

“The Socialist Equality Party is the leadership workers in Britain need”

5 May 2011

Below we reproduce an edited version of the speech delivered by Socialist Equality Party candidates Robert Skelton and Simon Walker at election meetings in the Manchester-Ardwick and Sheffield-Walkley wards. The meetings prompted wide-ranging discussions on the political situation in Britain and internationally, and the policies advanced by the SEP.

Those of you here tonight know very well that families confront worsening debt, rising prices and either unemployment or the threat of job losses and wage cuts. The British working class faces attacks that will reduce living standards to a level not seen since the 1930s. One hundred billion pounds in cuts are being made, a figure without precedent in living memory. This is certainly far worse than anything carried out in the 1980s under Conservative Prime Minister Thatcher, who is still hated and reviled more than two decades after she left office.

To make matters worse, the Conservative/Liberal Democrat coalition's austerity measures come after a 30-year period in which successive governments—under the Tories, Thatcher and John Major, and then Labour governments under Tony Blair and Gordon Brown—have conducted a non-stop, unrelenting assault on the social position of working people.

There has already been a huge decline in wages. According to a report by the New Political Economy Network, the share of the national output going to wage earners fell from 65 percent in 1975 to just 53 percent in 2007. The ruling elite today takes a greater share of the nation's wealth than at any time since the 1930s—that is before the establishment of the welfare state in 1945.

And as wages plummet, the price of food, fuel and other basic necessities of life spirals ever upwards, made worse by a 20 percent VAT rate.

For years, people were able to get by largely thanks to freely available credit, tied in the main to rising prices in property. But this never came cheap. The development of a real estate bubble resulted in the population getting into massive personal debt of more than £1 trillion. People have to not just pay back a mortgage fixed at three, four or five-times the annual salary of both partners in a household, but loans and credit cards with an 18 or 19-percent interest rate, often even more.

Then came the financial crash of 2008, in which the book assets of major banks and corporations were revealed to be so much junk. Today's cuts are being carried out in their entirety because of a massive, publicly funded bailout of the banks. What caused the crash was the criminal and totally unregulated speculation that was carried out by bankers for years. They sold not only the now infamous credit default swaps, but made billions of pounds from all sorts of other financial instruments they knew to be worthless. In effect they transformed the world economy into a giant financial pyramid scheme, in which it was working people who ended up footing the bill.

The 2008 global economic crash revealed that these trillion of pounds, dollars and euro were based on nothing. Rising stock markets were not based on manufacturing or producing anything of use for society. The

collapse was caused by a small minority of parasitic billionaires, who were allowed to conduct their operations by the US, British and other governments around the world with no questions asked.

And then what happened? These same governments bailed out the bankers and the financial elite, with our money. The coffers of Britain, Europe, Japan and America were opened up and the bankers were told, “Help yourselves!” Even when they were forced to nationalise banks like RBS, the bankers didn't lose a penny. No one was prosecuted; few even lost their jobs.

This was made even more obscene by the fact that in Britain, the bailout was carried out by a political creature that called itself a Labour government.

In 2008 the global economy suffered a heart attack. And the response of the world's governments was to raid the national treasuries.

The ruling elite was pulled back from the brink. So what did it do? The bankers began to rake in super profits once more, not based on healthy growth, but on the financial adrenaline pumped into the diseased body of British and global capitalism by the world's governments.

As a result of this organised looting, the UK was thrown inexorably into recession. Hundreds of thousands of jobs were lost, wages cut, workers put on short hours and services closed down. Even before the Tories came to power, the Labour government had begun a massive austerity programme, totalling about £16 billion in cuts. This put the final nail in the coffin of the Labour government, which had haemorrhaged support already thanks to its slavish backing for big business at home and warmongering in Iraq and Afghanistan.

For the first six months of the coalition government, the spending cuts being carried out were in fact those put in place by Labour. However, something far worse was afoot. The ruling elite in Britain and every country, having been pulled back from the abyss, determined not only that workers must pay the full cost of the 2008 bailout; they have set out to utilise the crisis to justify implementing a historically unprecedented reversal of all the social gains won since the Victorian era. This is no pipe dream, as far as they are concerned. They look at the wages and conditions in Eastern Europe and China and conclude that, in today's global economy, this is the new benchmark.

There is no end in sight for the suffering to be imposed on the working class. The bailout of the banks required the handover of £1 trillion in public money and debt guarantees. It was the greatest robbery ever committed in British history. The cuts announced by this government amount to £100 billion. But this is just a tenth of what was given or promised to the banks. All it pays for is the running costs and possibly a relatively slight reduction of the national debt. In the process it has transformed a banking crisis into a crisis of national solvency.

To pay back the speculators, to keep the money flowing to the super-rich, the conditions now being established must become permanent. These cuts will cost more than a million jobs and the destruction of social services that millions of people rely on. But they are only the first down

payment on what is to come.

We were told that the National Health Service was “ring fenced” from these cuts, but it is not. The cuts so far being made in the NHS amount to £20 billion in the form of “efficiency savings”—around three to four percent of the NHS budget. Now the body that regulates the NHS has said that these cuts will have to be 50 percent higher over the next four years.

There is no going back to the way things were. A recent study by academics Peter Taylor-Gooby and Gerry Stoker, based on official government figures, finds, “On current projections public expenditure in the United Kingdom appears likely to fall below that in the United States by 2014 or 2015. This is simply unprecedented and, if fully implemented, indicates a radical new departure in British policy directions.”

This goes way, way beyond a “radical departure”. There is no real welfare state in the United States. When you lose your job in America, you get a few dollars a week from the state and after several months, you get nothing at all. To bring Britain to this level is nothing less than a social counter-revolution.

What does all this demonstrate? The crash and the terrible onslaught being waged against working people came about because of the failure of the capitalist system. The attempt to fix it is being made at our expense.

Nothing will escape these cuts. We are already seeing the closures of hospitals, schools, Sure Starts, universities and colleges. We are seeing disabled people being cut off from benefits and thrown out into the streets. The right to attend university has been effectively ended, with it now being simply unaffordable for most people.

In contrast, there has been no recession or cuts for the rich. On the contrary they have vastly increased their wealth. Last year’s Rich List showed that the wealthiest 1,000 people in this country increased their wealth by £70 billion. They now have a total of £330 billion pounds.

The richest financiers regained their lost wealth, with members of banking dynasties, hedge fund managers, traders and private equity specialists seeing their total fortunes rise by 20 percent.

This year the top five banks will reach profit levels of £51.7 billion. This equates to £200 million profit for each working day for each of the five banks.

These levels of personal wealth have no equal. The ruling elite today makes the French Aristocrats who were put to the guillotine look like the impoverished peasants they oppressed. Put simply, society can no longer afford to keep the rich in the manner in which they have become accustomed.

These appalling levels of social inequality are, by themselves, a devastating indictment of capitalism and an unanswerable argument for socialism. But there is another dangerous development that must be addressed by the working class.

The 2008 crash has thrown additional fuel on an already bitter conflict between the major power to seize the world’s most important resources—oil, gas, gold, diamonds and other vital minerals.

A new carve-up of the world is taking place. Over the last decades we have seen wars in Bosnia, Kosovo, Somalia, Iraq in 1991, Afghanistan, and Iraq again in 2003. Now there is the escalating military assault on oil-rich Libya. The United States, Britain, France and Italy are united in their desire to seize control of the resources of North Africa and the Middle East. But they want to do so by excluding China, Russia, and even Germany. They will inevitably find themselves at loggerheads with each other once it comes to sharing out the spoils of war.

Again the only comparable period to today is the 1930s—what the poet W.H. Auden referred to as “a low, dishonest decade”. These years did not just witness the great depression. It saw the antagonism between the major powers end in a world war that left 60 million dead.

The question is how do we respond? Everyone who has come here tonight must already largely agree with us on our assessment of the

Labour Party. Labour’s support has collapsed over the last decade because millions of people correctly see it as a party for the rich. But let me reiterate some fundamental truths about the trade unions.

Unless you are in your mid to late 40s or older, you can’t remember a single mass movement led by the unions. The last time was the 1984-85 miners’ strike and that ended in isolation, betrayal and terrible defeat. Through Labour’s period in office, the unions colluded with Blair and Brown, and the result was a society with the highest levels of social inequality in history. It wasn’t until the coalition government had been in power for nearly a year that the Trades Union Congress even called a demonstration to protest the cuts.

The sole function of the trade unions is to suppress the class struggle, police the working class on behalf of corporate management, and ensure that the labour bureaucracy’s own comfortable existence is not threatened by a movement from below.

The trade unions today have more in common with the yellow company trade union set up in the late 19th century by American bosses. They manage the economy for capital, rather than act as workers’ defensive organisations.

Where does this leave the working class? Speaking bluntly and truthfully, regarding workplace organisation, working people have no choice but to start again. There is nothing to be gained by mourning what has forever passed away. The burning issue today is the building of new organisations of class struggle.

That is why we call for the building of rank-and-file committees of action in workplaces, communities and schools completely independent of the trade unions and the Labour Party. These committees would organise all sections of the working class—those in jobs, part-time workers, the unemployed, students, school leavers, those on benefits and pensioners. They would spearhead a mass social and political movement against the corporations and their bureaucratic allies.

The Socialist Equality Party calls on workers to assert their basic social rights, including the demand for good-paying jobs, education, housing, health care, utilities and access to culture.

But there is one area where the working class can’t start again from scratch and that is when it comes to the building of its own political party. A party that is fit for this purpose must be based on the experiences of the struggles of the working class over the course of the 20th century.

The Socialist Equality Party is the leadership workers in Britain need. We base ourselves on the historic, decades-long struggle of the Marxist movement internationally for the socialist transformation of the world.

Most critically, we are the party that traces its origins back to the struggle waged by Leon Trotsky against Stalinism. The working class, having achieved its first great revolutionary breakthrough in Russia in 1917, proved unable to withstand the terrific force of the counterrevolution under the Stalinist bureaucracy that followed. However, through the work of Trotsky, the Left Opposition and the Fourth International, the revolutionary perspective and leadership were defended from obliteration.

That political legacy of intransigent opposition to the parties of betrayal and defeat—to all those who are responsible for capitalism’s survival during the course of the 20th century—is the necessary foundation for the political and social struggles of the 21st century. Success depends on working people, particularly the young generation, dedicating their lives to building a revolutionary leadership.

This leadership must be based on a programme that sets out to oppose capitalism and replace it with a socialist society, based on production for human need and not profit. Fundamentally this is an international task, not one just confined to Britain. Our party is part of such an international movement fighting for world socialist revolution—the International Committee of the Fourth International.

The global problems facing the working class are not amenable to easy

remedies. These are serious times, dangerous times, that require serious solutions. All over the world today working people are finding out that even when they overthrow dictators and tyrants, absent an independent movement of working people, they get replaced by others from within these hated regimes.

The first lesson to be understood from the historic struggles that erupted in Tunisia and Egypt is that the working class stands at the beginning of a revolutionary fight-back against its oppressors.

The second lesson is that in this fight, a new leadership cannot be improvised. Workers need a party with a long history of struggle for principles and a party that puts forward a perspective and programme representing their interests. The Socialist Equality Party is this party.



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