



THE COST OF LIVING CRISIS

What it is and
how to fight it

*workers
power*

THE COST OF LIVING CRISIS: WHAT IT IS AND HOW TO FIGHT IT

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Britain in crisis

WORKERS IN BRITAIN TODAY FACE the biggest cost of living squeeze for two generations. The Retail Price Index (RPI) rate of inflation stands at its highest since 1980 at 13%. But that doesn't even come close to explaining the impact on working class households – energy, transport, housing and food costs are rising even faster.

The Bank of England has started to raise interest rates to protect the financial sector, making the working class pay the price of inflation by slowing the economy, increasing unemployment and likely triggering a recession. City forecasters are warning Britain could slip into a recession as early as the summer, as prices rise and production falls. Britain recorded two consecutive months of negative growth in March and April. The OECD predicts the British economy will not grow at all in 2023, the lowest in the top 20 economies – except sanctions-hit Russia!

So as well as the sickness of inflation, the 'cure' will be twice as bad. If inflation gives way to deflation the results will be the same – the working class will pay for restoring profits through unemployment. For the rich and bankers, a recession is a smaller price to pay than inflation, which erodes the value

of their investments and loans they've made to house-buyers, consumers, businesses, and governments. We need a solution that deflates their profits and redistributes their huge accumulated wealth towards our wages, homes, public services and the environment.

Behind the numbers, the reality for millions of working class people and their families, this crisis is causing real suffering. Children are going to bed hungry and cold. Pensioners are afraid to put the heating on or make a proper meal. Mothers lose weight because they can only afford to feed their children not themselves. Families face eviction because they cannot keep up with rising rents.

But society, taken as a whole, has not suddenly got poorer. Company profits and executive pay have gone up. The billionaires are richer than ever before. In other words the money is there. We just have to find out how we can take it and share it equitably among the most in need.

That's what socialism means at the most basic level. And that is the task facing the labour and social movements today

Heating or eating?

The government raised the energy price cap from 1 April, adding another £700 to the average household's bills. It is set to rise again in October to around £2,800: a 227% increase year-on-year. Many more pensioners and working families will have to choose between eating and heating next winter.

According to End Fuel Poverty more than one in four UK households will be in fuel poverty. The Resolution Foundation estimates that 1.3 million people in the UK will be pushed into 'absolute poverty' this year.

On the other hand, BP and Shell made profits, in the first three months of 2022 alone, of \$9.1bn and \$6.2bn respectively. And there's no sign of the inward flow of cash stemming any time soon.

As well as oil and gas, the Russian invasion of Ukraine has

also caused food prices to jump further. The two countries account for 30% of the world's wheat exports. The price of bread and pasta has increased by up to 50%. In 2021 a record 2.5 million people depended on food banks, institutions which barely existed a decade ago. Imagine the clamour when food prices go through the roof.

The war has also resulted in unprecedented sanctions being levied against Russia by Nato countries. These measures of economic warfare, which have driven oil prices up around the globe, could well prove to be almost as damaging to the UK and other countries as they are already proving to Russia.

Rising inflation, the lifting of the cap on energy bills, increases in rents and mortgage payments, continuing sanctions and war in Ukraine – not to mention tax hikes – will accelerate the biggest fall in living standards since the Second World War.

Faced with this the first response of the government – and behind them the employers – is to urge 'restraint' over pay as workers try to compensate for rising prices, as if higher pay was causing inflation. In fact what they mean is that workers' living standards must be sacrificed to protect profits.

With supply chains (particularly for food and energy) broken by Brexit, disrupted by Covid and ruptured by war and sanctions, this inflation crisis is not 'transitory' but will continue right through 2023. Meanwhile, basic pay has 'risen' by an average 4.2% – and just 1.6% for public sector workers. As a result, consumer spending is falling every month at the steepest rate since records began in the 1950s.

The effect on British workers is twofold. First, we are experiencing a cost of living crisis which is pushing millions into poverty. Second, the drop in spending and economic slowdown will mean more austerity and job cuts.

The general economic crisis has its long-term basis in 40 years of falling wages, exacerbated by the Great Recession of 2008–11. Coupled with this have been the devastating effects of 12 years of Tory misrule, most visible in the decline, privatisation and

disappearance of public services, and the economic self-mutilation of Brexit.

Tories' steal Labour's tattered clothes – again

Chancellor Rishi Sunak's response to all this has been lacklustre to say the least. His Spring Statement signalled the return of austerity despite the steepest slide in living standards since records began.

Tory backbenchers roared their approval and waved glossy brochures with 'Tax plan' emblazoned on them when Sunak announced a series of supposed tax cuts. But even the Office for Budget Responsibility pointed out that these amounted to one-sixth of Sunak's tax rises since becoming chancellor.

The 1.25% increase in National Insurance contributions remains in place. Six pence off the price of petrol sounds nice, but filling a family car costs over £100, a third higher than a year ago. The real value of benefits and pensions will continue to fall.

In a desperate effort to distract people's attention from Partygate, Sunak finally unveiled a package of measures to help those hit hard by the cost of living crisis. He has stolen Keir Starmer's top policy: a windfall tax on energy profits. He also announced an additional £15bn support package which includes: a one-off £650 payment to households on benefits and pensioners plus a few hundred pounds here and there.

In addition, there will be £400 to help with the energy bills when the cap is raised to £2,800. The 'energy bill discount' still leaves most households down by over £1,000 a year. British households will spend a collective £19bn on energy costs this year. And that's just on gas and electricity! Thanks for the £5bn Rishi – where's the rest?

As for the penny-pinching bosses, there was something in the small print for them. An '80% investment allowance' will double the amount of tax relief companies get on any profits they reinvest, saving them 91p in tax for every £1 they invest. They're not shouting about it, but they're laughing all the way

to the bank (or tax haven).

Against this Tory shell game, moving piles of money around to produce the illusion of taxing the rich, the whole energy sector should be nationalised and run under workers' and consumers' control, with its profits used to neutralise inflation and massively invest in the transition to green energy.

The announcement sparked criticism from reactionary quarters, including the bosses' union, the CBI, with one MP, Richard Drax, accusing the Chancellor of 'throwing red meat to socialists'.

As for everything else, forget it. The NHS? Never mentioned, no new money despite the £12bn levy squeezed out of our pay packets. Children after Covid? No expansion of free school meals, no more money for schools, only more academies. Pay? Nothing: nurses will face a £1,600 drop in their real income this year (clap, clap). Jobs? The Tories aim to chop 90,000 civil service posts. And food? Johnson humbly advises that we should increase our consumption of 'responsibly resourced wild venison'.

But the biggest suckers were Starmer & Co. whose headline anti-inflation policies, meagre as they were, have been stolen by the Tories yet again. They lamely argue for VAT to be suspended (it should be abolished!) and some money for home insulation – as if we can afford that when there's kids to feed.

The Blairite policy of triangulation – pitching a bit to the left of the Tories to win middle class voters, while banking on the working class having no choice but to vote Labour – is in tatters. Its grossly inadequate measures have been trumped by the Tories smash and grab. In reality, whether Starmer's policies or Sunak's manoeuvres win out, we are told to tighten our belts.

Topple the Tories

The ruling class accumulates its enormous hoard of wealth on the backs of the working class, while avoiding taxes on their ill-gotten gains to fund the few remaining public services. The

money is there, in the City of London and their offshore havens, many times over to pay for this crisis.

We can and must resist the rising cost of living. The TUC should announce a mid-week demonstration, encouraging strike action, against the October energy price cap rise. Mass non-payment is an option – if organised. We must link this to the new wave of pay strikes, which are running at their highest level for five years, uniting the organised labour movement with the wider working class.

The past 15 years have seen a relentless onslaught against the working class and the oppressed. Governments have demonised migrants and asylum seekers, scapegoated the unemployed and undermined living standards of disabled people.

They have empowered the unaccountable, racist and sexist police and restricted the right to protest. The NHS has been chronically underfunded and increasingly privatised, while council budgets have been slashed to the bone. Austerity is back in the form of job losses, pay restraint and service cuts.

Meanwhile rights at work are under attack as the Tories denounce ‘disruptive’ strikes. Our pensions and pay have all been eroded while food banks have boomed and the gig economy flourished.

An explosive movement that arises in response to the cost of living crisis has the potential not just to claw back what we have lost, but to fight for so much more – and topple this rotten Tory government.

That is the message of this pamphlet. If you agree with what we say – join us!

Build a mass movement against inflation

THE COST OF LIVING CRISIS is an attack on the whole working class. It requires a class-wide response to force the rich to pay for the rising cost of living out of their profits. That is why we need a mass movement, rooted in the workplaces and communities, but united in strategy and struggle.

Many trade unionists, from bus and HGV drivers to rail workers and bin collectors, have won better pay deals through strike action. But the big guns – the TUC, Unite, Unison and GMB – have so far been missing in action at a national level.

Also two-thirds of our class remain outside the unions, particularly the poorer, more precarious sections close to the bread-line already and the unemployed, youth and pensioners. High food prices, energy bills and rents will hit the most oppressed

sections hardest: women, Black and other racial and ethnic minorities, young people, pensioners, the disabled and LGBT+ people.

How can we organise the unorganised, win strikes, build local organisation, and bring all this together into a mass, militant movement capable of defending pay, pensions and benefits and forcing the rich and big business to pay for the crisis?

Empower the rank and file

The wave of pay strikes by sections of workers is a big step forward, but even if successful, only those workers get a pay rise, which will then get eaten away by inflation. Strikes are crucial, but need to be combined with a political movement against the cost of living crisis – or our living standards will continue to fall.

We can't rely on the official leadership to take the initiative. Even the positive role of some union leaders turning to strikes – most notably, Sharon Graham, general secretary of Unite – has limits.

The strikes are sector by sector, company by company, city by city. Tactics are also limited: strikes of only a short duration, insufficient to win; 'pausing' the action each time there's a marginally improved offer; keeping within the tight restrictions set by the draconian anti-union laws.

We need more militant tactics to defeat hard-nosed bosses, like flying pickets, staying out until an acceptable deal is signed. These must be organised at the grassroots level. If our leaders are unwilling to lead, the rank & file must.

The answer isn't just to replace the right wing union leaders with lefts but to focus on organising in the workplace. That doesn't mean simply building from below or around the union structures, but also turning official union meetings into real 'councils of war', debating a plan of action and carrying it out directly. 'Workers decide, officials provide' – not the other way round.

It means organising the militant minority of workers in

every union into a rank and file movement that can throw its energy behind every positive move by the union leaders, while going beyond them where they fail or obstruct a fight. This can unleash the deep wellspring of workers' energy, determination and desire to fight that we can see on display in the more successful strikes but is stifled by the bureaucratic machinery most of the time.

We can see the strengths and weaknesses of the union leaders already. Unite has kept all its strikes separate and localised, for example calling dozens of Stagecoach bus strikes but allowing each to take action and negotiate separately, rather than levelling up all workers by demanding the parent company settle a national pay claim.

Unison's full-timers have so withered its workplace organisation by neglect and witch-hunts that they could not get 85% of its members even to vote in NHS and council pay ballots. The GMB led a good strike on Eastbourne buses, winning 11%... then turned around and signed a sweetheart deal with Deliveroo behind other unions' backs.

As for the TUC, gone are the days when it called action – though we should demand it calls a mid-week day of action, up to and including strikes, in the Autumn. The truth is we have to place demands on these leaders but be prepared to defy or act without the officials when necessary.

Build local action committees

Activists should use the mobilisation for 18 June to initiate local action committees, if they haven't already done so. That is the order of the day.

What they are called does not matter. Whether they are set up by trade councils, local people's assemblies or just ad hoc cost-of-living campaigners, the aim must be to continue their existence after the big march.

We must shun sectarian conflicts over the branding of campaigns or petty squabbles with groups we politically disagree

with. Likewise, we must avoid being told what to do by unelected leaders. The People's Assembly is for the first time calling for local groups to be set up, but in 10 years it has never called a decision-making conference or elected its officers.

No to top-down decision-making and appointed leaders. No to our aims and actions being dictated from above. No to divisions based on minute points of difference and who controls the contact sheets. Yes to unity and democracy – build from below!

In the past local trades councils have been the traditional starting point for organising industrial action on a class-wide basis, but many have become moribund, hamstrung by TUC regulations. Now is the time to brush off the cobwebs, cast off the shackles and put these councils on a fighting footing.

The immediate task is to produce effective campaigning materials – leaflets, press releases, Facebook and WhatsApp groups, posters, etc. Stalls on the high streets, visits to picket lines and leafleting of workplaces will start to identify new activists and mobilise greater numbers as the crisis begins to bite and workers begin to look for answers.

Action committees need to call meetings in towns, cities and boroughs to plan solidarity actions with local strikes, particularly on the railways. Many other sections are already balloting for strikes, like the posties, or soon will, like the PCS. Others, like fast food workers and couriers, desperately want to be organised. We need to support them, with large numbers leafleting their workplaces or joining their picket lines.

We need to build solidarity for strikers, so they can stay out longer. We need to help spread the action. We need to start coordinating strikes, so they gather momentum and have a greater chance of success. And we need direct action to amplify our message and embarrass the profiteers.

Our aim has to be to develop these action committees so they draw in representatives or delegates from all the workplaces, unions and neighbourhoods as possible. As they do their authority to initiate actions without recourse to official structures will grow. They can become alternative bases of power to

the bureaucratic reformist leaders. In short they can develop into councils of action.

Political battle

Far from being divisive, bringing politics into the unions helps organise the wider struggle – in working class neighbourhoods and estates. This will strengthen the union struggle, building membership, organising solidarity, and amplifying our impact. It will create the best conditions for coordinating strikes and cementing the militant wing of the unions.

However, Keir Starmer's Labour Party is an obstacle rather than a lever to help our struggle. Labour puts forward timid policies that the Tories easily cherry-pick, like the windfall tax, pushing aside conference-agreed policies, like the nationalisation of energy companies. Starmer and the bulk of the leadership refuse to support a rail strike, denouncing it as 'disruptive'. His strategy is to tail the Tories so he can govern like the Tories.

The unions should follow Unite and the CWU's lead by cutting funding and support for those Labour MPs and councillors that refuse to support workers or, as in Coventry, scab on their strikes.

The left opposition within the Labour Party, Momentum and the others, should put their energies into building a mass anti-inflation movement, which could put the Labour leadership, locally and nationally, under real pressure. That is more important now than passing conference motions that will be ignored or electing a few 'socialist' councillors who will pass austerity budgets.

Indeed, the struggles of both unions and movements would create the forces for a new working class party of struggle, one that opposes capitalism rather than manage it for the bosses.

Lessons from the past

The early days of Tory austerity from 2010 on saw a series of one-off mega-demonstrations leaving little behind in terms of concrete successes or organisation. They saw a magnificent

one-day pension strike in 2011, involving a coordination of all the major public sector unions, but then the right wing union leaders broke ranks to sell out, betraying millions of workers who wanted to fight on.

Tragically the lefts accepted this as a *fait accompli*. Despite calling a thousand-strong rally on the eve of the pensions strike, the SWP refused to hold the left wing leaders like Mark Serwotka to account or warn of the impending sell-out. Only Workers Power supporters argued these points and called for joint local strike committees and a pledge to continue the action if the bureaucrats retreated.

Anti-cuts committees blossomed in every town and city, held protests and showed great promise. But they didn't come together into a national movement. So they stagnated and failed to link up across the country. Eventually the bureaucratic People's Assembly filled the vacuum with set-piece rallies with no consequence to them. It didn't work – austerity rolled on unabated.

It will be up to those at the sharp end of pay cuts, job losses and austerity to organise the resistance this time round. Activists need to be ambitious and bring local movements together into a nationally coordinated united front, based on elected and immediately recallable delegates, to wage an effective common struggle towards a single goal: forcing the government to tax the rich, nationalise the big multinationals and raise living standards for all.

If we can do this, we can turn the cost of living crisis into a crisis for capitalism.

How to beat the price rises

WE BELIEVE IT IS POSSIBLE to build a mass movement against falling living standards, cuts and privatisation – and mass movements are full of revolutionary possibility. We must start from the fight for workers' burning needs. It is necessary to revive the bedrock organisations of the working class, the trade unions, and push them into action. But we will also need new organisations of struggle, built from below, that can ultimately develop a new militant leadership for the movement.

To all those who want to fight back against the crisis, we propose working together to take the fight to the bosses and unite the resistance against the Tories in a spirit of common struggle. Alongside the practical task of developing resistance, we must consider what we are fighting for – the political solution to the crisis.

In this article we examine the current state of the resistance, scattered and uneven as it is, and propose a strategy to defend

our living standards against the rising cost of living and link it to the fight for workers' control over wages, prices and social conditions.

The bankers, the bosses and the Tories – the capitalist class – have run their economy into the ground. It's time for a system change.

1 Pay, Jobs and Benefits

BORIS JOHNSON TOLD AN AUDIENCE in Blackpool on 9 June, ‘If wages continue to chase the increase in prices then we risk a wage-price spiral,’ and warned against ‘increasing wages to match the surge in prices’. In other words, if workers push too hard for pay rises, they will only reap higher prices. The workers will lose and so will the economy.

Like much of what Johnson says, there is no basis to this claim at all. Higher wages have not ‘pushed’ inflation. In fact, inflation is being driven by high energy prices, pandemic and war-induced shortages, and simple profiteering.

There is one economic category these analysts never question. It is sacrosanct, never to be touched: profit. UK corporate profits jumped from £129bn to £139bn in the first quarter of 2022. Why can’t they be cut?

That’s why we say: people before profits; our right to a decent standard of living comes first. **We demand £15 an hour minimum for all or a 15% pay rise, whichever is greater.** Our pay has been falling steadily for over a decade, so we need an element of catch-up or we will forever be falling behind, while the bosses’ profits climb higher and higher.

But even above-inflation pay rises are not guaranteed to hold their value. Strikes have been relatively successful in forcing the bosses to boost pay offers but with inflation rising every month even the best deals are looking poor.

To resolve this problem, unions should demand all pay rises are index-linked to inflation. **For every penny rise in prices, we**

want a penny more in our pay – every month throughout the year. We call this a sliding scale of wages.

But who calculates the rate of inflation, as it affects ordinary working people? No one does. Government statistics measure 733 prices, including luxury items but not rents. They are intended as a guide to investors, not workers.

The TUC, the unions and local campaigns should **set up their own price watch committees**, made up of workers and their families, who can check the prices in the supermarkets, rents and utility bills every month and record price rises as they impact our household budgets. Unions should publish their findings and force the bosses to recognise them as the basis for pay claims and indexing wages.

It is possible, inevitable even, that some bosses will declare they cannot afford real pay rises or a higher minimum wage. In this case, we should demand they **open their financial records to workers' inspection** so we can see where the money has gone and we can challenge their ring fencing of profits, executive bonuses and dividends.

If they are truly broke, then **they should be nationalised, without compensation to the former owners, and brought under workers' control**. If the employer is a local authority or a school, then they will likely cite government cuts to their funding as the cause. Here we should demand the government fully funds public services without cuts to jobs, pay or the service.

Jobs

In June 2022 the Tories announced that the number of job vacancies in Britain was higher than the number out of work. This was supposed to imply that there is plenty of work for everyone; you only have to 'get on your bike' and find a job.

This will come as a surprise to thousands of workers who find that, when they apply for jobs, there are hundreds of other applicants they competing with them even to get an interview. In fact this 'vacancies paradox' is a lie, false on two accounts.

First there are skills shortages, meaning many skilled jobs cannot be filled until a new workforce has been trained or migrant workers are allowed to come and live here on equal pay and conditions.

Secondly, the unemployment figure – 1.37 million in April 2022 – is not a true indicator of the number of people who want more work. The OECD investigated the issue in 2019 and found that there were at least 3 million hidden unemployed, not included in official figures. The same is true today.

And third a slowdown, if not a full blown recession, is coming and that will mean closures and job cuts. Bosses will use the threat of unemployment to hold down wages; workers will feel the pain of losing their only source of income.

That's why we say: **work or full pay, full-time permanent jobs for all who want them.** To any employer proposing job cuts, we should demand that the work available is shared equally among the workers available. **Cut the hours, not the jobs. For a four-day working week with no loss of pay or increase in workload or work-rate.**

If unemployment rises, as the economists forecast, we should call on the government to **invest in a programme of public works** on trade union rates of pay and run under workers' control.

There is plenty of work that needs to be done and plenty of workers that need more work. Only capitalist economics prevents putting these two together. Our housing stock needs replenishing and upgrading. Our environment must be upgraded with renewable energy, insulation and cleaner transport; we need more hospitals, more schools, more green spaces. It makes sense to create these by creating well-paid, secure jobs.

Every worker deserves full employment rights, including the right to join a recognised union. **Abolish zero-hours contracts and all forms of super-exploited labour.** We support the struggles of all the unions who are fighting for the rights of precarious workers, especially the smaller independent unions like

UVW and IWGB.

They need a mass unemployed and precarious workers' union to fight for their rights, just like they did in the 1920s and 1980s. If we do not organise them, then the danger is that they fall prey to despair or even racism and fascism.

Benefits and pensions

One of the cruellest acts of Boris Johnson's government was to snatch £20 a week from Universal Credit claimants in October 2021, slashing the income of the poorest section of our class, many of whom are in work but on poverty wages. Shamefully the unions and the Labour Party did not lift a finger to stop this theft.

This Tory-designed benefit system is beyond repair. It is supposed to be a safety net for the unemployed while they find new jobs, but in reality is set at a level that no one can reasonably live on, so claimants are forced to take any job, no matter how awful, just to keep afloat. Claimants do not receive a penny for the first six weeks and are sanctioned for the smallest 'digression', like missing an appointment or not taking an unsuitable job offer.

Abolish Universal Credit and replace it with benefits set at least the minimum wage and indexed to inflation. It should be paid from day one and on day one.

We support the struggle of disabled people. The unions should demand an end to sanctions and testing, restoring allowances to their levels before austerity and for trade union control over access to work and reasonable adjustments to enable those who want to work to be able to do so.

Pensioners were also robbed in September 2021, when the Tories 'suspended' the triple lock, which raises the state pension by 2.5%, the average wage rise or the rate of inflation, whichever is greater. This would have given pensioners an 8.3% increase. Instead they got 3.1% – as did benefit claimants.

The age workers can draw their pension keeps going up and up, soon to 68. Most workers can expect serious health problems

before they can retire, especially those on low incomes, or with physically demanding jobs.

We say, **reinstate the triple lock and raise the state pension to a level people can live on**, as determined by the trade unions and pensioners. The state pension age should be set at 55 or earlier for medical reasons, so everyone can retire with dignity and in good health. This too would free up jobs for younger people.

Tax the rich

Who will pay? The rich must be *forced* to pay. Corporation tax has been slashed to a historically low 19%. It should be raised back to the level it was under Thatcher, 40% – higher if that is insufficient to protect our living standards.

Britain's billionaires saw the wealth grow by £150 million a day in 2021. The top 100 executives' pay now averages £3.6 million a year, while City of London bonuses amounted to £5.9bn – they can afford to pay their taxes!

The poor should be taken out of taxation altogether. **Abolish VAT and other regressive consumption taxes** which eat up a disproportionate amount of workers' incomes. Make income tax steeply progressive so the rich pay most. **Impose a tax on their wealth** – which is far greater than their massaged 'income' figures.

Close all tax loopholes and prevent the wealthy from withdrawing their money from the country. If they can do this to Russian oligarchs, they can do it to our own.

2 Defend our Communities

THE COMBINATION OF HIGH INFLATION and economic stagnation – stagflation – means cuts to health and social services are not far away. As well as devastating the jobs, pay and conditions of workers who provide vital services, cuts also put the burden of care and provision onto working class families, especially women.

Take the massive hospital waiting lists: those who can (just about) afford it have to pay for private care using NHS facilities: those who cannot have to live with the consequences. Either way working class families feel the brunt. We have to defend our ‘social wage’ as much as we do our pay packet.

Health and education

Covid revealed how close to the ground the NHS has been razed. Decades of budget cuts, the internal market and the PFI schemes which exacerbate financial meltdowns, staffing shortages due to low pay, excruciating hours and high intensity work have taken their toll.

The pandemic brought the whole system close to collapse. Now waiting lists are rising, people are dying due to delays and yet more staff are leaving, worn out physically and mentally.

To fill the 40,000 NHS vacancies, we need to **abolish student fees, restore bursaries** and set them at the level of an entry grade nurse. **Raise all NHS workers’ wages by 15% or a minimum of £15 an hour**, whichever is greater, to encourage recruitment.

Bring all contracts in-house and expropriate the private sector and big drug companies, so we can raise the standard of pay and condition for all health workers and the standard of treatment for all patients.

Scrap all medical charges from prescriptions to the dentists and abolish National Insurance – the NHS should be funded from general taxation. Then we can expand the NHS and social care so future generations can rely on them.

Schools not only provide socialisation, education and training for our young people, but also some relief from the costs of bringing them up for their parents. This is why **we demand free school meals for all pupils**, 52 weeks a year.

Funding cuts, competition from academies and falling student numbers have led to a rash of school closures. Good teachers and staff are being sacked for money reasons when school students and families need more support, not less. Instead of shutting schools and sacking teachers, we should reduce class sizes to 20 for primary schools and 25 for secondaries.

Financial support for students has been stripped away by Labour and Tory governments. We need to restore it. **Abolish tuition fees** for higher education and **reinstate the educational maintenance allowance** and to 16 years old and over, set at a level they can live on – grants not loans.

Instead of being ripped off by high rents and food prices, students should be in control of their residential halls and accommodation fees slashed. Student union leaders need to fight for their members' rights or student activists should take the lead, like they did in 2010, with militant demos and campus occupations.

Rents, energy and transport

Housing is another great divider determining people's ability to afford the cost of living. The housing shortage has left millions stuck in private tenancies facing rocketing rents that often absorb more than half of their take home pay.

There should be an **immediate rent freeze and ban on evictions**. Tenants' organisations should have the right to **inspect landlords' properties and set rent controls**, enforcing them with rent strikes and physical obstruction of bailiffs and the police if they are called in. Rents should be set at a truly affordable level, as close to council rents as possible.

We need more council homes to meet demand as well. A million should be built, using council direct labour teams and under workers' and community control. **Requisition land banks, empty properties and second homes to house the homeless.**

All homes should be **insulated and retrofitted** with heat pumps or hydrogen cell boilers free of charge. This alone would massively reduce household energy bills.

However, this does not help with those bills today. Abolish Ofgem, which has raised fuel bills astronomically. **Restore the energy cap to where it was in summer 2021**. Trade unions and community organisations, not government bureaucrats should set the price at a level workers can afford. If the energy supply companies go bust, **nationalise them under workers' and consumers' control**.

The privately owned transport companies run a dirty and expensive service, while paying their workers too little and working them too hard. Who can forget P&O's lockout of its workforce and recruitment of new labour on £1.61 an hour? **Nationalise all buses, coach, rail and ferry services without compensation: workers' control of wages and conditions.**

To establish the real state of dilapidation of these and hundreds of other vital services, from refuse collection to youth clubs and everything in between, we call for **local workers' audits of council assets and all services**.

Only then can communities and workers come together and plan their future based on their real needs. By doing so they can build the mass support needed to fight for the funding from the central government to make it happen.

There is not a Labour council in the country that will currently support such a struggle. Left wing Labour councillors need to take sides; are they with the capitalists or with their community? If they choose to keep their powder dry, they soon won't have a cannon to fire it from. Better to be expelled from Labour than do the Tories' dirty work.

Internationalism

Britain is the fifth richest country in the world, yet comprises of only 1% of its population. It achieves this by exploiting poorer countries.

The City of London wheels and deals trillions of dollars of investments and transactions every day, deciding the fate of millions of people in the Global South at the click of a mouse. Its banks, finance houses and insurance firms hold whole swathes of Africa, Asia and Latin America in debt bondage.

Through the IMF and World Bank it demands privatisation and cuts via its structural adjustment programmes, whenever poorer countries can no longer service their debts, plunging them further into dependency and ruining indigenous industries. Then it impounds and deports those who have the temerity to seek a better life here. **Cancel all debts owed to the City, government, IMF and World Bank.**

We have far more in common with those fighting inflation and falling living standards across the world than we do with our own bosses. Their fight is our fight. All refugees and migrants welcome here. **Abolish the Nationality and Borders Act and all immigration controls – open the borders.**

Nationalise the giant multinational corporations without compensation. Their assets in this country should be run under workers' control; their overseas holdings should be handed over to the workers of those countries, who have paid for these investments many times over with their labour and their lives.

Britain backs up its global robbery with firepower. Despite the Treasury pleading poverty when it comes to helping workers

in the crisis, Britain spends £31.6bn a year on its day-to-day 'defence' budget and a further £14.6bn on capital investment in the military industry. The total amount of relief in Sunak's emergency one-off aid package (£15bn) amounts to less than a third of this expenditure!

We say, **not a penny or a person for the defence of this system.** Oppose militarism and the new cold war. Welfare not warfare – **reparations for those countries destroyed economically, environmentally or militarily by Britain's foreign policies.**

3 A Movement that can Fight and Win

MANY TRADE UNION MILITANTS AND socialist activists will recognise that our organisations need to be revolutionised if we are to win these battles. Almost all our unions suffer from inertia when we most need them, weighed down by bureaucratic procedures and timid leadership, meaning that when they do attempt to mobilise the members they offer too little too late and do not have the infrastructure to succeed.

To transform the situation we need to start from the workplace. **A massive recruitment drive** is needed to strengthen the unions and bring millions of unorganised workers into them. We need **shop stewards in every workplace** empowered to confront management and call action.

We need to **bring all disputes and strikes under the control of the workers affected**. They are the ones under attack; they should be the ones calling the shots. **Mass meetings of workers should elect strike committees**, accountable to and replaceable by the members.

All too often strikes are called, secret negotiations held, a (rotten) compromise agreed and the strikers stood down. This is the logic of partial, one-day or limited strikes. They are not aimed at winning the claim (if the claim is even made known to the strikers) but at compromise, minimising job losses or 'rises' that turn out to be pay cuts.

Instead, we propose all out indefinite strikes as the surest and quickest way to win, even if we have to start with warning

strikes in order to test and strengthen our organisation.

Strikers should be in control of all negotiations and full reports of discussions given to mass meetings, where members can mandate their representatives to follow their democratic will. **Only strikers, not officials, should be allowed to suspend or end strikes.**

Unite has established combines, drawing together reps from the same company or sector, which is a good development, though they need to be truly member-led. Too often, workers fight local battles alone when they could link up their strikes nationally or across different companies. We are for co-ordinated strikes and linking demands to sector-wide reforms so we can spread the action.

Similarly, wherever there is more than one union in a workplace, we need to set up **joint union meetings and workplace committees**, which can overcome divisions, put aside the rule-books and cement unity in action, preventing sell-outs and weaker or less combative unions backing off from the struggle.

Councils of Action

Even militant, well organised strikes can get bogged down in a war of attrition, with the bosses banking on their ability to sit it out, hoping to starve workers back to work. These disputes need the support of other workers in solidarity committees to strengthen picket lines, raise funds, refuse to handle scab goods and take solidarity strike action.

In a crisis as deep and widespread as this one there is usually more than one strike to support and many others who need to take action. We should establish **action committees to coordinate our resistance** and take initiatives.

Local organisations of workers can emerge in a variety of ways, drawing in representatives from local workplaces and neighbourhoods. Their broad composition gives them the authority not only to demand solidarity but also to launch demonstrations, direct action and grassroots strikes.

Once formed, such organisations can develop into real councils of action with recallable delegates from every workplace and neighbourhood authorised to implement their decisions. These have emerged here and in other countries at times of great social conflict: no longer trade disputes with individual employers but a class struggle of the whole working class against the capitalists and their system.

But our fight is a national struggle against a national government. We should build – from the 18 June TUC demonstration and into the Autumn – **for a national conference where delegates from all the regions and localities can hammer out a strategy to win**, coordinating efforts and widening our base of support.

Undoubtedly in our disputes the anti-union laws are being wielded by the bosses and their friends in the judiciary. These have been used time and again to thwart the democratic wishes of trade unionists to take effective strike action – often merely by phoning up a judge at 2am demanding an injunction.

We have to defy the anti-union laws and call for their complete abolition and replacement by a legal right to strike.

Bureaucracy and Rank & File

At every stage of the struggle workers who seek to take control of their campaigns or fight for more militant positions will come up against the union officials.

Of course, some are more left wing, prepared to lead effective action, listen to activists' advice and opinions and advocate on their behalf. Others are downright treacherous or, more commonly, slippery. Sharon Graham is a good example of a general secretary who talks a good fight and has supported militant victories, but has also signed off terrible deals, worth half the rate of inflation, and attempted to pass them off as 'victories'.

The truth is the union officialdom is a bureaucratic caste, bound together by privileges and loyalty to each other. At the top, 30 union general secretaries earn over £150,000 a year, below

which is an army of officials, mostly unelected, who oversee most of our strikes (and sell-outs). They earn much more than most members and often get to such a position by joining one of the rotten cliques that control appointment and patronage.

We need to **dissolve the union bureaucracy** and distribute its functions among capable rank & file members, **elected and accountable to the membership**. This starts with the fight for workers' control of our unions.

We support all struggles to democratise the unions: **the election of all officials**, who should be **recallable and paid no more than an average skilled worker's wage**; for **all conference decisions to be binding** and between AGMs the decisions of an executive made up of elected lay members. Branches, regions, combines should be autonomous, insofar as they take the decisions that relate to them, up to and including strike action.

We are **for a rank & file movement** that can fight for the above and tie it to a strategy to lead a class-wide struggle against the bosses.

The union movement we need would focus on the workplace, organising militant strike action **with the officials where possible, without them where necessary**.

At the heart of its agitation would be the fight for **workers' control: of production, conditions, pay and hiring**. The sliding scale of wages, controlled by the workers' price watch committees under threat of strike action, is an example of that. It can't be done overnight but the aim is to wrest control, bit by bit, from the bosses and strengthen the organisation and power of the workers.

The rank & file movement would not be able to avoid politics either. Many of the demands we raise just to defend ourselves in this crisis need government action. To abstain from fighting for political demands leaves the Labour Party free to pose as the only alternative to the Tories. We must combine demands on the Labour leadership with determination to take

political strike action to achieve our aims.

The task we face is colossal, but so is the crisis. There will be plenty of struggles ahead. So long as socialists intervene to revolutionise our unions with a clear strategy to win, we can play a decisive role in their development, just as militants and revolutionaries did in the 1880s, in the 1910s–20s and again in the 1960s–70s.

Defend the right to protest

The last Parliament saw fresh incursions into our democratic rights. The Police, Crime, Sentencing and Courts Act has enshrined the right of police to break up ‘disruptive’ protests – or any protest likely to be effective.

Now the government is introducing a Public Order Bill to crack down on so-called ‘guerrilla tactics’ used by protestors. This is clearly aimed at Extinction Rebellion but could also make workplace occupations protesting sudden closures and mass dismissals illegal.

Workers must defend their right to protest, greeting every piece of reactionary legislation with demonstrations, direct action and strikes. **We must establish trade union and community self-defence groups that can defend our protests and picket lines from police repression.**

4 Fight Social Oppression

IN EVERY SOCIAL OR ECONOMIC crisis the people hit hardest are those who habitually face institutional discrimination, casual abuse and the constant threat of violence: women, Black, Asian and other ethnic minorities, the LGBT+ community and youth.

The explosion of campaigns like Black Lives Matter, the new women's and trans movements and youth campaigns like the climate school strikes show that these sections of workers can also provide some of the most determined fighters in our struggles.

Sexism

Millions of women bear the double burden of exploitative work and unpaid domestic labour, including the bringing up of children and care for the elderly and infirm. They are discriminated against at work, receiving on average 15.4% less pay than their male counterparts.

Women remain concentrated in gender-stereotyped roles as carers, cleaners and nurses, jobs which are undervalued and underpaid. The pandemic revealed that these roles are key to society as a whole, so why are they so insecure and poorly rewarded? In a word, sexism. When women venture into the better-paid sectors, like finance and tech, they face the same barrier and often sexual harassment to go with it.

We demand **equal pay for work of equal value**, as decided by committees of workers. Where a company reports a gender pay gap, we should demand they close it or face united strike

action.

Bigoted bosses argue that women should not be chosen for the best jobs because they take maternity leave or go part-time. We say they should provide **free workplace crèches** and **24-hour quality childcare facilities**. A disproportionate number of women are on part-time, flexible or zero-hours contracts. We demand equal rights for such workers, including access to training and promotion.

Women also face prejudice (and worse) in the unions, in the home, in society at large. **We call for women's caucuses in every workplace and a working class women's movement rooted in every community to promote their causes and take them into the wider movement.**

Racism

The pay gap for Black and Asian workers is even starker than it is for women at 25–35%. Discriminated against throughout the education system, many are still concentrated in manual jobs in transport, the NHS or manufacturing, often with racist undertones concerning their 'limited' capabilities: Latin American cleaners, Asian garment workers, Black bus drivers, etc.

The cost of living crisis disproportionately affects racially oppressed groups. For example, there is an overwhelming presence of migrant labour in precarious sectors where workers regularly take home far less than the minimum wage.

In the pandemic, Black and Asian workers were disproportionately hit both because of their jobs on the frontline (often without adequate PPE or safety measures) and because of their living conditions in overcrowded housing and without access to outdoor spaces. The faces of NHS staff who died from Covid were overwhelmingly Black or brown.

We say, **end all discrimination against ethnic minorities in the workplace**. Black caucuses should monitor racist incidents by managers and fellow workers and demand their unions take action, including strikes, to educate the racists and sack those

that cannot or will not reform.

For a workers' audit of where ethnic minority workers are employed in each enterprise and district, which would reveal the effects of years of racist job appointment and promotion policies. A workers' veto against racist management rulings should be enforced by united strike action.

Youth are the future

More than 1 in 10 young people are not in education, employment or training. Youth are three times more likely to be jobless than adults. Those in education receive minimal state support if any, while those in training are likely to get little more than the dole. The minimum wage for 16–17 year olds is £4.81 an hour, half the adult rate. This is a rip-off, designed to provide employers with cheap labour.

We need to **level up the minimum wage** and end pay discrimination. The government should **guarantee all school leavers a job, a place in further or higher education or a real apprenticeship**, all with an income they can live on. **All Tory education cuts and privatisations should be reversed.**

Youth have been to the fore in the fight against racism, sexism and climate change. They must be in the front ranks of the fight against the cost of living crisis too, so we can use their courage and creativity to fight for their future and ours.

5 Workers' government

MANY OF THE ACTIONS PROPOSED in this pamphlet can be undertaken by workers organising in their workplaces, towns and cities. But others – like nationalisation, taxing the rich or raising the minimum wage – cannot. Unions help but millions of workers and youth are not in strong trade unions or even in a position to build them.

As the resistance to the crisis grows through the development of militant methods of struggle, the question of which class controls the state will take on increasing practical relevance. The working class has to take governmental power out of the hands of the capitalist class in order to fulfil its pressing demands. But what does this mean in modern day Britain?

Parliamentary democracy has rarely been as discredited as it is today. Tory ministers, their aides and top civil servants paraded all night long, week after week, laughing at the lockdown restrictions they placed on the rest of us. The prime minister brazenly lied to parliament and the rest of the country. Johnson even temporarily shut down parliament when it suited him to push Brexit over the line.

But who can replace the Tories? Millions will say Labour, but under Keir Starmer they are committed to defending capitalist interests at home and British imperialism abroad. Their cost of living package was even smaller than the meagre one Sunak unveiled. They would rule for the bosses, not the workers.

Thousands swept into the party when Jeremy Corbyn was elected leader and a vibrant left wing passed socialist policies

at Labour conferences. However, Corbyn failed to confront the right wing, who openly and covertly worked against a Labour victory. Now Starmer and chairman David Evans have firmly shut the door against the left regaining even the partial control it had under Corbyn.

However, even a parliament with a healthy majority of MPs like Corbyn, John McDonnell and Zarah Sultana would not be in a position to 'rule' Britain. Thousands of senior civil servants, army generals, high court judges and police chiefs would rebel and thwart any pro-worker policies. Indeed, one unnamed general threatened 'mutiny' if Corbyn was elected.

And then there are the city financiers and captains of industry – they won't take the state expropriating their property lying down. They would tie a left Labour government in knots in the courts, transfer their capital overseas, initiate a slump and a run on the pound, even organise a coup if need be.

This is why **the creation of workers' councils is central to the movement for workers' power.** Developing out of strike and workplace committees, solidarity groups and action committees, such councils can elect delegates to a national body. Crucially, delegates would receive no privileges and would be instantly recallable if they lost the confidence of the workers they represent.

As the struggle develops with national strikes, occupations of workplaces threatened with closure, daily direct actions and demonstrations disrupting commerce and clogging up city centres, the state will respond with police attacks and arrests. We would need to respond by setting up a **workers' defence guard, under the control of the workers' councils**, charged with defending our movement and its gains.

Of course, these bodies can only arise when the class struggle reaches a crescendo, as it approaches a revolutionary climax. They cannot be conjured up out of thin air or at the whim of a few thousand angry people, but only as a prelude to a socialist revolution. The embryos of them can and will emerge in the

course of the struggle – workers’ councils from action committees, a defence guard from mobilisations to stop bailiffs or defend picket lines.

By fighting to establish elements of workers’ control in the workplace, in our communities and in society as a whole, we will paralyse the ability of the capitalist class to effectively rule through their state machine, creating a situation of dual power. The bosses and their state will try to roll back any gains made by the working class; the workers will try to extend them. But dual power cannot last for long. Sooner rather than later, one side has to win out.

For the working class to win, it has to create its own government, a completely different type of government. **A workers’ government would be based on workers’ councils and a workers’ defence force, and could only be built following a successful socialist revolution which smashes the capitalist state.** It would systematically take over the key levers of the economy and establish a socialist plan of production. The economy would be run for need not private greed.

It would take over the monopoly companies – the ‘commanding heights of the economy’ – and the banks, so we can swiftly end the cost of living crisis at the expense of the capitalists. We could create jobs and raise the incomes of the lowest paid. We could make Britain a welcoming home to migrants and refugees wanting to come here.

By **renouncing all of British capitalism’s imperialist claims** on foreign countries, by handing ownership of ‘our’ multinational companies’ operations in these countries to the workers around the world, by **cancelling the debt** owed by Third World countries to British banks, by **publishing the secret treaties** and deals our military establishment have done with the USA and other regimes, we would make allies of the hundreds of millions of working people across the globe.

Socialist revolution

Socialism cannot be achieved through legislative reform within the capitalist system – we need a revolution. This is because the rich and the powerful will not allow us to implement even one of our major demands without a struggle. They will resort to violence first, but **we must be ready to counter that violence by mass force.**

That is the only way we can enforce the seizure of the capitalists' property and the destruction of their apparatus of repression, which together would mean the end of the capitalist system.

In the end, parliament is only one prop of the power of the British capitalist class – and not the essential one. It is a democratic façade for a hidden dictatorship – the dictatorship of capital. The real decisions are made in the general staff of the army, the boardrooms of the multinationals, in the private networks of the rich and powerful. **As long as this power is left unchallenged, no government can hope to radically alter the balance of power in our society.**

The police will need to be abolished in the truest sense – replaced by a people's militia. But what about the army, which our rulers would certainly have recourse to when the decisive moment comes? The road to revolution must draw in the soldiers too. Ordinary soldiers must have **the right to organise, to practise democracy, to elect their officers and to refuse to follow orders** if they are aimed against the interests of the mass of the people.

Ultimately we are for the dissolution of the army into an armed people, a popular militia to defend working people against counter-revolution and violence by reactionary elements. Instead of invading other countries and wasting billions in the arms race, we would **work to spread the workers' revolution and socialism, aiming for the creation of a socialist federation of working class states and a socialist future for the peoples of the world.**

We need a revolutionary party

None of these things can be achieved without the creation of a new working class party, one that is prepared to engage in a serious struggle for power. Workers, young people, militant trade unionists and revolutionary communists must organise to build this party from the bottom up.

The new party must be rooted in the unions, in workplaces and in working class communities, at the heart of the struggles to defend and improve our standards of living. It must be **democratic** in its internal structures and **disciplined** in its actions. It must be **internationalist** in its outlook, its policies and its relations with sister revolutionary organisations.

No such party exists, either in Britain or internationally. But **Workers Power is fighting to build this organisation**, arm in arm with our sister groups in the League for the Fifth International.

We appeal to all workers, students and the socially oppressed to join our struggle to build the world party of socialist revolution.

Inflation: what it is and how to fight it

INFLATION IS AT ITS HIGHEST level for over 40 years and the rate continues to climb. For workers under the age of 40, this is their first real taste of sustained rising prices. Prices began to rise back in the summer of 2021 but this accelerated in the first six months of 2022. Exacerbated by the April energy price cap rise, the global shortages caused by the war in Ukraine and with a further increase in the energy price cap due in October, inflation is here to stay for millions of workers, the poor and their families.

What is inflation?

Simply put, inflation is a general, long-term increase in prices not only in a particular sector, but across the economy. But what causes this?

Some price increases result from changed conditions in production such as the depletion of easily available mineral and energy resources or poor harvests caused by disease or climate

change. Prices, however, are also affected by the supply of both goods and money.

Today the supply of money has increased dramatically as a result of government policies to deal with the Covid pandemic: the furlough scheme; 'build back' loans (many fraudulent) which refinanced companies; temporary rises in Universal Credit payments and funding for essential services, notably the NHS; and various smaller schemes.

Unlike 'quantitative easing' after the 2008 crash, where the money went directly to the financial sector, this money circulated, pushing up consumer prices as more money chased the same amount of goods, the supply of which was also curtailed by the pandemic in many sectors.

Another factor in today's inflation is the increase in money supply resulting from banks rolling over loans to companies that are unlikely ever to repay them, the so-called 'zombie' companies: between 15% and 20% of companies in the major economies, with 200 major firms joining their ranks during the pandemic.

Threat to jobs

To protect the financial sector, central banks are starting to raise interest rates. After a decade of near-zero interest, these rises will push up mortgage payments and rents, and also the cost of borrowing for governments and companies.

In some countries this will produce severe crises, with banks or the IMF insisting on cuts to spending, hitting workers and peasants the hardest. Even in richer nations, like Britain, it could result in bankruptcies, factory closures and redundancies.

Here, not only strikes but occupations must be mounted to demand the bosses open their accounts to workers' inspection. Where they claim bankruptcy, we should demand nationalisation without compensation and under workers' control.

It is too early to say whether the spike in inflation will reach such proportions across the economy. If it does British

capitalism will not be able to contain it with the policies it used in the globalisation era, such as shifting production overseas.

Inflation in the global south

For some 30 years, the advanced (imperialist) economies have managed to keep inflation low through a variety of measures: holding down wages by anti-union laws and public sector pay freezes; cutting benefits, welfare, education and health services through austerity budgets; offshoring manufacturing to low wage economies like China; and low, or even negative interest rates which cut the cost of debt.

Such measures, however, could not be applied across most of the world. The so-called emerging economies have been hit hard; inflation in Argentina topped 50% last year; Turkey's inflation rate is now nearing 75%. In these countries, workers face a life or death struggle just to keep their heads above water.

Even those figures do not show how high inflation can go; the most famous round of 'hyperinflation', 1923 Germany, saw a loaf of bread costing 250 marks in January rise to 200,000 million marks by November. In 1985 Bolivia, prices rose at an annualised rate of 60,000% between May and August, while Venezuela under US sanctions saw inflation hit 300,000% in April 2019!

As we wrote in *The Trotskyist Manifesto* at the end of the 1980s:

'Workers must fight for control over the necessities of life. This means workers' control over the food industry, the large farms, processing plants, transport, and supermarket chains. It means establishing direct commercial links between the workers and peasants over the exchange of goods. It entails the building of workers' and peasants' committees to control food pricing and distribution.

'But to bring a halt to hyperinflation the workers must seize control of the banks; force their complete nationalisation including the confiscation of the assets of the bourgeoisie and the foreign multinationals. We demand action to prevent the transfer of capital abroad, the immediate repudiation of the

foreign debt and the cessation of all interest payments on it?

Wage-push inflation

Bourgeois commentators claim there is little workers can do about rising prices. If they increase wages by strike action, this will just push prices up further, creating an ‘inflationary spiral’. This argument is neither new nor true and relies on ignoring reality, in particular the balance of forces within society.

Only a moment’s thought is necessary to realise that a general pressure for wage rises is a response to rising prices – if there is a spiral, it starts with prices, not wages. More importantly, it assumes that prices are a direct, one to one, reflection of wages. They are not; they also reflect many other costs. But, most importantly the argument ignores the question of profit.

Whether employers pass on an increase in wages in higher prices or ‘sacrifice’ part of their profits, leaving prices unchanged, is their decision, not the workers’. The increase in fuel costs is an example of this. The companies that own the oil and gas industries are making super-profits, partly by simply constricting supplies, partly taking advantage of increased demand.

Sliding scale of wages

As we have seen, by raising prices, the capitalists pass on higher costs of raw materials and energy to their customers. Across the economy as a whole, this raises the cost of living and so erodes wages – and any increases we can win.

Workers are well aware of such ‘real-terms pay cuts’. Union officials do put forward claims taking inflation into account, but generally underestimate the real rise in the cost of workers’ living. Worse still, they fail to build in protection from future inflation, hoping to strike a compromise with employers.

In October 2021, the RMT and Unite on ScotRail settled for 2.2%. This was based on the inflation figures in July (2.0%), but by October (3.8%) this translated into a real pay cut.

There are two problems. First, unions take the official

inflation figures as the starting point but the Consumer Price Index has a built-in bias against workers, mainly because it leaves out housing costs at a time of spiralling rents. The Retail Price Index, which Unite has started using, does include mortgage payments but not rent rises, so also falls short, particularly for low paid workers.

Worse, workers get locked into a deal while bosses are free to hit back with further price rises. In fact this is what the Bank of England predicts. Over the next 12 months, or longer if unions are foolish enough to sign multi-year deals, any gains will be eroded.

To combat this, workers need to demand what some call an 'escalator clause' – or what socialists call a sliding scale of wages. This is a term in the workers' contract guaranteeing that their wages are linked to a cost of living index so that every rise in the real cost of living leads to a rise in wages. To avoid the swindle of the official inflation rates unions need to set up price watch committees, which can calculate all increases in their members' actual living costs. Yes, this means keeping our rank and file committees active, but in conditions where the attack on our living standards is constant, so must be our vigilance.

Similarly local committees of delegates from workplaces, estates and other community groups can monitor the cost of living and demand employers and the government index the minimum wage, benefits and pensions to inflation.

Rank and file control

To win such demands – the only way to stop inflation robbing our incomes – will take a militant struggle. Bosses will resist any restrictions on their ability to protect their profits by passing on costs through higher prices, even more so because victory would mean making inroads into their control of production, putting elements of it in the hands of the workers.

Winning unions to militant all-out strikes, despite the anti-union laws, is notoriously difficult. But, when workers are

presented with the facts and see a will to win in their leaders, they can and do fight long and courageous battles. Such leadership, however, is usually lacking – the decisive blockage is the union bureaucracy itself.

That is why strike committees, elected by the workers in dispute, whatever their union, are crucial. By linking up nationally, or across sectors, these can fight not only to control the claims but also every aspect of the struggle: picket lines, strike dates, negotiations, welfare, solidarity, etc.

The vast majority of the well paid officials hate the prospect of this because it threatens their role in negotiating compromises within capitalism. What workers need, however, is to maintain and improve their living standards, regardless of whether that encroaches on the rights of management to manage, of capital to rule.

In short, the fight for the correct tactics in the strike must also be a fight for control of the unions. A rank and file movement, in the tradition of the Militant Minority Movement of the early 1920s, has to be built.

Revolutionary Marxists call these tactics – price watch committees, sliding scale of wages, rank and file movement – transitional demands. Central to all of them is the fight for workers' control over wages and conditions and over the union itself. These forms of organisation and demands have emerged, in different forms, in workers' struggles of the past, including in Britain.

On their own, they are not an end in themselves. To be really effective, such demands have to be linked to others, because each time the workers gain control over part of production, part of the economy, part of society, the bosses will attempt to claw that control back.

'We can't pay!' they'll declare. Workers should answer, 'Open the books and bank accounts to workers' inspection.' If they are indeed 'bankrupt', then their remaining assets should go to the workers whose labour created them, not to shareholders, who

have been living high on the profits for years, or the banks that lent them the capital. When the employers launch swingeing job cuts, workers will have to demand a four-day week with no loss of pay to spread the work around or, more radically, sharing out the work with no loss of pay. And so on.

Workers' control really represents 'dual power' in the workplace – between the workers' representatives on the one side and the bosses' management on the other. This is not the so-called 'co-management' that exists in Germany or workers' representation that was tried in British Leyland in the 1970s.

Such agreements just draw workers' representatives into taking responsibility for the viability of the company. That easily ensures profitability, 'more efficient' production, even jointly unloading redundancies or wage cuts onto the backs of the workforce – with the aid of the union leaders.

Workers' control can start in a few workplaces but will be quickly rolled back if it does not spread throughout industry and society – in the form of workers' councils. At that point the question would be posed, 'who will rule society, the workers or the capitalists?' It is a great step forward, allowing workers to take part in running their workplaces and society, but it is only the first step.

It poses the need for complete workers' management, nationalisation without any compensation to the capitalist parasites and democratic planning of production for need, not greed. Wage disputes, like all partial struggles, are thus schools for a future revolution, and the rank and file bodies they can throw up at their highest point are the embryo of the new society that can abolish private property for good.

From food riots to revolution

The political economy of food

THE COST OF LIVING CRISIS in a rich country like Britain is bad enough but in the poorest countries, where the worst-off spend as much as 70% of their income on food, it can lead to mass revolts that bring down governments and end political regimes. A series of food price hikes after the 2008 financial meltdown led to food riots in 48 countries, while a second even higher bout of food inflation in 2010 led to the Arab Spring uprisings. The link between bread and revolution is evident again today on the streets of Sudan, Sri Lanka, Iraq and Iran.

With food prices the highest in decades, the world's governments, thinktanks and mainstream press are worried that riots may once again become revolutions. Food is the basis for life. Our rulers know that a threat to its supply means instability and

unrest dangerous to their global order. Yet even as they warn one another of the danger, the post-pandemic debts and domestic cost of fighting inflation mean the measures they take fall far short of solving the crisis.

From the Middle East to Horn of Africa

After the disruptions to the global supply chain caused by the pandemic, climate change-driven weather extremes also damaged harvests in 2021, precipitating global price rises of more than 30%. According to Oxfam extreme hunger is ‘increasing to a magnitude never seen before with a surge of nearly 25% since last year, and 80% since 2016’ with 34 million people one step away from catastrophe or famine.

Now the Ukraine war has accelerated the underlying trend of rising food and energy prices since Russia and Ukraine account for 30% of world wheat exports. Oxfam expects 263 million more people to fall into extreme poverty this year.

The crisis is global, but it is most concentrated in the Middle East and North Africa (MENA) region, the biggest food importer in the world. More than 60% of the wheat Lebanon imported in 2020 came from Ukraine. Egypt, the world’s largest wheat importer, is especially vulnerable as half of its imports come from Russia and another 30% from Ukraine. Somalia and Benin import all of their wheat from Russia and Ukraine.

Even countries which aren’t directly dependent on Ukraine or Russia for agricultural imports will still see a rise in food prices due to global shortages, increases in fuel costs and a reduced supply of fertilisers, of which Russia and sanctioned Belarus are major producers.

The Black Sea area affected by the invasion exports at least 12% of the food calories traded in the world. Ukraine has one-third of the world’s most fertile soil according to the UN Food and Agriculture Organisation (FAO) and is among the world’s largest exporters of sunflower oil, barley, corn, wheat and poultry. Forty per cent of wheat exports from Ukraine go to the

MENA region.

On 9 March, Ukraine banned exports of grain and other food products to prevent a domestic humanitarian crisis. Though the country is now attempting to export some foodstuffs, Russia's blockade of the Black Sea means only a fraction can reach the international market. Massive population displacement and army conscription have reduced the number of agricultural labourers, so there are fears the war will also gravely diminish the coming harvest.

The crisis last time

Many great revolutions began in the midst of riots and protests over food scarcity and high prices. In Russia in February 1917, after years of wartime privation, high food prices were the last straw for the thousands of women textile workers and housewives. Their International Women's Day strikes and protests sparked a revolution that toppled the Tsar.

The Bolsheviks raised the three headline demands 'bread, peace and land' linked to the struggle for 'all power to the Soviets'. The workers' councils that arose in February spread to every factory, city and ultimately the peasant villages, revolutionising society. These events famously culminated in the October Revolution.

More recently the 2010 Arab Spring saw a wave of revolts across the Arab world linked to high oil prices and a big spike in food prices. Rulers were driven from power in Tunisia, Egypt and Yemen by huge demonstrations of protestors waving bread that morphed into mass strikes. In Libya a revolutionary movement swept the country. Protests across a host of other countries, including Syria, Bahrain and the UAE, were violently repressed.

The US sponsored these regimes. Hillary Clinton warned that 'the region's foundations are sinking into the sand'. The US had armed Middle Eastern states and imposed neoliberal policies on to them. Suddenly they told them to reform – or face their downfall.

Most did respond with concessions, such as emergency imports of food or restoring subsidies, but for many it was too late. Protests lit the fuse for general strikes and even local anti-police uprisings, such as in Suez, Egypt.

However, without revolutionary parties to advance a programme of workers' councils and control, combined with demands to nationalise the imperialist holdings and repudiate the crippling debts owed to Western creditors, these protests' victories were short-lived. Dictators were overthrown, only for the movement to discover that the promises of reformers were as empty as those of the old rulers. Now that we see similar crises developing in the same region, can the lessons be learned?

The anarchy of the market mystifies the causes of inflation. However, in the poorer countries this is politicised when governments remove subsidies protecting the poor from price hikes. Then the culprits are clear. Behind the elite of a particular country lie the dictates of international creditors and the IMF, which imposes neoliberal 'structural adjustment' programmes of cuts on the poorer countries in exchange for rolling over their unpayable debts.

Debt servicing for all the world's poorest countries is estimated at \$43bn in 2022. That is equivalent to nearly half these countries' food import bills and spending on healthcare combined. Oxfam found that 13 out of the 15 IMF loans negotiated in 2021 required taxes on food and fuel. Kenya was forced to increase taxes on gas and food, while more than three million Kenyans, in the midst of a drought, face 'acute hunger' and nearly half of households have to borrow to buy food. Sudan, where 9.8 million are 'food insecure', has been required to scrap food subsidies.

As mass movements against poverty take off across the world, they should come together in international conferences like the social forum movement of the early 2000s, to create a common front and coordinated actions against the IMF, banks and food and oil monopolies.

Monopoly and market

Trade liberalisation, structural adjustment programmes and a capitalist model of agriculture bear the primary responsibility for hunger and poverty in underdeveloped countries.

Like all major globally traded commodities, the international food trade is heavily monopolised. Wheat, maize and rice together provide nearly half of the calories consumed around the world. Most low-income countries rely on imports of these staples. According to the IPES food thinktank, ‘Seven countries plus the EU account for 90% of the world’s wheat exports, and just four countries account for over 80% of the world’s maize exports’.

These core grains are produced mainly by large-scale agribusinesses in imperialist countries, which dominate the markets alongside a few semicolonial producers. Food production is geared towards those who can pay for it, so more and more grain goes to feed livestock to produce meat for the richer countries. Up to 40% of US maize is turned into ethanol hyped as an alternative to fossil fuels.

In many countries, including the MENA region, the demise of local food production can be traced back to their integration in global markets. ‘Development’ policies driven by the IMF and World Bank resulted in nations shifting from the cultivation of staple foods to the cultivation of profitable crops for export, creating food dependency.

Four giant multinationals – Archer-Daniels Midland, Bunge, Cargill, and Dreyfus, the ‘ABCD’ grain monopolies – control 70–90% of the global trade in the major grains, worth hundreds of billions of dollars. These control large reserves of grains, their levels unreported so any attempts to plan food supply or block monopoly hoarding and price-fixing are frustrated. US-based Cargill made its biggest profit ever in 2021, \$5 billion, and will likely top that in 2022, while the Cargill family has gone from eight to 12 billionaires since the pandemic.

One expression of capitalism’s declining profit rates is the

way capital has increasingly flowed into mergers and financial speculation since the 1990s, building bigger global monopolies and seeking higher profits from the huge asset bubbles. As a commodity under capitalism, there is no wall separating food and the financial markets. Trillions in derivatives such as futures dwarf the actual quantities and value of physical food, oil and other commodities they are based on. Speculation can at times act back on real prices, driving them up further.

While production, not speculation ultimately determines prices in the medium and long term, in the short-term price volatility and rises can be attributed to speculation. Big banks like Goldman Sachs make millions, while prices spike and people starve. The banks and economists deny this, but the IPES reports that over ‘just 9 days in March 2022, the price of wheat on futures markets jumped 54%. This is despite global wheat stocks being high relative to historical trends’ and ‘a relatively comfortable supply level.’

Russia’s invasion of Ukraine has seen more speculative money flow into commodity linked funds. Just as speculators buy defence stocks during most wars, so in this one they are buying up food and oil stocks, gambling that their price will rise.

Sixty per cent of low-income countries are now debt-distressed, as energy costs hit their economies and government finances. The cost of living crisis is morphing into a third world debt crisis and possibly a global recession. Oxfam reports that food and fuel billionaires are adding another billion dollars to their fortunes every two days: ‘The pandemic and now the steep increases in food and energy prices have, simply put, been a bonanza for them. Meanwhile, decades of progress on extreme poverty are now in reverse.

Nationalising the ABCD and other food and fuel monopolies, the banks and finance houses, and cancelling or repudiating the debts of the poor countries are the way to create a sustainable, equitable, and effective – i.e. democratically planned – food sector, under the control of workers from the sector and

consumers.

Feeding people or capitalism

Capitalism first emerged as a revolution in agricultural technique and social relations, with ‘free’ waged labour replacing medieval serfdom. It has seen a series of lesser transformations since, creating a large-scale, technologically based agriculture and world market for basic agricultural commodities.

This economic system has consistently created enough food to feed the world, with food production growing consistently faster than the population. Despite right wing arguments blaming overpopulation in the poor countries, the problem is not natural, but social.

Capitalism’s progressive economic role compared to previous modes of production ended long ago. Even as huge agribusinesses and plantations mechanise farming and concentrate it in huge operations, hundreds of millions in the poorer countries still herd or labour for their subsistence on small patches of land with rudimentary tools.

The result is millions of peasants every decade are driven off the land as big multinational companies and speculators buy it up. They end up in the giant slums of megacities like Cairo and Mumbai, but capitalism can no longer develop industry and jobs to absorb them as it did in the industrial revolution of the 19th century. Instead, stagnant or falling profit rates in production drive low growth, low investment, low productivity, piling up poverty and unemployment.

In capitalism’s heyday, Marx uncovered a “general law” of capitalist production: ever more productive machinery expelled workers from the production process, creating a surplus population, the ‘reserve army of the unemployed’. Now, as capitalism declines, it’s even worse. Giant international monopolies dominate markets, undercut small producers and peasants and force them into the cities in search of work, but can’t provide them with the jobs or wages to buy the necessities of life. Inequality,

precariousness and poverty have increased since the crisis-ridden 1970s, even in the richest countries, before skyrocketing since 2008.

This economic rot at capitalism's heart is being compounded by what bourgeois economists like to call 'externalities'. Runaway climate change increasingly undermines agriculture with floods and drought, particularly in fragile environments, and locks whole regions, such as the Horn of Africa, into a vicious circle of poverty, climate change and conflict.

The shocks of pandemics and wars further stress production, markets and prices – and the livelihoods of millions. Billions are poured into arms races and conflicts by ruling classes. These extra costs just drive the capitalists to bear down more on workers and the semicolonial world to shore up profitability.

Capitalism has demonstrated its inability to meet the basic needs of most of the world's population, as well as its total incompatibility with the survival of the ecosystem we rely on. It's time for humanity to seize hold of the industries and technologies that capitalism can no longer develop in a progressive way, and build a new, socialist world based on democratically planned production for need not greed. Today's mass struggles for 'bread, peace, and land' can win victories and lay the basis for new workers' parties and a new, Fifth International, paving the way for the coming social revolution.

The fire last time

Fighting the UK inflation crisis in the 1970s and 1980s

THE FIRST POSTWAR GLOBAL RECESSION was triggered in the summer of 1973, quickly compounded by the Yom Kippur war, an OPEC oil embargo and the quadrupling of oil price rises. The USA's decreasing competitiveness led President Nixon to devalue the dollar in 1971. Despite its decline the US retained its hegemonic role, meaning any shock it received would dramatically impact on the world economy.

Britain: sick man of Europe

For Britain this descent began earlier, its industrial capital already in a parlous state compared to its competitors. Throughout the 1960s Britain was playing second fiddle to West Germany and Japan, falling ever further behind in investment and productivity.

Harold Wilson's Labour government was elected in 1964, promising to reboot British industry with the 'white heat of technology' and develop a modernised and efficient capitalism. But once elected, balance of payments deficits forced him to

devalue the pound in 1967 and do an about-face. He introduced an 'incomes policy' – wage restraint which eventually turned into a wage freeze.

Throughout this period the trade unions had developed into a powerful force, organising 52% of the workforce by 1976. The number of shop stewards grew to between 250,000 and 300,000, giving the movement deep roots on the shopfloor and rank and file power. Shop stewards were relatively independent from the union bureaucracy and were able to win concessions on hours, conditions and wages, often using unofficial walkouts. But Labour and Tories both agreed on curbing union power.

Miners and railworkers suffered from Labour's attempts to 'modernise'; jobs and conditions of work were sacrificed. In all these attacks the government was greatly aided and abetted by compliant trade union leaders. Wilson's gratitude came in the form of seeking to impose Barbara Castle's White Paper, *In Place of Strife*, which would have created state imposed settlements on unofficial strikes, strike ballots and other restrictions. In this he failed, undermining his struggle to impose wage restraint. As a result Labour's usefulness to the ruling class came to an end.

Tory rule returns

With workers' expectations in tatters Labour lost the 1970 election to Ted Heath's Tories. Heath continued in the same vein as Labour, aiming to attack shopfloor organisation and restore management control. Already under Wilson British bosses had launched a 'productivity offensive' which saw wages pegged to productivity. The intention was to reduce the shop stewards' power and divide the workforce.

Heath pursued this offensive alongside a new attempt to curb the trade unions. His Industrial Relations Act (1971) was similar to *In Place of Strife* but worse.

It sought to limit unofficial action. It would create a special enforcement court, the National Industrial Relations Court (NIRC) that would have powers to fine unions and sequester

(freeze) their funds. It ruled against the closed shop; collective agreements would be legally binding contracts, limiting workers' initiative. The NIRC could impose ballots before strikes and a sixty day cooling off period.

Heath also attacked welfare: school meals, dental treatment, prescriptions and spectacles were all subject to higher charges. Education Minister Margaret Thatcher deprived 8–11 year olds of their free milk provision. All this was pushed through in Heath's first year of office!

A severe recession followed, dramatically increasing unemployment and inflation, with the Tories making it clear the government would not bail out 'lame duck' companies. The weapon of unemployment rather than incomes policy was used to hold down wages. By 1974 inflation had risen to 19%, peaking a year later at 24%.

Class struggle erupts

The response to these wide-ranging attacks was heightened class struggle. Although the TUC rejected strike action against the Industrial Relations Bill, it wasn't long before unofficial action was organised. As with the opposition to Castle's Bill so again this was largely organised by the Liaison Committee for the Defence of Trade Unions (LCDTU), a cross-union organisation in which the Communist Party played a key role.

Shop stewards enthusiastically promoted a Kill the Bill campaign against Heath's Bill. Up to 2,000 shop stewards attended LCDTU conferences which agreed days of strike action. In October 1970, 250,000 struck. The following year in March, 100,000 workers struck in London alone, up to 1.5 million nationally. Though the Bill was not killed, a massive rank and file opposition had flexed its muscles.

Hard on the heels of this eruption of anger came the Upper Clyde Shipbuilders (UCS) 'work-in'. When four yards were earmarked for closure with 6,000 redundancies, the anger was palpable in Glasgow; 100,000 workers struck for half a day as

mass demonstrations took place. The UCS workers, led by CP stewards Jimmy Reid, Sammy Barr and Jimmy Airlie, decided against a sit-in and went for a prolonged work-in.

This was a huge mistake. It would have been better to have occupied the yards and refused to build the ships on time than working themselves out of a job. Better still if the unions had organised a campaign of action to nationalise the shipbuilding industry without compensation and under the control of the workers.

Nonetheless the immense sympathy for the UCS workers and pressure on Heath to stem the rising tide of unemployment forced the government to keep the yards open, though with the loss of 2,000 jobs. The UCS struggle also generated a huge wave of around 250 occupations, mostly sit-ins, during the Heath government.

When the miners entered the fray in 1972 the Tories were forced into a humiliating climbdown. The miners had come out for a wage increase. They were offered 6% but won 20%.

The victory was clinched at the Battle of Saltley Gate. Miners had regularly picketed Saltley coking works but police were forced to shut the gates when 15,000 striking Birmingham engineering workers joined Arthur Scargill's flying pickets. In the aftermath 25,000 Manchester engineering workers launched strikes and occupations demanding a pay rise too.

The summer of 1972 saw the dockers fighting for their jobs against the effects of 'containerisation', a form of mechanisation. They had set up a National Ports Shop Stewards Committee to organise unofficial strikes and picket container depots. The NIRC ruled that the pickets violated the Industrial Relations Act.

In June three London dockers were threatened with prison. Around 35,000 dockers went on unofficial strike in support of them and the charges were suddenly dropped. In July the NIRC ordered the removal of pickets from an east London depot. When the dockers ignored the order five pickets were arrested

and sent to Pentonville prison.

The entire dock workforce came out, unofficially picketing out Fleet Street printers. Within four days 250,000 workers were on unofficial strike and the left TGWU leader Jack Jones successfully proposed that the TUC call a one-day general strike. That same day the dockers were released.

The Industrial Relations Act had been defeated but not removed from the statute books. Of course it was well within the reach of the TUC to have organised an indefinite general strike to smash the Act, but not one of the leaders, left or right, had the bottle to go down this road.

A national dockers' strike began the next day, but this time under the control of the union leaders. After three weeks Jones struck a shoddy deal against the wishes of rank and file dockers. It was a deal that was unable to stop the whittling down of dockers' jobs as containerisation continued.

The final nail in the coffin of Heath's government was hammered in by the miners. At the end of 1973 they called a national strike in pursuit of a pay claim. TUC leaders supported the miners' action.

Miners' leaders moved quickly to control picketing this time. They feared that picket line violence would damage Labour's electoral prospects. The government introduced a three-day week for industry, believing this would turn people against the miners. It did the opposite. As the lights went out, Heath bowed out.

Labour betrays again

Heath called an election on 'who rules Britain, the government or the miners?' But this ruse did not force the miners back as they held out throughout the election campaign. The result led to a hung parliament, with Harold Wilson forming a minority government. Labour increased miners' pay by 35% and a second election was held in October 1974 which Labour won by three seats.

In 1973 Labour, against the backdrop of working class action, had developed its most left wing manifesto since 1945. It pledged to 'bring about a fundamental and irreversible shift in the balance of power and wealth in favour of working people and their families'. It promised to expand the mining industry, nationalise North Sea oil and bring it 'under full Government control with majority public participation'.

It pledged to introduce strict price controls, repeal the Tories' Housing Finance Act which had forced up council rents and launch a public sector house building programme, and 'redistribute income and wealth' with an annual wealth tax on the rich. It would repeal the Industrial Relations Act.

The Labour left, including Tony Benn, played a significant role in drawing up the manifesto with the approval of Jones and fellow leftwinger Hugh Scanlon. Even right wing Shadow Chancellor Denis Healey boasted that he would 'squeeze property speculators until the pips squeak'. Ominously though for workers the manifesto also enshrined a Social Contract which again raised the need for an incomes policy, i.e. wage restraint.

Left union leaders like Jones and Scanlon were obviously more sensitive to the dangers of losing an 'out of control' rank and file. Jones had a long record of defending shop stewards and was part of the Broad Left, a current that drew in the Labour lefts as well as the CP. But at the end of the day these lefts no less than the rights would subordinate the interests of their union members to the priority of supporting Labour.

When Wilson unexpectedly resigned in March 1976 James Callaghan was elected leader. He lost no time in pressing ahead with a new round of pay restraint but this proved the last straw. Callaghan openly defied the TUC and Labour Party conference policy to throw out his 5% wage limit. The TUC was under a lot of pressure from the rank and file to reject this limit and the 'winter of discontent' of 1978-79 ensued, a massive strike wave of millions of workers which smashed the 5% limit.

Thatcher era begins

Labour's usefulness to Britain's capitalist rulers was significant. Workers' living standards had been effectively lowered through successive wage restraint deals. Productivity deals and participation schemes had undermined union power. Labour even used troops to break strikes. They pioneered methods of police control as when the Special Patrol Group attacked the picket lines of Asian women at Grunwick's.

But British capitalism's competitiveness had not been seriously overhauled or improved; much more drastic surgery had to be performed. The rise of Thatcher saw a new Tory brand come to power, intent on solving British capitalism's problems at the expense of the working class.

The strategy advocated had been used before and essentially revolved around the ruthless promotion of slump conditions dispensed with an iron fist. Initially inflation spiralled up again to 17% in Thatcher's first year before falling back.

'Monetarism' restricted the money supply and raised interest rates. The least efficient companies were bankrupted, leading to a dramatic rise in unemployment. This would of course undermine militancy and union strength. Thatcher's attacks on the welfare state freed up resources to subsidise private industry via tax cuts. Cuts to nationalised industries were combined with privatisation schemes. Indirect, regressive taxation increased.

To cap it all came her legal attacks on trade unions, including outlawing the closed shop, solidarity strikes and flying pickets. They also required ballots for strike action as a 'cooling off period' to give bosses time to divide workers and prepare to defeat strikes.

The Tories' strategy was to take on the working class section by section in order to weaken the trade union movement as a whole. Workers in steel, the civil service, cars, health and rail were picked off first and kept isolated by union leaders. This culminated in taking on the vanguard of the labour movement, the NUM, in a year-long strike against pit closures.

Thatcher had diligently prepared for this; coal reserves were stockpiled and the powers of the state fine-tuned to smash the miners. Anti-union laws and the massive use of a militarised police force threw down the gauntlet to union leaders. The strike was not going to be won by sectional militancy; it required solidarity from the whole movement. A general strike was needed but the TUC proved to be Thatcher's guardian angel.

The miners' eventual defeat saw over 20,000 jobs lost and many more to come, but it was also a decisive victory over the labour movement. Although key battles followed among the printers and nurses, the rightward shift in the trade unions and the Labour Party took hold. The working class had suffered an historic defeat.

Lessons for today

Now that more and more workers are moving into disputes over pay, it is worth drawing the lessons of this period, in order to win pay increases that insulate us from another period of rising prices, as well as rebuilding the movement.

A surge in working class militancy, largely unofficial in origin, rested on a confident shop stewards' movement. It had been steeled in plant bargaining and was prepared to take action in defiance of union leaders. Its main weakness was a failure to build a solid rank and file organisation politically independent of both left and right union leaders.

The Labour government and trade union bureaucracy succeeded in weakening shopfloor organisation through union policed wage restraint, productivity and workers' participation schemes. The decline in the role of the shop stewards and a corresponding rise in the power of union bureaucrats had already shifted the balance of power when Thatcher was elected.

Thatcher continued this process but took victimisation to a new level. She took on isolated groups of workers, knowing full well the timidity of most union leaders. Traditional trade union militancy had no answer to the Tories' political offensive. Its

sectional nature meant groups of workers going down to defeat in isolation.

The prosecution of a successful fightback needed revolutionary answers. A rank and file movement was needed to organise solidarity action when union leaders dithered. Such a movement needed a clear political alternative to the sellouts and to the limits of sectional militancy. It meant taking on the anti-working class policies of Labour governments and Neil Kinnock, who refused to support the miners.

The fight for an action programme that could mobilise the working class to defend its interests in the here and now, but linked to a fight for the socialist transformation of society was desperately required. When Thatcher mobilised the state and its forces to smash the miners was the time to call for a general strike, for democratic workers' councils and for organised workers' defence against the capitalist state.

That meant a new leadership distinct from Labour and reformist trade unionism, a revolutionary party to lead the working class to victory.

This is the strategy Workers Power is fighting for in the growing cost of living movement. If your organisation agrees, in whole or in large measure with it, let's coordinate our efforts at local or national level. If you as an individual agree with it – then join us.

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Millions of people are struggling to feed their families and pay their bills. But we are not a poor country. Price rises and pay restraint are the way employers protect their profits and the billionaires amass their wealth. The cost of living crisis is a class war – and the rich are winning. **It's time to fight back.**