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what we think

Economic crisis in 'them and us' Britain

For a few at the top, Britain is still booming. In 2010, while the majority suffered the biggest squeeze on their incomes since 1977, the earnings of FTSE 100 chief executives rose by 32%. The number of billionaires increased from 53 to 73.

For the working class, by contrast, the economic crisis which began in 2007 has intensified a long-term trend for its share of the wealth to decrease. The TUC has produced a report exposing the myth that living standards for the majority were increasing during the boom. On the contrary, the report shows that low-paid workers' incomes have fallen in real terms over the last 30 years. The number of workers whose wages are at least a third less than median pay has soared from 12% in 1977 to 22% in 2009. Since 2007, as unemployment has rocketed and wages have been squeezed, poverty has increased dramatically.

In March this year the BBC Panorama programme carried out a survey of actual take-home pay. This showed that, on average, workers are taking home £1,088 less a year than two years ago when the sum is adjusted for inflation. Their real pay has fallen by 5% since the beginning of 2009, which was half way through the recession.

Nor is there any prospect of strong growth for Britain's economy, on the contrary stagnation is the rosier scenario on offer. As the weak growth in the US stutters, the IMF has also downgraded its growth predictions for Britain this year to just 1.5%, warning that there are significant risks of inflation, low growth and

unemployment. Nonetheless, the IMF has thrown some crumbs of comfort to chancellor George Osborne by backing the government's determination to forge ahead with the biggest cuts to public spending in 80 years. This is the IMF whose policies have failed in Greece and whose structural adjustment programmes have caused untold misery to workers and poor people across the world.

The IMF's commendation is not, however, the unified position of the strategists of capitalism. The OECD has warned that if Britain's growth is lower 'than expected', as the OECD itself now predicts, the pace of the cuts should be reconsidered. A number of capitalist economists, including some who wrote to the press supporting the government's strategy just a year ago, are now urging the government to rethink.

For example, Jonathan Portes, the director of the National Institute of Economic and Social Research, who until February was chief economist at the Cabinet Office advising the prime minister, said: "You do not gain credibility by sticking to a strategy that isn't working."

However, these commentators do not have a solution. Like Eds Miliband and Balls they are only arguing for the pain to be less deep but more prolonged. Nonetheless Osborne's cuts will massively exacerbate the problems.

George Osborne has attempted to brush off the criticism and to continue to insist that he 'has no plan B', however, the disastrous results of 'Plan A' are still to be played out. The government's savage cuts are only beginning to be

implemented. As more public sector workers are thrown on the scrapheap, and other cuts hit the public and private sectors, tax revenue will decrease and benefit claims, measly as payments are, will spiral. The result will be enormous human misery and could even mean an increase rather than a decrease in the government deficit.

There is no prospect of 'rebalancing' Britain's economy, of the puny manufacturing sector compensating for the cuts in public spending. On the contrary, manufacturing is already suffering as consumer spending falls. It is already 2.1% lower than at this time last year, and is likely to fall further.

Production for need

The Con-Dem government can be forced to retreat from its plans. It has already been shaken by the TUC demonstration on 26 March – the biggest trade union demonstration in Britain's history. On 30 June the government is likely to face the first coordinated strike against its policies by several trade unions. This has to be a step towards a one-day strike of the whole public sector. This would terrify the government and give enormous confidence to the working class.

At the same time a socialist alternative to the capitalist system needs to be put forward. Capitalism is a blind system, based on the drive for short term profit. It is also in fundamental crisis.

The Socialist Party calls for the nationalisa-

tion of the big banking and finance companies. Compensation should be paid on the basis of proven need – without one penny going to the rich speculators who are demanding that the working class pay for the crisis for which they – the speculators – bear responsibility.

It would then be necessary to introduce a state monopoly of foreign trade – so that it would be a democratically elected government – not the market – controlling imports and exports, including capital.

A socialist nationalised banking sector would be democratically run by representatives of banking workers and trade unions, the wider working class, as well as the government. Decisions would be made to meet the needs of the majority, for example offering cheap loans and mortgages for housing and for the planned development of industry and services and ending all repossessions of people's homes.

However, that would only be the start. The capitalist crisis has led to enormous economic destruction. In Britain around 10% of wealth has already been lost as a result of the recession, due to factories and workplaces closing, resulting in 2.5 million, and rising, officially unemployed.

That is why a crucial step towards solving the economic crisis would be to also take all the big corporations that dominate Britain's economy into democratic public ownership. This would then allow for production to be planned to meet the needs of all people and the planet and not for private profit.

Tamil Solidarity: important resolution agreed at the European Parliament

Manny Thain

Tamil Solidarity national secretary

Tamil representatives, solidarity and human rights campaigns and individual activists converged on the European parliament on Wednesday 1 June.

They came from eleven countries – in Europe, Sri Lanka, India, Australia and New Zealand – to a hearing hosted by Socialist Party Ireland MEP, Paul Murphy, on behalf of the European United Left-Nordic Green Left (GUE/NGL) group of MEPs. Among the MEPs who participated was Heidi Hautala, Green MEP and chair of the European Parliament's Subcommittee on Human Rights.

With around 150 participants, the hearing heard evidence from those who rarely have an opportunity to make their voices heard in the Parliament including witnesses and victims of the war and trade union representatives from Sri Lanka.

The hearing had three sessions: origins of the conflict; the war and its aftermath; the prospects for lasting peace. At the end a resolution was passed. In particular the resolution called for a GUE/NGL fact-finding delegation to Sri Lanka as soon as is feasible. Heidi Hautala had emphasised the importance of fact-finding in the Sri Lankan context.

In closing the hearing, Paul Murphy said he would do all he could to make this trip a reality and expressed his willingness to go. Agreed 'in spirit', following a thought-provoking discussion, a number of amendments to the resolution are to be considered before it is published.

The hearing was timely. It came soon after the second anniversary of the 'end' of the war, and just after the release of a United Nations' interim report which recognised, at long last, the scale of the death and destruction in 2009. It also took place on the day the Sri Lankan regime was hosting a meeting in Sri Lanka to

promote its false propaganda on the war.

Despite the growing and damning evidence, the regime still claims that the killing of 40,000 (at the very least), mainly civilians, and the imprisonment of hundreds of thousands in prison camps were 'humanitarian exercises'. Alongside absolute brutality is blatant hypocrisy.

The day after the hearing the Sri Lankan ambassador in Belgium condemned it as "a mere gimmick". But in reality, this was an extremely important event that drew together those who are looking at ways to ensure that the struggle for Tamil rights is successful.

Strategy

Delegates from Tamil Solidarity put forward its strategy of building a campaign linked to the organised working class, in particular the trade unions. We believe that this would provide a solid base of support among millions of workers internationally, and would link the Tamil issues to this potentially massive social force.

Of course, it is correct to lobby and take the protest to the establishment institutions, such as the United Nations, European and British parliaments, embassies and other bodies at the same time. It would be wrong, however, to believe that these institutions will come to the rescue of the Tamils. At the end of the day, they reflect the interests of the dominant world powers. However, with MEPs such as Paul Murphy, Tamils and other oppressed people do have some friends in these places on which they can rely.

What is clear is that Tamil-speaking people must rely, above all, on their own power of mass mobilisation, alongside their natural allies in the trade union, workers' and socialist movements internationally. A number of speakers pointed to the examples of the mass movements in Tunisia and Egypt that successfully removed dictators.

See www.tamilsolidarity.org for more info.