

thesocialistpostbag

Do you have something to say?

Send your news, views and criticism in not more than 150 words to Socialist Postbag, PO Box 24697, London E11 1YD, or phone 020 8988 8771, email: editors@socialistparty.org.uk. We reserve the right to shorten letters. Don't forget to give your name, address and phone number. Confidentiality will be respected if requested.

Putting the con into contract...

Two men have been convicted after trying to con Bury council by sending it care bills for people who did not exist. James Frauts and Christopher Lynch ran a Salford firm Insight, which 'helped' the council look after people with autism. Frauts and Lynch pulled the same stunt with Stockport, Rochdale and Warrington councils and Lancashire county council. Insight submitted more than 170 false invoices relating to 12 people. All in all they received over £1.2 million for doing absolutely nothing for people who didn't exist. Insight eventually folded and fraud allegations were reported to Greater Manchester Police, which referred the issue to the Serious Fraud Office (SFO) in October 2005. The two were found guilty this week (five years later) and will be sentenced in December. As councils and the NHS contract out work to private providers fraud like this will be one of the few growth industries. If the work had been kept in-house, internal auditing procedures, follow up visits etc would have stopped the fraud. Public sector job cuts will make monitoring contracts like this even harder. So much for the 'savings' from privatisation.

Paul Gerrard
Salford Socialist Party



...and consultant

I note from a local newspaper that Greenwich council spent more than £500,000 on unnecessary redundancies whilst recruiting new staff to carry out the same work in the same department! Even more shamefully, they paid consultants Digby Morgan a big fee to recruit them. But what would you expect from a department that has spent £800,000 on 'human resource' consultants since April 2009? This amounts to £1.3 million of waste which will undoubtedly be used as an excuse to cut services. Why aren't highly paid consultants cut, not public services?

Richard Neville

Striking conversation

I recently had a discussion with Phil Bevan, the Plaid Cymru councillor for Central Caerphilly. He claimed to be opposing the cuts so I asked if we could count on him to vote against them. He said that, while he opposed them, the cuts were inevitable and they'd have to put them through. So I asked whether, if council workers decided to take industrial action to prevent job losses, he would back them. I pointed out that if the workforce took strike ac-

tion they'd be helping him and other councillors to oppose the cuts. He seemed astonished by this. I asked: "Do you think you can support calls for strike action to oppose the cuts?" "Well", he replied, "if that's the road the workforce chooses to go down..." "There would be enormous support for any councillors who were prepared to take that kind of stand", I said. Unsurprisingly, Councillor Bevan was by then quite keen to get away.

Mariam Kamish

No more standards

Rob Windsor (issue 641) provides a helpful legal guide to New Labour councillors who are keen to resist imposing coalition cuts on their electorates, but uncertain of the consequences for them. Rob says that the prospect of being barred from office is actually quite remote. He advises councillors that they could be referred to the 'Standards Board'. But, as part of its war on 'quangos', the Con-Dems propose to abolish the Standards Board (now Standards for England) and legislation to this effect is currently going through parliament.

Kim Hendry

Coe and Co

The blazers organising the London Olympics have announced that the 2012 marathon will not finish in the Olympic Stadium, as it traditionally does. Instead the route consists of four laps of central London. The furthest east it goes is the Tower of London. And, like the apocryphal London cabby, it doesn't go south of the river. I can only conclude that the organisers don't want the world's TV cameras trained on east London, apart from the sanitised Olympic Park. The original route did go into central London, so there would have been plenty of shots of Buckingham Palace etc but it also went through Tower Hamlets and Stratford on the way to the stadium. Obviously that was a bit too scruffy for the likes of Seb Coe - after all, people like us live there.

Margaret Graham,
east London

The real wealth creators

In the 1970s it was thought that greater profit could be made by the banks than by industry. Politicians of all Britain's main parties decided to restructure the British economy, handing it over to the international banking system. Britain's industrial wealth, accumulated over 300 years, could be broken up and sold, through various financial mechanisms, at vast profits by City of London banks. The theory was that much of Britain would earn a living from servicing that financial sector. To a degree, some did, for two or three decades. But now the experiment has clearly failed it is time to make the financial sector pay for its failures, not the public sector, and also to rebuild our industrial base. This could be done by nationalising the remaining fragments of industry into product groups and using that critical mass to re-establish world-class publicly owned companies that can provide workplaces with trade union conditions and our youth with apprenticeships and a future.

Neil Wareham,
Brecon

Will prices rocket up?

In this feature Socialist Party general secretary PETER TAAFFE answers important questions raised by Joe Foster on prices and wages. Joe writes:

"THE CENTRE page article (Socialist 640) was great. I wanted to ask is there the possibility of increasing inflation? Currently with pay freezes we can see living standards are being cut already but obviously workers are preoccupied with job losses and cuts in services.

"Surely the quantitative easing is worse than what was pumped into the world economy after the war, which later resulted in inflation of over 20% in some years of the 1970s in Britain. This gave an impetus to workers struggling to keep pace with inflation and oppose the pay freeze and other anti-working class pay policy of the Labour government from 1974 to 1979."

Dear Joe,

WE WERE very pleased that you liked the article on Britain. The capitalists, at this stage, are mostly preoccupied with the issue of deflation - stagnation in the economy, lack of demand - rather than inflation and rises in prices.

There is currently insufficient 'demand' - reflected in the economic crisis - which will be enormously compounded in Britain and elsewhere by the savage cuts proposed, particularly here by the Con-Dem government.

Ireland and the state of its economy is a living refutation of the deflationary policies pursued by Cameron and Co. Brutal cuts were supposed to have put the economy 'back on its feet', cut the deficit and led to an economic rebirth. Instead, the economy has plunged further into deep recession, if not a 'depression', with unemployment officially almost 14% and, in real terms, probably over 18%.

The budget deficit, rather than contracting, has increased. Ireland, in fact, is currently going through a 'double dip' crash and the same thing could happen here. So, in today's situation, the more farsighted capitalist economists would 'prefer' a little 'inflation', especially in incomes, to deflation because this would increase spending power, to put it at its simplest, and provide a market for goods and services which at present cannot be sold profitably



Savage cuts are the bosses' preoccupation now. photo Paul Mattsson

because there is no 'profitable' market.

This is why some economists are urging the central banks - the Bank of England and in America the Federal Reserve - for a new 'stimulus package', this time to actually boost incomes. This could take the form of tax reductions or even handouts to the unemployed, rather than the indirect and failed method of buying up the assets of the banks, particularly their government bonds. Economists believe that the necessary stimulus will then be provided to the market and thereby lead to growth. This would, at best, merely ameliorate the crisis, not solve it.

There is no likelihood of an immediate 1970s-style inflationary spiral at the present. Undoubtedly, over time, if governments continue to pump in huge resources - resorting to the printing press, without this being backed up by the extra production of goods and services, then inflation will become a problem. But we are not at that stage yet.

That does not mean to say that the rise in prices, which is particularly pronounced in Britain at the present time, in certain basic items such as food, is not a problem for working class people, particularly against the background of wage freezes. Indeed, the very policy of wage freezes, of cutting wages, of throwing more and more workers onto the dole until it reaches four million, will cut the living standards of the working class.

This will be enormously aggravated by rising prices in some necessities. Already in the neocolonial world a massive increase in food prices - occasioned by drought, floods and forest fires in Russia, for instance - has provoked mass opposition. In some cases, this has compelled governments to step back and cancel the price increases.

In Britain, the prices of basic necessities have increased and will probably continue to do so. Therefore we should press for workers and the labour movement to fight price increases by demanding the opening of the books of companies, the government and local councils in order to examine whether such increases are "justified".

It is also important, where price increases take place, that we, the socialists, and active workers everywhere fight the false notion that increased prices arise primarily from wage increases. Karl Marx explained that if wage increases resulted in rises in prices the capitalists would automatically do this on all occasions.

Why then would they resist strikes and demands for increases in wages if they could just raise prices to compensate for this? Competition from other capitalists also prevents them from doing this. We will perhaps develop this important point further in The Socialist.

Comradely,
Peter Taaffe

Review: This is England '86

WITH TREPIDATION I watched This is England '86, Shane Meadows' series updating his brilliant 2006 film; follow-ups or revivals are rarely welcomed.

Dave Gorton

I needn't have worried! A month later, as credits rolled on the final episode, I knew I'd witnessed a major TV drama. This is England '86 made me laugh, rage and cry. If at least one tear doesn't run down your cheek during the closing sequences to the second episode, then you've no soul!

The original film, with its violent ending, concentrated on racism and the organised right-wing's activities amongst the disenchanted 'no-hope, no-future' generation in run-down, working class areas.

The series leaves this racism behind, in the way that the characters have had to leave that bloody ending behind. But other violence is here; when it breaks the surface, it is made all the more gruesome for its lack of histrionics.

Meadows' ability to get the best out of a cast is his great strength. The film featured an amazing performance by the then 14-year old Thomas Turgoose. His character, Shaun, reappears here (as all the original characters do) but the central role falls to Lol, portrayed by Vicky McClure in some of the best acting you'll see.

Word-perfect scripts aren't Meadows' trademark.



We witness characters stumbling over words or throwing in a swear word because they can't think of anything else. They talk over each other. It is true-to-life. With anticipation rather than trepidation I look forward to future instalments.