## What has socialism got to do with fighting the cuts? plan of production. This plan would be drawn advertising, duplication of production, etc. **Socialist Books** up through the involvement of working class Instead of the measly growth rate of people, representatives of the middle class, capitalist economies at present - with Britain such as small shopkeepers, small businesses not really growing at all - a socialist planned etc, the users and customers of industry, etc. economy could rapidly increase production on an environmentally sustainable basis and B: Two questions spring to mind. Wouldn't generate huge extra resources in Europe and

Each week members of the Socialist Party sell copies of the Socialist newspaper at workplaces, colleges, stations, town centres and working class estates all over England and Wales, as well as at protests and meetings. Sellers are often questioned about socialist ideas. Here TOM PEARSE records such a discussion.

Socialist seller (S): Fight the cuts – no ifs, no the labour power of the working class. buts, fight all cuts!

Potential buyer (B): Ok, I'm against the cuts but what is the alternative? The government says there is a massive public sector deficit of the bosses. In the past, by investing this and, if we don't cut it, then it will grow to surplus - profits if you like - in industry, they unacceptable levels. Then the country will go played a role in developing society, providing bankrupt.

S: Well, the first thing I'd say is that we, the working people, who are the majority in this and their system of capitalism, particularly the bankers, are mainly responsible for this deficit. The previous government stepped in and bailed them out to the tune of about £80 billion directly, with up to £1 trillion in loan guarantees etc.

Also, because of the crisis of capitalism which again we didn't create – over 2.5 million people in Britain don't have a job – including a crisis. million young people between the ages of 16 and 24.

It's the largesse handed out to the bankers and the increased cost to the state in unemployment and other benefits which devalued worldwide came to \$50 trillion accounts for most of the deficit.

### B: Yes, yes - but this deficit exists. How are we going to pay for it? How can we ultimately eliminate it?

S: Did you know that the total deficit could be wiped out if the rich paid taxes like ordinary B: OK, the capitalists failed. But you still people do? Tax avoidance by the rich, according to the PCS civil service union, comes to £120 billion a year, which is almost equal to the total S: If they tried to continue with evasion, if they government budget deficit, £143 billion, to be eliminated over four years.

But the Con-Dems are using this situation to pursue a scorched earth policy against all the historical achievements of working class people, the NHS, pay and conditions etc.

This represents an attempt to turn back the wheel of history to the 1930s and in some people are being made to pay for rescuing capitalism in a severe crisis.

# deficit, won't they just take their money out economy? of the country?

S: Yes, they might attempt that. But then they houses. would be openly acting selfishly by seeking to flout the democratic wishes of the majority of B: Didn't the British government try this at every right to introduce measures to prevent **took big stakes in the banks?** them from doing so.

# private property?

property' we're not talking about the personal managers. exploitation of us, working class people.

what Karl Marx called "the unpaid labour of the to themselves!

B: Don't we need rich people to create jobs and anyway, doesn't competition drive invention? S: There is a grain of truth in the arguments iobs and increased wealth for a time.

But for the last 20 to 30 years investment in factories, in what we would call the 'means of country, didn't create this deficit. The rich production'-the organisation of labour, science and technique - and the actual making of real things, has dropped dramatically.

> Instead they sought to boost their profits in a massive orgy of 'financialisation', the building up of the financial sector at the expense of real production and the creation of jobs. This created a massive financial bubble which has now burst, resulting in the present devastating

> This is a real indictment of the failure of capitalism. The International Monetary Fund has calculated that during this economic crisis, in 2008 alone, the total loss in assets roughly equal to the value of one year's global output of goods and services! This wealth is being destroyed because capitalism is a system based on production for profit for the few and not the social need of the many.

# haven't said how you would stop them from avoiding any attacks on their wealth.

tried to take their loot out of the country, then a radical socialist government should introduce state controls of all capital coming in and out

of the country This would be accompanied by the 'opening of the books' The accounts of all companies should be inspected by mass committees of workers and consumers. This would be a form senses to the 19th century. Working class of workers' control, which is vital as a means of revealing the real wealth and how it is to be controlled for the benefit of the majority.

# B: But if we try to make the rich pay for the B: How can you do this in an open and free

S: By nationalising the banks and finance

the British people. We would therefore have the beginning of the financial crisis when they S: Up to a point yes. But it was not complete

nationalisation. And it certainly wasn't carried **B:** But isn't that to attack the principle of out in a way that was beneficial to the majority of the people of this country. New Labour S: When socialists talk about 'private | left control in the hands of big business

possessions of ordinary people – houses, cars, Even when the banks are nominally under fridges, etc. The private property of the rich | our control – that is the state - they are run and the super-rich comes through the super- | by and in the interests of the capitalists. Look at the tops of the majority-nationalised RBS They would argue that their profit, which is | bank - they are paying out millions in bonuses

working class", is necessary in order to keep Instead we want real democratic the system going. We should never forget that | nationalisation, conducted in a socialist profit is achieved by exploitation - sometimes manner through workers' control and ruthlessly so in China and elsewhere today – of  $\mid$  management. This would involve the workers  $\mid$  Capitalism is a system which cannot utilise the full productive potential of its own system.



the age-old principles of private property?

hands of a handful of the rich.

0.82% of the world's workforce.

their interests.

undemocratic concentration of power in the

A few figures to illustrate this: of the

hundred largest economies in the world 52

are corporations and 48 are countries; the top

500 companies control 70% of world trade:

We do not live in a real democracy. Capitalist

business, a handful of monopoly companies.

B: But how can you break the power of the

propose that these companies be taken over

can decide what takes place in practice.

rich and the big monopolies?

the top 200 companies' combined sales are

in the banking and financial sector, together **B: But again, would that not mean violating** with representatives of workers in general and government representatives, as well as depositors and other users, controlling and managing the banks on behalf of the people as a whole, providing cheap loans, mortgages, etc.

### B: Won't big business take fright and sabotage any efforts to rein them in?

S: It is entirely possible that this could happen or be threatened. In the past, when minimal measures were taken against them, the capitalists threatened a strike of capital. When a tax on capital, big business, with the help of the newspapers, conducted a ferocious this country. struggle which resulted in 174 amendments to the bill, and effectively nullified the proposed tax increases against the rich.

### B. Well there we go. You can't do anything.

S: Now, I didn't say that, If we, the Socialist Party, have majority support, we could do a great deal to counter the undemocratic defiance by a handful of capitalists, seeking to thwart the wishes of the majority.

Harold Wilson and the Labour government, because they would not go outside the framework of capitalism, bent the knee to the bosses' pressure and capitulated. We would have called their bluff and proposed to Parliament a bill to take over these big S: That's a very good question. We will ago. companies who were threatening to defy and blackmail the elected representatives of the people.

Secondly, if you take over industry, don't you on the stock exchange? S: Firstly this wealth and power of big business

In the past there was some justification for this - despite the horrors of capitalism in the Industrial Revolution, the slave trade, etc. This was because it built up industry and was therefore ultimately laying the basis for abolishing shortages and boosting living standards.

But capitalism is a system which cannot fully utilise the full potential of the productive forces, as has been shown by the series of crises throughout its history and particularly the present crisis. Karl Marx pointed out that when it begins to hold back production, to destroy wealth, capitalism betrays its "historical mission", which was to develop production. When it begins to hold back production

it becomes obsolete. This does not mean, however, that capitalism will 'automatically' disappear. It needs to be 'helped' off the stage of history by the actions of the working class and the labour movement. So we need a new social system – one that involves a state acting for the majority and not the privileged minority - which is democratic at every level both in the running of industry and society.

But we, that is the working class and the labour movement, are not impervious to the interests of the small investors. Even to the big investors we will be more generous than they are to the poor, those on benefits, etc. Compensation will be paid on the basis of proven need to all whose assets are being taken over by a democratic socialist workers' state.

S: To invoke this alleged 'principle' is a B: And the ordinary people? smokescreen to mask the colossal and S: It goes without saying that, of course, trade union members and their pensions will be safeguarded; in fact, pensions will be rapidly increased from the current miserable S: This will not happen in a socialist Britain. level which the coalition government intends to cut further. All workers - as well as the unemployed, those on low wages, pensioners | between Britain today and Russia at the time etc - will enormously benefit from a socialist equal to 28% of world GDP but employ only planned economy.

### In the US, 2% of companies account for **B: How can you possibly guarantee that, by** have a powerful and educated working class the Labour government in the 1970s - led by almost 75% of business activity. Here in waving some kind of magical 'socialist' wand, with its own organisations, the trade unions. Harold Wilson as prime minister – introduced | Britain, the Socialist Party points out that 150 things will improve in the way you describe? companies control 70-75% of the wealth of S: There will be no hocus-pocus; there is no mystery in how a socialist planned economy repetition of Stalinism, for power and privilege

control what are, in effect, monopoly concerns, outmoded capitalism. which determine what will and will not be not work, which party they would like to see elected in which government to best represent levels of 1989.

ioblessness among the young now officially trade union members. There are leaderships democracy is where everybody, at least in stands at over 20% (although it's much higher who fear the active participation of the theory, can say what they like so long as big in many areas) alongside closed factories.

In Ireland we have the phenomena of empty increase of 150 million compared to 15 years

A planned economy would use all the

nationalisation be, in effect, 'expropriation' of the assets of people who, through diligent work, have built up this wealth over generations?

also 'nationalise' the savings of many, not necessarily wealthy, people who invested in stocks and shares – for instance trade union members who have their pensions invested

has been built up, as we showed earlier, by the exploitation of the labour power of the working

The output of the world economy is back to the

world lack basic shelter. One billion people on real will of working people. the planet go to bed hungry every night, an

the world.

It would increase the participation of the workforce in running society, including production, as well as consumers - through cutting the working day without any loss in pay. This would not lead to a decrease in production but give an enormous boost to it. In schools, in housing, in education, instead of the current cuts, there would be a big expansion. Undreamed of plenty is possible on the basis of socialism.

### B: But didn't 'socialism' fail in Russia? Instead of democracy there was dictatorship by people like Stalin

S: The Russian revolution, in the period revolution took place, established the most democratic state in history. It proceeded to take into public ownership the land, industry and finance.

For the first time the majority - that is the working class and the poor peasantry - were in power. They ruled through a system of workers' and peasants' councils.

There were no privileges for the representatives of the people, who lived on the average wage, were subject to recall, etc. These councils, for the first time in history, raised the working class to power and allowed them to rule.

The Russian revolution was seen as just the beginning of the European and the world revolution. Unfortunately, despite favourable opportunities, this did not transpire because of the betrayal of the workers' leaders in the social democratic parties (like the Labour Party in Britain) in the West at that stage. Therefore Russia was isolated and, on the basis of scarcity, a low cultural level and a privileged elite, the bureaucracy began to emerge, personified by Stalin.

This bureaucratic caste betrayed the ideals of the Russian revolution - although the planned economy was still maintained and therefore the system which remained was still relatively progressive compared to capitalism and gradually established a one-party totalitarian regime.

# B: What guarantee is there that your British version of socialism will not go the same way? know this is a bold assertion but it's based on a sober assessment of the different conditions of the revolution. We live in an advanced industrial country, with a high level of culture, access to computers, the social media, etc. We Once working people here carry through such a big social change they will not allow a

In other words a handful of billionaires would be organised and will be superior to | to be concentrated in a few hands.

## Capitalism is a system which cannot utilise **B: But won't those in power just get greedy?** produced. They control who will and who will the full productive potential of its own system. S:Yes, there is always a danger of a bureaucratic

laver seeking to control everything. Look at the trade unions today. There are leaderships But in the 17 countries forming the eurozone. sometimes on salaries several times that of members, particularly militant fighters like members of the Socialist Party fighting to 'ghost estates' while millions throughout the | transform the unions so that they reflect the

The only way to check this bureaucracy is through democracy. Trade union and other officials should be elected subject to recall. Such will be the advantages of socialism. - nationalised by a socialist government which resources which now lie idle, as well as cutting particularly implemented democratically, that would then organise a democratic socialist out the colossal waste from unnecessary | there would be no possibility of going back to



immediately after 1917, when the October | Students sign up on a protest against education cuts photo Senan

capitalism. This would be as absurd and as utopian as anybody today hoping to return to feudalism, to the hardship of the middle ages.

### B: But do you think that the capitalists will just allow you to go ahead and expropriate them without resistance?

S: We will have a democratic majority and under the rules of democracy a minority should abide by the will of the majority. Of course the rights of minorities would be protected. Not just the working class but the intermediate layers of society can be won to socialist system.

Once the mass of working people come together in struggle, a huge social movement, all of those layers of society who are subject to attack by the system, gravitate to the workers' side. This was shown, after all, in the revolutions in Egypt, Tunisia and throughout the Middle East.

The Con-Dems are attacking the police by proposing to cut their numbers. Even servicemen, on returning from Afghanistan. could be thrown on the dole. Many then can be open to the idea of fighting the cuts. But also this can open up for them the vista of a new society where all the talents can be used.

Nevertheless we are realistic. History has shown that it is not the left, it is not the working class movement, which resorts to force to attain its ends. We are absolutely opposed to the methods of terrorism. But we're not pacifists; we will defend all democratic rights from any forceful attempt to take them away. We fight with democratic means for a democratic majority. But the ruling class does not always abide by even its own 'rules' when its vital interests are threatened.

### B: Ok, you've made the case for a socialist Britain. But what kind of set-up will you have in relations with Europe and the world?

S: We don't believe in socialism in one country. Russia shows that there is no possibility of any one country moving towards socialism by itself Leon Trotsky, the great socialist theoretician of the workers' movement, continually argued against this idea and he was proved right.

The development of the productive forces has completely outgrown the narrow limits of the nation state. The failed attempt of the capitalists in Europe to come together through the European Union is one expression of this.

If Egypt can detonate and assist the movement in Wisconsin, in the belly of the beast, the US itself, imagine if Britain was to go socialist. It would begin to transform the world. The same would apply in any country in Europe, or for that matter the relatively developed countries in Latin America or Asia.

### B: Well you've made a convincing case. I'll buy your paper.

S: Thanks very much. You should think about joining the Socialist Party now!



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