

Capitalism is a failed system Support the socialist fightback

Ken Douglas
Socialist Party national treasurer

“The supremacy of finance capital over all other forms of capital means the predominance of the rentier and of the financial oligarchy,” wrote revolutionary leader Lenin in 1916 in *Imperialism - the Highest Stage of Capitalism*.

Inside *Job* (Storyville, BBC 4), Charles Ferguson’s film about the causes of the global financial crisis in 2008, showed the consequences of that supremacy borne out in monstrous form. Ferguson shows how ‘financial oligarchy’ brought the world economy 24 hours away from collapse.

This was only prevented at a cost of \$20 trillion, yet all the main players in the crisis walked away with their millions and billions intact. Some, like Larry Summers, Ben Bernanke and Tim Geithner, remain in key positions in the Obama administration and the US Federal Reserve.

They gamble...

When Ronald Reagan was elected US president in 1980, he removed financial safeguards put in place following the 1929 Wall Street Crash. This resulted in the failure of hundreds of local banks at a cost of \$124 billion and the dotcom crash in 2001 with \$5 trillion in investment losses.

Yet the regulation agencies did nothing. There were 3,000 finance industry lobbyists, five for every US congressman, on Capitol Hill.

There then followed “the biggest financial bubble in history” as



The only way is up? Canary Wharf’s trading hub photo A Hill

sub-prime mortgage debts were bundled up into complex financial instruments. Ratings agencies – that now call on governments to make drastic cuts to our living standards – were paid to give top AAA ratings to these investments. Their profits alone quadrupled between 2000 and 2007.

The bankers raked in billions while dismissing the IMF chief economist’s warning in 2007 that the investments were unsustainable.

Bankers moved seamlessly between Wall Street and the government. For example, Hank Paulson, earning \$31 million a year as CEO of Goldman Sachs when they were heavily involved in the sub-prime market, became US treasury secretary in 2006.

When the insurance company AIG became bankrupt, Paulson forced them to pay their government-backed debts in full. \$61 billion was paid out to the big investment banks, including \$14 billion to Goldman Sachs!

We pay the price

Meanwhile the working class and poor paid the price – workers’ pension funds were bankrupted by the collapse.

The ‘Great Recession’ that followed the sub-prime crisis led to the loss of 30 million jobs worldwide, 10% unemployment in the US and Europe, six million foreclosures

(house repossession) in the US alone, with another nine million in the pipeline, and the springing up of tent cities across the country.

Yet, in 2009, Goldman Sachs still paid out \$16 billion in bonuses and even more in 2010.

Ferguson concludes at the end of the film: “the men and institutions that caused the crisis are still in power and that needs to change”. He goes on to say that it won’t be easy, “but some things are worth fighting for”.

Inside *Job* gives compelling evidence for what Lenin said, that under capitalism the rich run society in their own interests and are incapable of taking society forward.

Lenin’s conclusion was the need for the working class and poor to transform society - to establish socialism to enable the overwhelming majority to democratically plan the use of all the vast wealth and resources in the world for the benefit of everyone. That is what the Socialist Party is fighting for and why it appeals for your support.

Can you make a donation?
The Socialist Party has no big business backers, and depends on the financial contributions of its members and supporters. Please see the form below, go to www.socialistparty.org.uk/donate or phone 020 8988 8777.

Why I joined the Socialist Party: Fighting Tory and Labour cuts

I first became politically aware in 1968 at the age of 14. I had been injured playing rugby and my father gave me Alexander Cordell’s *Rape of the Fair Country* to read to pass away the time. This injury, in later years, meant I became registered as disabled.

But it wasn’t until I entered the world of work in the early 1970s that my leanings toward socialism started to develop. It also helped that my uncle was an ex-Communist Party member who I could have discussions and debates with, along with my father and copious amounts of good red wine!

By 1984 I had started working for Remploy, Margaret Thatcher’s Tories were in power and the miners’ strike was in full swing. A few of us at Remploy decided to revamp our Furniture Timber and Allied Trades (FTAT) union branch. We got involved with Swansea Trades Council where I made a life-long friend and comrade, Alec Thraves. Alec persuaded me to come to Militant (the forerunner of the Socialist Party) meetings, but I never joined.

I was elected a shop steward in 1993, and FTAT merged with the GMB on 1 January 1994. I was elected onto the Remploy trades union consortium in March of that year at our first GMB industrial conference.

New Labour

By 1997 I had joined the Labour Party. I honestly thought that Labour, even under Tony Blair, could make a huge difference to society and to disabled workers. I campaigned alongside a host of Remploy workers up and down the country. My links with Militant had long vanished, though I often popped along to the stall in Swansea, chatted with Alec and bought a Socialist paper.

However, by 2000 we were in the fight of our lives. Remploy started

coming under attack. Labour MP Margaret Hodge, the then minister for disabled people, called Remploy an institute of industrial segregation and a ghetto. Of course, there was never any consultation with Remploy workers. There was no mention that Remploy workers had manufactured uniforms and nuclear, biological and chemical suits for the army, which we had seen every day on the TV during the First Gulf War.

I finally resigned from the Labour Party in 2003, on the day Iraq was invaded.

Final chance

Fast forward a few years, Blair resigned as prime minister and I rejoined the Labour Party. I attended hustings and badgered the new Labour leader, Gordon Brown, at every opportunity, as did many other Labour Party members in Remploy. This time, however, my party membership barely lasted a year.

In November 2007, Brown’s Labour government announced it was going to close 29 factories. I was in the York factory, one of the sites chosen for closure. I cried alongside other workers. How could a party that was formed to represent the working class do this to some of the most vulnerable members of society?

For the second time - and this time for good - I resigned from the Labour Party. This was done very publicly along with several comrades from Remploy.

It has taken nearly 30 years for me to find my natural political home, and realise that capitalism cannot be tinkered with. It has to be replaced with a socialist system based on a planned economy for the benefit of everyone, not for the greed of the few.

Les Woodward
Remploy trade union national convener (personal capacity)

Southampton debates way forward after N30

Nick Chaffey

The Socialist Party’s general secretary, Peter Taaffe, inspired a Southampton Socialist Party public meeting attended by over 50 activists, which discussed ‘where next’ after the 30 November strike.

Peter outlined how the developing strike action posed the possibility of defeating the cuts and opening up the development of support for a new mass workers’ party and a socialist alternative to the international crisis.

Abe, a UCU college lecturer, asked how we can convince workers to take further action. Tim, a postal

engineer in CWU, asked how we can build a socialist alternative among the trade unions. These central questions were taken up.

Tim Cutter, Hampshire Unison branch secretary (personal capacity) argued: “To defeat the cuts we must put forward a clear position of opposing all cuts. The trade unions must be at the forefront of making links with the students, unemployed, service users and pensioners. We must stand united in the unions, private and public sector.”

The fighting fund appeal raised over £570. Discussions continued after the meeting, with several people showing an interest in joining the Socialist Party.

Socialist Women

A national weekend meeting for women in the Socialist Party will be held in London on 7 and 8 January.

Get in touch to book your place: phone 020 8988 8777 or email sarahwrack@socialistparty.org.uk

Accommodation and crèche facilities available.

Saturday 7 January

Morning - Crisis in the eurozone – what does it mean for Britain?
Afternoon - Back in our place? Is sexism getting worse and what’s the best way to fight it?
Evening - social

Sunday 8 January

Morning - Women and the cuts
Afternoon - The Socialist Party and the women’s movement



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SOCIALIST PARTY FIGHTING FUND

	£ target	£ received	October-December 2011	Deadline 6 January
Eastern	1,200	2,584	█	█
North West	1,200	2,000	█	█
East Midlands	1,550	2,474	█	█
South West	1,400	2,042	█	█
South East	1,000	1,252	█	█
West Midlands	2,100	2,355	█	█
London	6,100	5,638	█	█
Yorkshire	2,900	2,636	█	█
Southern	1,200	1,087	█	█
Wales	2,300	1,951	█	█
Northern	600	334	█	█
England & Wales	3,450	3,118	█	█
TOTAL	25,000	27,477	█	█