

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

## Sinister Character of Queen's Speech: Fight for Programme of Working Class!

**T**he government's priority, as one can grasp from the Queen's Speech, delivered at the Palace of Westminster on December 3,

was to ensure that the rich get paid in this period of global economic downturn.

One can also grasp from the presentation of the government's

next legislative programme by the monarch the sinister nature of this programme.

The executive's programme is to ensure the "strength of the

financial sector" first and foremost. Legislation will "improve the resilience" of this sector. That is, the hand of

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## Pre-Budget Report: A BUDGET FOR THE MONOPOLIES AND TO MAKE THE PEOPLE PAY



Workers marching through London on May 1, 2008

**T**he issue with Chancellor Alistair Darling's Pre-Budget Report, delivered on November 24 to the House of Commons, was not that it was too little, too late, or even far too little far too late. It did not mark any

move towards "wealth redistribution". It does not tax the rich to help the poor, or any of the other fatuous claims that were made for it. And still less did it set out to renew the socialised economy. *Workers' Weekly* thoroughly con-

demns this report. It is a budget in the interests of the monopolies and to make the people pay for the crisis of monopoly capitalism through the medium of the government which controls the levers of the state. It underlines, through the

complete failure of monopoly capitalism to serve the needs of the people, that a new direction for the economy under the control of the

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### Commentary

## The Government Remains Committed to the Criminal Occupation of Afghanistan

**T**HE FOREIGN SECRETARY, DAVID MILIBAND, VISITED OCCUPIED AFGHANISTAN last month, as well as Pakistan, as part of an initiative to strengthen the hand of the Anglo-American imperialists in the region. In Afghanistan he held meetings with the leaders of the Afghan regime brought to power as a consequence of the Anglo-American led invasion. Miliband also visited some of the over 8,000 British troops currently stationed in the country. In an interview for BBC Radio during this visit Miliband did not rule out the sending of reinforcements

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## Sinister Character of Queen's Speech: Fight for Programme of Working Class!



**Union demonstration outside Westminster, London, in defence of workers' rights, October 18, 2007**

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monopoly right will be strengthened.

"Welfare reform" will force the vulnerable into slave labour, and those with disabilities will be further persecuted.

Criminalisation will be stepped up and immigrants and asylum seekers especially targeted.

The justice system will be further changed to remove the rights of the accused, won through struggle over centuries.

The government continues to claim that this society is fair, and that the rights of all are just a case of ensuring "transparency". This entails that the people must step up the struggle for the rights of all.

The conception that health care is a right will be further attacked through the fraud of an NHS Constitution, giving the green light to further privatisation and cutbacks in public health spending.

The government is pressing ahead with "investment with reform" in education, to meet the needs of the monopolies.

The government is abusing the conception of "constitutional renewal" to emphasise the "responsibilities" of citizens to the state, while strengthening parliament to keep the people further away from decision-

making, under the rubric of the "Governance of Britain".

The monopolies are to be let off the hook over the destruction of the environment, and the burden placed on the people's shoulders.

The rights of the nations of Scotland and Wales will continue to be denied, while the government will do all it can to interfere in the north of Ireland.

The government will host the next G20 Summit, to further strengthen the domination of the monopolies internationally. It will pledge its allegiance to the US-led aggressive NATO alliance at its 60th anniversary summit.

The government will further step up its interference in the Middle East, including targeting Iran, moving more troops for the occupation of Afghanistan and creating insecurity and instability in Pakistan.

Other measures will be laid before Parliament, the whole demanding the response of the working class and people to bring about democratic renewal, the election of worker politicians, and the mobilisation of the whole polity to establish an anti-war government.

***Fight for the Programme of the Working Class!***

## Pre-Budget Report: A BUDGET FOR THE MONOPOLIES AND TO MAKE THE PEOPLE PAY

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working people is demanded.

Alistair Darling opened by saying that his statement was "made against a background of economic uncertainty not seen for generations. These are extraordinary, challenging times for the global economy, and they are having an impact on businesses and families right across the world. In these exceptional economic circumstances, I want to take fair and responsible steps to protect and support businesses and people now, while putting the public finances on the right path for the future." However, his proposals are based on paying the rich, and spearheading the working class and the national economy as paying for the crisis.

Darling's Budget statement does not, as he claimed, invest in social programmes and infrastructure, nor does it address the health of the national economy. It does not have a glimmer of recognition that the tax system is outmoded, and the nation's social wealth must be put at the disposal of the public good. It is predicated on the need for the rich to prosper, and even the much heralded 5 percent increase in the top rate of income tax is not due to be implemented for three years (well after time limit for the next election), and even then will only raise just £2 billion for the state treasury.

The economic measures mentioned by Chancellor Darling are framed entirely to be in the interests of big business and the financial

institutions. The plan paraded as so world-shattering at the G20 summit of cutting taxes and raising spending is seen as a massive smoke-screen for in reality making the workers pay for the crisis. Such measures would do nothing to chart a way out of this monopoly capitalist crisis, but the pre-Budget report in any case sees the government doing the opposite.

### Present crisis

The present crisis is not taking place against a background of a "benign" world economy, as Alistair Darling so laughably claimed. Today's crisis is only the latest phase, and the most serious, of the economic crisis of world imperialism since the Second World War. It is a phase where directly paying the rich through neo-liberal programmes became unsustainable. The "reduction in growth" referred to by the Chancellor cannot be dismissed so lightly as the government does and the lessons ignored. Alistair Darling wants the electorate to take a blinkered approach to the problems of the old system, and forget that while first the social welfare economy, then privatisation, and then neo-liberalism and the "Third Way" have all suffered crisis in turn, the ruling elites have been claiming that all is basically sound. All has not been sound, and the neo-liberal and "Third Way" policies have only exacerbated the underlying crisis. Now Brown and Darling are trying to wash their hands of any responsibility.

It was only last year that it was

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reported that the people were having to take out credit at a record rate in order to survive and maintain anything approaching a modern standard of living. This has been one way of channelling funds to the rich at a rapid rate. The squeeze on credit as the system has failed is first and foremost hitting the working people, but the measures are not designed to alleviate this, but to get the financiers out of a hole. Working people are encouraged to continue to spend and run up debts. Meanwhile, the cost of utilities and other necessities is skyrocketing, with gas prices, for example having risen by 35 percent this year.

### Cuts in social programmes

The Chancellor announced that VAT is to be cut from 17.5 percent to 15 percent in an attempt to put £12 billion into the economy. However, the VAT cut on petrol, tobacco and alcohol will be offset by increasing duties. Working people are again having to pay through national insurance contributions to the state treasury, which are to rise by 0.5 percent from 2011, hitting everyone earning more than £20,000. To put things in perspective, this is expected to raise £5.4 billion, more than double the 5 percent increase in the top rate of tax. It has been calculated that changes to income tax and national insurance mean that somebody working and earning £10,000 will be just £118.80 better off a year until 2011 and £215.58 better off in 2012 – a figure that will be eaten away by rising costs.

It exposes as a blatant lie not only that this is a return to “tax and spend”, or neo-Keynesianism, or even a resurrection of the Old Labour 1983 manifesto. These are not even palliatives, but measures to channel public funds into the coffers of the rich.

The desperate fraud of “new government spending” is indeed a cruel hoax. Planned capital projects are simply to be brought forward from 2010-11. This is as far as the Chancellor’s “neo-Keynesianism” goes. At the same time the Chancellor announced cuts, euphemistically described as “efficiency savings”, that cut back on social programmes and will also

result in job losses. He stated that the government has already achieved efficiency savings of £26.5 billion, £5 billion over target, and intends to make additional cuts of £35 billion by 2010-11. The total reduction to planned public spending in 2010-11 is set at £5 billion.

The NHS is the largest of 12 areas that will be hit by these spending cuts. The Treasury describes the £5bn as “recoverable savings” and removes any doubt as to whether these will involve cuts to funding allocations by clearly subtracting £5bn from its latest table of departmental revenue allocations for 2010-11. The £70bn NHS commissioning budget is cited as an area in which the Treasury believes “savings” could be made.

The budget report says that the Treasury’s public value programme has identified £100m a year that could be saved from 2010-11 by improving use of the NHS estate to “reduce the need for new hospital space”. It also paves the way for entire PCT property estates to be transferred to public-private partnerships, to be known as PropCos. Last year’s comprehensive spending review pledged to increase public sector spending in real terms by an average of 1.9 per cent a year between 2008-09 and 2010-11. But the pre-Budget report says spending will grow by just 1.2 per cent in real terms between 2011-12 and 2013-14.

### Who pays?

In contrast, the largesse of government was directed overwhelmingly towards the financial and corporate sector. Banks will be given additional funds worth £2 billion. However, it is just one more scandal that the banks are declaring that they still require more capitalisation before lending further. This whole fraudulent package is what Darling has declared as a “package to support business, worth £1 billion of tax cuts, £2 billion in loan guarantees, along with £4 billion of European money”. What the socialised economy needs on this front is not-for-profit banking under public control.

Alistair Darling’s largesse to the monopolies has extended to exempting transnational corpora-



tions from taxes on their foreign profits. They will be allowed to repatriate monies earned overseas tax free from next April. This measure is not disguised as aid to small businesses, as with the cash injections to the banks. “I will introduce an exemption for foreign dividends in 2009 for large and medium businesses, and improve our rules for taxing Controlled Foreign Companies,” Darling said. The government has also abandoned plans to implement tax avoidance measures until there has been “further consultation”.

The “stimulus package” is being routinely linked to Darling’s admission that government borrowing is to rise to £78 billion this year, and £118 billion next year. In fact this rise was already well on the way – thanks to the earlier £500 billion government bailout of the banks. Tax revenues for the financial sector have been down 35 percent. As a result, debt as a proportion of GDP is predicted to rise to anywhere between 57 and 68 percent in 2013-14. Total national debt will top £1 trillion by 2012-13. Risk is being transferred on a colossal scale from the private sector to government, to the burden of the public treasury.

Fears are being raised over the ability of the government to raise the vast amount of debt. Faced with the prospect of governments in Europe, North America and Japan issuing more than \$2,535bn combined of bonds in the next year, bankers warn of potential problems in meeting funding needs. Britain is expected to issue £10bn of bonds in December compared to average monthly volumes previously of about £2bn a month. In the past, monthly volumes have averaged about £2bn a month. The government is also expected to issue £60bn in the remainder of the financial year to the end of March – more than it would previously issue in an entire year. The government is being forced to pay higher yields to attract investors in bond auctions for stock maturing in three or four

years. In fact, this all demonstrates that it is one way traffic from the labour of the working people into the bailout of the rich. Borrowing and lending in order to reap interest, fees and indulge in speculation has been a factor in bringing the crisis to a head. In the final analysis, the “borrowing” has got to come from those that create wealth in the first place, and if the present crisis has demonstrated anything it is that the banks are not a source of “wealth creation”. It must be a principle that the people have the first claim on the wealth they create, and not those that reap benefit from “debt”.

### New direction for economy

The economic crisis is not going to be softened let alone resolved through stimulating the economic institutions controlled by the rich. Shoring up the old banking system is not at the heart of all economies, as Darling claimed. It is not a matter of remedying shortcomings. Those economic institutions are the cause of the crisis. Giving public funds to those institutions strengthens the hold of the rich over the socialised economy and will do nothing to alleviate the crisis. The burden of a downturn will still be borne by the working class. The Chancellor fails to address or answer the question of who a “strong banking system” serves. How can the old system serve the national economy when all that interests it is the amassing of fabulous profits by any means, and then demanding support when crisis reigns? Darling is in fact more concerned with the position of the City as “the world’s leading financial centre”.

The Chancellor was forced to acknowledge that Britain was entering a recession, estimating an economic shrinkage of between -0.75 percent and -1.25 percent for 2009. But he then asserted that the economy would start to grow once more by the end of the year and forecast growth for 2010 of between 1.5 percent and 2 percent,

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## Commentary

# The Government Remains Committed to the Criminal Occupation of Afghanistan

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**should they be required to maintain the occupation.**

It is now seven years since the invasion of Afghanistan, led by the Anglo-American alliance, which was then given sanction by the UN Security Council. It is generally recognised that the Anglo-American led invasion force has not yet been able to claim military victory and opposition to the invasion and the increasing number of attacks against civilians by the occupying forces is growing inside the country. Even the commander of the British troops has admitted that, as he put it, "we're not going to win this war, it's about limiting it to a level of insurgency that's not a strategic threat". The government now claims that it is in Afghanistan "at the invitation of the democratically elected Afghan government". But this government came to power illegally as a consequence of the occupation, has no jurisdiction outside the capital, Kabul, enjoys little support or credibility and is widely seen as corrupt. Recent opinion polls in Britain have shown that at overwhelming numbers of people are opposed to the continued occupation and want British troops brought home.

In the face of growing opposition to military occupation in both Afghanistan and Britain, government ministers have made clear that there are no plans for a military withdrawal, but at the same time have made unsuccessful efforts to find some way in which the situation can be presented in a positive light. The war in Afghanistan remains what it has always been, a war that has no justification in international law led by the Anglo-American alliance for strategic advantage over this so-called cockpit of Central Asia, as part of their whole geopolitical aims to try and maintain global hegemony.

It is clear that the new US administration is going to intensify its efforts to maintain a strangle-

hold in Afghanistan and throughout the region. It appears to be creating the conditions for an increased military presence, and to this end is intent on further destabilising the region, bringing its own front line closer to Russia, China and India. The Labour government has already signalled its intention to support such efforts, and in this regard Miliband stressed that the British government was committed to what he called a "comprehensive strategy" for Afghanistan. This strategy sees the country transformed from an occupied territory to a fully-fledged satellite with an economic and political system, as well as an army, that serve the interest of the big powers and principally Anglo-American interests. At the same time, Britain, the US and other big powers are squabbling over who should bear the brunt of the military and financial burden of establishing such a state.

What is noteworthy is that Miliband and the government as a whole show absolutely no concern about the cost of the war in Afghanistan, whether in human terms or in financial ones. Indeed there are no official figures for the numbers of Afghan people killed as a result of the invasion and occupation, but unofficial estimates put the figure in the tens of thousands. Increasing numbers of British troops are also losing their lives and many others have been maimed for life as a result of the conflict.

But even in the midst of the worst economic crisis since the 1930s there is no "credit-crunch" in regard to the waging of war. What is referred to as "defence" spending is due to rise to around £37 billion by 2011, an increase of over 11% since 1997. The wars in Iraq and Afghanistan are paid for out of a separate Treasury Reserve and since 2001 another £9.6 billion has been spent from this source. Britain's military spending is now the second highest in the world after the US.

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at which time the reduction in VAT is to be rescinded. Commentators have pointed out how wildly this is at variance with all economic indicators, which point to a much more severe and protracted recession for both Britain and the economies of the imperialist system of states as a whole.

The Organisation for Economic Co-operation and Development (OECD), for example has warned of a "severe" economic downturn in Britain in 2009, precisely because of its massive finance sector, as one of the countries "most directly affected by the financial crisis". The global financial collapse has already swallowed up bailouts and cash injections that dwarf Darling's latest offerings. Trillions of dollars have been made available by governments around the world, usually leading to a temporary rally on the stock markets – that is then eaten up by the speculators.

The fact is that all the main economic institutions are controlled by the owners of monopoly capital. The government's direction is not too little, too late. It is an agenda for strengthening state monopoly capitalism. The

fraudulent "socialism for the rich" of Brown and Darling is highlighting both the opportunity and necessity to organise for socialism for the working class and people, the possibility and the imperative to empower the working class and its allies to gain control of the direction of the economy and of the decision-making process. The issue for the working class and people is how to gain control of the social wealth in order to be able to use it to set a new direction for the economy in which the people's claims are at the centre. The old economic institutions controlled by the rich have to be bypassed or restricted in order to do so, and to invest in social programmes and benefit the national economy. In opposition to the concentration of wealth and power into the hands of a few, who use it for enrichment, for export of capital, and for economic and political domination, the working class must work to seize the initiative, and organise for power so as to be in a position to set a new direction for the economy. This once more highlights the necessity for democratic renewal, for an anti-war, pro-social and pro-worker government, in order to bring the people to power and establish the alternative, a new society.

The circumstances of Miliband's visit to Afghanistan, as well as the statements he and other government ministers have made, show that the British government is fully committed to continuing its military aggression in that country alongside US imperialism and

other big powers. *Workers' Weekly* calls on the working class and people to organise for an anti-war government that will empower the people of Britain and end aggression abroad, serving the interests of the people both at home and abroad.

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