

Newspaper of the Revolutionary Communist Party of Britain (Marxist-Leninist)

## Mandelson and Cabinet Reshuffle: What Is the Issue?

**O**ne comment was that the return of Peter Mandelson to Cabinet government represents an attempt to end

dysfunctional government. In reality, it demonstrates the right-wing big-business character of New Labour, and that Gordon Brown is

determined to follow the Blairite conception of New Labour as the friend of monopolies and reaction to the letter. It also demonstrates the

contempt Gordon Brown and New Labour have for the people. What is the issue with a minister for business? The

*Continued on page 2*

## BANKING MUST SERVE THE NATIONAL ECONOMY: NO BAIL-OUT OF THE RICH!



Union demonstration outside Westminster in support of workers' rights, October 18, 2007

**I**t is announced that the government is to take a controlling interest in three of the four major high-street banks. This follows a meeting of EU ministers

when the programme for governments to intervene directly in the running of banks was worked out.

What is the aim of this move? Is it that the rich will be able to go

back to making their billions as parasites on the national economy? Or is it that the government will take control of the banking system so that it invests in the

national economy, puts more in than is taken out, massively

*Continued on page 4*

### Commentary

## Risk-Taking for Private Gain

K.C. Adams

**Risk-taking for private gain in the contemporary socialised economy is destructive both when it succeeds and fails**

**A** VERY PERSISTENT NOTION IS THAT OWNERS OF MONOPOLY CAPITAL take risks with their money and should be well rewarded for their courage, as a good return on investments is not guaranteed. The benefit to society is said to emerge from the innovations of the risk-takers, advances in science and eventual spreading of greater wealth to everyone. The neo-liberals have taken this conception a step further and say that state intervention to benefit the monopoly risk-takers and make them more competitive through grants for research and

*Continued on page 3*

## [inside]

**What is the issue behind Mandelson and the cabinet reshuffle? 2**

**Latin American Presidents speak out against US**

**"Bailout" 3**

**Risk-taking for private gain 3**

Published by RCPB(ML)  
170 Wandsworth Road, London SW8 2LA  
Registered as a newspaper  
Printed by Millennium Press

# Mandelson and Cabinet Reshuffle: What Is the Issue?

Continued from page 1

post, previously held by John Hutton, has been widely condemned by working people and the trade unions, who recognise it as entrenching the anti-worker character of the Labour Party. Now the person who holds the post is not even an MP, has been disgraced and thrown out of government twice, and has been sprung on the British electorate as a *fait accompli* just as the movement is growing to stop paying the rich and blocking the bailouts to finance capital.

Peter Mandelson comes from the post of European Commissioner for Trade. Asked if he were ready to get to work, he told reporters as he arrived at No 10, "Our economy, like every other, is facing a very hard challenge as a result of the global financial crisis. In a sense it's all hands on deck." All hands bar the electorate and the working people, who are being made to pay for the crisis, and are up in arms at being made to foot the bill for paying the rich.

And what is the issue with a Cabinet reshuffle at this time? Once more, Gordon Brown is going through the motions of asking the electorate to trust his judgement. It is evident that he is also trying to bolster the

Cabinet with enforcers and fixers, who will try to ensure that the air of profound crisis surrounding Gordon Brown will be stamped upon. But he is likely to find that the electorate is as thankless as it has always been towards his Prime Ministership. They will not be taken in that "something is being done".

## Big-business party

The essence of this New Labour reshuffle is to strengthen the party as a party of big business and ensuring the rich continue to rule the roost. Brown is to appoint a number of "business ambassadors", including Sir John Bond of Vodafone, John Browne, the former head of BP, and Mervyn Davies of Standard Chartered. Peter Mandelson fits well into this scenario as a friend of millionaires and as a man with integral links to the Europe of the monopolies. The Department for Business, Enterprise and Regulatory Reform as headed by John Hutton will be split and a new department spun off with responsibility for energy and climate change – to be headed by Ed Miliband, the former Cabinet Office minister and Brown ally. Brown is to announce the creation of a new Cabinet economic committee – modelled on the Cobra committee which handles national security – to take special responsibility for the



Steelworkers with Stelco in Canada have been waging a struggle to raise the question of who are the decision-makers in society

financial crisis.

In other moves, Hutton, the current Business Secretary, will be promoted to Defence Secretary, taking over from Des Browne, who will leave the Cabinet after refusing another post. Geoff Hoon, the Chief Whip, takes over at Transport from Ruth Kelly, who announced that she wants to spend more time with her family. Hoon will be replaced by the Brownite fixer Nick Brown. The other Cabinet entrant is Liam Byrne, the Immigration Minister, who will become Gordon Brown's new enforcer as Cabinet Office minister.

Everything that is necessary to do in the circumstances of the wrecking of the economy by parasitic and decadent finance capital is being ignored by Gordon Brown. Instead of paying heed to the objective necessities for putting the wellbeing of the people as a priority, he is contemptuously strengthening the dictate of New Labour as the party of business, an anti-worker, anti-social party. This is a measure to draw up the drawbridge as the electorate demands its say in governance and attempt to show to them that they had better submit to New Labour dictate.

## Enough!

The response of the working class and people must be to

intensify the movement to realise the pro-social programme which is represented by the independent programme of the working class, which puts the wellbeing of the people at the centre, not the super-rich, big business, the banks and the monopolies. Far from resolving the crisis in favour of these exploitative forces, the electorate demand that they be accountable for their wrecking activities and their criminal irresponsibility. It is imperative that the people discuss the issues facing the economy and political institutions, as well as the people's security, and how to defend the rights of all and block monopoly dictate and the political dictate of New Labour and the other big parliamentary parties. They must resolve the crisis of working class political representation by building a workers' opposition composed of worker politicians who will lead the people in their struggle for empowerment and changing the direction of the economy to invest in social programmes and production for the people's needs.

Enough of Cabinet reshuffles which aim to strengthen the absolutism of parliamentary government and enforce the dictate of the rich! The people must rely on their own initiatives to come to power and turn the situation around!

## John Buckle Centre



Centre for communism and communist and progressive literature from Britain and around the world

Please contact us by phone or email before visiting.

E-mail: [jbbooks@btconnect.com](mailto:jbbooks@btconnect.com)

170 WANDSWORTH ROAD, LONDON SW8 2LA

Tel: 020 7627 0599

# Workers' Weekly

Newspaper of the Revolutionary Communist Party of Britain (Marxist-Leninist)

Website: [www.rcpbml.org.uk](http://www.rcpbml.org.uk)

October 18, 2008 Volume 38, Number 22

Subscription rates within Britain (including p&p): 4 issues - £3.15, 26 issues - £19.95, Yearly - £36.95. For any subscription applications from abroad or for bulk subscriptions, please contact *Workers' Weekly* directly. Cheques should be made payable to 'RCPB(ML)' and sent to 170 Wandsworth Road, London SW8 2LA.



# Latin America: Presidents Speak Out Against US "Bailout"

**L**atin American presidents from Brazil, Bolivia, Ecuador and Venezuela meeting on September 30 in Manaus, Brazil, accused the United States of "irresponsibility" in its handling of a financial crisis that has dried up credit markets and threatens economies around the world, news agencies report.

Venezuelan President Hugo Chavez, who warned the crisis could slow economic growth across Latin America, said: "This crash of capitalism and of neoliberalism will be worse than that of 1929. The world will never be the same after this crisis. A new world has to emerge, and it's a multipolar world," Chavez told reporters. "We are decoupling from the wagon of death," he added.

The dependence of Latin American countries on exports of commodities, such as oil, soy, copper and bananas makes them very vulnerable to falling prices combined with tighter credit.

"Financing will become more difficult," Chavez said. "Raw material prices could come down, starting with the price of oil, and including copper, minerals and food stuffs."

Chavez said it was of the utmost importance to activate the recently founded Bank of the South in order to face the global financial crisis, ANSA news agency reported.

"We shouldn't waste a day in activating the Bank of the South, which has not been activated due to bureaucratic and technical issues," he said. "We have already seen how almost all the stock markets of the world collapsed, New York, Europe, Latin America. The only one that grew this Monday was Caracas' stock market because it is not linked to New York's, which should be taken into account," the Bolivarian News Agency quoted him saying.

Chavez said that the need to develop mechanisms independent

of the Bretton Woods model is increasingly urgent because Latin American countries may be affected by the US financial crisis.

Similarly, Bolivian President Evo Morales said the financial crisis has shown that "capitalism is not the answer for humanity." Referring to the US bailout for the rich, he pointed out: "In Bolivia, we nationalised for the people to have money, while the United States wants to nationalise debt and a crisis of the wealthy."

The way the US is handling the financial crisis was also sharply criticised by Brazilian President Luis Inácio (Lula) da Silva. Lula repeated his criticism of Washington for the financial turmoil it has created on international markets, as he expressed during his speech to the UN General Assembly.

During a campaign rally in Sao Paulo ahead of October 5 municipal elections, Lula called the bailout unfair to poor people, saying: "They want to help the banks and not help the poor."

"Why give \$700 billion to the banks and no money to the poor guys who lost their houses," Lula asked, according to local media.

He accused the US of turning their economy into a casino, adding that Brazil is in a better position to withstand the crisis today than it was years ago.

"I don't want to say we're at ease but ... today we depend less on the United States for our exports," Lula said.

Brazil's economy has been growing by more than 5 percent annually but is expected to slow to around 4 percent growth next year news agencies report, adding that some Brazilian exporters announced last week large derivatives losses related to currency fluctuations caused by the global financial crisis.

(Sources: Reuters, Agencia Cubana de Noticias)

## Risk-Taking for Private Gain

*Continued from page 1*

**development, "job-creation", free trade and other schemes eventually results in wealth trickling down to the people from the private gain of the risk-takers.**

Risk-taking for private gain has historical validity but has become anachronistic. All things come into being and pass away, and economic practices and notions that reflect social phenomena are no exception. In the previous economic period of petty production, risk-takers who had amassed a small amount of already-produced value invested in manufacturing, science, applied technology, international trade and other schemes to increase their private wealth, overwhelm petty production and defeat it. As risk-takers, which included empires themselves, acquired strength, they organised political revolutions against the moribund stagnant social forces in Europe, the United States and Japan, consolidating their power and soon spreading mass production around the globe. The modern socialised economy came into being with the working class as its most powerful human factor. Science and technology applied to mass production, and modern social programmes such as public education and public healthcare began to appear in this context.

### **Cannabalisising social economy**

Risk-taking for private gain, which had proved so effective in transforming petty production was itself transformed into a new quality once victory was won. It no longer stood in opposition to petty production and the old mostly feudal relations of pro-



duction but against the very socialised economy it had brought into being and against the new human factor (the working class) that had become the most numerous and powerful social force. Once economic and political power was consolidated, the new monopoly risk-takers for private gain began to cannibalise the socialised economy. They turned the state into an instrument to preserve their own power and privilege with massive investments in the military, police, mass media and government bureaucracy. They began to channel science and technology into war preparations to serve their global competition for wealth, power and empire-building and to suppress the new quality that had emerged from within, the human factor/social consciousness of the modern working class.

### **In contradiction**

Risk-taking for private gain has reached not only sector-wide but worldwide dimensions. Risk is rewarded with private profit that no longer builds any nation but is taken out of the socialised economy and weakens it. When risk fails, it brings down not just an individual owner of capital but entire sectors and even economies, as the world is now witnessing with the mortgage and credit meltdown. Risk-taking for private gain stands in contradiction with its own creation, the socialised economy and working class and its special quality the human factor/social consciousness.

# Banking Must Serve the National Economy: No Bail-out of the Rich!

*Continued from page 1*

increases investments in social programmes, and meets the claims of the people on society for a decent standard of living and finds a way out of the crisis?

The details of the plan show that it is the former. The problem is made one of "capitalisation", of confidence in lending, and of a few fat cats who have given and continue to give themselves huge bonuses. It is not being made one of the greed and corruption which has characterised the banking system where the only issue is one of "liquidity".

## The issue for the people

The logic behind the government's plan is not sound, nor does it involve the people in working out what should be done in their interests. What has the plunge of banking shares on the stock market got to do with the intrinsic worth of the banks, their function in the objective world, the loans they have trapped people into so that international usury can flourish? Is the government supposed to guarantee the banks that their parasitic behaviour can continue? Are they supposed to guarantee that the gulf between rich and poor can continue to grow, a gulf that is the living embodiment of the exploitative relations of production, where the whole society is geared to paying the rich?

Will the government recognise the integral relationship between the running of the banks and the grip of the monopolies on the economy? Will it recognise that fabulous wealth has been amassed in the hands of the financial oligarchy through the international movement of finance capital, which keeps the masses of the world's people in poverty and destitution? Will it recognise that a change must be made in the direction of the economy so that the be-all-and-end-all is not one of cut-throat competition in the global market and the monopolisation

of all enterprises in the hands of the finance capitalists?

The issue for the people is not to celebrate a supposed collapse of capitalism and the emergence of "socialism for the rich"; nor is it to compete in expressing disgust at the putrefaction of capitalism. It is to work out the way forward, a programme to take society out of the crisis and towards democratic renewal and a socialist Britain.

## The first step

The finance capitalists and the shareholders must not come first. What must come first is investment in the national economy, its industry geared to the people's needs, and the social programmes which meet the claims of the people on society and are an investment in the future. It must be a principle that the extraction of immense sums from the economy by the rich and super-rich has been and is a criminal waste and abuse of power and privilege. To ensure that this is recognised, all power must be taken from the banking chiefs, criminal prosecutions begun over the theft of the people's wealth, and decision-making power rest in the hands of the government. It must be a principle that the extensive funding of social programmes is regarded as an investment in the future, an essential for building a people-centred economy, where the dignity of labour is placed in prime position. All spending on Britain as a military power to intervene, wage wars and keep its troops on foreign soil must be immediately ended as a waste of valuable resources and a crime.

This is the first step. The dogma that the market decides must be put to rest. It is a dogma, because the actual reality is that government intervenes to ensure that the rich are paid, that social programmes are privatised, and that the manufacturing base is destroyed so that the financial oligarchy can prosper, and can compete on the global market. This is

# Stop Paying the Rich!

By taking more added-value out of companies, the rich have squandered it on luxuries, saved it within their personal empires or put it in hedge funds or other schemes using the value as collateral for huge loans to buy up everything on earth. With leveraged buy-outs, the rich have gone on a rampage privatising public assets everywhere, concentrating ownership in fewer and fewer private hands, engaging in parasitic frauds involving property, and using their wealth and power to push governments towards war

and war spending, where sales and earnings are guaranteed by government and defeated countries can be pillaged at will.

The often unconscionably high claims by senior executive managers of companies and banks are another drain on revenue. When executive managers take out their claims from revenue it acts as another deduction from the amount on which corporation tax is based, further reducing it.

Stop paying the rich and pandering to their destructive greed; it causes economic crises!

state monopoly capitalism! There must be an end to the plundering of the state treasury by the rich. The latest move by the government must not be allowed to be a further step in this direction. What is needed are public guarantees for the wellbeing of all, not guarantees of returning to business-as-usual as soon as possible. The change of direction which is needed is to end the parasitism of finance capital which is killing the economy and the body politic, and to focus on building a state investment banking system which will put investment in rising production as a priority. It can do this by investing in co-operatives, in small and medium businesses which cannot otherwise make headway under the sway of the monopolies, and in not-for-profit enterprises. With such investment under state control, a plan can be set for the development of the national economy.

## Renew political institutions

For such a step to succeed further requires democratic renewal of the political system and institu-

tions. The working class must have its representation in Parliament to block the present decision-making which puts paying the rich above all other considerations. There must be mechanisms for the people to have a say in the running of the economy and the political life of the country. How far political life has gone in the opposite direction can be seen in how the government has been taking decisions on the fate of hundreds of billions of pounds of public money without even recourse to Parliament, let alone the will of the people.

It is time for a public banking system that serves the people and the development of the socialised national economy, and is under the control of the working class and people. Organise for a fundamental change in the banking system to bring it into harmony with the needs of the people, stop the destruction of the national economy, block the shifting of the burden of the crisis onto the backs of the working people and build a socialised national economy!

## Workers' Daily Internet Edition

Daily On Line Newspaper of the Revolutionary  
Communist Party of Britain (Marxist-Leninist)

[www.rcpbml.org.uk](http://www.rcpbml.org.uk)

e-mail: [office@rcpbml.org.uk](mailto:office@rcpbml.org.uk)

WDIE sent by e-mail daily (Text e-mail): 1 issue free, 6 months £5, Yearly £10  
Address: 170 Wandsworth Road, London, SW8 2LA

Phone: 020 7627 0599