

Letter to Weekly Worker on transitional programme as socialist alternative to the cuts

By Steve Wallis (www.socialiststeve.me.uk), appeared 15/7/10 (unedited 13/7 version below)

Eddie Ford (“War on the working class”, 24 June 2010) correctly says that “it was always going to be the working class that would have to pay the price” for the massive financial crisis when “catastrophe was only narrowly averted by frantic and massive state intervention”. Under capitalism, there is no choice, especially with the mainstream parties needing to avoid clobbering largely middle class floating voters!

It is easy to say tax the rich and bash the bankers, and saying so is very popular at the current time, but what would be the consequences of doing so (more than the token £2 billion the coalition will raise from its levy on the banks which is chicken feed compared to the £375 billion bailout)? Companies and rich individuals would flood overseas. It is necessary to argue for the confiscation of their assets in this country if they do so, and to spread the revolution worldwide so there is nowhere to run to – but unfortunately few revolutionary socialists make such points even if they are aware of them. And if you don’t make such points, you ultimately lose the debate – as Green MP Caroline Lucas (who calls herself a socialist but not a revolutionary) did on Question Time on June 24 and as Counterfire’s Lindsey German (formerly of the SWP) did in a Radio 2 debate I heard on July 13.

Newsnight on the night of the budget pointed out that the Tories plan £40 billion per year more cuts than Labour did, showing chancellor George Osborne’s claim that the VAT rise is necessary because of the deficit accrued under Labour to be an utter lie. So much for the debate during the election campaign over the mere matter of £6 billion of cuts and the Tories’ claim that cuts will be achieved without hampering front-line services and would happen merely through not filling vacancies and cancelling IT contracts! Eddie is therefore correct to call the cuts “vicious” and point out that they don’t need to be as high as 25%.

So how do the Tories and their Liberal Democrat allies plan to avert another economic meltdown? By lowering corporation tax, by 1% each year for four years, and by giving incentives for small businesses. Once again, it is easy to say they shouldn’t help their business friends in that way but, under capitalism, they’ve got to do something (which means competing with other capitalist countries in a similar economic mess). After all, the Tories decimated manufacturing industry under Maggie Thatcher due to the unions being strong, and it has shrunk from 20% of the economy to a mere 12% under Labour. But it’s desperate stuff, bound not to work in my opinion.

Eddie correctly points to the likelihood of a double-dip recession as a result of the cuts, and I’d add that a depression rather than merely a second dip is on the cards. He says “we need a strategy leading to an *alternative* society” (his emphasis). So what strategy does he propose – “a united Communist Party, guided by a principled Marxist programme”. Well, the Campaign for a Marxist Party didn’t take off at all, and the Greek Communist Party has been leading the protests there, but what has been missing in Greece is an adequate programme. To me, that is more important than the precise form of party, although I’d recommend a mass revolutionary socialist or anti-capitalist party not tied to any particular ideology.

In the budget response special of the Scottish Socialist Voice, newspaper of the Scottish Socialist Party, Raphie de Santos proposes a nine-point transitional programme including: “We would take the banks under full social ownership and control – they have £560 billion in liquid cash and £5 trillion of assets. This would not only allow us to recoup the £375 billion that we have ploughed into them during the financial crisis but allow us to fund socially useful projects. An example of this would be a renewable energy programme. The design, administration, construction, maintenance, running, assembly, commissioning and servicing of the programme would create hundreds of thousand of jobs and apprenticeships for our young and old.” (downloadable from www.scottishsocialistparty.org).

I see this sort of demand, alongside a call for closing tax havens and loopholes (which Raphie also calls for), as key to winning the struggle. Merely calling for a revolution is not enough, although it’s important that some people do so!