SWP and others claim that members of the British National Party or English Defence League are irretrievably irrational, that actually reflects their own irrationality.

Sarah McDonald cautioned against being blasé about what Assange had done. It was clear, she said, that Galloway was a politically dubious character, but was still a prominent oppositional politician whom we could critically support.

Mark Fischer found the whole idea of 'safe spaces' offensive - the effect of which could only be to create bureaucracies claiming to act for the benefit of others, infantilising the audience, the level of political debate, and also those allegedly being defended. All were to have their own agency removed by 'benevolent' bureaucrats ●



## IDEOLOGY

# Stalinism reinforces capitalist apologetics

Ben Lewis spoke at the Durham Union Debating Society

**T**his house believes capitalism has failed" was the motion put before around 120 students from the Durham Union Debating Society on October 19. The society has a rich and prestigious history spanning nearly 200 years, and has been addressed by a number of esteemed speakers from across the political spectrum.<sup>1</sup> The society has something of the quirky and anachronistic about it (black ties, 'voting' by shouting and a president's gown "designed for a man", as the current chair, Elise Trewick, told me). Despite this, the Durham Union is still popular today, with around 3,000 current students signed up and 50,000 "lifetime members" amongst Durham university's alumni.

I was speaking on behalf of Communist Students and Harpal Brar, chairman of the ultra-Stalinist CPGB-ML, and leading member of the Stalin Society, was also down to speak in favour of the motion. The New Left Project declined an invitation to send a speaker. Luke Cooper of the Anti-Capitalist Initiative informs me that "we [it is unclear whether 'we' means the New Left Project or the ACI] turned down that debate, as we didn't think teaming up with Harpal Brar would be particularly conducive to winning students to an anti-authoritarian vision of communism. To put it mildly ..." A pretty pathetic argument, of course - particularly when the format actually *encourages* disagreement between speakers on the same side of the debate.

So effectively we had just two speakers fighting the cause of anti-capitalism: myself and an outspoken Stalinist. In the blue corner, opposing the motion, were Dr Eamonn Butler, director of the Adam Smith Institute; Michael Brindle QC and Mark Littlewood, director of the Institute of Economic Affairs.

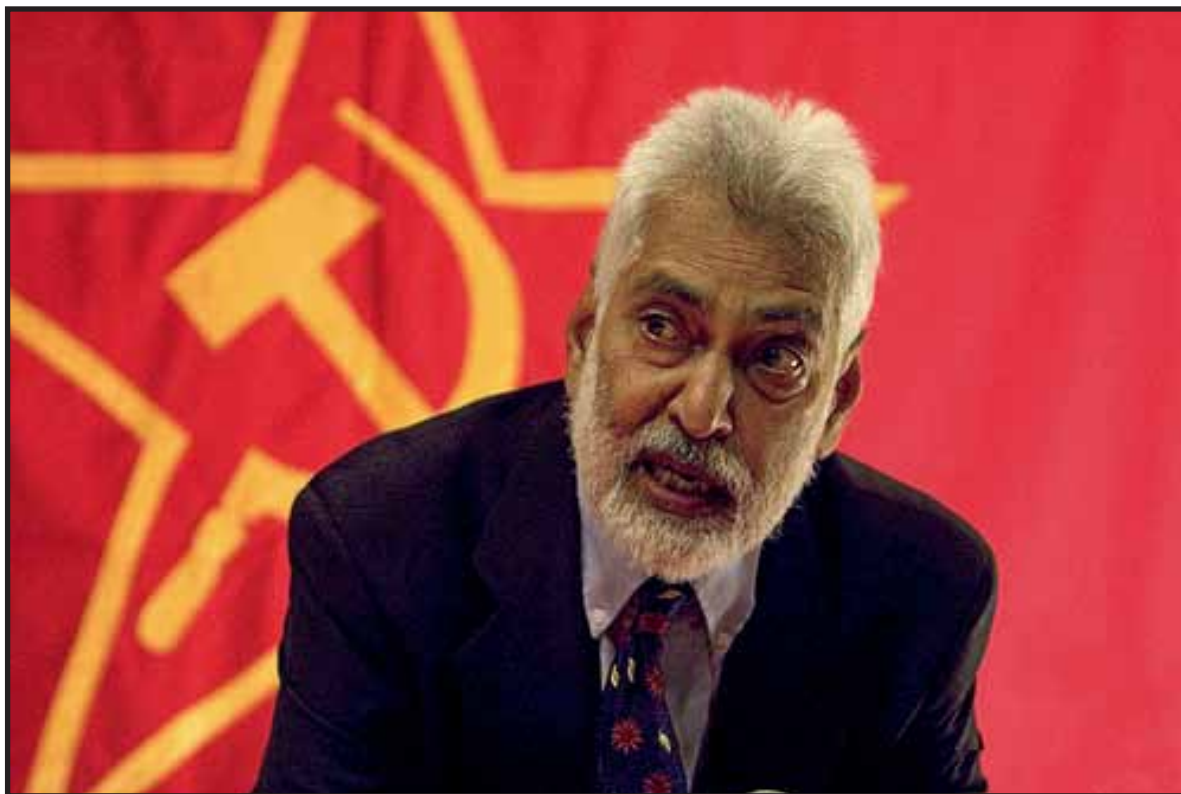
### Opening shots

A former Durham student who now represents Grant Thornton, the accounting and consulting professional services network, introduced the debate. Without in any way wishing to influence the proceedings, he told us that he had just returned from an international gathering of his company, where lots of champagne and good food was consumed (the result of successful capitalist entrepreneurship, of course).

Opening the case for the proposing team, Harpal Brar pointed out that this question is obviously the one currently exercising most minds today: "If you read the serious financial press, they are all talking about the capitalist crisis", which he described as one of "overproduction". Comrade Brar gave an eloquent and witty account of the Marxist theory of crisis, arguing that the banks and the government were now propping each other up like two drunks leaving the pub at closing time. Moreover, while he had the greatest respect for the work of Adam Smith, today's world is much different. Monopoly capitalism runs our lives "from the cradle to the grave".

He was followed by Eamonn Butler of the Adam Smith Institute, who made a case for "more" capitalism. He chided the malignant influence of government regulation and intervention in markets - for him the source of many of the problems (poverty, etc) outlined by Brar. He then proceeded to argue that value is essentially something that "exists in our heads" and is realised subjectively in the process of trade and exchange.

I had prepared a speech of about 10 minutes in length,<sup>2</sup> but I suppose my intervention vindicated von



Harpal Brar: USSR was 'greatest society ever seen'

Clausewitz's maxim that even the most finely tuned military strategy is often thrown out of the window in the opening shots of battle. Although it had implications for the structure and delivery of my talk, I decided instead to concentrate on some of Butler's more specious assertions.

Firstly, I pointed out that any *pro-capitalist* who thinks that governments should not have bailed out the banks following the collapse of Lehman Brothers in 2008 is clearly living on another planet. Any serious financial commentator knew what was at stake in 2008: the meltdown of the entire system. Articles in the *Financial Times* castigated those like Dr Butler and the loony fringe of the Republican Party for opposing bank bailouts: do they not remember what happened in the 1930s as a result of letting banks go to the wall?

I also questioned Butler's understanding of value and trade. He was perfectly entitled to hold this standard marginalist view of economics. But it was a bit rich to do so in the name of Adam Smith. I quoted the latter's *Wealth of nations* to this effect: "Though the manufacturer [ie, the worker] has his wages advanced to him by his master, he, in reality, costs him [the capitalist master] no expense, the value of those wages being generally restored, together with a profit, in the improved value of the subject upon which his labour is bestowed."<sup>3</sup>

### No return to the 'free market'

I maintained that those wishing to return to the supposed halcyon days of 'perfect competition' (which only really exists in A-level economics textbooks) are chasing a pipe-dream. Monopoly and state intervention have evolved out of the fundamental laws of motion *intrinsic* to capitalist accumulation. The dominance of monopoly and state intervention in fact negatively anticipates a higher form of society based on planning and social control, not the anarchic imperatives of capitalist production and the law of value.

I asserted that this was one of the most compelling aspects of Marx's critique of political economy. Even during the 1840s - when capitalism was expanding across the globe, transforming the world in a way that no previous mode of production had

done - Marx could both marvel at this system and presciently observe that its very success would sow the seeds of its own destruction. Marx sought to place capitalism in its historical context. Like feudalism and slavery, with their own particular social dynamics, capitalism and its laws go through a period of birth, maturity and decline. Capitalism is not a form of society that has existed forever, and obviously will not last forever either. Those like Butler, who reify and eternalise capitalism, view it as the supposed culmination of 'human nature'. But capitalism is an inhumane system: it cannot meet human needs because it is not designed to.

I concluded by arguing that the spectre of Marx still haunts the establishment: comments made by Thatcher's biographer, Charles Moore, the recent *Masters of money* BBC documentary and the appearance of Marx's picture on the front page of a recent edition of the German business newspaper, *Handelsblatt*, all testify to this. However, as long as it is able to keep its system staggering on - a zombie seeking bailout blood - the capitalist class has no real reason to fear for its own survival. Objectively the system is in a big hole. But the subjective factor, the working class "gravedigger" of capital, is still a long way from coming to power, from filling in this hole and burying the system once and for all.

One major reason for this is that Marxist political organisation and ideas are tainted by ideas purporting to provide an 'alternative' to capitalism: ie, Stalinism, with its dictatorship *over* the proletariat and 'socialism in one country'; and social democracy, which attempted to bureaucratically steer the economy through state intervention.

The failed transition to socialism in the 20th century weighs down like a nightmare on the present: it is all too easy for establishment apologists to say, 'Capitalism might not be perfect, but change capitalism and you get Stalin and unfreedom.' Some, like Harpal Brar, even *positively desire* such an outcome.

But such views can only act as a brake on the emergence of an alternative: how can Marxism win millions to its banner if we excuse what happened? Nobody will take us seriously, and quite rightly so. It was not *just* that millions died in the Soviet Union, or that people lived under extremely alienating

conditions of state repression. It is that this route towards communism patently *did not work*. The Soviet economy was a disaster, and Russia is now on the road back to capitalism. Little wonder, then, that for the vast majority of people today it is often easier to imagine some kind of 'end of the world' scenario than it is a credible alternative to capitalism.

### Freedom and love

With Michael Brindle QC stepping up to speak, the debate started to take on a different direction. It was now not so much a question of *whether* capitalism had failed, but how, despite its failure, it was still more attractive than what *all* the speakers, with the exception of yours truly, described as "communism" (ie, its opposite, Stalinism).

Brindle is an expert in banking law who was 'lawyer of the year' in 2010. He was a little more sensible than Butler on the question of banking bailouts, and argued that the crisis could be traced to elaborate financial schemes that nobody understood at all. This is why he was at a loss as to how this could be seen as a crisis of overproduction - after all, we are dealing with the financial sector, not production (Brar, however, had already pointed out that speculation is often where capital turns when it cannot sell the mass of what it produces).

Brindle assured us that we should not get too excited about the crisis: it was only the financial system, after all. He then drew a distinction between the "freedom society" (capitalism) and the "love society" (communism), making a fairly robust case against the utter failings of 'communism' by pointing out that those in the "love society" tended to love each other too much - so much so that they stamped out the freedom of the very people they were trying to emancipate. A quaint little allegory, perhaps. But pretty much useless in understanding either Marxism or where we are today.

Mark Littlewood of the IEA also argued for more capitalism and less regulation. But the main thrust of his intervention exhibited all the limitations of empiricism so common in bourgeois thought: he heavily drew on statistics pointing out how much longer a worker had to toil just to get shelter or food 200 years ago, compared with today. Of course, communists do not dispute the

historical achievements of capitalism - or the working class under the conditions of capitalism.

But then he simply extrapolated these trends into the future, as if they would continue inexorably. He *assumed* that living standards would simply rise and rise, and that capitalism would expand indefinitely. This is particularly preposterous at a time of the biggest crisis of capital since the 1930s. He predicted that living standards in Britain would rise by 2015 - I am more than willing to have a tenner with him on this.

Interestingly, however, after falsely accusing me of wanting to "nationalise everything" (Harpal Brar can speak for himself, but I obviously never said such a thing), he went on to laud the success of *China*, where, although the capitalist sector is developing at a rate of knots, all the major means of production are still in the hands of the Stalinist bureaucracy and where bureaucratic state planning is still dominant. It says a lot about the current state of capitalism that so many avowedly pro-market, pro-capitalist forces are looking to *China* for inspiration. It actually further underlines how capitalism has failed even on its own terms.

### Stalinist 'alternative'

Things got worse when Harpal Brar summed up for the proposing team. He was brimming with the most dewy-eyed Stalinist apologetics, which only served to strengthen the false dichotomy created by Brindle and others between 'capitalism' and 'communism'. He described the Soviet Union as "the greatest society we have ever seen" - even praising Ceausescu's Romania to the skies. I could only hold my head in my hands, as the audience began to wonder if this was actually for real. When it came to the 'vote' at the end, our side was pretty substantially defeated.

Afterwards we were led through the picturesque university grounds to a 'members only' room for a glass of wine and further discussion. I had quite a long conversation with Michael Brindle and his wife, both of whom thought they knew a little about Marx's work (on the level of "Marx was a determinist" and "He was wrong to predict the total collapse of capitalism", etc.) For some reason, after I had suggested to Dr Butler that I might make a good employee at the Adam Smith Institute, he did not seem all that keen on me ... oh well.

But there was keen interest from many of the students. The topics of discussion afterwards ranged from value theory to China, to Eric Hobsbawm. Some were particularly enthused to hear a non-Stalinist defence of Marxism. One politics student felt that I was absolutely correct to highlight that Marx was not seriously taught or studied any more. When it came to the section on Marx in her course, the lecturer would simply say something like: 'You are not going to understand this - nobody ever correctly answers the exam question on Marx, so it is probably best to concentrate on the other parts of the course.' A fitting symbol of the poverty of education today ●

### Notes

1. More information can be found at [www.dus.org.uk](http://www.dus.org.uk).
2. A longer article based on my speech notes will soon be published on the Communist Students website and circulated amongst members of the DUS.
3. A Smith *An inquiry into the nature and causes of the wealth of nations* book 2, chapter 3, p430 (available at [www.econlib.org/library/Smith/smWN.html](http://www.econlib.org/library/Smith/smWN.html)).



## HILLSBOROUGH

# Crown in the dock

Steve Freeman and Phil Vellender take a closer look at the Hillsborough cover-up and locate the blame at the very top

It is now unanimously agreed that the truth about the Hillsborough tragedy was concealed for 23 years. As *Weekly Worker* readers will know, on April 15 1989, 96 men, women and children were crushed to death at the FA Cup semi-final at Hillsborough stadium in Sheffield. Readers will also concur with the tributes paid to the tenacious struggle of ordinary people campaigning against such a shocking injustice.

That 23-year struggle of the families and supporters of Liverpool Football Club tells us much about life in a class-divided nation. On one side was the working class represented by the Liverpool fans, whose city never forgot the disaster. "Justice for the 96" chants have continued to ring out from the Kop, not least on each anniversary of the tragic events. Against them were ranged the powerful forces of the crown, supported by the Murdoch press.

Hillsborough was a disaster waiting to happen. In those days working class fans were made to stand on terracing divided into 'pens'. At Sheffield Wednesday's ground they were ringed with steel fences. Fans had to enter these through a small number of decrepit turnstiles. The capacity was officially 2,200; however it should have been 1,600. In addition the barriers did not meet official safety standards. On the fatal day Hillsborough did not even have a valid safety certificate. Over 3,000 supporters were let in.

Simply blaming it all on the police does not get to the heart of the matter, but on the day it was they who were responsible for herding fans into a very dangerous place. At 2.50pm the pens were already full before the police ordered the exit gate to be opened and around 2,000 more fans were directed into the central areas behind the goal. The powerful and uncontrollable force of the crowd began crushing, injuring and then killing adults and children. Five minutes after kick-off a crash barrier in pen three gave way, causing people to fall on top of each other.

Worse was to follow: the emergency medical services were kept outside the ground with the exception of one ambulance driven on the pitch. Of the 96 people who died, only 14 were ever admitted to hospital. Forty-one people who were still alive at 3.15pm could have been saved - they were left to die with little or no medical help. Over 700 were injured and thousands were damaged emotionally by what happened to them or those around them.

Immediately the police and the Murdoch press pinned the blame on the Liverpool fans. Parents arriving to identify their children's bodies were questioned as if they were criminals. The police tested the blood alcohol of people laid out dead. Checks were then run on them through the police national computer. Soon after stories began to circulate about the 'animalistic' behaviour of the fans.

Four days after the disaster, *The Sun* newspaper published a story headlined 'The truth', alleging that fans had picked the pockets of victims, and attacked and urinated on police and rescue workers. In 2004, Boris Johnson, the Tory's favourite buffoon, continued the same line in *The Spectator*, accusing Liverpool of wallowing in victim status and



Crushed to death

failing to acknowledge that drunken fans were partly responsible for the tragedy.

## Corporate manslaughter

In law a corporate body is responsible for the actions of its servants or employees. Individuals still have their responsibilities for actions or inactions, but a corporate body cannot hide behind an individual and use them as scapegoats for its own responsibility. If you are bullied or endangered by an individual manager at work, it is the employer who is responsible, even if the chief executive did not and cannot know every incident. Ignorance may mitigate, but it is no defence.

The Corporate Manslaughter and Corporate Homicide Act 2007 states that an organisation is guilty of an offence if the way its activities are managed or organised brings about a person's death; and amounts to a gross breach of a relevant duty of care owed by the organisation to the deceased. In 1989 crown immunity was a long established legal doctrine that meant that crown bodies (such as government departments) could not be prosecuted. Section 11(1) of the 2007 act now allows prosecutions. Whilst we should have no illusions in this law, it directs us straight to the top.

The crown is a corporate body, the most powerful multinational corporation in the country, but it is hardly mentioned in this terrible disaster. Nevertheless it is there, lurking in the shadows, directing operations throughout. It appears in various guises - that of the police, local authorities, civil servants, judges and ministers. Those in charge - the 'controlling mind' - are its 'board of directors', including the then 'chief executive officer', Margaret Thatcher, and non-executive chair, Elizabeth Windsor.

Any major crisis or disaster is a danger for the crown. The chief executive or the chair of the board usually turn up in person to show who is in charge - in this case Thatcher and home secretary Douglas Hurd arrived in Sheffield next day. The queen may adopt a lower profile in such bad news stories. In 1966 she was criticised for not visiting the Aberfan disaster for eight days. Prince Charles and Diana Spencer were sent up to Hillsborough

on the fourth day.

Lord Justice Taylor was appointed immediately by Hurd to conduct a judicial inquiry - the normal means by which the crown protects itself. Thatcher was already pushing the Football Spectators' Bill through parliament, providing for membership cards to be introduced in order to control football fans. If Taylor proposed such cards then it would bolster the crown's own legislation and help cement the strategy of blaming the fans, not the police. Behind the scenes Taylor was pressed by the home secretary to fall into line. Thatcher's principal private secretary told her that the judge was "distinctly unhelpful".

The Hillsborough disaster was not an isolated incident. In 1985 the Bradford City stadium fire killed 56 at another football match. In 1987 the ferry, *Herald of Free Enterprise*, capsized with 193 passengers and crew killed. The Kings Cross fire killed 31 in 1987 and in 1989 the pleasure boat, *Marchioness*, sank in the Thames, resulting in 51 deaths. It was a time when the crown embraced neoliberal deregulation, slack regulation or no regulation at all. It was a public safety nightmare.

## Cover-up

The crown at all levels was fully engaged in damage-limitation. "Two judge-led inquiries, an inquest, police investigations, and a private prosecution were carried out, but the families' story was largely dismissed by the establishment" (*The Independent on Sunday* September 16 2012). Norman Bettison - who, of course, resigned as West Yorkshire chief constable a few days ago - played a vital role in the South Yorkshire police unit, covering their tracks. He was later given a knighthood for his services to the crown.

More than 160 police statements were changed. One hundred and sixteen of them were altered to remove 'unfavourable' comments about policing. PC David Frost submitted a 16-page statement to his commanders. It was cut to six pages. He claimed that officers like himself were threatened that if they did not toe the line they could be accused of taking bribes from fans to let them into the terracing. He explained to a later inquiry that "Wholesale changes were made. This was an attempt by senior management

to sanitise and protect themselves" (October 24 1997, reported in *The Independent on Sunday*, September 16 2012).

The South Yorkshire police have form when it comes to fixing evidence. In 1984 the crown was centrally directing the struggle against the miners and the National Union of Mineworkers. After the picketing of the Orgreave coal depot police were told what to write by their officers to secure convictions against miners for 'riot'. Michael Mansfield QC called it the "biggest frame-up ever" when the claims came to light.

Although the trial collapsed because of the fake evidence, no action was ever taken against any officer. Nobody should be surprised that the crown failed to act against its local agents. This is not, however, a South Yorkshire problem. Recently before the Tottenham riots false stories appeared in the press to discredit Mark Duggan. In the case of Jean Charles De Menezes (to name but one) it was claimed he leapt over the barriers at Stockwell tube station to escape police when, as the video film later showed, he did no such thing.

South Yorkshire police chiefs considered charging Lord Justice Taylor with perverting the course of justice. Taylor's police driver claimed he heard the judge say the police would have to take the blame. Taylor's job was to protect the crown. If that meant sacrificing South Yorkshire police so be it. Otherwise responsibility would head up the food chain, so enveloping the entire government.

The police held discussions about possible charges with the director of public prosecutions. Discrediting Taylor came to nothing because a bust-up between key parts of the crown would be very dangerous. The file on this incident was considered highly sensitive and kept secret for years with a note warning that a leak "could prove highly embarrassing for all parties", not least the crown itself.

The 'authorities' face less danger when discrediting private citizens. Professor John Aston was in the ground during the disaster and helped the survivors. When he criticised the emergency services at the Taylor inquiry his professional integrity came under attack. And playwright Jimmy McGovern was followed constantly, as he planned his docudrama on Hillsborough. The powers-that-be were clearly worried about what he would conclude.

In 1991 the Police Complaints Authority recommended that chief superintendent David Duckenfield and his assistant, superintendent Bernard Murray, in charge of the South Yorkshire police on the day, should face disciplinary charges. Duckenfield retired on medical grounds and the case against Murray was dropped. In 1996 home secretary Michael Howard refused calls for a new inquiry. He said he was not convinced that it would be "in the public interest".

In 1996, the opposition Labour Party promised the families a new inquiry. However, once in office, home secretary Jack Straw followed the line taken by the crown. He assured families of his support and asked Lord Justice Stuart-Smith for a "scrutiny of evidence". PC David Frost told the judge about the cover-up, but the latter concluded that fresh evidence did not add anything significant. Statements should not

have been edited, he decided, but this was simply an "error of judgement". Jack Straw accepted the findings and ruled out a new inquiry. Job done!

In 1998 the Hillsborough Family Support Group brought charges of manslaughter against the two top police officers. The private prosecution came to trial in 2000. After six weeks the jury found Murray not guilty of manslaughter, but could not reach a verdict on Duckenfield. The judge, Mr Justice Hooper, ruled out a majority verdict and refused a retrial on the grounds that Duckenfield faced public humiliation and a fair trial would be impossible.

## Crown responsibility

Over 10 years later the crown opened some 450,000 documents for examination. Liverpool MP Andy Burnham, closely and personally involved in the campaign for justice, credits this decision to prime minister Gordon Brown. Did Brown discuss this with the queen in their weekly meetings and did she give the green light? And if this was possible in 2009, why not in 1989?

On September 12 2012, prime minister David Cameron apologised to the families for a "double injustice". This represented official recognition on behalf of the crown and the queen as head of state. If the scandal continues to deepen, the buck will pass beyond Downing Street and arrive at the gates of the palace. What does the head of state do when such corruption occurs on her watch?

What did the queen know and when did she know it? What did her various prime ministers and home secretaries, like Howard and Straw, and her senior civil servants know? Were they all part of this criminal conspiracy or simply ignorant and negligent? Were they, like so many sleeping beauties, fast asleep for 23 years? Did she know or inquire or do anything? Don't we, her 'subjects', have the right to know?

What we *do* know now is that the "Police, ambulance services, football authorities, stadium owners, local authorities, two judges and politicians all failed and failed again ... Some in authority were not just defective, but deliberately obstructive" (*The Independent on Sunday* September 16 2012). We can agree with professor Ashton about the context - a Thatcher government which hated the working class and despised Liverpool, with its militant tradition and opposition to her policies. The South Yorkshire police played a major role in defeating the miners, so they were already her favourite force.

Yet the South Yorkshire police, now caught red-handed in the commission of their crimes, are really a distraction and handy scapegoat. On October 11 2012, the Crown Prosecution Service announced possible criminal charges. Its investigation will focus on Sheffield, not Whitehall, Downing Street or Buckingham Palace. Do not expect the CPS to prosecute the crown for corporate manslaughter or conspiracy to cover up this crime.

Let professor Ashton have the last word: "What happened at Hillsborough is a symptom of the corruption in public life that is endemic now. At stake is the vitality of our democracy." We need to unmask the crown and the secretive and unaccountable system of government ●



## REVIEW

# Economics of the madhouse

Paul Krugman **End this depression now!** Norton, New York, 2012, pp272, £14.99



Whom the gods would destroy, they first make mad

**P**rofessor Paul Krugman - Nobel economics prize winner, Princeton academic, recipient of many awards and regular, twice-weekly columnist at *The New York Times* - has written a popular book explaining what in his view can be done to bring the current crisis to an end.

He is not wholly fetishised, like so many other economists, left or right, and he has declared the present downturn a depression and a slump, similar though not equal to the Great Depression. He is right - though one might quibble as to whether it is not another Great Depression - yet he does not draw radical conclusions from his diagnosis, as he should. He does, after all, support the market.

Paul Krugman is not a classical social democrat, who wants to extend welfare provision for the population, remove the restrictions on trade unions, introduce minimum-wage laws and then give workers more control over their enterprises. He is an explicit follower of Keynes, whom he declares to be a moderate conservative. He quotes some of his radical statements like that referring to the absurdity of the economy being run on the basis of a casino. He also quotes Keynes declaring that in the long run we are all dead, as an illustration of the mistake made by conservatives in arguing against short/medium-term measures to help the economy and provide benefits to workers. In a contemporary context Keynes's remarks appear leftwing, but in the 20s and 30s he was trying to save the old order, albeit by making it more rational and more humane. Krugman seems to have the same objective.

The book itself is very readable, eschewing both jargon and too many statistics. Krugman explains all his terms and his book debunks most, if not all, of the current shibboleths of the right in some detail. He achieves his objective and the book is worth reading by the left - if only to brush

up on everyday popular arguments against the right.

## Treading carefully?

Keynes did his best to exorcise the ghost of Marx and Marxism. Although two years earlier Michał Kalecki had written a book along the same lines as Keynes, but using Marxist political economy, Keynes did not refer to it. Furthermore, Keynes refused to acknowledge the writings of Marx and of Marxists who had theorised underconsumption. One argument has it that Keynes was simply ignorant of Marx's and Marxists' writing. That is simply unbelievable. It is far more likely that Keynes left out any references to the considerable body of Marxist literature which analysed crises because he knew that, had he not done so, he would have been ostracised and his books would have had no influence. There is no doubt that Keynes would have found Marxist literature impenetrable, given his orthodox economic training, but that does not mean that he would not have known many of the arguments first hand from people whom he met, like Evgeny Preobrazhensky, and from colleagues such as Piero Sraffa.

Krugman gives the impression that he is of the same ilk. He tells us that he changed his mind about Hyman Minsky's work on debt and crisis. Minsky, he informs us, was marginalised in the economics profession, though he does not tell us why. Since Minsky was either a Marxist or not far from Marxism, depending on one's outlook, one can draw one's own conclusions. We live in a society where the left is effectively driven underground in the universities, in education, in the media, etc, and people have to conform to norms set from above. The Conservatives in the UK have complained that the BBC is too leftwing and a body has been set up to investigate the complaint. For anyone who actually is leftwing

the BBC appears biased to the right and more biased to the right today than a few years ago. The situation is considerably worse in the USA, though through different structures.

So it is no surprise that Krugman is careful to avoid any reference to Marxist thought, socialist writing or a critique of the market. This, however, also means that one is not certain what he actually thinks. He is an orthodox economist of the post-war variety, so one might assume that he is, therefore, not just a supporter of the market, but an evangelist. However, people are changing and he makes it clear that he is also in the process of changing.

He has a critical chapter on the economics profession, pointing out how absurd the economists had been in denying the possibility of a depression/downturn - a denial which is still maintained. He is certainly not naive, yet he seems to see their viewpoint as an intellectual mistake, reinforced by a herd mentality. He also discusses the way rewards, in terms of appointments to lucrative jobs and prestigious positions, have provided a mechanism to influence opinion. Most people would take the next step and make a link with the ruling class and its needs. There is, however, no ruling class and no working class in Krugman's account. Whether he is aware of them, rejects the concepts or wants to evade the *de facto* censorship in society is not clear.

## Why the depression?

Krugman's argument on the original cause of the downturn is simply that the controls imposed on banks and shadow banks in the 30s and 40s were removed from the 70s onwards. Greed did the rest. He describes the shift towards finance from the late 70s onwards, but the reasons he gives for that shift are weak. He also raises the issue of income redistribution towards the rich and powerful as part of the causation of the downturn.

Krugman sees a political aspect to this, but does not place it in historical context. He even says that income inequality ought to be reduced, but, on the other hand, that will take a long time. Those in control have increased their incomes at the expense of the majority, and he seems to accept the point being made by the Occupy movement that the one percent (or 0.001 percent) receive a disproportionate share of the added wealth in society. Logically, he ought to then accept that the one percent *own* or possess the same or even greater fraction of the wealth of modern society, and hence they hold power over the majority, whom they by and large employ, directly or indirectly. He makes it clear that he understands the nature of economic power and the corruption that goes with it. This is discussed further below.

There was indeed a clear move away from industry to finance capital in the late 70s, resulting in a decline in the growth rate, as well as a shift of jobs to China and elsewhere. In my view, it was a deliberate decision taken as a result of the class struggles in the 70s in the developed world. Its logic could only lead to limited industrial investment, a low growth rate and a surplus of funds to be invested. The result was an escalation of funds seeking investment, which combined with the favourable ideological environment to break the controls over banking and investment. However, the cause of the crisis does not lie in the nature of the growth of finance capital - that is only an epiphenomenon, in which the crisis took its most visible form. Given the increasing level of funds which could not be invested, the ever more frantic search for an outlet was bound to lead first to cannibalism and then bankruptcy.

For Krugman, the continuing problem lies in the failure to increase demand in order to provide a market for goods that would then be produced, and hence employ more people and increase their salaries, so

leading to permanently increasing market demand. His methodology is resolutely empirical. In his postscript he provides a description of some of the studies involved. They show, for instance, that war leads to an increase in output or GDP. In other words, state expenditure does lead to an overall increase in growth. Logically, the reverse is also true - that cuts in government expenditure lead to more than proportionate decline in growth. He points to the empirical evidence: this is all detailed proof that the rightwing argument that government expenditure crowds out the private sector, so leading to a decline in overall output or at best no change, is simply wrong.

He discusses elsewhere the question of deficits, pointing out that they have been a feature of modern economies for centuries. Indeed, as we know in the UK, the government deficit has been a necessary part of the capitalist economy from the 17th century onwards. The present-day deficit has been exceeded a number of times, even if that deficit is much larger proportionately than in most other countries. In short, the deficit can be increased and it is not paradoxical that more borrowing leads to growth and so to less borrowing.

Like his mentor, Keynes, Krugman does not face the enemy directly by pointing out that government expenditure produces wealth as much as the private sector. Hence if government expenditure does not lead to growth because the private sector refuses to invest, the fault lies with the capitalist class. Furthermore, there is every reason to believe that the capitalist class can go on strike if it thinks that capital is threatened. The Socialist Party - the former Militant group - does argue that capital has been on strike for some time. On the other hand, Marxists argue that sectors which are based primarily on use-value are unproductive of value, though not of wealth. In effect, the right has been showing how correct



Marx was to take his lead from Adam Smith, who strongly maintained that only those activities that contribute to accumulation are productive in capitalism. In other words, the crucial test is whether the activity produces profits, which can be reinvested.

Contemporary capitalism has blurred the lines and the issue is not quite so simple, since a nationalised industry can work on the basis of profits. Clearly military expenditure is not itself profit-making, though the private firms involved may be making profits. As it was military expenditure which was crucial in bringing the world out of the Great Depression, according to Krugman, and later military expenditure was also important in maintaining stability, one might have thought that would have led to a rather obvious conclusion: that wars and cold wars have been crucial to the stability of capitalism in the past century. He does not take the issue any further.

### Why no indictment?

Why does Krugman not indict the ruling class? Since he is no fool, one must assume that there are three possibilities: (1) he is concealing his viewpoint; (2) he has some counter-argument not expressed; or (3) he is unable to go beyond the logic of orthodox economics. To do so he would have to reject the latter's theory of price, based as it is on the tautology of price determining price, and turn to the labour theory of value. Keynes, of course, did use labour time at one point in his argument, but did not extend his line of reasoning. It is most likely a combination of all three reasons.

There is one further step which he would have to take, however. He would have to reject the view that there are a large number of independent investors out there (somewhere) who determine modern market growth, in favour of a view which says that there are a predominant circle of financial bureaucrats and capitalists. When there is any discussion over the deficit, the right says that if nothing is done investors will sell their stocks, or refuse to invest, so leading to a rise in interest rates or worse, and ultimately to national bankruptcy. Krugman argues that this view is wrong because investors have not done so in the case of the USA or UK. It is, according to him, correct in relation to the beleaguered southern European countries, but only because they do not have their own currencies. Empirically, in other words, the right is wrong on this issue, and Krugman is right. That is true. But we have to ask who are these investors. It is not the 99%.

It is true that the pension funds to which some of the 99% are contributing are part of the investors, but the pensioners have no say over the investment choices involved. Likewise with insurance company funds. Those who do decide are part of the one percent, whether they are bureaucrats or capitalists. He quotes the example of Bill Gross of Pimco, the largest bond-holding firm in the world, controlling well over \$1 trillion in bonds, who declared British bonds toxic and said he was moving Pimco funds away from US treasury bills. Of course, there are some number of 'middle class' people who play the market, but they are not sufficiently wealthy either singly or collectively to determine the direction of the stock and bond markets. He rightly makes fun of the rating agencies who downgraded a number of countries, such as Japan and the USA, without any effect. The bulk of the funds sloshing around the world are either determined by the very wealthy, as in private equity, or by high-income groups of individuals who control institutional funds of different kinds. At one time, there was much talk of monopoly/oligopoly in orthodox economics. The word 'competition' is used, today, even when there are only two or three firms in a given industry. In reality, we know that competition is explicitly or tacitly limited.

However, the \$100-200 trillion in the hands of the ruling class seeking investment or re-investment each year is now a permanent feature of the global economy, as long as it is capitalist. Banks and shadow banks are essential to their circulation. A move back to industrial

expansion to provide for infrastructure, housing, etc, and the removal of greenhouse gases would reduce the size of these funds seeking investment, but all that is clearly unlikely, so the world economy is doomed to see the continuation of what amounts to rogue finance capital and stagnation. If ever the world was crying out for rational organisation and administration of global resources in the interests of the majority, it is today - but that is precisely why the ruling class needs austerity.

### Austerity and power

One cannot expect a professor from Princeton University to start talking of a ruling class - not just because it would ostracise him from polite society, as it were, but because his whole training would teach him that such terms reek of conspiracy, lack empirical proof and belong to an underclass of 'losers'.

That does not mean that he has no understanding of how the society is run. He makes it clear that he is very much aware how those in authority impose their will on the rest, including a long quote from Keynes which discusses the issue of Say's law. Keynes criticises Ricardo for using it and explains why such a nonsense could become the dominant viewpoint. (Marx, who is never quoted by either Keynes or Krugman talked, of course, of the "childish babbling of a Say, unworthy of a Ricardo".) Keynes argued that "it afforded a measure of justification to the free activities of the individual capitalist" (p206). Krugman picks this up and says of the paragraph quoted: "... the part about how the economic doctrine that demands austerity rationalises social injustice and cruelty more broadly, and this recommends it to authority, rings especially true".

I have said, in 'Critique notes', that austerity is a policy for which one can use the Greek proverb, 'Whom the gods would destroy they first make mad' and Krugman has recently said, before a committee of the House of Lords, that the current policy is indeed mad. However, this requires an explanation. It is all very well to understand that the capitalist class likes such a policy since it rationalises what it is doing, but he remains within the bounds of orthodox economics, which is a discipline ruled by precisely such an ideology, even if in a highly sophisticated and esoteric form. Although Krugman thinks that we need a less unequal distribution of income, he does not discuss or imply anything about the democratisation of the enterprise, or of the control of the whole economy from below. There is no reference to the need to plan the society in the interests of the whole population.

Since neither Keynes nor Krugman were naive, we have to assume that they did their best to adapt their ideas to what they thought was realistic. Keynes was openly contemptuous of the proletariat, but that does not mean that he either supported the aristocracy or the central capitalist class, however much he may have liked their company. It is more likely that Keynes and Krugman see themselves and their circles in the position of Plato's philosopher kings - the kind of people who ought to rule because they have the true knowledge of statecraft. They represent, in other words, the intelligentsia or the educated 'middle class', whose views or interests may coincide at this time with a liberal wing of the bourgeoisie.

### Failure of Keynesianism

The essential point, which Krugman either rejects or is afraid to raise, is that the ruling class cannot live with the full employment which obtained from 1940 to 1970. It will not, therefore, reflate. With the end of the cold war it does not have the basis for reflation or military Keynesianism. The Keynesian strategy of centralised investment in nationalised concerns like transport, electricity, communications, housing and welfare benefits was buttressed and underpinned by the vast expenditure and controls necessary for the cold war, supplemented by a series of hot wars. Without the latter, Keynesianism would

not have worked.

The first great advantage of the cold war was that enormous sums could be wasted by a nationalised concern, the military sector, which in itself reinforced the dominant ideology, commodity fetishism, even though it was run by a centralised bureaucracy nominally under the political control of elected personnel. Whereas workers in the state sector outside of the military tended to support trade unions and leftwing parties, and pushed for greater democratisation of their industries, that could not be the case with the military. The USA was the dominant capitalist power and its stability was the key to world capitalist stability. The military sector was important in other European countries like the UK and France, but they also had the other nationalised industries, as mentioned above.

The second great advantage of the cold war was the fact that Stalinism provided ideological benefit to capital, in its economic failure and political atomisation. Since the USA has such a large number of former citizens of the USSR and eastern Europe, they tended to support the predominant anti-communism to the point of rejecting any substantial form of social democracy or welfare state. They provided a kind of living proof to the rest of the US population of the evils of Stalinism and - by extension - of socialism.

The cold war also forced the bourgeoisie to adopt a united political and economic strategy for capitalism, whether consciously or unconsciously.

In the absence of the cold war, a genuine Keynesian reflation with full employment, economic management of the economy and proto-planning, forms of which existed after 1945, cannot be run without the working class being greatly strengthened. The two key elements of capitalist control - commodity fetishism and the reserve army of labour - would be either abolished or greatly weakened. For that reason, the bourgeoisie is afraid to introduce Keynesianism. In effect, the bourgeoisie is split between repression and those who are prepared to take steps in a Keynesian direction, hoping to maintain control or at least delay the overthrow of capital. This is where Krugman effectively stands.

If one looks back at the last century since the October revolution, then such delaying tactics have been successful (mixed, it is true, with more draconian measures). The alternative - now expressed by most conservative parties the world over, with the German Christian Democrats, the US Republicans and the British Conservatives at the head - is to restore a pristine capitalism, in which commodity fetishism and the reserve army of labour are very largely restored to their status before World War I.

Both wings of the bourgeoisie are living in a dream world, since it is not possible to return capital to a stable form. War is ruled out, and the complete abolition of a welfare state, without unemployment insurance, pensions, disability assistance, etc would require the dismantling of democratic forms, with the franchise being limited to the rich, as some are now advocating. In addition, modern capitalism has advanced to the point where the market is a shadow of its original self, with monopoly/oligopoly being the norm and bureaucratic management under euphemistic names running the economy. Finance capital has imploded and its controls can no longer be used. The result, for the bourgeoisie, is stasis - there is no solution and the depression continues.

This is not to say that more liberal governments will not adopt some of the policies advocated by Krugman, but, as he makes clear, up to now Obama has refused to take up adequate measures or provide sufficient resources to deal with the issues. That is likely to be the case everywhere. Why, after all, risk reinvigorating the working class before their time, as it were?

How long it will be before the working class throws off the increased repression and its chains in general is not clear, but such a possibility is no longer an invisible goal ●

Hillel Ticktin

# What we fight for

■ **Our central aim is the organisation of communists, revolutionary socialists and all politically advanced workers into a Communist Party. Without organisation the working class is nothing; with the highest form of organisation it is everything.**

■ **The Provisional Central Committee organises members of the Communist Party, but there exists no real Communist Party today. There are many so-called 'parties' on the left. In reality they are confessional sects. Members who disagree with the prescribed 'line' are expected to gag themselves in public. Either that or face expulsion.**

■ **Communists operate according to the principles of democratic centralism. Through ongoing debate we seek to achieve unity in action and a common world outlook. As long as they support agreed actions, members have the right to speak openly and form temporary or permanent factions.**

■ **Communists oppose all imperialist wars and occupations but constantly strive to bring to the fore the fundamental question - ending war is bound up with ending capitalism.**

■ **Communists are internationalists. Everywhere we strive for the closest unity and agreement of working class and progressive parties of all countries. We oppose every manifestation of national sectionalism. It is an internationalist duty to uphold the principle, 'One state, one party'. To the extent that the European Union becomes a state then that necessitates EU-wide trade unions and a Communist Party of the EU.**

■ **The working class must be organised globally. Without a global Communist Party, a Communist International, the struggle against capital is weakened and lacks coordination.**

■ **Communists have no interest apart from the working class as a whole. They differ only in recognising the importance of Marxism as a guide to practice. That theory is no dogma, but must be constantly added to and enriched.**

■ **Capitalism in its ceaseless search for profit puts the future of humanity at risk. Capitalism is synonymous with war, pollution, exploitation and crisis. As a global system capitalism can only be superseded globally. All forms of nationalist socialism are reactionary and anti-working class.**

■ **The capitalist class will never willingly allow their wealth and power to be taken away by a parliamentary vote. They will resist using every means at their disposal. Communists favour using parliament and winning the biggest possible working class representation. But workers must be readied to make revolution - peacefully if we can, forcibly if we must.**

■ **Communists fight for extreme democracy in all spheres of society. Democracy must be given a social content.**

■ **We will use the most militant methods objective circumstances allow to achieve a federal republic of England, Scotland and Wales, a united, federal Ireland and a United States of Europe.**

■ **Communists favour industrial unions. Bureaucracy and class compromise must be fought and the trade unions transformed into schools for communism.**

■ **Communists are champions of the oppressed. Women's oppression, combating racism and chauvinism, and the struggle for peace and ecological sustainability are just as much working class questions as pay, trade union rights and demands for high-quality health, housing and education.**

■ **Socialism represents victory in the battle for democracy. It is the rule of the working class. Socialism is either democratic or, as with Stalin's Soviet Union, it turns into its opposite.**

■ **Socialism is the first stage of the worldwide transition to communism - a system which knows neither wars, exploitation, money, classes, states nor nations. Communism is general freedom and the real beginning of human history.**

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## Independence from what?

The Scottish National Party's support for Nato confirms Alex Salmond as a canny bourgeois politician, argues **Paul Demarty**

**T**he most striking thing about the Scottish National Party conference was that it was, in all fairness, a conference. Debate was allowed, and on one particular point it raged fiercely.

That point has been a sore one within the SNP for some time now. Alex Salmond, its slick operator of a leader, has long proposed to drop the SNP's formal opposition to an independent Scotland's membership of the North Atlantic Treaty Organisation. That opposition has been in place since Nato's formation in 1949, based on a general revulsion towards nuclear weapons within the ranks of the SNP.

The policy was finally overturned at the SNP's conference last week, after a fraught discussion, and by a slim margin. Anti-Nato feeling is well rooted in the SNP - the rebellion against the change was led by eight MSPs, two of whom have now resigned. John Finnie, referring to the slightly contradictory terms of the conference compromise, said "I cannot belong to a party that quite rightly does not wish to hold nuclear weapons on its soil, but wants to join a first-strike nuclear alliance."

Of course, that is not exactly what is on offer - because Scotland is already *in* Nato. The underlying problem is exactly what *form* a putative independent Scotland will take. What commitments will be broken along with the union? How independent is independence? According to Salmond's grand plan, the answer is on the whole: 'not very.'

The problem is less and less a purely academic one. Salmond now has his first shot at a referendum to make the SNP dream a reality. Before the end of 2014, the Scottish people will be given a simple 'yes' or 'no' question: should Scotland leave the United Kingdom?

This is being spun by the SNP as a result, but it has not escaped notice that it is really a setback. Gone is the much-mooted third option, so-called 'devo-max', which would concede to Holyrood powers over fiscal policy, while retaining control of foreign policy in Westminster. Devo-max was widely believed to be a more attractive option to the majority of Scots than full independence; the shrewd pragmatist, Salmond, would be quite happy to salami-slice his way to independence.

If a straight yes/no vote was held tomorrow, the nationalists would lose by a considerable, but hardly crushing, margin. It is possible that the Westminster government will, by the end of 2014, be so virulently hated north of the border that the 'yes' camp wins; but at present it is the unionists' to lose, and there is no reason to assume Cameron and Clegg (and, for that matter, Miliband) will bungle things so disastrously as to change that.

A victory for the 'no' camp will not settle the issue, however. The SNP is no longer the near single-issue campaign it once was. Above all else, it has become a credible party of government in Scotland, cementing its power, just as Scottish Labour accelerates its



**Trident-armed submarine: SNP climbing on board?**

process of political suicide. Defeat in the referendum would not kill the SNP.

What, then, is Salmond's plan? He has understandably gone quiet on his Celtic-Scandinavian 'arc of prosperity' line - an arc which connected up the once wildly successful economies of Ireland, Iceland and Norway. Norway is still in a vaguely fit economic state, all things considered; Ireland and Iceland are transparently basket cases. Still, it gives us some idea of what is in his head - favourable tax arrangements to attract foreign investment on a relatively thin economic basis. That plan is to be firmed up by taking hold of North Sea oil.

Beyond that, the story is more about what is *not* going to go: Nato membership, obviously, which would place Scotland firmly in the US sphere of influence, is the point that is being talked about right now. But Salmond wants to retain European Union membership as well. He also wants to keep the British pound sterling as Scotland's currency, and retain the British monarch as head of state.

It is unlikely that Cameron would oppose the retention of her maj. Everything else at least offers an opportunity for obstruction, a sticking point in the hard negotiations that would follow a 'yes' vote. The Nato question is tied up with the relative military capacities of Scotland and the rest of the UK; Cameron could

quite easily claim that British army units stationed or recruited from north of the border are the crown's, not the SNP's, to dispose of. The SNP admits that it would have to buy serious naval military ordinance in combination with the UK government, a proposal that would likely be met with the traditional middle finger.

There are legal disputes in the offing about Scotland's EU membership; Salmond expects automatic membership, but other opinions exist that would force a rather punishing readmission process on a newly independent country, giving Cameron at the very least something to scare the Scots with in the lead-up to a referendum. Salmond claims that 90% of North Sea oil falls in Scottish territorial waters, but Westminster will certainly find ways to disagree with that.

Keeping the pound would tie Scotland to the Bank of England, and to substantial parts of British fiscal and monetary policy by default. 'Devolving' the currency would in any case be unacceptable to unionists, and is hardly that attractive an option, given the endless troubles across the channel in the euro zone. Scotland could be forced into competing with the City of London on terms decided by a government in the same City's pocket. The result, presumably, would not be pretty.

To back up their negotiating position, the defenders of the union have all the might of the British imperialist state behind them. To back up his, Salmond will have whatever democratic mandate he can get in a referendum; a marginal result on a small turnout will not represent the kind of critical mass of popular support needed to get a decent deal for the fledgling state.

In spite of all this, it has to be said that - apart, maybe, from the currency question - Salmond's plan for independence has a serious basis in reality. These are all legitimate points of dispute, which would be settled ultimately by the balance of forces at work.

Salmond is canny enough to know that independence is a relative matter. To obtain a workable state order, Scotland will have to find a place in the *global* order. Giving way on Nato membership, that very un-nationalist line on the EU: all these things point towards a single priority, which is establishing Scotland as a responsible and credible member of the 'international community' - which is to say, firmly within the US sphere of influence.

Thus, his plan has a credibility utterly lacking from the 57 varieties of 'left' reasoning for a 'yes' vote. The title of a new Socialist Workers Party pamphlet on the subject - 'Yes to independence, no to nationalism' - sums up nicely the utter stupidity of the left on this subject. The supposedly non-nationalist arguments amount to the idea that breaking up the British state is a blow to the effective unity of imperialism. This is flagrantly ludicrous on the Salmond plan - which would see all of the island of Britain still in Nato and still in the EU.

To dissent from Salmond's plan, however, demands an alternative vision. And no alternative vision is available from the SWP, the Scottish Socialist Party and Tommy Sheridan's Solidarity other than left nationalism.

The latter, unlike the SNP's policy, has absolutely *no* basis in reality. It amounts to a repackaged version of socialism in one country - except this time it would be in a tiny country, not even self-sufficient in food production, but with a small hint of Chávezesque petro-socialism attached.

The SSP, and all those left fragments north of the border backing the 'yes' campaign, will no doubt issue the fiercest calumnies against Salmond for 'selling out' over Nato. If their alternative was an international revolutionary movement, then there would be a case for the slick leader to answer. In truth, the left nationalists are pushing the most absurd petty bourgeois fantasy, while Salmond is pushing a *potential* bourgeois reality. He will brush advocates of a leftwing 'yes' vote aside like so many flying ants.

However much it is being presented as an existential choice for Scotland's future, it is striking how little is on offer from either camp. The battle is not between the butcher's apron and the saltire, but rather over whether or not Scotland is to have American and/or German patronage filtered through London. The defenders of the union - including the shamolic Labour operation north of the border - have nothing to offer but subjection to a decrepit, reactionary constitution and economic devastation. The nationalists offer a marginal change in paymasters. Whoever wins, the Scottish people will lose.

A serious left intervention has to fight for Scotland's right to self-determination. It has to fight to destroy that decrepit state regime that squats upon us all. But it also has to fight for a meaningful, *voluntary* union of the three British nationalities, for the fullest flowering of democracy, on the basis of the historic and hard-won unity of Scottish, Welsh and English workers, in a federal republic ●

paul.demarty@weeklyworker.org.uk

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