

Solidarity & Workers' Liberty



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For a workers' government

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Recovery for rich. Cuts for poor. ■ See page 5

George
Osborne
has said
cuts will
continue
until 2020



Make unions and Labour fight

What is the Alliance for Workers' Liberty?

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

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

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

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

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

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

We stand for:

- Independent working-class representation in politics.
- A workers' government, based on and accountable to the labour movement.
- A workers' charter of trade union rights — to organise, to strike, to picket effectively, and to take solidarity action.
- Taxation of the rich to fund decent public services, homes, education and jobs for all.
- A workers' movement that fights all forms of oppression. Full equality for women and social provision to free women from the burden of housework. Free abortion on request. Full equality for lesbian, gay, bisexual and transgender people. Black and white workers' unity against racism.
- Open borders.
- Global solidarity against global capital — workers everywhere have more in common with each other than with their capitalist or Stalinist rulers.
- Democracy at every level of society, from the smallest workplace or community to global social organisation.
- Working-class solidarity in international politics: equal rights for all nations, against imperialists and predators big and small.
- Maximum left unity in action, and openness in debate.
- If you agree with us, please take some copies of *Solidarity* to sell — and join us!

Contact us:

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50,000 march against Tories

By Rosie Huzzard, NUS Executive, p.c.

I was really pleased to be part of the student bloc for much of the 50-60,000 strong TUC march in Manchester on 29 September against the Tories, as they met for their conference.

Among many other contingents were activists from Manchester University, where there is a vibrant group called Manchester Save Our NHS.

The important thing about protests like this is to feel positive and buoyed up by its size and passion and take that feeling back to your student union and workplace, and build local campaigns to defend the NHS.

Use the success of this demo to keep working hard, and get students who are studying in the NHS (medical students, nurses, paramedics, physios, social workers, mental health and psychotherapy students...) interested in the political issues surrounding it.

Earlier this month I at-

Marching in Manchester. Photo: Vicki Morris

tended a meeting held by Medsin and NCAFC at Goldsmiths University, which put a lot of plans in place to start more student action around the NHS.

One of these plans is a week of action around NHS cuts and privatisation from 23-30 November.

But "saving the NHS" just won't cut it for me. The NHS has always had some private interest, and the privatisation of some services goes right back through the Labour years and the legacy of the Private Finance Initiative.

What we need is truly public. That means that the

control of resources should be in the hands of the NHS workers, and not related to the interests of private interests, research funding, or multi-national pharmaceutical companies

You can sometimes see a small scale version of this when NHS workers go on strike — nurses and paramedics manage their own shifts and cover the services they know are vital themselves, through their own democratic process.

Making demands for a democratically controlled NHS might seem far-fetched, but the privatisation that the Coalition have

already brought into the health sector is pretty revolutionary too.

And most people are unaware of the changes that have already been rail-roaded in through the back door — with the "National Health Service" now being used simply as a brand name to badge any number of private providers.

- manchesterstudentsunion.com/groups/save-our-nhs
- studentsforthenhs.blogspot.co.uk
- or Pete at nhs@medsin.org
- Rosie blogs at: rosiehuzzard.wordpress.com

Cops off our campuses!

By Gerry Bates

On the night of Friday 27 September, at least fifteen police officers turned up to a freshers' event at Royal Holloway Students' Union in Surrey.

The student union's elected officers had not given permission for the police to be there.

Uniformed police had tasers and sniffer dogs; undercover police were disguised as students. They say they were looking for drugs, but no drugs were found.

The police seemed to be targeting black students.

When a group of students attempted to challenge the police, one of them — former Royal Holloway SU President and current University of London Union Vice President, Workers' Liberty member Daniel Cooper — was manhandled to the ground and arrested. He

was held until Saturday afternoon.

Over the last three years police officers have attempted to sit in on political meetings at Royal Holloway and have stopped and searched students.

On 1 October students were holding a public assembly to discuss the events and further action.

Such police presence creates an unsafe and intimidating situation. We should demand that the police are allowed on campus only in exceptional circumstances.

Royal Holloway students are launching a campaign on these issues, but we need a campaign across the student movement. Cops off our campuses!

- Facebook: #CopsOffCampus Protest @ Royal Holloway
- RHUL Students' Union statement: bit.ly/rhul-cops

Up to 20,000 people joined a demonstration in Stafford on 28 September in opposition to cuts in maternity, paediatrics and critical care at the local hospital. Consultation on a report by administrators which recommends these and other cuts (in the A&E) has now ended. www.supportstaffordhospital.co.uk

40 days of bigotry

Not content with harassing women outside abortion clinics during Lent, the religious "40 Days for Life" anti-abortionists are repeating their campaign from 25 September to 3 November.

They plan 8am-7pm prayer vigils, 7 days a week in London (Stratford BPAS), Cardiff, Birmingham, Leeds, Leamington Spa, Milton Keynes and Manchester.

They will be giving out leaflets to women going into the clinic which include lies like "having an abortion could give you breast cancer".

Counter-campaign info and discussion:

- 40daysforchoice.tumblr.com
- Facebook: Bloomsbury Pro-Choice Alliance
- Facebook: Feminist Fight-back

Resisting mail sell-off

By Rhodri Evans

The Government has speeded up the sell-off of Royal Mail so that the shares will be sold and trading on the market before the strikes for which the CWU [Communication Workers' Union] is now balloting can start.

The share offer went out on 27 September, the same day that the CWU ballot started. Applications to buy shares must be in by 8 October. The allocation of shares to buyers will be announced, and some limited trading will start, on 11 October, and then full trading on 15 October.

The CWU ballot closes on 16 October, and the first legal date for strikes will be

23 October.

Dave Chapple, Bristol CWU branch chair, told Solidarity: "Notwithstanding the fact that the Government has wrongfooted the union by bringing privatisation forward, there is still everything to play for in terms of the national dispute to protect our terms and conditions for an unprecedented ten years.

"In the course of a successful dispute to promote and achieve that aim, and notwithstanding the technical fact that privatisation has already opened, we think it can still be put in doubt that a sufficient number of high-profile firms will come forward to want to manage a business with a combative and undefeated union.

"I'm not saying this is going to happen, but it only takes 20 branches of the union to force a recall conference. In my personal opinion, that should be happening.

"The action following the ballot result has got to be serious. I'm not dying in a ditch about whether it is

everybody out on the same day, or we have drivers out one day, mail centres out another, delivery office out another. There is some sense in those tactics.

"But it has to be a serious dispute, not a token dispute. One or two days national strike action can only be the start of it. We cannot possibly get anywhere with just a token dispute".

At the Labour Party conference, the CWU leaders resisted pressure from Ed Miliband to withdraw a motion committing Labour to renationalise Royal Mail. The motion then went through unanimously.

Shadow business minister Chuka Umunna did not dare argue against the CWU motion at conference, but after the conference he

declared: "We are not in a position to pledge to renationalise Royal Mail if we get into government in 2015.

"I do not know how much Royal Mail shares will be trading at in May 2015, so I do not know how much it would cost to renationalise".

The short answer to that is that if Labour says it will compulsorily purchase the shares at a low price, then the shares will not rise above that price. If Umunna's philosophy were accepted, no government would ever nationalise or renationalise anything.

The labour movement should back the CWU's dispute, and demand that Labour leaders act on the conference decision.

Probation workers fight privatisation

By a probation worker

On 19 September Justice Secretary Chris Grayling announced that the majority of probation services across England and Wales would be "up for sale".

70% of offender rehabilitation services will be privatised by Autumn 2014. The remaining 30% of probation work, which will comprise "high risk" only cases (offenders categorised as posing a significant threat to the community), will be placed under the control of 35 new

government companies.

The high risk work will form a new and hugely slimmed down National Probation Service.

The shift from an accountable, public and largely successful public probation service, to a disjointed, privatised assortment of providers may prove disastrous.

There is not a shred of empirical evidence to suggest breaking up and selling probation services will result in more efficient offender rehabilitation.

Moreover, the risks posed to the community are deeply concerning.

200,000 offenders on su-

pervision orders will be moved over to private companies such as Serco and G4S. There is a risk in the transition between service providers that someone will "slip through the net".

TRUST

The recent scandals (the falsification of offender reports to give the impression of company efficiency) of both Serco and G4S show that private companies cannot be trusted with essential services.

Least of all, with services that are there to keep communities safe and bring

down offender re-conviction rates.

NAPO (National Association of Probation Officers) and Unison both oppose the plans. While the response from the trade unions has so far been lukewarm, it may now be moving in the right direction. Talks on employment terms and conditions between NAPO and the National Negotiating Council have broken down and it is expected that NAPO will soon be balloting for industrial action.

Unison are still in talks, however an indicative ballot over the summer period returned a staggering 90%

vote in favour of industrial action to protect terms and conditions. At such a critical time, it is baffling that the trade union bureaucracies have so far failed to move toward joint industrial action.

What probation services will look like in the future remains to be seen. If the privatised United States model is anything to go by (them up) we are looking at very grim times ahead.

There, some private probation providers have begun charging offenders for supervision orders. When the offenders are unable to pay, they lock them up.

Split in Syrian opposition calls for Sharia law

By Stephen Wood

Thirteen of the militia opposition groups in Syria have declared: "These forces call on all military and civilian forces to unite under a clear Islamic framework based on Sharia law, which should be the sole source of legislation."

In so doing they are rejecting and formally breaking away from the leadership of the Free Syrian Army and the Syrian

National Coalition.

The FSA's formally secular-nationalist character is putting it at odds with a growing number of Islamist brigades, frequently the preserve of foreign jihadists.

Fights over funding, and for the support of external states and the global Islamist movement, complicate the situation.

The FSA recently lost control of Azaz, a town on the Turkish border, when it was seized by the ISIS

group — Islamic State in Iraq and Syria (in some translations Iraq and Levant).

ISIS is now the official Al-Qaeda affiliate. The al-Nusra front is believed to have rejected both the Iraqi command of ISIS and the overall leadership of Ayman al-Zawahiri.

After Azaz was seized, journalists reported that tobacco disappeared from the streets in accordance with the diktat of ISIS.

Reporting from Syria is

coming even more dangerous. Journalists are threatened by both government and rebel forces and are seen as Western spies.

Accurate reporting of who is in control of where is limited to a number of towns. In rebel-controlled areas the affiliation of different branches of the FSA can change to appease the other forces around them.

The backdrop for the continued fragmentation of the opposition is the huge refugee crisis affect-

ing the whole region.

The UNHCR reports refugee figures of 716,000 in Lebanon, 515,000 in Jordan, 460,000 in Turkey, 169,000 in Iraq, 111,000 in Egypt. 4.25 million others displaced inside Syria.

The Iraqi, Turkish, Jordanian and Lebanese Governments have called for increased international aid to cope with the ever growing numbers of Syrians leaving the country.

The UN has warned that the increase is necessary

Oppose EDL in Bradford!

By Kurt Davis

The English Defence League have called a national demo in Bradford on 12 October.

We cannot let these violent racists march unopposed.

Recently in Hull the EDL were virtually unopposed, so the police allowed them to march. They marched down a street with a large Kurdish population shouting racist slogans, smashing windows; they beat up two Labour Party members.

The Anti Fascist Network in Leeds and Bradford is calling on anti-fascists in the north and local working-class people to counter the EDL when they turn up in the city centre.

Last time the EDL came to Bradford a thousand people opposed them. When some EDLers broke out of their police kettle and rampaged through the city, local people and anti fascists stopped them and forced them to flee behind police lines.

The anti-racist group Hope not Hate and the trades council want a unity event earlier in the day and no counter demonstration. Unite Against Fascism is due to decide on its plans.

We call on them to join a counter demonstration — the most effective show of unity against the racist EDL.

When broad means narrow

The Left
By Colin Foster



Paris Thompson, one of the “Facebook Four” whose expulsion from the SWP almost a year started the continuing crisis in that group, wrote on 29 September:

“A new Leeds Left Unity branch has been declared unofficially by the appointed organiser and the Leeds Left Unity Facebook group is being bureaucratically shut down by an unelected administrator (who also happens to have, and refuses to make common property, the membership list). None of which has ever been discussed in the Leeds Left Unity meetings. Nothing like a good old bureaucratically-engineered split to prove your anti ‘sect’ credentials”.

Dave Kirk, a Workers’ Liberty member active in Leeds Left Unity, reports: “The backstory is... dwindling numbers [though Leeds LU has been one of the most successful local groups]. Left Party Platform supporters are asserting that ‘sectarians’ and ‘sects’ (ISN and Workers Power) are to blame, and that the only way to save LU would be to establish a new group”.

Vicki Morris reports on Nottingham LU: “The [latest] meeting was cancelled, at the behest, I think, of the Left Unity head office or whatever they have.

“Someone has taken exception to the local vice-chair. He has been banned from Left Unity by bureaucratic diktat and is rightly angry.

“We are not allowed to meet again until after the conference”.

Left Unity was initiated about a year ago by Andrew Burgin (long a central figure in Stop The War) and Kate Hudson (secretary of CND and a former member of the Communist Party of Britain) after they quit Respect in disgust at George Galloway’s behaviour. It gained momentum in March 2013, when the film-maker Ken Loach came out in support.

Local groups have been set up, involving a total of some hundreds of people across the country, and are currently debating platforms to be decided on at a founding conference on 30 November 2013.

INSTANT

Burgin, Hudson, and others propose a “Left Party platform” to create a group which would be like Die Linke in Germany, Syriza in Greece, or the Front de Gauche in France.

Others propose a “Socialist Platform”, explicitly socialist and working-class. They argue that the scheme of building an instant big party by blurring everything other than the minimum required to appear more left than Labour won’t work, and would be inadequate even if it did draw instant large numbers. AWL supports the SP.

The conflicts in Leeds and Nottingham seem not to be LPP vs SP, and it is not AWL who are blamed as being the “sectarians”. Rather, the LPP search for “broadness” seems to require marginalising or excluding even the more left-wing backers of the LPP.

The promise is that their approach will, in return, bring in lots of people who liked the “Occupy” movement but dislike the terms “socialism” or “working-class”. That is unlikely. And, anyway, having a socialist platform in no way contradicts allying in struggle with people who are not socialists.

The SWP-splinter International Socialist Network, of which Thompson is a member, has broadly backed the LPP, but recommended amendments to both LPP and SP.

In the SP, it proposes to replace “aims... to end capitalism” with “aims... to challenge capitalism”. We all come across challenging behaviour often, from workmates, neighbours, or friends, and usually we deal with it. It is not fatal. The capitalist class is skilled at deflecting and dealing with challenges. To limit ourselves to challenging it, rather than ending it, is to bow down to that skill.

Other ISN amendments delete (without substitute) the SP’s statement that capitalist state institutions must be replaced by different ones, and its assertion that the Stalinist states were not socialist.

There can often be tactical good sense in small socialist groups participating in big left parties which are reformist, or

unclear about Stalinism. We participate and argue patiently against the reformist and Stalinist ideas. What is the sense of a small socialist group, like ISN, intervening in an only-slightly-less-small group, Left Unity, in order to argue against rejecting reformism and Stalinism?

The ISN’s amendments to the LPP try to make the LPP more left-wing.

In the LPP as it stands, there is only one reference to socialism, and a minimal one: “we need a new left party which will present an alternative set of values of equality and justice: socialist, feminist, environmentalist...”

The ISN amendment would have the LPP talk about “the socialist transformation of society”. “We believe that working people have the power to create a new society based on collective organisation, democratic coordination and the planning of economic activity in the interests of humanity”.

The effort to “keep it broad” here results in hopeless vagueness. What does “working people” mean? Do the ISN really look to an alliance comprising working capitalists (as distinct from rentiers), small employers and self-employed, and employed workers, but excluding unemployed workers, students, retired workers, etc., to change the world?

Capitalism is based on “collective organisation” (read chapter 13 of *Capital*)! “Democratic coordination”? In modern bourgeois democracies, capitalism has a form of that, too. “Planning of economic activity”? Big-business strategists do that!

BLUR

The ISN’s definition of socialism says nothing about who owns and controls the means of production. The only distinctively socialistic thing in it is the phrase “in the interests of humanity”, but that nails things down no more than the original LPP talk of “alternative values of equality and justice”.

If the ISN’s sentence were in a hurried article or leaflet, we’d read it as just an inept but good-spirited attempt to find new words to explain socialism. But this is supposed to be an amendment to a platform statement, to make it more precise.

Let’s hope that their treatment in Leeds makes the ISN reflect on the shortcomings of the approach in which socialists, in the hope of being “broad”, blur talk of socialism.

Meanwhile, the SWP has started its pre-conference period (the only time under SWP rules when relatively open debate is allowed), running up to a conference on 13-15 December; and, following a meeting on 21 September, a new opposition faction has been formed, with broadly the same people who formed the “moderate” opposition at the SWP conference in January 2014.

Its platform limits itself to mild questioning of the regime and procedures of the SWP, without comment on the SWP’s public policies. The first SWP pre-conference discussion bulletins, however, shows some bubbling underneath.

One opposition writer argues “the Party [i.e. SWP] needs to shift its primary focus from the left bureaucracy in trade unions to the workplace”.

The Central Committee’s main document reaffirms what another oppositionist calls the “one final push strategy”. With only a few reservations, it reckons “the period” has “an explosive character”, “marked by ‘abrupt changes of the political flows and ebbs’, with ‘constant spasmodic class struggle’ and ‘frenzied oscillations of the political situation towards the Left and towards the Right’.” It claims that Unite the Resistance, the SWP’s lacklustre vehicle for putting leftish union officials on platforms, “fits”.

It slams the opposition as “characterised by a tendency towards pessimism over the potential for resistance by the organised working class”, or even as questioning “the centrality of the working class”.

The bulletin also shows different strands in the pro-CC camp. One lot denounce the opposition “as a permanent group, separate from the Party, in opposition to our agreed perspectives and our elected leadership bodies”, and urge that “comrades who continue to belong to a permanent faction should be expelled”.

Others warn gently that the CC may, after all, have made mistakes, and urge reasoned dialogue.

• Socialist Platform: bit.ly/lu-sp

The “old IS” theory chopped and changed

Invented tradition

Letter



Matt Hale (*Solidarity* 296) is right about the political deterioration of the SWP, but, I think, too generous to the IS and SR groups which preceded SWP.

In his book *Trotskyism* SWP leader Alex Callinicos explicitly sides with “orthodox” neo-Trotskyism. When the Trotskyists split in 1939-40, over how to respond to the first pushing-out of Stalinist imperialism to eastern Poland, Finland, the Baltics, the wrong side was those who registered the imperialism and opposed it — Shachtman, Draper, the future Workers Party/ISL. They “were indeed an instance of... drift towards... acceptance of Western capitalist democracy”.

Like the “orthodox”, Callinicos claims that the political fading-away in old age of Shachtman and some of his close comrades was the logical end of the slippery slope they stepped onto when young by opposing Stalinist imperialism.

Given the SWP’s formula about “state capitalism”, Callinicos has to obscure things here if he is not to appear ridiculous. So he claims that the 1939-40 “debate focused” not on real politics but “on the Shachtmanites’ claim that the Cannon leadership represented... bureaucratic conservatism”.

But “bureaucratic conservatism” was their word for the *method* by which Cannon advocated repeating “the party’s fundamental analysis of the character of the Soviet Union” (which, as it happens, Shachtman at that stage did not reject) as if it were an answer to the new specific events.

There are half a dozen other inaccuracies in Callinicos’s few sentences about 1939-40. They set the frame for him to present the SWP’s forerunners as taking a middle way between “exaggerated emphasis on the virtues of orthodoxy” into which he claims Cannon was scared by 1939-40 and the “heresies” of Shachtman and others.

In fact the SR group was “orthodox Trotskyist” until about 1959 in all but its “state-capitalist” label for the USSR. From 1960 to 1968, it was not Trotskyist at all, orthodox or heterodox. And then, from the 1970s, it readopted “orthodoxy” in one of its most stultified forms (Healy’s).

Its special version of “state capitalism” yielded, oddly, a warmer, more “appreciative”, less bitter attitude to Stalinism than most of the “orthodox” had at the time the version was coined (1947-8). (Other theories of “state capitalism”, more serious than Cliff’s, had been around for decades).

For some time the SR/IS/SWP had a more open-minded regime than its “orthodox” rivals in Britain. On some issues its position was more creditable. But the “tradition” which some SWP dissidents look to is as much an invention as Scottish tartans.

Explorations of the real history can be found at bit.ly/sr-is-swp and bit.ly/cliff-sc.

Martin Thomas, Islington

The most vulnerable will be hardest hit: protesting against cuts in social care funding

Osborne's rotten "recovery"

Tory chancellor George Osborne claims to have an economic recovery. If there is one, it's not much of one, even in broad capitalist terms. On the latest figures, business investment, the central measure of the accumulation of capital, was down 2.7% on a year previously.

In narrower terms, bosses and bankers have been doing well for a while. Take-home pay for the average boss of a top-hundred (FTSE 100) company was up to £4.3 million in 2012, an increase of 10 per cent on the previous year. In 2010-11, FTSE 100 bosses took an average pay rise of 12%.

Since autumn 2011, the index of FTSE 100 share prices has gone up from just over 5000 to 6438. A stock-market fund which trades a package of FTSE 100 shares "has declared dividends of 22.4p per share during the last twelve months — up 20% on the preceding twelve months...

"The annual dividend... is now 4% greater than the pre-banking-crash peak.."

The profitability of UK non-financial companies, as measured by official statistics, was 12% in early 2013. It is still below the peak of 14.7% it reached in early 2008. But it is not very much below. And it is increasing.

Average hourly real wages fell 5.5% between mid-2010 and mid-2013. The Tory cuts bring an average of £760 a year in loss of benefits by 2014-5. Hundreds of thousands of people, mostly the worse-off and the disabled, are losing much more.

At the Tory conference (30 September to 2 October), chan-

cellor George Osborne said his guidelines will be "running a [government budget] surplus and capping welfare". Recovery or recession, boom or slump, either way the Tories want more cuts!

Tories at the conference put welfare and inequality at the centre of debate, denouncing Labour as "the welfare party", guilty of "reckless welfare spending". The Tories' goal is *ill-fare* for the majority — more insecurity, more competition, greater pressure and stress at work, a bigger slice of what you produce pocketed as profit.

LYING

The grip which the Tories' lying depiction of "welfare" as lavish handouts to the lazy has on public opinion may have been increased by the driving-down of average real wages.

Workers who know they are worse off despite working harder may not blame the bosses who pocket the proceeds, because the bosses' luxury appears as something remote, and its connection with workers' exploitation too complicated to understand.

That will change, fundamentally, as the unions are turned round and open the prospect of a battle which can make the whole of the working class — employed and unemployed, better-paid and worse-paid — better off at the expense of the

bosses.

The Tories' denunciation of Labour as left-wing is sadly far from true. In their cuts hitting disabled people, and in their drive for "workfare", the Tories are only continuing on lines the Blair-Brown Labour government started.

Ed Balls has stuck to his declaration of 13 January 2012 that "we are going to have keep all these cuts" — the cuts the government is making.

Only two commitments to reverse what the Tories have done have been won from Labour: a promise to repeal the Health and Social Care Act (though with nothing said about reversing the damage that law has done already, or about reversing the cuts in NHS budgets); and a promise to abolish the "bedroom tax".

Those commitments have been won because the campaigns on those issues have been stronger. The challenge for us now is to build stronger action on other fronts.

If a capitalist economic recovery does develop, even a sluggish one, it can give us better conditions to organise, by making workers more confident and less inclined to wait for better times.

The transition from industrial revival to working-class action is not automatic: it depends on the organisation and education which has been done in the hard times of economic depression. That organisation and education we can and must do now.

No new workfare!

George Osborne used his speech at Tory Party conference to announce a "new" work-for-dole scheme. In fact the proposals are nothing new — "work for the dole" (or workfare) schemes have been in place since 2011 across the country.

This latest scheme (to be introduced in April 2014) will involve compulsory placements for the long-term unemployed like clearing up litter, daily visits to the job centre, or compulsory training.

The plan is not new, but an on welfare at his party conference was useful to Osborne — just another populist stance to please the Tory activist rank-and-file.

A piecemeal pattern of forced work will be hardened into an automatic, systematic pushing of people into workfare after they have been unemployed for a certain period of time.

This shift was always planned to take place. Ironically, Os-

borne's promise that the tougher scheme will be implemented fully by April 2014 constitutes a considerable postponement.

Workfare is extremely ineffective in its stated goal of getting people into jobs. Over the last three years, the Government's work programmes has been no more efficient at leading people into work than the New Labour programme it replaced.

The statistical likelihood of people finding work is barely improved by being placed on workfare. The state will spend £300 million per year on the scheme. That money would be far better spent giving people properly paid, socially useful jobs.

The reason the Tories persist with the idea has nothing to do with genuinely helping people out of joblessness. It's a useful way of whipping up divisions between working-class

people with jobs and those without them, winning the loyalty of the right-wing Tory grassroots, and providing platoons of free labour to their friends in big business.

Workfare is a controversial policy, and one that has become vulnerable to political criticism and activism. Large companies are increasingly wary of using workfare labour because of the reputation for exploitation that accompanies the practice.

Socialists and the labour movement should renew efforts to stop workfare. We call for increased non-means tested benefits for the jobless, job creation, paid on-the-job training with guaranteed jobs and a living wage.

• Information and campaigns:
www.boycottworkfare.org

Greek left must step for

By Theodora Polenta

Over the weekend 28-29 September, eighteen leading members of Greece's fascist Golden Dawn party, including party chair Nikos Michaloliakos, were arrested and charged with forming a criminal association.

In a raid on Michaloliakos' house, illegal firearms were confiscated, and 40,000 euros (\$54,000) in cash. Thirty other Golden Dawn members were also arrested.

Two high-ranking police officials have resigned last week because of their cooperation with the fascists, and others have been suspended from service until further notice or removed to other posts.

On Saturday 28th, a law was passed to withdraw state financing from parties whose deputies are being prosecuted. Golden Dawn's 18 parliamentary deputies have threatened to resign en masse, which would trigger new elections in the affected districts.

The arrests are a victory for the anti-fascist and labour movements. Since the murder of Paul Fyssas by a Golden Dawn activist on 18 September, a popular outcry against Golden Dawn had been expressed in demonstrations of thousands and thousands of people in every corner of the country.

Golden Dawn called for a mass mobilisation of their supporters outside the Attica General Police Directorate. Only 100 supporters turned out, looking dizzy and mildly waving Greek flags.

The small turnout, and its contrast with Golden Dawn's poll ratings of sometimes over 10%, are a vindication of the permanent struggles of the left and the anti-fascist movement against the neo-Nazi thugs of Golden Dawn.

But along with our sense of vindication must come the permanent distrust and eternal suspicion that nourishes the working-class movement's attitude towards capitalist state institutions and governments.

Historical experiences, as well as our daily struggles, have taught the working-class movement not to take things at face

value. In 1924, after the so-called beer-hall putsch in Munich, Hitler was sentenced to five years' jail. But he was released from prison after only nine months.

In April 1932, Germany's president Paul Hindenburg banned the SS and the Nazi Assault Squads. Ten months after he made Hitler chancellor.

The arrest of the Golden Dawn leaders will be a relief to many. Migrants will find it easier to walk the streets.

And yet, the authorities who arrested Golden Dawn, on the basis of a damning report quickly presented by a Supreme Court prosecutor, have had detailed information about the party's criminal activities for years.

Racist violence has been widely reported by international media, national and international NGOs. Yet Greece's anti-racist law was never applied (an improved version was recently rejected in parliament).

LIBEL

Less than a year ago, Nikos Dendias, the minister of public order, insisted that no link existed between the police and Golden Dawn, and threatened the *Guardian* with a libel suit when it reported that policemen tortured anti-fascists.

Yet in the wake of Fyssas's assassination, Dendias launched an inquiry into such links, and several senior officers were sacked or suspended.

The charges brought against Golden Dawn leaders show months and years of monitoring. Obviously the prosecution dossier was not created just last week, and the state did not wait for the aftermath of the assassination of Paul Fyssas to start monitoring conversations between Golden Dawn leaders.

Without underestimating the role played by the popular anger and the anti-fascist demonstrations, it is obvious that the government of Samaras had an off-the-shelf plan to "dismantle Golden Dawn" ready enough to implement it with speed.

The dramatic collapse of the morale and alleged militancy of Golden Dawn mechanism demonstrated that the fear and

terror strewn by the neo-Nazi squads was with borrowed power, based on the belief that they always enjoy cosy relations with the state, the judiciary, and the police. When for its own reasons the memorandum regime withdrew its protection from the Nazis, the fascist gang could not even hold a decent rally in response.

What brought the government's turnaround?

First there was the weight of unprecedented anti-fascist and anti-government reactions of outrage against the government's tolerance following the murder of Paul Fyssas on 18 September.

And then there was the risk that Golden Dawn would turn against the government, as Al Qaeda turned against the US after first being aided by it in order to trouble the USSR in Afghanistan.

The autonomy of Golden Dawn should not be underestimated. The government attempted to control it. They found that impossible. They underestimated the independent dynamics of Golden Dawn.

Some believe that the arrests of Golden Dawn leaders will be used by the government to change the political landscape in favour of ND (New Democracy, the right-wing party that leads the current coalition government, committed to carrying out the "memorandum" of cuts demanded by the EU, the European Central Bank, and the IMF.

Maybe with its new kudos from "dismantling neo-Nazism", the government can push through more unpopular measures and promote a new memorandum.

The "theory of two extremes" has been promoted by the government and by journalists. The MEGA TV news has stated that the arrests of the Golden Dawn have proved that any "anti-systemic" organisation falls outside the democratic norms of the Greek constitution.

Government apologists say that one of the extremes is Golden Dawn, and the other is Syriza and the Left in general. Now one extreme is "dismantled". Will it now be the turn of the other end?

The Left must respond to the arrests of Golden Dawn lead-

ward

ers, not by credulity or illusions, but by launching a big counter-attack. The fight against fascism is inseparable from the struggle to free the country from the Troika, memoranda and neo-liberal looting.

Golden Dawn had been emboldened by its remarkable influence in the polls, by the privileges of its new parliamentary representation, by its financial support from portions of capital, and by its strong bridgeheads in the armed forces and police. It seems to have had its own “autonomous” plans, which included the political assassination of the anti-fascist Paul Fyssas and the attacks shortly before that on Communist Party trade unionists.

At a time when the Greek ruling class is seeking maximum stability of government and “social peace”, the risky “tactics/strategy” of the Nazis could not be tolerated. The bourgeois state had two options: either to sacrifice their “right extreme” or to accept the risk of Golden Dawn’s violence destabilising politics.

THREAT

But the arrests will not end the fascist threat. The friends which Golden Dawn had within the state machine, within New Democracy, and in the capitalist class, may judge it prudent to stand aside now.

But, until the social and political roots of fascist reaction are cut, they will find new ways to promote the same aims. Golden Dawn had been deliberately built up by sections of the ruling class. It has been funded by layers of the super-rich. It has had paramilitary units trained by the Army and supported by the police.

On Wednesday 25 September, the Federation of Greek Reservist elite soldiers (KEED) demanded a government of “national necessity” under the “guarantee” of the armed forces. The demands of this association largely coincide with those of the Golden Dawn, including calls for the expulsion of all immigrants and the seizure of German assets in Greece.

The daily newspaper *Ethnos* has published pictorial evidence of the cooperation between the Golden Dawn and EKAM, the country’s “special anti-terrorist unit”. Other photos show members of Golden Dawn alongside police units attacking protesters.

The daily newspaper *To Vima* has listed at least 300 violent attacks by neo-Nazis over the last three years.

On Sunday 29 September *To Vima* also reported that members of Golden Dawn had been trained by special units of the Greek Army. In a video on Alpha News, a former member of Golden Dawn confirmed the report. “We always had people there from the leadership, and therefore they let us into the training centres”. A majority of the riot police vote for Golden Dawn in the last election, and up to now the police have protected members of the party from prosecution.

Back in March, the conservative daily *Kathimerini* reported on the financing of Golden Dawn. “Golden Dawn was financially supported by the democratic parties. They helped in previous election campaigns to print propaganda material in order to impede the rise of [another far-right party] LAOS...

“But in 2012 these funds were not sufficient. I have data that show that Golden Dawn received money in May last year before the election from shipping tycoons, contractors, lawyers, and perhaps even a bank”.

In February this year around 80 ND deputies tried to pass a racist law together with the Golden Dawn parliamentary group against the government majority. There have been demands from within ND for a coalition government with the neo-Nazis.

The furore around Golden Dawn could give the Samaras coalition an opportunity to call elections and present itself in the role of guarantor of democracy, invoke the dilemma of “stability or chaos”, shift the debate from social and eco-

Golden Dawn leader Nikolaos Michaloliakos arrested

conomic collapse and memorandum/ anti-memorandum to the defence of institutions.

If it attempts that, it has an extremely difficult task. Samaras must try to equate the memorandum program to democratic normality and create a suffocating environment where vows on normality will need be given by everyone, first of all from the left-wing opposition, Syriza.

Already the Antarsya journalist Giorgos Delastic has been portrayed, by way of mixing up his words and phrases, as a “defender of Golden Dawn”.

Giorgos Tragas at Real Fm has accused KKE (Greek Communist Party) of withdrawing the daily column of Nicos Bogiopoulos immediately after the publication in that column of police documents from 1999 that recorded the relations of the Golden Dawn with police, army and MPs. The conclusion according to Tragas: KKE supports Golden Dawn.

Right-wingers on the internet claim that Syriza has promoted Golden Dawn in a desperate attempt to defeat ND. Pasok leader Evangelos Venizelos has claimed that “those who supported the squares movement [in 2011] nurtured Golden Dawn”.

CITIES

Yet it was prime minister Samaras himself who declared, in March 2012: “Our cities have been occupied by illegal migrants; we will take them back”.

His government launched the Xenios Zeus operation, rounding up dark-skinned people and detaining undocumented immigrants in camps euphemistically named “holding centres”. The same government repealed the reform of the 2010 Greek citizenship law, the first to offer second-generation migrants a potential entitlement to citizenship.

There should be no complacency from the Left. Fascism cannot be uprooted by police measures alone. Golden Dawn will defend itself. For some disoriented people, the Golden Dawn leaders’ imprisonment can be artfully transformed into a heroic struggle against the parliament which imposes the memorandum and the “kleptocracy”.

Meanwhile an inescapable third Memorandum is looming, and new legislation against the trade unions, popular liberties, and democratic rights. Immediately after dealing with Golden Dawn the coalition will turn with greater fury against its class enemy.

Urgently required is the formation of an independent anti-fascist and anti-government movement in defence of popular rights and freedoms. A front of Syriza, the Communist Party, Antarsya, and others.

The Left trapped itself by false estimates. A few hours be-

fore the arrests, top officials of Syriza were certain that Michaloliakos was blackmailing Samaras with the threat of elections, and that Samaras would back down.

Others on the Left had their view blurred by half-truths.

“Golden Dawn is the ultimate instrument of the system. ND is friendly with the Golden Dawn and will not touch it”.

“Golden Dawn is a completely autonomous phenomenon in the bourgeois political system and a front of all against Golden Dawn is urgently needed”.

“Fascism does not really matter because ultimately it is only a form of capitalism, and the problem will be solved by socialism”.

“Golden Dawn is a capitalist distraction. Its stabbings are a trick to divert the people from the issue of the memorandum”.

“The prosecution of the Golden Dawn today has as its only purpose prosecution and suppression of the Left tomorrow”.

“The arrest of the Golden Dawn leaders does not mean anything because fascism can only be crushed and uprooted by working class struggles”.

A united anti-fascist front led by Syriza and the Left should be complemented by a comprehensive response to the Troika, with the aim of a government of the Left.

The anti-fascist committees built should be strengthened, expanded, and coordinated. Trade unions should be actively involved in this process. Rank and file activists should raise the issues at general meetings to put pressure on the leaders

In areas where the neo-Nazis, building on real problems, have managed to find some support, we need massive campaigns door-to-door in order to break the terror.

The anti-fascist committees have to take initiatives in the direction of building networks of solidarity with the victims of the crisis and making clear that the streets belong to the movement and not to the thugs and killers.

Above all, the battle against fascism must be connected with the struggle for the overthrow of the capitalism system that creates fascism.

It is the duty of the Left — and especially of Syriza, because of its political weight — now more than ever, to sharpen and radicalise its politics to overthrow the government of Samaras-Venizelos and bring in a government of the Left that will implement an anti-capitalist programme.

Syriza needs to respond appropriately to the theory of “two extremes”, clarifying that Syriza, by its very nature and principles, is at the opposite pole to fascism and generally of bourgeois reaction, namely the pole of genuine workers’ democracy and socialism.

Why Tea Party can take hostages

On 1 October US Congress failed to agree a budget, causing many government offices to close. Showing a vigour in its cause which we'd like to see Labour display in ours, the Tea Party wing of the Republican Party refused to agree the budget unless Obama's healthcare law was gutted. Barry Finger explains the background.

Far right monies bundled together by conservative "social welfare" groups are said to be defying a hapless public powerless to thwart the House Republicans from exercising veto power over the budget process, in their effort to impose more austerity and defund the Affordable Care Act.

Yet this is a very curious hostage taking. The budgetary victim is not exactly chained to some metaphorical basement pipe; and the front door, rear door and all the widows of this kidnapping enclave have been left wide open and unguarded. The Democrats needed only to take the hostage by the hand and lead the way through any of the myriad points of egress. Their abject failure to do so, to even suggest that it can be done, testifies to the suspicion that the Democratic establishment are utter fools or, more likely, willing accomplices to the entire process with their own distinct ruling class agenda that this entire drama plays into.

How the Democrats relish sharing their concocted nightmare about the "full faith and credit" of the United States being at stake. Why, they ask, who will fund the government, if the state defaults on its obligations? The liberal commentariat continues to play into that cracker barrel wisdom so supportive of ruling class interests — and so erroneous — that links public financing to the elite tax base and good graces of party donors, who, if betrayed, may let the entire fiscal scaffolding collapse around them. Oh the horror of what the teabot nutwing is foisting on this teetering economy! Back on planet earth, however, the debt ceiling is both a functional anachronism — a vestige of a time in which the dollar was linked to gold — and an economic MacGuffin. Since Nixon severed the link, the dollar has been a fiat money created at will by the state. The state crowds out every other form of money, including precious metals, by the simple fact that it enforces payment of taxes in its own currency and only in its own tender.

Taxing doesn't "finance" state operations; it suppresses private demand so that real resources may be shifted from the private sector to the public sphere. The Fed engages in buying and selling treasury bills, "debt instruments", to regulate interest rates in the private sector, and thereby expand or contract the scope of private sector borrowing and lending.

The government budget requires outlays to the private sector triggering the treasury to write checks against its "account" with the Federal Reserve. The Fed, in turn, credits private bank accounts to satisfy the contractual obligations of the state. It effectively creates this money ex nihilo. At no point does the private sector "fund" the state.

By law, the state reconciles its internal accounts with the Fed by levying taxes and, where this falls short, by "borrowing" back a part of the monies it itself — through the Fed — injected into the private sector. It swaps out a noninterest bearing vehicle — money, for an interest-yielding asset — treasury bills. This is a bookkeeping operation.

Functionally, the capitalist state could dispose of the entire process as long as there are idle productive assets, were it not for its episodic and rare need to suppress inflationary pressures through taxation and to prevent the cost of private sector borrowing being reduced to zero, where it would otherwise settle given that state money, unlike gold, is a freely expandable "instrument."

LEGAL

All of which brings us back to how the Democrats could, were they so motivated, circumvent the entire budgetary debt limit and spending crisis that the Republicans have imposed on the state.

The key to ending this hostage crisis is to locate legal means of augmenting state spending that do not incur additional debt obligations. And these exist or can be created even within an existing legal framework which exercises prior restraint on the operations of fiat money.

Perhaps the most obvious means, and one that Tea Party darling Ron Paul once even endorsed, is having the Fed's holding of treasuries negated. The Fed currently holds \$2 trillion in government bonds, which, if cancelled would free sufficient spending power to circumvent the entire process.

Another means is for the state to finance its spending in excess of taxes by issuing "perpetual bonds" known as consols. These are not redeemable, but issue a steady stream of interest in perpetuity. Because the principal is never paid off, they do not add to the accumulation of state debt. There is nothing new here. The British used these instruments to pay off debts incurred to finance the Napoleonic Wars.

Jack Balkin, a professor of Constitutional Law at Yale law school, has proposed that the state could "sell the Federal Reserve an option to purchase government property for \$2 trillion. The Fed could then credit the proceeds to the government's checking account. Once Congress lifts its debt ceiling, the president could buy back the option for a dollar,

or the option could simply expire in 90 days."

Then of course, the President, a constitutional lawyer himself, might have mobilised the justice department to challenge the debt ceiling by invoking the authority of the 14th amendment, which ostensibly renders contractual obligations of the federal government legally inviolable.

The point is this. The Democrats have no desire to challenge, much less supplant a budgetary process that legally tethers the state to the constraints of an outmoded and functionally superfluous appropriations process. To do otherwise would open the possibility that an informed electorate could demand a breadth and sweep of services and public goods that undermines social discipline, impedes profitability and threatens the system's legitimacy.

As it plays out, the Democrats are using this crisis to burish their reputations as the ruling class's good cop, while evading responsibility, demonising the Republicans, and selling their softer version of austerity — of clawing back public resources to the private accumulation process — as the more reasonable and measured alternative.

It is a cynical game and one the left should internalise when next we are urged to engage with the Democratic Party as a meaningful alternative to Republican near-dethalism.

Deserters? Or class fighters?

By Ira Berkovic

Since 2012, Workers' Liberty members have been involved in supporting outsourced workers at the University of London in their fight for sick pay, holiday entitlement, and pension equality with their directly-employed colleagues.

Their campaign, "3 Cosas" ("3 Things"), began after their hard-fought campaign to win the London Living Wage, which they won in summer 2012. Throughout both fights, the workers have been self-organised, holding regular workers' and campaign meetings.

They had been members of the Senate House branch of Unison, and repeatedly attempted to seek the support of their branch for their struggles. After finding themselves blocked by a branch bureaucracy threatened by the idea of a self-organised, militant group of (mainly-migrant) workers, the outsourced staff and their allies amongst directly-employed workers launched a struggle to transform their union, culminating in standing a slate in the branch committee elections. The branch leadership, with the support of Unison's London Region, undermined and sabotaged the election, and ultimately had it annulled.

After the annulment, a workers' meeting voted to leave Unison en masse and join the Independent Workers' Union

of Great Britain (IWGB), a small union based mainly amongst cleaners, whose members and organisers had consistently supported the University of London out-

sourced workers' struggles.

Their decision has caused controversy on the left. Max Watson, a worker at London Metropolitan University, a socialist, and a member of the Unison National Executive, wrote an article denouncing the workers. He claimed they had been "totally misled" by IWGB organisers, and that their decision to leave Unison was tantamount to "desertion". He admitted that the Unison leadership had "handled [the situation] badly", but focused his fire on the workers and their decision to leave (or rather, on the IWGB and the claim that they had somehow manipulated the workers into doing so).

Supporters of the campaign have replied. Jason Moyer-Lee, the Secretary of IWGB UoL, replied in July. In a new reply, Daniel Cooper, a Workers' Liberty member, Vice President of

the University of London Union and a member of both Senate House Unison and IWGB University of London, argues that Max's position fails in a basic duty of solidarity with workers in struggle, putting questions of union structure above questions of fighting the boss.

He explains that he and other AWL members involved in 3 Cosas had argued for a "dual card" approach — joining the IWGB to give the campaign a framework for organising industrial direct action and solidarity, but continuing to fight in Unison.

But, Daniel write, "even though the 3 Cosas workers ultimately decided on a strategy different from the dual card myself and other AWL comrades argued for, my basic solidarity with them as fellow workers in struggle against their bosses is unconditional."

The debate raises important questions about whether, and how, socialists active in the labour movement can transform our unions, whether building or joining independent unions is ever a useful tactic, and how we as socialists should relate to fellow workers who take a decision on an organisational question that we may not agree with.

Read the arguments, join the debate!

- Max Watson's article: bit.ly/mw-3c
- Daniel Cooper's reply: bit.ly/dlc-3c

The world of neo-liberalism

A background document for the forthcoming annual conference of the Alliance for Workers' Liberty (26-27 October), by Paul Hampton and Martin Thomas

1. . The AWL has pioneered a distinctive assessment of the development of global capitalism over recent decades, which underpins our orientation, concrete slogans and differences with much of the left.

We have argued that since 1945, global capitalism has experienced an epoch of the "imperialism of free trade", in which it has been successively restructured into an aggregate of politically independent states which are authentically bourgeois (rather than being states dominated by pre-capitalist factions, or colonies) and which accept and internalise the discipline of the world market.

2. The step-by-step ending of the old era of colonial imperialism, and the vast expansion to new areas of industrial production for the world market, bring shifting sub-hierarchies; but they do not mean a "flat" or even development. Global capitalism remains highly uneven, and keystoneed and policed by the US superpower.

3. This regime, overseeing the combined and uneven development of capitalism across the globe, survived the economic crises of the 1970s, mutating into neoliberalism. Then in the 1990s it expanded to incorporate the former Stalinist states and to include at a higher level many centres which had developed manufacturing industry for the world market at a substantial scale since the 1960s. It has thus far survived the economic downturn that began in 2007. The "imperialism of free trade", despite many contradictions, is likely to dominate for the foreseeable future.

4. The "imperialism of free trade" — or "Empire of Capital", as Ellen Wood has called it; or "Global Capitalism", as Leo Panitch and Sam Gindin call it — differs from earlier periods of capitalism. It is broadly a world of capitalist states, which act to make the conditions for capital accumulation. It is a world where multinational corporations produce and trade across borders, reinforced by international institutional structures (IMF, World Bank, WTO) designed to facilitate these global production chains.

In the neo-liberal era, since the 1980s, it is increasingly a world in which capitalist states set their policy by the priority of making their territory a safe and workable area for global capital to invest in, rather than that of constructing a more-or-less integrated national industrial base.

5. This regime is also the imperialism of finance. Money capital, bank capital, credit and speculation are necessary moments in circuits of capital. Capitalism is inconceivable without them. Financial capital plays a dominant economic role, pooling and distributing the social surplus, creating credit in advance of production, disciplining wayward firms and determining channels for new investment. The relative weight and speed of global financial markets has increased enormously since the 1980s, and that trend continues.

US HEGEMONY

6. The "imperialism of free trade" is superintended by the US hyperpower, which has overwhelming military superiority and uses military force to police global capitalism.

It is what Marx called "the dull compulsion of economic relations", reinforced by states and especially the US state, rather than resort to military occupation and colonisation, which largely shapes the international economy. Bourgeois society, organising its fundamental processes of exploitation through more-or-less free market relations rather than the relations of personal subordination characteristic of serfdom or slavery, nevertheless requires much larger police forces than those older societies: in the same way the "imperialism of free trade" is accompanied by the growth of big armies acting as global police, and especially the US armed forces.

In the Cold War era, the US frequently used military might to topple regimes it thought to be too friendly to the USSR or likely to "go Communist". It sustained dictators like Somoza or Batista, Trujillo or Pinochet or the Shah of Iran, the type it

deemed to be "a son of a bitch, but our son of a bitch". Even then, it did not seek colonial rule.

In an era when even the poorest countries had gained substantial urban populations and where national awareness was widespread, the USA judged the costs and repercussions too great. The USA's economic strength would, with much less strict political conditions than required for colonial rule, give it enough clout; and seeking colonial rule would help the USSR gain support from and control over anti-colonial movements.

Since the early 1990s, the USA has generally preferred to sustain bourgeois democracies (of a sort, and on condition, of course, that they accept the rules of the world market, which generally they do out of the self-interest of the local bourgeoisie). The USA maintained that preference even while deploying large military actions (Kuwait 1991, Kosova 1999, Afghanistan from 2001, Iraq 2003-11).

IRAQ

Since George W Bush agreed, in 2008, to full US military withdrawal from Iraq, the US has been more cautious about military action. It retains a very large military machine, and the readiness to use if it sees its interests threatened seriously and in a way which military action can fix.

The global capitalist economy does not have, and is not likely to have, a proper system of bourgeois-democratic global law. We cannot and do not endorse the "liberal interventionist" illusion (Euston Manifesto, etc.) that the US military will be, or might if nudged be, an agency of a bourgeois-democratic international rule of law, even to the extent that a bourgeois police force can administer a rule of law in a bourgeois democracy like Britain.

We must distinguish the usual real role of big-power military action in the world today both from those "liberal interventionist" illusions and from the illusion that the action is just a re-run, or the beginning of a re-run, of old-style colonial conquest.

7. US hegemony persists, despite its setbacks due to the Iraq fiasco. Since the early 1980s, US economic growth, manufacturing productivity and volume of exports have been higher than other G8 countries. The US continues to dominate R&D spending and maintains its share of global high-tech production, e.g. aerospace, pharmaceuticals, computers and office machinery, communication equipment and scientific instruments.

8. American-based corporations continue to invest huge flows of capital abroad and employ 10 million workers overseas. The US also receives large inflows of capital, which are channelled into domestic consumption and investment. Its capacity to capture global savings reflects the structural strength of its imperial form of rule. The US trade deficit is not evi-

dence of its weakness. During the recent crisis, capitalists have continued to purchase dollars and US Treasury Bills because they remain the most stable store of value in a volatile capitalist world.

9. Capitalist globalisation consists of spreading capitalist social relations and world-market imperatives into every corner of social life and to all parts of the world.

Over the last half century, close linkages have been established between the American state and the other Western states. The internationalisation of capital is now based on foreign direct investment and multinational corporations. American capital now exists as a material social force inside most other social formations, with a consequent impact on social relations, property rights and employment relations. Capitalist states compete primarily by trying to make their territorial spaces attractive as sites of accumulation for foreign as well as domestic bourgeoisies.

10. While China may perhaps emerge eventually as a pole of inter-imperial power, it is currently far from reaching that status. Contradictions and tensions persist between and within states across the globe, but China currently enjoys a symbiotic relationship with the American state. Although certain elements within the US are concerned to maintain its current unipolar power and prevent the emergence of future imperial adversaries, this is not evidence that such contenders already exist.

11. The combined and uneven capitalist development in recent decades has generated rapid economic growth in parts of the South. New centres of capital accumulation have developed, and in certain cases, sub-imperialist states vying for regional predominance have emerged. Whilst many states (particularly in Africa) remain mired in poverty, the rapid spatial extension of capitalist social relations of production and the spread of waged labour have characterised the modern epoch of capitalism.

12. An essential corollary of capitalist globalisation is the massive growth of the world proletariat. The international working class has at least doubled in size in the last 30 years. The working class in East Asia increased nine-fold — from about 100 million to 900 million workers. China's employed working class tripled, growing from 120 million to 350 million. By the turn of the century, China had more than twice the number of manufacturing workers than the world's largest industrial nations combined. The large size of the "semi-proletariat" in many countries — people engaged in a fluctuating combination of casual waged work, petty trade, etc. — makes it difficult to draw precise boundaries, but we have probably passed the tipping point, whereby more of the world's direct producers do waged work than do peasant

US hegemony continues. American-based corporations control huge flows of capital

agriculture. Far from the working class disappearing, globally its social weight has never been greater.

13. The run-up to the 2007-8 crisis was a period of capitalist exuberance. The onset of crisis was not rooted in any sharp profit decline or collapse of investment. In 2006-07, profits were at peak, productivity continued to increase substantially in manufacturing (with wages lagging behind) and low-cost production chains continued to spread. In spite of some important exceptions (notably in the car industry), American corporations went into the crisis in generally solid financial shape in terms of profits, debt and cash flow.

14. The crisis was rooted in the dynamics of finance. Before it broke, the market in titles to future surplus-value inflated. It expanded particularly fast in the last period because of the growth since the 1980s of an increasing variety and depth of global financial markets. Bad debts which were fairly small on the scale of the whole system produced considerable turmoil in the global system, because no one seemed to know where the bad debt was, or which apparently sound debt might in fact depend on bad debt. What had appeared to be calculable risk of financial mishap, which could be offset and managed, was revealed to be incalculable uncertainty (so-called "Knightian uncertainty").

15. There are some signs of recovery, although the revival may be weak. It may predictably make for another crisis on similar lines before too long. But often capital 'lives with' that: there is no automatic, or even reliably vigorous, mechanism to make capitalist classes seek, identify, and implement more serious problem-solving or even problem-displacement. The crisis has reaffirmed the centrality of states (particularly the American state) in the global capitalist economy, while multiplying the difficulties of managing it.

NEOLIBERALISM

16. No major state has seen the crisis as an opportunity to challenge or undermine the American state.

Rather, the integration of global capitalism has meant that there has been extensive international coordination across states in the provision of liquidity to financial system, in fiscal stimulus, the avoidance of tariff wars and in establishing new regulatory regimes for finance.

17. Neoliberalism should be understood as a particular form of class rule and state power, which emerged in the late 1970s, although on foundations laid after the Second World War. It intensifies competitive imperatives for both firms and workers; increases social inequality and luxury consumption by the rich; increases insecurity for working-class people; and increases dependence on the market in daily life and reinforces the dominant hierarchies of the world market, with the US at its apex. The ruling-class hegemony which Gramsci wrote of is today organised as much through market transaction mechanisms, shaping people to see life as "an investment", as through parties, media, schooling, etc.

18. Predictions of the demise of neoliberalism at the outset of this crisis in 2007-08 have proven to be false. Some neo-liberal dogmas have been discredited, but mainstream neoliberalism never excluded Keynesian measures, and the political-economic conditions that gave rise to the basic parameters of neoliberalism have not been exhausted or undone by this crisis. There is currently no move to a new regime.

At the peak of the financial crisis, governments nationalised, bailed out, and ran budget deficits, on a huge scale. That shows that economic life today cannot operate without social regulation; but the regulation remained "socialism for the rich". Governments remain intent on having such crisis measures serve a new neo-liberal push, rather than having them become the start of a new departure.

We underline, in our explanations, the proof given of the irrationalities of the capitalist market — the wisdom and efficiency of which had been so lavishly praised since the early 1980s — and we argue for a workers' government to replace the "socialism for the rich" by "socialism by and for the working class".

19. The programme of the coalition government in Britain — more marketisation, more cuts in welfare, more privatisation, harsher pressure on organised labour, in short, more neoliberalism — is not an anomaly. The German government is driving a sharply neo-liberal course across Europe. The US administration is more cautious about rapidly reducing

budget deficits than the European governments, but remains firmly within a neo-liberal framework.

20. Many on the left proceed like generals, who overtaken by events, make elaborate plans to fight the last war.

The spectre of the 1970s (and even the 1920s) still hang over much of the left. Many socialists still regard imperialism in terms of (a garbled version of) the analysis Lenin made during the First World War. They repeat a cannibalised "Leninist", actually Stalinist account of imperialism. On this view, the world is still divided principally between a few large imperialist states and others that are little better than semi-colonies.

21. Lenin's 1916 analysis of imperialism, which synthesised the best of Second International geopolitics, was a more-or-less adequate assessment of the First World War conjuncture. However in many respects it was flawed even for its time: its conflation of finance capital with, alternately, the merger of bank and industrial capital, or, in contrast, purely speculative or rentier; the derivation of the drive of capital to export abroad from a supposed "glut" or absence of investment opportunities in the home country.

And the commonly-accepted version of Lenin has much worse problems than his original analysis. Since Lenin's 1916 pamphlet contains essentially no discussion of the economic effects of imperialism in subordinate countries (because that was not Lenin's focus in that particular text), scattered phrases and offhand polemical swipes from Lenin have been reconstructed to theorise imperialism as a simple process of plunder rather than a species of capitalist development.

The end result is to conflate "imperialism" with "whatever advanced capitalist states do internationally" and, in turn, with simple plunder. There is, of course, no lack of real evidence that simple plunder is part of the routine international activity of advanced capitalist states: the question is whether that is all there is to it, and whether plunder is a feature uniquely of advanced capitalist states rather than of all capitalist states. In the cod-Leninist discourse, "imperialism" (meaning advanced capitalism) is opposed not so much because it is capitalist as because it is advanced.

22. Kautsky's article on ultra-imperialism, which the AWL republished in 2001 when it had long been out of print, read in 1914 as a rationalisation of the SPD's support for its own government and an evasion of the tasks of the day in favour of speculative hopes about better conditions emerging, of their own accord, in future. However Lenin never denied the possibility of interdependence and cooperation among the powerful states.

Kautsky's scheme of a fixed division between "industrial" and "agrarian" territories was of course false. His idea that the big capitalist states would ally stably on a more-or-less equal basis was false too: the "ultra-imperialist" features of the current era rely on the role of the US as superpower. Yet a century on, after further capitalist development and state formation, and in the absence of socialist revolutions internationally to overthrow capitalism, some aspects of Kautsky's picture are visible in the current mode of bourgeois rule and the global relations.

23. Many left analysts claimed that the crisis proves the US empire is in decline. They argue by analogy with Britain as the declining hegemon in the late 19th century, that the US is driven to war and occupation by its loss of power, prestige and position, e.g. in Afghanistan, Iraq and Syria. But this ignores the continuing centrality of the American state in global capitalism and its role in policing capitalist relations i.e. a more specifically capitalist form of imperialism, rather than the colonial imperialism of earlier epochs.

The Iraq fiasco was produced by overconfidence of a US ruling class drunk on success (collapse of the USSR 1991, Kuwait 1991, Kosovo 1999, and, so they wrongly thought in 2003, Afghanistan 2001). It was not a desperate resort of a ruling class scared of eclipse by rivals. To posit a terminal decline in U.S. imperial power is to attempt to accomplish in theory what remains to be done in political struggle.

24. Yet many analysts argue that relations between the developed states of the "North" are characterised by the declining power of the hegemon (the US) and consequently rivalry leading ultimately to war. Every sign of disagreement between the big powers and the US is treated as the prelude to the anticipated repetition of earlier historical patterns and the mechanical, reasoning-by-analogy replication of previous inter-imperialist rivalry.

25. For others on the left, relations with other states of the "Third World" are governed by dependency and impeded capitalist (under)development. Such an assessment underestimates the development of the working class and the potential for an organised labour movement. It implies a nationalist alliance with the domestic bourgeoisie rather than the struggle for independent working class political representation.

26. There is a common assumption in Marxist discussion that crises — or, at least, serious crises, "Marxist" crises — are preceded, initiated, set off, by falls in the average rate of profit. But in fact they are not — or not always. In the recent discussions, few economists have based themselves on the old Marxological "tendency of the rate of profit to fall", but that tendency has been much referred to on the activist left, and it casts a very large shadow on all discussions of the relation between profit rates and crisis.

27. The argument is that as capital expands, the ratio of constant capital (machinery and materials) to variable capital (laid out on living workers) rises. Profit is produced only by living labour. Therefore, even as the absolute mass of profit increases, its ratio to the total stock of capital required to produce it, the profit-rate, tends to fall. However theoretically, Marx identified numerous counter-tendencies, arising from the same processes that give rise to the downward tendency. We cannot assume a "law of the tendency of the rate of profit to fall". A long-lasting tendency for the rate of profit to fall cannot be substantiated at the general level of argumentation by Marx in *Capital*. The rate of profit may tend downwards over a long-ish period. However, the rate of profit can also rise over long periods, as it did between the mid-1980s and 2006-7.

TRENDS

Whatever the trends, a downward tendency cannot provide a sufficient explanation for all capitalist crises, including the latest downturn.

28. Many on the left argue that the crisis of the 1970s was never resolved. They say that a decline in profitability which led to that crisis had continued. (To make the statistics fit this thesis is difficult, but, given the complexities of exactly defining profit rates, not impossible). Or they say that ruinous over-competition which triggered that crisis has continued because of inadequate scrapping of industrial overcapacity and constant growth of new industrial capacity in new areas. Thus stagnation: what appeared to be growth was only superficial flurries thanks to spatial-temporal fixes, asset-bubbles and other ad-hoc measures.

This is no adequate explanation for the neo-liberal resurgence of bourgeois power and of profitability from the mid-1980s. Nor does it yield an adequate prognosis of the current crisis and the prospects for revived working class struggle in the near future. If capitalist income as measured by the capitalists rises, that is a capitalist expansion whatever refiguring may be done to try to show that strict Marxist definitions could deflate the statistics. If growth was not as fast in Europe, Japan, and the USA as it was in the 1950s-60s "Golden Age", it has been faster elsewhere (in East Asia, for example); and anyway growth does not have to be at "Golden Age" pace to be growth. If the growth was, on a certain level, a matter of unstable flurries — when is capitalist growth ever anything else?

29. To depict the last forty years as a constant crisis of global capitalism is also to slur over the specificity and the drama of the actual crisis which opened in 2007-8. It looks like leading into a stretch of depression rather than any quick recovery. The Tory government's current ballyhoo about economic recovery in Britain glosses over the fact that capitalist business investment continues to shrink. The instabilities which set off the 2007-8 crisis are still in the system, and are likely to set off similar crises in future. The political repercussions of the economic crisis are as yet very far from being fully played out, and in substantial part depend not only on the general mechanisms but also on the character and energy of the working-class response. We shall see.

Our focus should be on fighting through the contradictions within capitalist development, and helping the increased economic weight of the working class find political expression, not on hoping for capitalism to bring itself down through (illusory) permanent crisis.

Oil workers vote for strikes

By Dale Street

Unite members in the Ineos oil refinery in Grangemouth have voted by 81% for strikes and by 91% for action short of strikes. The turnout was 86%.

Unite called the ballot, and recommended a “yes” vote, to defend shop stewards’ convenor Stevie Deans, who has been subject to ongoing investigation by senior management since the summer of this year.

Investigations were initially based upon allegations by Labour Party officials that Stevie, who is also chair of the local Labour Party, had been involved in signing up new party members without their knowledge and forging signatures on direct debit forms.

Ed Miliband’s decision to hand over the dossier of allegations to the police provided further ammunition for management to claim that Stevie’s behaviour had

undermined the company’s trust and confidence in him.

The initial allegations by Labour officials are now known to be false, and the police found nothing to investigate.

So Ineos is now basing its current investigation — its third investigation — on claims that Stevie misused company time and resources (apparently in order to recruit union members to the Labour Party).

The relevant ACAS Code of Practice states that disciplinary investigations

should be carried out “without unreasonable delay.” But Ineos has said that its investigation will not be completed until 18 October, and no decision on possible further action will be made until 25 October.

The high turnout in the ballot and the high levels of support for strike action and action short of a strike reflect the anger among Unite members at management’s treatment of Stevie.

Members have clearly refused to be cowed into submission by management claims that the Grange-

mouth petrochemical plant might close for financial reasons in 2017, which in turn would result in closure of the refinery.

Nor have members been intimidated by what Unite has termed the “culture of fear” in the workplace, and by subsequent threats of legal action against Unite by Ineos for having used such an expression.

(There is no culture of fear in Grangemouth — and anyone who claims otherwise will be sued?)

The final decision on when to call a strike lies with the shop stewards in the refinery. But it is important that Ineos is not allowed to defuse the momentum gained from the ballot result by allowing investigatory proceedings to drag on.

And any strike action should be officially backed by the Labour Party — especially given the role played by party officials in setting up Stevie for disciplinary proceedings.

Cops colluded in blacklisting

By Ira Berkovic

The Independent Police Complaints Commission (IPCC) has admitted that the police were involved in the systematic blacklisting of workers in the construction industry.

The IPCC said: “It was likely that all Special Branches were involved in providing information about potential employees”.

It has also emerged that senior officers from the National Extremism Tactical Coordination Unit attended meetings of the “Consulting Association”, the body funded by construction firms to keep a blacklist of workers.

The Blacklist Support Group said: “Blacklisting is no longer an industrial relations issue. It is a conspiracy between multinational construction firms, the police and the security services.”

Crown Post Office workers in twelfth strike

By Jonny West

Alongside the Royal Mail fight, members of the Communication Workers Union (CWU) working in Crown Post Offices (usually found on high streets) are fighting the potential sell-off of their workplaces.

Workers in England, Wales, and Northern Ireland struck on Monday 30 September, the twelfth strike since Easter 2013.

The CWU says 4,000 workers in 372 CPOs could be affected by plans to close a number of the larger offices, or sell them off as pri-

vately-run franchises. Workers in Scotland will strike on Tuesday 1 October.

As part of the dispute, workers are also refusing to sell certain products, such as financial services.

CWU deputy general secretary Dave Ward said: “The company’s plans are to downgrade the network, reduce services to local communities, and hit jobs in the network.”

Train cleaners strike against poverty pay

By Ollie Moore

Cleaners employed by Rentokil Initial on East Midlands Trains struck for 48 hours on Friday 27 September.

The company is attempting to force through a freeze on pay and conditions, in what the Rail, Maritime, and Transport workers union (RMT) has

called “a blatant attempt to enforce poverty pay on some of the most exploited staff anywhere on the rail network.”

The union said: “This morning’s rock solid action by our cleaner members on East Midlands Trains sends out the clearest possible message that they are prepared to stand up in unity and strength against the

bullying and exploitation of this cheapskate outfit.”

Firefighters could strike again

By Darren Bedford

Last week’s successful firefighters’ pensions strike is unlikely to be the last action, unless the government returns to the negotiating table, according to the Fire Brigades Union.

The four-hour strike on Wednesday 25 September in England and Wales was solid, with the vast majority of firefighters walking out collectively part way through their shift to set up picket lines outside stations. Firefighters held rallies across the country, including in Brighton, Cardiff, Leeds and London. Some London Underground drivers refused to take trains out in solidarity.

The main incident on the day was the decision by Surrey fire and rescue service to dock firefighters a full shift’s pay, instead of the four hours. Firefighters rallied at Surrey town hall to express their disgust at the decision, which also meant less fire cover during the day. It was a good indication of the bosses’ attitude: they would rather use private scabs and have a worse service than address the issues in the dispute.

The main development since the strike is the decision to ballot Scottish firefighters over Scottish

government proposals to settle the pension dispute north of the border. The SNP-led Scottish government has offered some guarantees on capability and protection of older firefighters which are better than Westminster’s current position. This is why FBU members in Scotland didn’t strike on Wednesday.

The consultative ballot lasts until Tuesday 8 October, and the FBU’s executive did not make a recommendation either way. The Scottish government has made real concessions, but it will promise apple-pie with the referendum next year in mind. The problem the union faces is stark: if Scottish firefighters accept the deal, they will be out of the dispute. Worse, they may end up with different conditions from the rest of the UK and leave other firefighters to fight their own battle.

The dilemma is a good example of the negative impact of Scottish nationalist politics on the trade union movement. It would be better if Scottish firefighters reject the offer, so that firefighters maintain a united front to the Westminster and other governments.

That would mean more strikes across the UK later this month.

Unite members join Higher Education pay ballot

By Darren Bedford

The 20,000 members of Unite working in Higher Education have joined Unison and the University of College Union in balloting for strikes to win better pay.

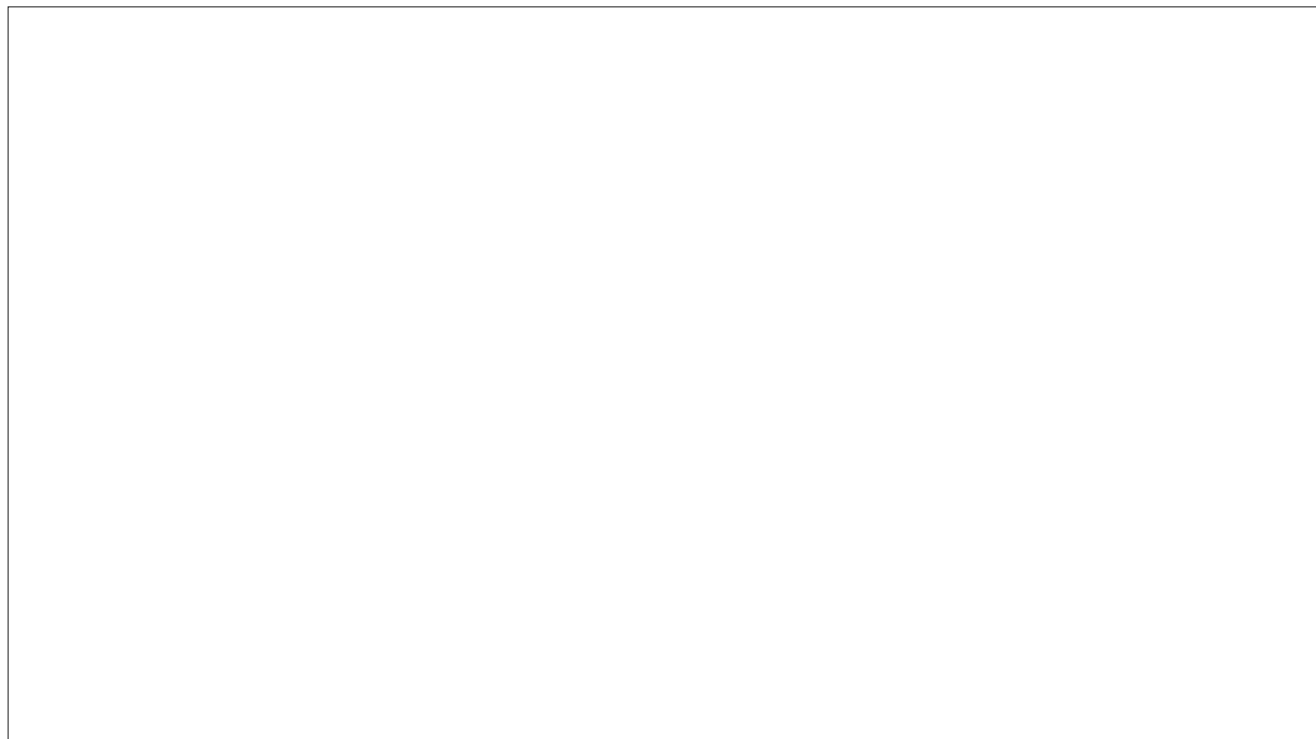
Unite says its members in HE, who work as technicians, laboratory assistants, facilities management workers,

and admin staff, have faced a five-year “pay drought”, and have seen their real pay decline by around 13% since 2008.

A Unite statement said: “The employers have shown a callous disregard when it comes to fair pay treatment for their staff — and now strike action is very much on the cards.”

Solidarity & Workers' Liberty

End capitalism before it wrecks the Earth!



Flooding in Bangladesh

By Paul Vernadsky

The latest UN report on climate change provides a stark warning: carry on as we are and within our lifetimes the benign climate on which human society depends will be drastically altered, with dire consequences for billions across the globe.

The Intergovernmental Panel on Climate Change (IPCC) published the physical science volume of its

fifth report on Friday, with two further volumes to follow next spring. Its language was dry, but there is no doubting the caution.

The IPCC said it is "extremely likely" that human influence has been the dominant cause of the observed warming since the mid-20th century. The evidence for this has grown, with more and better observations and improved climate models. The report estimated that global average tempera-

tures could rise to 4.8°C by 2100, tipping the planet into potentially catastrophic climatic conditions that will disrupt human society.

The IPCC dealt with sceptics' objections that the annual average global temperature has barely risen since 1998. Each of the last three decades has been successively warmer at the Earth's surface than any preceding decade since 1850. Some of the heat has been absorbed by the oceans, but this simply stores up further problems in the future. Some natural variability may have offset increases generated by human activity.

The idea that climate change has been disproven is simply preposterous.

For the first time, the report estimated the planetary carbon budget, namely how much fossil fuel can be burned to stay within the widely agreed 2°C threshold.

The IPCC said total emissions cannot exceed 1,000

gigatonnes of carbon. However, it also estimated that over half of those emissions have already been emitted. This underlines the importance of joining campaigns against extreme energy, such as fracking.

Socialists need to spell out the political conclusions from the physical science. Capitalism is generating emissions at a rate and on a scale that will wreck human society within the foreseeable future and for people alive today.

Without a fundamental restructuring of global energy, transport, agriculture and other systems, the natural conditions for human society will be undermined by floods, drought and other extreme weather, as well as the breakdown of food supplies and the exhaustion of ecosystems.

Working class democracy and socialist planning are the answer. Fight now for climate reforms, but as part of the fight for socialism.

Labour's energy price freeze: "sheer, unbridled socialism"?

By Ira Berkovic

Ed Miliband's announcement, at Labour's recent conference (22-25 September, Brighton), that a post-2015 Labour government would freeze energy prices has been met with outrage from energy bosses and the right-wing press.

The *Express* foresaw "rationing" and "black-outs". Bosses from Centrica, RWE Npower, SSE, and other firms denounced the plan. Centrica chair Roger Carr called it "a recipe for economic ruin".

Miliband promised a 20-month gas and electricity price freeze for homes and businesses. He was addressing a real problem for working-class people. Government statistics show that over two million UK homes are in "fuel poverty", calculated by measuring energy prices against household income.

In the first year of ConDem government, there was a 120% increase in cases of people over 60 being admitted to hospital with hypothermia. These were pensioners who are unable to afford to heat their homes.

Gas and electricity bills for the average household have increased by 68% since 2008 — a leap several times greater than the rate of inflation. Meanwhile, the profits of the "big six" energy companies have increased 74% since 2009.

Critics have said policy would lead to price increases, with companies likely to increase their prices now in anticipation of a freeze post-2015. Three of the "big six" have a deal offering customers a price freeze until 2016 or 2017.

Digby Jones, the former head of the Confederation of British Industry and a minister in Gordon Brown's government, called the policy "sheer, unbridled socialism". If only it were. While it will, if implemented, make life better for millions of working-class people, it is more to do with a populist turn from Labour than a consistently left-wing one.

"Sheer, unbridled socialism" would do a great

deal more to the energy industry than freeze prices, and a great deal more than the bureaucratic state control that right-wingers fear (almost certainly needlessly) is Miliband's real agenda.

It would take the entire industry into social ownership, expropriating the vast wealth of the energy companies without compensation.

It would use that wealth to ensure free or very cheap energy supply, and set up mechanisms of community planning of energy supply and distribution so that it fulfils social need.

**CONTROL
Power plants would be taken into democratic workers' control.**

Crucially, workers would be given the training and tools necessary to turn ecologically-unsustainable coal and gas-fired power stations into "factories" to produce socially-necessary goods.

The current government's "dash for gas", a plan to build more gas-fired power stations, would be scrapped and replaced with massive investment in renewable energy sources such as wind and wave power.

The right to energy — light, heat, cooking fuel — is a fundamental one, part of the right to decent housing. As a socially-necessary product, there is no reason why its supply should be controlled by market forces. The way to ensure affordable and equitable energy supply for all is to run the industry democratically under social ownership and workers' control.

That policy would terrify Miliband and the Labour leaders as much as it would the Tories and the energy bosses.

To win such a policy, the labour movement will need to fight independently and impose itself and its interests on society as a governing force.

Cash 4 Antifash

Benefit gig. Saturday 12 October, 7pm until 2am, University of London Union, Malet Street, WC1E 7HY

On 7 September, 280 people were arrested for opposing the EDL in Whitechapel. The gig will raise funds for the London Anti-Fascist Network and the people arrested.