

Build the national campaign against cuts!

By Martin Thomas

TWENTY THOUSAND people marched in London on 25 March against cuts in the budgets of Britain's 29,000 state schools.

At over 20 schools in Warwickshire alone, the governing bodies — committees of unpaid volunteers, nominated from various quarters — have set illegal "needs" budgets. They have refused to balance the books by sacking teachers or helpers. Other governing bodies elsewhere are considering the same option, and yet others have resigned in protest.

A wave of local protest action by the teachers' unions continues, with further strikes planned for 5 April.

But the leaders of the teachers' unions and the TUC are giving the Tory government great chances to dissipate and fragment this anti-cuts movement. The 25 March demonstration was called by "Fight Against Cuts in Education", a new group, formed only weeks ago out of local protests in Warwickshire. If the National Union of Teachers and the TUC had swung in behind the demonstration, with all their resources, organisation, and means of publicity, then it would have been 200,000 rather than 20,000.

But the NUT leaders denounced the grass-roots "FACE" campaign as ultra-left, and instead had their own protest, 1,500 strong, on 21 March.

Where are the Labour Party leaders? They have opposed "needs" budgets. A good measure of where the one-time "soft leftists" like Tony Blair and education spokesperson David Blunkett stand is that Roy Hattersley, the old leader of Labour's right-wing, is now an angry critic of them — from the left! He told BBC TV on 26 March: "I think that the litmus test of the next Labour government's socialism is the way that it organises education. Were it to go back on the comprehensive principle, then it would cease to be a socialist party... The hopes of millions of people would be shattered".

Hopes are being shattered every day as the Tories run down the state education system. The recent Rowntree Report on Income and Wealth showed that inequality is increasing in Britain especially fast for young people. The minority who get into high-status higher education and then go straight into well-paid jobs are better off than ever before. Those who get low-paid work, or no job at all, have a smaller chance of progressing to better-paid work than any previous generation since the 1920s. For huge numbers of working-class children, education is being reduced to a process of training them to think of themselves as, and to be, failures.

This should indeed be a life-and-death

issue for the labour movement. A campaign for the labour leaders nationally to take up the fight should be coupled with battles to mobilise the Labour Party and Trades Council in each area. Even a few areas taking a die-hard stand against the Tories could turn the tide on this issue. There were very few local Labour Party banners on the 25 March demonstration: a lot of work still needs to be done.

The underpinning of any solid campaign must be organisation at school level, with regular meetings of parents, teachers, governors, and (in secondary schools) students.

The next few weeks, as the new financial year starts, will be crucial — but not the end of the story. The countdown has already

begun towards next year's cuts, in the central government Budget this coming November. Contacts made now can provide the basis for a powerful campaign to change that Budget — whereas now we are fighting to counter the local effects of a central Budget already signed, sealed and delivered.

Newcastle UNISON, together with a number of other groups, has called a conference for 13 May 1995 in Leeds "to coordinate a Day of Action in November 1995 in the run-up to the government setting their budget". Contact: Newcastle UNISON, Newcastle Civic Centre, 091-232 8520 x 6980; Fight Against Cuts in Education, c/o Bob Jelley, St Giles Middle School, Exhall, Warwickshire, on 2023 453832. ■

Baring's crash reveals corrupt system

By Colin Foster

FOR MOST of us, whether trader Nick Leeson is to blame for bankrupting Baring's Bank, or someone else, and whether it was fraud or just incompetence, is about as important as the question whether the roulette wheels in Monte Carlo's luxury casinos are crooked or straight.

The interesting fact about the Leeson case is elsewhere: in the hugeness of the sums that were gambled by one adventurous wide-boy, working for what was, by the 1990s, a fairly small bank.

Leeson had gambled £17 billion on the movements of the Japanese share and bond markets, and the losses will probably be about £1 billion. £17 billion is half the total Health Service budget. It is almost twice the amount of the Glaxo-Wellcome deal which created the world's biggest drugs company.

The amounts of money moving round in the casino economies of the City, Wall Street, Tokyo, and Frankfurt are enormous not just in comparison to working-class budgets but also to the budgets of productive capital. The "financial derivatives" market in which Leeson came to grief is estimated at \$16,000 billion.

As capitalist production has become increasingly concentrated in big companies financed by issuing shares, and the credit system has become slicker and faster, the financial spin-offs have

dwarfed production itself. Karl Marx showed in volume 3 of *Capital* that capitalist incomes do not come directly from the labour of the individual capitalist's own workforce, but through the distribution among the capitalist class, by rules bearing no relation to labour inputs, of the surplus value produced by the whole working class. Some capitalists, money-capitalists, can thus coin profits without organising any productive labour at all: their capital seems to produce extra wealth simply by virtue of being capital, and not because of any relation to labour.

By the 1980s and '90s — as shown by books like *Barbarians at the Gate*, *Liar's Poker*, and *Maxwell* — the way to get rich was not to organise production, but to be clever, or lucky, in financial wheeling and dealing.

The trading profits of British companies — their profits from producing and selling goods and services — are now less important than their various non-trading financial gains. Over the four years 1990-3 trading profits averaged £64 billion out of total net income of £149 billion.

And of that income, in turn, the bulk goes not go into investment, but back into the casino economy, in the form of dividend and interest payments, an average of £77 billion a year.

No way to afford the Health Service? No spare cash for education? There are vast amounts of money; but they are being swirled round, and siphoned off, by a parasitic financial machine.