

This week in history: November 16-22

16 November 2015

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25 years ago: British Prime Minister Margaret Thatcher falls in Tory ballot

Britain's Tory Prime Minister Margaret Thatcher announced her resignation on November 22, 1990, after more than 11 years in office. Thatcher had suffered a humiliating reversal days before when her Tory party failed to deliver the necessary number of votes to defeat a leadership challenge by former cabinet minister Michael Heseltine. The vote marked the first time in history that a British prime minister has faced such a revolt within the ruling party and expressed the profound political crisis of the British bourgeoisie.

Thatcher received 204 votes compared to 152 for Heseltine in the balloting of Tory members of Parliament. Under party rules this margin was not enough to prevent a second ballot in a week's time. In the face of calls for her resignation and appeals for others to stand against Heseltine, Thatcher immediately announced her intention to run in the second round, but on the eve of that vote she reversed herself under pressure and quit.

Thatcher's strategy for British capitalism was based on massive investment of speculative capital on the world markets, particularly the US. For this reason, she has long opposed full entry into Europe and tried to play off the US against Britain's European rivals. Thatcher carried out an unbroken campaign of union-busting in order to increase the rate of exploitation of the British working class. She privatized previously state-owned industry and destroyed social services.

But despite these attacks, the Tory government was not able to reverse British imperialism's historic decline. The growing trade war and the crisis of the US forced Britain inexorably into the European trade bloc against the US and Japan.

The collapse of the speculative boom has left Britain with trade deficits of 20 billion pounds. Three of the country's largest banks were threatened with collapse and sections of industry faced closure. British imperialism was forced to enter the European Exchange Rate Mechanism—pegging the pound sterling to the stronger German mark—to prevent its collapse.

Heseltine and a number of other leading Conservatives, such as Deputy Leader Geoffrey Howe and former Prime Minister Edward Heath, moved against Thatcher out of fear that a further delay of full entry into Europe would allow a reunited Germany to secure its domination of Europe to the exclusion of British imperialism.

50 years ago: Macleod warns of British "stagflation"

On November 17, 1965, Tory politician and economic spokesman Iain Norman Macleod coined the term "stagflation" to describe the seemingly contradictory phenomena of stagnation and inflation in the British economy.

Speaking before the House of Commons, Macleod, Shadow Chancellor of the Exchequer, warned, "We now have the worst of both worlds—not just inflation on the one side or stagnation on the other, but both of them together. We have a sort of 'stagflation' situation. And history, in modern terms, is indeed being made."

The UK's economy, like the other major capitalist states, had grown rapidly during the long postwar boom built on the wreckage of World War II, so much so that in 1957 Prime Minister Harold MacMillan could proclaim that Britons "had never had it so good." But beneath the surface contradictions were mounting that reflected problems in the global capitalist order and Britain's particular place within it.

British economic growth in the long boom, while fast, was nearly doubled by the growth rates of West Germany, France, Italy and Japan. Even the US economy, far larger than the British, grew more rapidly. Increasingly cut off from its former colonial markets, Westminster was simultaneously thwarted in its aims to join the European Economic Community (EEC) by French opposition.

The lack of competitiveness in the British economy was most evident in basic industry, much of it so outmoded and unprofitable that the ruling class had allowed it to be nationalized. The British decline manifested itself in a growing balance of payments deficit and, in turn, growing pressure on the pound sterling, which had functioned as the second world reserve currency, and, in that role, as a protective firewall against attacks on the US dollar.

Macleod's comment reflected a growing conviction in the ruling class that to improve Britain's position in global capitalism, and to defend sterling, would require attacking the working class. The first moves against the welfare state, however, came not from the Tories but the sitting Labour Party government of Harold Wilson with the active support of the Trades Union Congress (TUC). Early in 1965 Wilson formed the National Board of Prices and Incomes (NBPI), with representatives of government, corporations and the unions, with its task to make British "prices"—i.e., wages—more competitive. This failed, and in July Chancellor of the

Exchequer James Callaghan announced spending cuts. One year later, in July 1966, Wilson would impose a six-month wage freeze.

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75 years ago: UAW strikes defense industry

This week in 1940, 5,200 aircraft workers were idled when the United Auto Workers (UAW) struck Vultee Aircraft near Los Angeles, seeking a 25 cent wage increase to 75 cents an hour. Vultee had just begun production on an \$80 million government contract to supply the Army Air Force with airplanes. The company, then the fourth largest US airplane manufacturer, stubbornly stuck to its offer of a five cent wage increase in the face of the strike.

At the time, US imperialism was supplying Britain with armaments for its battle against Nazi Germany, and Washington was preparing to enter the war itself. The press declared the strike was “sabotaging national defense” and “treason.” The War Department and National Defense Commission pressured the strikers to return to work without an agreement, while the attorney general and the witch-hunting congressional committee headed by Democrat Martin Dies charged the strike was the product of a communist plot. One congressman called for the strike leaders to be “put into a concentration camp” and said they should be given a “double dose of violence.”

The labor bureaucracy cringed before this onslaught. Sidney Hilman, CIO leader and a member of President Roosevelt’s National Defense Commission, called the strike an “unfortunate misunderstanding.” When Roosevelt called for a ban on strikes in defense, AFL President William Green rushed to voice support.

The UAW responded: “The management is trying to make a patriotic issue: ‘The workers are hampering national defense.’ The company will make a net profit of \$12 million in the next three years. For all its patriotism, the management has not offered to build these planes without a profit.” After two weeks, the union won a 12 cent increase, along with vacations, holiday pay and sick leave. The victory also sparked a movement of defense workers into the CIO.

In World War II, the leaders of the UAW and the CIO would seek to outdo the AFL in their enforcement of the no-strike pledge. Strikes such as the one at Vultee were invariably driven by rank-and-file workers.

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100 years ago: Joe Hill executed on frame-up charges

On November 19, 1915, Joe Hill, a member of the Industrial Workers of the World (IWW) well known for his radical songwriting, was executed by firing squad in Utah, after being convicted on the frame-up charge of murdering two men early in

1914.

Hill sought medical assistance for a gunshot wound on the night of the crime. He claimed to have received the wound in a dispute over a woman but refused to name her. Key witnesses who identified Hill at his trial had failed to identify him when they were first questioned and the murder weapon was never found. Nevertheless Hill was convicted and sentenced to death.

Orrin N. Hilton, the lawyer who represented Hill at his appeal, commented, “The main thing the state had on Hill was that he was an IWW and therefore sure to be guilty.”

The IWW, a revolutionary-syndicalist organization, opposed World War I and had led a series of bitter struggles, including among migrant workers. It was a prominent target of state persecution.

Recent research has confirmed Hill’s innocence. Among the evidence is a letter from the woman who was involved in the dispute that resulted in Hill being shot. Historians have noted that the judge unjustifiably ruled against Hill in evidentiary questions and that the prosecution coached witnesses to say they had seen him near the scene of the crime.

The IWW conducted an international campaign calling for clemency. Tens of thousands of supporters wrote from all over the world demanding Hill’s release. US President Woodrow Wilson and the Swedish Ambassador—Hill had emigrated from Sweden in 1902—fearful of the opposition to Hill’s persecution developing into a broader movement, called on the governor of Utah to halt the execution. Authorities in Utah rejected the appeals and went ahead with Hill’s judicial murder.

He was defiant until the end, sending famed labor leader Bill Haywood a telegram which stated, “Goodbye, Bill, I die like a true blue rebel. Don’t waste any time mourning. Organize!”

Hill’s body was sent to Chicago for cremation. The memorial service was attended by tens of thousands of people who blocked the streets of Chicago.

In November 1916, Hill’s ashes were distributed among the delegates to an IWW convention held in Chicago. His ashes were then scattered in ceremonies around the world and across the United States in response to the words in the last poem he wrote: “Let the merry breezes blow my dust to where some flowers grow.”

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