

# WORKERS

www.workers.org.uk

MAY 2009 £1



## FOR JOBS, FOR INDUSTRY

JOURNAL OF THE COMMUNIST PARTY



**Construction** Lindsey comes to the Olympics

05



**Industry** Britain's future depends on it

09



**Marxist thinking** Unity not devolution

15

IF YOU WANT TO REBUILD BRITAIN, READ ON

# WORKERS

“ The national is also international

MAY DAY has been International Workers Day for over a century. But the background to this year's celebrations around the world is new. The triumph of capitalism supposed to result from the destruction of the Soviet Union and the dissolution of a host of socialist countries – though not Cuba – has become a wake.

Never have capitalist governments been so clueless. Their beloved system has let them down, and they have nowhere to turn to except to drive down living standards and raid the assets of the working class. If the G20 meeting amounted to anything, it was just that.

At home, our government clings on to finance capitalism like the drowning man it is. Its morality is the morality of the banker: greed is good. Every day brings fresh exposures of corruption and malpractice.

Meanwhile, Labour presses on with everything that the British people hate: privatisation, wars, the hounding of the unemployed, the militarisation of the police, the contempt for industry. Those who think of voting Labour as the “lesser of two evils” should reflect on the nature of that evil. No root, no morals, no ideas.

Never, too, have the people of Britain been so cynical about the ability of politicians to make things better. But cynicism is a dangerous condition, leading as it does to inaction. It's all the more worrying as the solutions are plain to see and easily within our grasp. We must rebuild our industry and our infrastructure, basing ourselves on need not profit. That means taking control, and cynicism and taking control don't live well together.

The workers of all countries face the same crisis, to varying degrees: finance capital is seeking to destroy national independence in order to allow it to sack the wealth of all nations. That's the globalisation agenda, and that's where the World Trade Organization fits in.

The only way to deal with the globalisation offensive is nationally: defeat it where we are strong, and widen liberated areas. We can do this through asserting the importance of nation and of independence. The only way we can help other workers is by defeating capitalism here, just as the only true help they can give us is by taking up their own fights. That's true international solidarity – and it's the only one that works.

Cover photograph of the Visteon Enfield occupation by Andrew Wiard/www.reportphotos.com



WORKERS is published by the Communist Party of Britain (Marxist-Leninist)  
78 Seymour Avenue, London N17 9EB  
ISSN 0266-8580

www.workers.org.uk  
Issue 126, May 2009



## Contents – May 2009

### News

Teachers vow to finish SATs, p3; Visteon workers fight back, p4;  
Lindsey comes to Olympics, p5

03

### Features

A model of colonialism: the European Union's unequal treaties, p6; Make it in Britain – or see Britain decline, p9; Capital's global ambitions got us into this mess – only workers' nationalism can get us out, p12

06

### Life and Soul

From Guernica to Whitechapel, via the United Nations, p14

14

**EXAMS****COLLEGES****BRUSSELS****MOTORS****UNISON****CONSTRUCTION****PRIVATISATION****EUROBRIEFS****WHAT'S ON****WHAT WAS ON**

Teachers vow to end SATs

Hung out to dry

Pity the underpaid

Visteon workers fight back

Members retain control

Lindsey comes to Olympics

Promises broken

The latest from Brussels

Coming soon

Stage socialism

## Teachers vow to finish SATs

IN THE RECENT past, our schoolchildren have become the most tested pupils in the world. As a result of opposition right across the educational spectrum, Key Stage 3 SATs for 14-year-olds have been dropped. Now the National Union of Teachers (NUT) has joined forces with the National Association of Head Teachers (NAHT) to call for a boycott of Key Stage 1 and 2 SATs in primary schools, which are taken by 1.2 million children. A joint conference was organised in February and a joint NAHT/NUT lobby of parliament was held on 28 April.

Schools are pressured into "teaching to the test" to boost their position in government league tables. Many pupils spend hours sitting practice papers and brushing up on exam techniques, severely restricting the amount of time available for doing PE, art, drama, history and geography. There is less creativity and more dull conformity, adversely affecting both children and teachers. It is no accident that teachers are not trusted to assess their own children's learning; the exorbitant system of staged SATs exams was a deliberate stratagem to remove and undermine teachers' professional control of the education service.

Now there are signs that teachers are growing in confidence and beginning to reclaim a greater control of the curriculum. At its Easter Conference, the NUT voted to boycott the SATs exams next year and the NAHT, representing a majority of primary heads, looks likely to follow suit at the end of April. If the leadership of both organisations is accurately reflecting members' opinions, then it is unlikely that next year's tests could go ahead in the schools. The government may bluster and threaten, but it would be wise for it to take stock, recognise the tide has turned and withdraw the unpopular tests, which have skewed resources and have tended to emphasise spurious "failure" rather than success.

If this joint endeavour is successful, then teachers will be able to breathe in a more creative, experimental environment. They must not fearfully cling to mechanical formats encouraged by forces alien to education. These have ceded control of much of our school life simply via external testing and terror of league tables. Without the tests, teachers will enjoy their work far more and students will start to think in and outside the box. When people are convinced and united, they can have a tremendous effect.

**If you have news from your industry, trade or profession we want to hear from you. Call us or fax on 020 8801 9543 or e-mail to [rebuilding@workers.org.uk](mailto:rebuilding@workers.org.uk)**

**COLLEGES****Hung out to dry**

FURTHER EDUCATION colleges face disaster after disaster, as government schemes for the sector hit the buffers.

The first bad news arrived when the Learning and Skills Council said it no longer had the money to fund its flagship Building Colleges for the Future programme. Many colleges, encouraged to spend huge sums to bids to improve shabby and inadequate buildings, some having already started work, now have nothing.

Then in April they received warning letters that demand for Train to Gain and 25+ apprenticeships has "exceeded budget allocations", and funding deals with colleges will be "adjusted".

Now colleges and school 6th forms have learned that 16-18 funding announcements were "provisional", in fact there are cuts of around 4 per cent. But many providers have already recruited their students for September, responding to government pressure to reduce the scandal of "NEETs", the 16- to 18-year-olds not in employment, education or training. What future for them?

**BRUSSELS****Pity the underpaid**

THE EUROPEAN Union really knows how to win our hearts and minds. Its MEPs have given themselves pay rises and tax cuts, to come into effect this June.

Britain's hard-pressed MEPs are to get a £13,000 pay rise, up by 32 per cent from £63,291 to around £76,360 a year (that's without "expenses"). They will not pay tax in Britain, but will get a special EU rate of 15 per cent, halving their tax.

## EUROBRIEFS

## The latest from Brussels

**Failures united**

The European Commission (which has repeatedly failed audit inspection) has called for a pan-European regulator of finance. Lord Turner, chairman of the UK Financial Services Authority (which failed to foresee the crisis), echoed this call, adding that it should be in London.

**Same old story**

The Common Agricultural Policy adds £400 a year to the food bill of each British family – £10.3 billion a year – and has made food in Britain a fifth more costly. Europe Minister Caroline Flint says, "The CAP does not serve the best interests of farmers or consumers across Europe. We will use the opportunity of the EU budget review, starting later in the year, to argue for the long-term reform that is needed." But successive governments have been saying the same since we joined the EEC 37 years ago.

**Reading problems**

In Parliament, Europe Minister Caroline Flint admitted that she had not read all of the Lisbon Treaty. When asked if she had read the part about defence, Ms Flint replied, "I have read some of it but not all of it". She then added, "I have been briefed on some of it." As well as calling for the Treaty to be ratified, Flint has also claimed that the Irish voted against it because they 'misunderstood' it.

**National government? What's that?**

According to Liberal German MEP Jorgo Chatzimarkakis, EU citizens are unaware that most national legislation now originates in Brussels. He said the percentage was 85 per cent in Germany, and even higher in eastern Europe. He added, "People don't know this because national politicians don't want them to know. They don't want to show up their own minor role."

**Lisbon's tangled web**

Listen to Austrian Chancellor Werner Faymann: "The fact that we only ratified the new EU Constitution and then the Lisbon Treaty in our parliament is not exactly glowing proof that we were confident that we had popular approval. And now, if we are asked to vote a third time because the Irish will perhaps vote no once again, then we cannot claim that this is what a parliament is authorised to do."



Photo: Andrew Wiard/www.reportphotos.com

Visteon workers on the roof of their occupied factory in Enfield, north London.

## Visteon workers fight back

BACK IN 2000 the Ford motor company created a subsidiary company, Visteon, at three of its sites in Britain and Ireland which made car parts – Belfast, Basildon and Enfield. For the past seven or eight years staff numbers at all the sites have been reduced.

When the name was changed the workers were given a European works council guarantee that pay and conditions would be protected, indeed "mirrored" in the new company. Visteon has now declared itself bankrupt and all promises are off, leaving workers without a job, pension or redundancy pay.

Workers were given a few minutes warning of the closure at each site. In Belfast the workers simply never left the canteen and the occupation is continuing, demanding the right to work. In Enfield shocked workers went home and then returned the next day and occupied for three weeks.

The demand at Enfield has been for redundancy pay and pension rather than for the right to work. A 24-hour picket is now continuing on the Enfield site as it looks as if Ford may either seek to remove machinery or bring in a new workforce at lower rates of pay. Visteon workers have already seen a Companies House document which shows that Visteon has set up a new company called Automotive Products Ltd.

Ford has now made an offer of 13 weeks' redundancy pay, which the Unite union has described as derisory. But simply by making the offer Ford has ended the fiction that Visteon is nothing to do with it.

## UNISON

## Members retain control

FOR THE FOURTH year running the united member alliance – "London for Change" – has swept the elections in Unison's Greater London Region March annual general meeting.

The campaign to return control of the union to the members, freeze out the sectarian ultra-left and place members' interests foremost has gone from strength

to strength. All six lay convenor positions were been retained with increased majorities and a majority has again been established on the Regional Committee.

A baying minority at the AGM shouted and bawled, trying every threatening tactic, insulting lay members and staff – but they have hit a wall of resistance: more and more delegates are standing up to them. Organisation, unity, discipline and numbers are showing the union can be reclaimed from unrepresentative minorities.

# Lindsey comes to Olympics

Photo: Workers



**Clearing the Olympic site at Stratford.**

CONSTRUCTION WORKERS in the Unite union in London have taken up the fight of the Lindsey oil refinery workers, and calling for trade union control over the hiring of labour at the Olympic site in Stratford, east London. The London and South East Construction Branch also wants direct employment, correct terms and conditions, an end to bogus self-employment, and no blacklisting. The first step is a demonstration called for 6 May from 6.30am onwards at the main gate (see What's On, right).

When London won the right to hold the 2012 Olympic Games and Newham became the host borough, local people were told it would create many jobs for the residents, especially for construction workers.

Now government figures reveal that 10,000 foreign workers living in Newham have been handed national insurance numbers and many are believed to be helping to build the venue for the 2012 Olympics. The numbers cover the six months up to the end of February and they are rising.

Work and Pension Department officials have confirmed that the claimed number of "local" workers at the Stratford site are in fact non-UK citizens with an address in Newham or the other four host boroughs. Their status with regard to nationality or how long they have lived in the borough does not come into the equation.

In truth, probably many of these residents have not been very long in the country, let alone the borough. The big contractors are massaging the figures by bringing labourers from all over Europe and India into the Olympic boroughs and putting them in hostels. Those labourers are then counted as local people.

Meanwhile, our indigenous community are not getting a look-in. There have been plenty of promises to make sure the Olympics leave a legacy for the future. What about ensuring that there is a skills legacy for the local community, for east London? British tax payers and lottery players are paying for jobs for foreign workers. The Olympic Delivery Authority is under pressure to balance its books and many believe it has targeted savings on labour costs. It is thought that migrant workers hired through agencies are typically paid £2 less per hour than their British counterparts.

## LOCAL GOVERNMENT PAY

### The fruits of poor leadership

AS THE DUST settles on the 2008 local government pay dispute a further 0.3 per cent has been gained by referral to ACAS, bringing the settlement to 2.75 per cent plus £100 for those on the lowest salary point.

The consensus in the trade union movement is that referral to ACAS, like asking for TUC intervention, means you have lost. The two-day strikes in July for someone on an average £20,000 have achieved an increase of roughly £60.

The members will view the call for strike action as at best misconceived, at worst disastrous leadership. But things are set for a re-run this year: a dispute to be pioneered by Unison and led by a national negotiating body dominated by the ultra-left adhering to a strategy of immediately moving to industrial action ballots. The ultra-left cannot blame the leadership for

selling out the 2008 dispute as it was their strategy, their dispute. It definitely wasn't the members, they were AWOL.

So for 2009? The employers, possibly feeling bullish, have made an offer of 0.5 per cent, despite evidence that they were budgeting for a settlement of 2.5 per cent. Hundreds of jobs are being cut nationwide, especially in the mergers around district councils and new unitary councils.

The employers have offered a consultation period effectively over the Easter and two May bank holidays – a real "take it or leave it" option. They can read the policy position of Unison: lodge the claim and move towards a ballot for industrial action. They wait eagerly for Unison to walk right into the trap.

With the membership absent and more worried about other things, Unison is going to have to produce a strategy of deft and skilled negotiation rather than one-size-fits-all industrial action – or end up being made the laughing stock of local government.

## WHAT'S ON

### Coming soon

#### MAY

Friday 1 May

CPBML London May Day Rally: Workers for Britain

7.30 pm, Conway Hall, Red Lion Square, Holborn, London WC1R 4R

A celebration of May Day with speeches, refreshments and plenty of good company.

Friday 1 May

CPBML Edinburgh May Day Rally: Workers for Britain

7.30 pm, Word-Power Books, 43 West Nicolson Street, Edinburgh EH8 9DB

A celebration of May Day with speakers, music, discussion.

Wednesday 6 May

Unite union picket of the London Olympic site, 6.30am on (main gate, Stratford, nearest station DLR Pudding Mill Lane).

For trade union control over hiring. For more information, phone 0794 225 2280.

## PRIVATISATION

### Promises broken

IT WAS ALWAYS claimed that the reason for transferring staff out of the NHS was to ensure that private sector management could be brought in. It appears that the real reason is to take NHS pensions out. NHS workers who have been transferred in this way will now no longer have the protection that they would have had.

Over ten years ago trade unions grappling with the transfer of health workers into the private sector claimed a signal victory as they secured a concession from the government for the "Retention of Employment" (ROE) model.

This has been used as a means of squeezing out of the NHS many workers who might otherwise have fought harder to remain within – but now the Department of Health has effectively barred many health service employees from the NHS pension scheme, which was a feature of these retention of employment arrangements.

The Department of Health has written to chief executives of NHS organisations saying there should only be two specific groups of workers who would be included under these scheme: staff in independent sector treatment centres, and a small subset of staff in Private Finance Initiative schemes. The result: many of the other workers who have been transferred under ROE schemes will now be barred from having an NHS pension.

## A visit to 'An Evening with Tony Benn'

"THE SAGE", Gateshead, is an appropriate billing for the wit and wisdom of this venerable parliamentarian. Tony Benn is the consummate political performer, working his audience with a skill, acquired over more than six decades, that many a professional stand-up comic must envy. This is a stage show masquerading as politics.

It begins with a brief preamble where he draws his audience in by massaging their expectations. These are sympathetic folk wanting their preconceptions confirmed: he starts by reminding them of his honorary membership of the National Union of Mineworkers, number 001. Cue the evening's first of many rounds of applause. Later he will expound on the 1984/5 strike and allude to a few difficulties in Nottinghamshire. Perhaps he would not wish to dwell on that theme as being the ex-MP for Chesterfield it might call into question his influence in local matters.

The format is largely that of BBC's QUESTION TIME, with a panel of one. Roving microphones invite audience members to ask largely anodyne questions – Who was your favourite prime minister? What's your opinion of the new US president? Were you too leftwing in the 80s for Labour to get elected? – allowing Benn to draw on his extensive repertoire of anecdotes and make generalised "lefty" pronouncements. Unlike QUESTION TIME there's no opportunity for the questioners to respond, so no indication of how satisfied they were with the answers. They largely played the straight man to Benn's jester.

He is, or at least has become, the Bob Monkhouse of politics. Monkhouse would similarly invite his audience to give him topics and then respond with appropriate jokes from his vast collection. So it is with Tony Benn. There is certainly no analysis. His claims to be horrified by war were not tempered by his being a minister in Labour governments that deployed nuclear weapons capability. The welfare state resulted from the munificence of the Attlee (Benn's favourite PM) government, apparently. And no sense of irony when he repeatedly said that the prominent individual wasn't important and then went on to list all the major world leaders and politicians he'd known personally.

If he truly believes that everyone is equally significant and that no one should be seen as special, how come he was sitting up there on the stage pontificating to 1,600 paying punters and selling his book in the foyer? Once politicians addressed public meetings for free, and the public expected to play an active part. But this is performance, ultimately reassuring the audience that whatever doubts they might have about Labour's recent history, actually there is no other future than with Labour. The CPB (ML) did receive a passing mention as he listed the initials of various communist and socialist parties and groups. Their members, however committed, are misguided, according to Benn, as the only future for socialists and socialism is in the Labour Party.

Democracy is Benn's main theme, but it does not go beyond the ballot box. This evening was the epitome of what passes for democracy in Britain; a passive audience invited to applaud (or boo in the full pantomime of parliamentary politics) and then place an X against which of the very similar predetermined bundle of policies they dislike least. An entertaining evening, but no laughing matter.

# The European Union is negotiating trade deals with countries, South Korea, China and others. Is this internationalism? Or are they un-

## A model of colonialism

IN THE European Union–South Africa trade agreement of 1999, the EU negotiated "special treatment" for itself by agreeing to cut tariffs on just 25 per cent of the goods South Africa exports to the EU while getting South Africa to cut tariffs on 40 per cent of the goods the EU exports to South Africa.

The reduced tariffs on agricultural and industrial goods, which went well beyond South Africa's World Trade Organisation (WTO) commitments, increased imports from the EU, with a negative impact on South Africa's current account balance. As well as cuts in jobs, wages and employment conditions, the removal of tariffs makes it far harder for South Africa to develop value-adding industries, making the country reliant on export of raw materials.

With the South African deal, European companies can freely export higher technology products. Without government intervention, it is difficult to see how South Africa could develop higher technology industries. Any infant industries face stiff competition from the EU's more advanced producers of higher technology goods.

South Africa's increased trade deficit with the European Union has made the country more vulnerable to international debt – particularly to destabilising short-term capital flows. Imports of certain goods such as processed foods and electronics have harmed South African producers. With unemployment already at 40 per cent, South Africa is struggling.

There's a pattern to all this.

The EU started pursuing a trade deal with Mexico after European exports to Mexico fell when the North American Free Trade Agreement (NAFTA) between Mexico, the US and Canada was signed in 1994. Although NAFTA increased trade and foreign investment in Mexico, it did not improve economic performance. In fact, economic growth, employment and wages all fell. Small farmers have been devastated by US subsidised agricultural imports; two million people have had to leave the land as the price received for growing maize-corn has collapsed.

### Distorting economies

The EU–Mexico trade agreement also liberalised trade in services. It allowed European companies 100 per cent ownership of banks in Mexico, leading to higher interest rates and reducing lending for productive activities, especially for local small and medium sized enterprises. This has led to a Mexican economy focused on foreign investment and industrial assembly of goods imported then re-exported to the US, at the expense of developing the domestic economy.

The principal gainers from the EU's bilateral trade agreements with Mexico and South Africa have been European companies. Signing a trade deal with the EU is not consistent with a sound development strategy. Instead it keeps developing countries in their place as exporters of low value commodities (except in products where the EU provides agricultural subsidies) and importers of western manufactured goods, western technology, western services and western capital.

Under the bilateral trade agreements, Mexico and South Africa

ng a series of free trade deals, with India, Latin American  
and West Africa. Are these likely to be models of  
unequal treaties, like those of colonial times...

## n: the European Union's unequal treaties



2007 protest by South Korean farmers outside the Berlaymont, the headquarters of the European Commission in Brussels.

Photo courtesy www.bilaterals.org

are agreeing, with the world's most powerful economic bloc, to liberalise well beyond their WTO commitments. This "locked-in" liberalisation undermines the ability of governments to pursue effective development strategies.

To develop, countries need export subsidies, directed credit, patent and copyright infringements, domestic-content requirements on local production, high levels of tariff and non-tariff barriers, public ownership of large segments of banking and industry, and controls on capital flows, including foreign direct investment.

By contrast, the IMF, World Bank, WTO and European Commission want the trade policies of developing countries to include stopping government intervention in trade by removing the following: trade taxes, regulations on multinational companies, government subsidies and constraints on exports. Further, they want liberalised capital flows and privatised state-owned industries and services, including public services such as electricity and water.

Instead of trade agreements between

unequal countries at very different stages of development, a better strategy is to develop regional trade cooperation between countries that are closer (both economically and geographically) whilst selectively protecting producers from imports from larger, wealthier economies like the EU.

During the late 19th and early 20th centuries, most developing country regions were forced to practise free trade, either due to colonialism, or free trade treaties pushed on nominally independent regions such as Latin America and Thailand by European colonisers. For example, Britain banned the use of taxes on imports in all its colonies. All Latin American countries had free trade treaties with European countries, which did not allow trade taxes to go above a very low level.

More recently, the EU has developed its Global Europe strategy to do the same job. Developing countries are required to do the following; remove regulations on European companies (services, investment, non-tariff barriers); allow European

companies to sell more of their goods or services (import tariffs on goods and agriculture, government procurement, services, investment); give European companies easier and cheaper access to raw materials (end export restrictions); and give European companies more strictly enforced property rights for ideas from which they can earn vast profits (intellectual property).

The South African government wants to reduce the more harmful effects of the EU-South Africa trade agreement. However, the European Commission wants to expand the agreement, not reverse it. In a 2006 visit to South Africa, Trade Commissioner Peter Mandelson said, "the [FTA] review should aim to create new market access, new business, new growth." This, he claimed, requires "a step-change into services, investment and procurement" and a greater focus on "technical barriers to trade, customs, trade

*Continued on page 8*

*Continued from page 7*

facilitation and competition.”

The danger of trade agreements is that they lock in policies beyond the scope of democratic control. Decisions are made to limit the use of policies such as trade taxes, without knowing what the precise effects will be, or whether governments will need to use such policies in the future. And as Mandelson's comments suggest, the lesson is: once a trade deal is done with the EU, there is only one direction, more liberalisation. There is no turning back.

In June 2007, the European Commission and the government of India started negotiating a far-reaching Free Trade Agreement, which could have significant effects on the Indian economy and poverty reduction efforts.

India is seeking lower levels of liberalisation than initially proposed, in order to protect its sensitive sectors, and wants to exclude key areas – for example government procurement – from the negotiations altogether. Thus far, the EC has rejected these proposals and has insisted that India and the European Union (EU) are ‘equal players in this negotiation and should have a high level of ambition’.

Yet India's GDP is 6 per cent of the size of the EU's and it has the largest numbers of poor people of any country in the world. Nearly three-quarters of the population,

## **“A wide range of sectors are vulnerable to immediate risks from liberalisation...”**

792 million, live on less than a dollar a day. This is equivalent to the entire population of Africa, the Caribbean and Pacific countries combined. For the EU, trade with India makes up 2 per cent of its total trade, while for India the EU is its largest trading partner, making up 20 per cent of its total trade.

Developing countries entering into trade agreements with richer country partners which lock in far-reaching liberalisation and de-regulation commitments face serious risks to their vulnerable sectors – such as small farmers, small and medium enterprises (SMEs) and workers – as well as reduced flexibility to implement national policies.

A wide range of sectors are vulnerable to immediate risks from liberalisation – from dairy and other agricultural products to light manufactured products such as paper. In the auto-parts sector the EU's own assessment predicts that the FTA will have a ‘notably negative’ short-run impact and cause a significant loss of jobs.

Less government revenue will raise pressure on the Indian government to cut public spending or increase taxes.

The potential for India to use its vast government procurement market to address inequalities by directing spending towards marginalised sectors could be curbed. And India would find it harder to oblige banks to lend loans to SMEs and rural customers – it has done in the past.

North–South FTAs harm the less developed partner – because they reduce the national self-reliance that is vital to the growth of domestic industries. The proposed EU-India FTA – based on the EU's Global Europe strategy – would strip India of the policy tools that it needs to grow and to reduce poverty.

The EU sees its free access to other countries' natural resources as its right. The EU's Global Europe strategy is an aggressive agenda to secure access for European companies to markets in the developing world. It strengthens the EU's drive to reduce tariffs in third countries and to attack national regulations that it calls ‘barriers to trade’. It wants ‘the ability to invest freely in third markets’ on behalf of its companies and to be able to open public procurement markets to its companies. The Global Europe strategy is about as close as it is possible to get to a plan for entrenching European economic dominance without using the military.

## **BADGE OFFER – Referendum now. No to the EU superstate!**

**DESPITE ALL THE promises, Labour is trying to take us into a European superstate without giving the people of Britain a chance to say what they think.**

**The so-called Constitutional Treaty is just the despised Constitution in another form, as even Giscard d'Estaing, author of the first attempt, has admitted. In backtracking on the referendum promise Gordon Brown is trying to wipe out a thousand years of independence and sovereignty using his tame party in Parliament.**

**The will of the British people has been clearly expressed in opinion poll after opinion poll. Now it is time for a poll of a different kind, a referendum. The TUC is already trying to renege on its September vote for a referendum. Don't let power slide over to Brussels.**

**FIGHT BACK with a Referendum Now badge (actual size 25mm), available from Bellman Books, 78 Seymour Avenue, London N17 9EB, price 50p each, or £4 for 10. Please make cheques payable to “WORKERS”.**





**Island or wasteland? That's the choice facing Britain. Only industry can keep us alive...**

## **Make it in Britain – or see Britain decline**



THE SINGLE most important feature distinguishing rich countries from poor is their greater manufacturing capabilities: their productivity is generally higher and tends to grow faster. All the evidence shows that countries cannot develop without industry, and to do this they need trade protection, mainly tariffs, and subsidies.

In the 18th century, the British government gave bounties to firms both to increase exports and home production and to reduce imports of foreign goods, all to foster the growth of home industry. Laws were passed to enforce the consumption of British-made goods. Throughout the 18th century, the British state had the world's highest tariffs on manufactured imports.

Between 1820 and 1945, the USA had

one of the world's highest average industrial tariffs, at about 40 per cent. Five of the six fastest-growing developed countries between 1950 and 1973 had high tariffs, including EU founder members Italy and France.

### **Tariffs mean growth**

By contrast, in nine out of 13 Asian countries, income per head fell between 1913 and 1950, when they had no independence, no policy freedom (most notably, no control over tariffs). But after they won independence, all 13 grew. China has had average tariffs of over 30 per cent, and Vietnam has used state trading, import monopolies, import quotas and high tariffs to achieve annual growth rates of 8 per cent since the mid-1980s. But the World Trade Organisation's

Agreement on Agriculture allows the USA and the EU unlimited subsidies, while pressing everybody else to cut their tariffs.

The old empires all banned industry in their colonies. Now the World Bank, the International Monetary Fund and the World Trade Organisation do the same. They lie to third world countries – you don't need industry, open up to imports of goods and capital, be competitive, increase your exports, rely on natural resources and cheap unskilled labour, make your labour markets flexible - and you'll grow. The European Central Bank tells EU members the same story. But increased exports are not the answer; for instance, Latin America raised its exports

*Continued on page 11*



# MAY DAY MEETINGS

**WORKERS FOR BRITAIN...**

**...AND WORKERS FOR THE**

**WORLD**

**Friday 1 May, 7.30pm**

**Speakers and refreshments**

**Conway Hall, Red Lion Square,**

**London WC1R 4RL (nearest tube: Holborn)**

**Friday 1 May, 7.30 pm**

**Speakers, music and discussion**

**Word-Power Books, 43 West Nicolson St**

**Edinburgh EH8 9DB**

## **All welcome**

Britain as a nation is defined as a community of stable language – English; by community of territory – Britain itself; by community of economic life – our industries, skills, inventiveness, creativity; by community of culture and our unique character – which has resulted in the great class fissure throughout British society: those who create all wealth – workers, and those who exploit – capitalists.

If our language, territory, industry and economy, class culture and unique character are destroyed, then so is Britain. This is what is happening to Britain on a daily basis as the combination of the European Union, unfit government, corrupt parliamentary political parties, closing industries, devolution, and rampant swindlers and thieves associated with finance capital, threatens to destroy all the strengths and values which the British working class has created.

Workers need the nation state so as to physically survive and at a future date build socialism and communism in Britain. Workers are for Britain, workers are Britain.

Workers for Britain, on International Labour Day 1 May, calls upon workers worldwide to assert real workers' nationalism. That is every state led by the working class, a coming together in real internationalism based upon workers' power in every nation of the world. We want a different United Nations, not of economic states dominated by imperialism but of liberated homelands. We are for independence, sovereignty, self-sufficiency, self-reliance, non-intervention in sovereign states.

We are Workers for Britain and for internationalism based upon class unity.

We invite you to attend our forthcoming May Day meetings – London and Edinburgh – for one unified national working class.

*Continued from page 9*

from \$96 billion in 1981 to \$752 billion in 2007, yet its numbers of poor rose from 136 million to 209 million.

### Controlling capital

Nearly all industrialised countries also used capital controls to protect their infant industries. Continental European countries employed extensive capital controls to rebuild after World War II. Capital controls played vital roles during the high-growth eras of Japan and the 'Asian tiger' economies.

Capital controls promote financial stability and so prevent the devastation brought by financial crises. In the 1990s, Asia was vulnerable to crisis because most of its states had opened up their financial markets, but India and China had not done so and coped far better. Capital controls promote investment that creates jobs and raises living standards. Capital controls enhance democracy and sovereignty by reducing the power of speculators, domestic and foreign, over domestic decision-making and national resources.

Lifting controls causes crisis. It wasn't Japan's industry policies but its financial liberalisation in the late 1980s that caused its 1991 crash. It wasn't South Korea's industrial investment and policy, but its liberalisation in 1993 and the consequent real estate over-investment, which caused its 1997 crisis.

Again, the Soviet countries were better off before the 1990s counter-revolutions that deindustrialised and then depopulated them. As the UN Development Program's report Transition 1999 noted, the transitions to capitalism had 'literally been lethal for a great many people'. For example, in the 1990s, 90 per cent of Mongolia's industrial production was destroyed and wages were halved, while finance, insurance and real estate grew. This was not because of global warming, as the Western press reported, but because the Mongolian government did what the World Bank ordered.

History shows that economies that have reduced absolute poverty have done



**“A financial system is supposed to channel capital to growth areas, but ours sucks value out of the economy...”**

so by employing a larger proportion of workers for wages, and in large enterprises. By contrast, the West's aid policies promote self-employment, which means lower GDP and is no threat to the West's economies.

Giving the poorest women training to make baskets and offering them micro-credit to start up enterprises in rural areas already over-supplied with similar enterprises only promotes poverty. Western governments and aid agencies stress 'capacity-building' in ineffective, small-scale and corrupt bodies, Non-Governmental Organisations, Community-Based Organisations, Group Credit, etc. But they oppose organisations that increase the living standards and bargaining power of the lowest-paid workers, like trade unions formed by seasonal agricultural labourers.

### Independence matters

A financial system is supposed to channel capital to growth areas, but ours sucks value out of the economy. Life is showing that independent central banks like the European Central Bank and the Bank of England bring not financial stability but excess credit growth and inflated stock and real estate prices. Independent central banks, as products of financial

liberalisation, of course oppose all controls on capital flows. Having price stability the sole aim of central banks prevents a pro-growth, pro-investment monetary policy.

Liberalisation, deregulation and privatisation, an anti-inflation macroeconomic policy, and a stock-market-based financial system, have brought us to disaster.

Independent developing countries use active trade and industry policies, a large-scale public sector, controls on luxury consumption and on inward and outward capital movements, a pro-investment macroeconomic policy and a bank-based financial system. They have special purpose banks, like Korea's Housing Bank, its Korea Development Bank, and its Bank for Small and Medium-Sized Firms.

Industry policies include coordination of investment across competing firms, policies to attain economy of scale in key industries, directed and subsidised credit programmes, protection of infant industries, picking winners, promoting structural change by providing incentives for physical and mental retooling (equipment upgrades, retraining and relocation subsidies for workers), with specified performance targets.

These are good not just for developing countries but also for any country that wants to come through the present crisis. But they cannot be pursued within capitalism. The system is the cause of the crisis, a system in absolute decline.

President Sarkozy has called on the EU to protect its industry in the face of US protectionism: "If the United States defends its industry, as it does - and they are right - maybe in Europe we can do the same." Where is the debate in Britain about the need to protect our industry? Protection can increase trade because industrialisation under protection needs raw materials, manufactured parts and machinery, and some of these inputs will need to be imported. Brown, on the other hand, says that protection is the road to ruin, unable to see that his policies have already brought us to that ruin.

The only force capable of carrying out a national solution that c  
who must preserve the nation and its culture if they are to survi

## Capital's global ambitions got us into this me

IT IS NOW urgent for us to re-focus on Britain – the rest of the world thinks we're bankrupt. Inevitably attention has been diverted by conflict and devastation in the Middle East over the past couple of months. They must look to their own future; we must deal with an emergency for our class, those we are responsible for, the people of Britain. To the west the USA is in the grip of temporary "euphoria" – in quite a clinical sense – with its new figurehead. And meanwhile here, the government is forced by capitalism into such a level of indebtedness that it will now resort to printing money to keep its head above water. Will advice from Zimbabwe be sought?

This "looking-out-for-yourself" fear gripping capitalism is breeding growing disparity and rivalry between national capitalisms – their governance on a national basis – fuelling the danger of conflict and ruining their attempts at "global" inter-capitalist cooperative solutions. The only force capable of carrying out a national solution that could succeed is the people who embody what a nation is and who must preserve the nation and its culture if they are to survive – and they are the workers of that nation.

### The euro, again

Within the European Union the crisis is beginning to create fractures in the semblance of unity as governments take measures to either pacify or repress growing protests in several countries. For example, many countries tied to the euro object to Britain having certain advantages in imports, and the call goes out, with Mandelson throwing them a lifeline, that Britain should get on with reconsidering adoption of the euro (no doubt avoiding a referendum at all costs).

National self-interest for us, workers, is a strength; for capitalism it is seen as a spiral downwards in a "retreat into narrow self-interest", helping to fuel the collapse of confidence and growing fear of the breakdown of cooperation among an international finance capitalism.

This is the same for all nations – who must find their own solutions. And without

nationalism there can be no internationalism.

Back in October the International Monetary Fund assessed that the world banking system had come very close to total collapse – and the fear of such catastrophe was a useful tool to instigate fraud on a colossal scale as finance capital scooped up national funds from workers in every land who were forced to stump up their hard earned cash.

Thus we see capitalism desperate for global solutions, intent on spreading its empire to save itself – but our advantage is the strength of the national unit. A collapsing capitalism is dismayed by retreat into self-interested nation states, but working peoples can be emboldened by achieving unity on the national scale.

### Revival

Look at the working class revival in France, Greece and now in Britain where the fight back is coming from some unexpected quarters, with many strongly objecting to the open borders of the EU and its dispersal of undercutting, compliant labour. Knowledge is spreading of the losses Britain has already suffered, to conditions, to law, to cultural traditions and now, yet again and on a greater scale, to jobs and skills.

National wealth and resources are being frittered away relentlessly. The use of oil and gas revenue for foreign adventures and dole in the Thatcher years and subsequently has been spelled out in Workers.

Other examples of the abandonment of strategic reserves are the sale of national gold reserves (at the cheapest point) and earlier the loss of steel under Thatcher and her successors. Now, in a world crisis, companies like Tata Steel can, at a whim, shift resources out of Britain to suit themselves.

What remains of manufacturing must now be defended at all costs and it is particularly important to fight to keep those with skills. A thousand apprentices were recruited for new shipbuilding on the Clyde. What do we make of that? Great, but with a new generation of aircraft



Photo: Andrew Wiard/www.reportphotos.com

28 March: part of the crowd of tens of thousands

ould succeed is the people who embody what a nation is and  
ve – and they are the workers of that nation...

## ss – only workers' nationalism can get us out



on the Put People First march, London.

carrier being the end point, is re-armament and war being seen as a solution? And anyway, the story ended in March this year when they were all sacked. There's no security with capitalism, above all not in militarism.

Yet even after all the cuts over decades, still 4.5 per cent of national output is in engineering. Banking is about 4.3 per cent – yet billions of pounds are thrown at one, while the other starves.

To create a real, tangible national unity we need a national plan that reverses this seizure and squandering of our nation's historic wealth and resources. The massive investment should be going into, for example, infrastructure that reinforces the reality of 'nation': into extending fully Britain-wide rail; water resources; clean coal, reviving that industry; innovative nuclear power; manufacture of things here; a single, national bank; clearing out of foreign bases and confiscation of alien assets.

### The Icelandic solution

Certainly a wish list that would not go unopposed! But is the alternative any easier? Stumping up handouts to the bottomless pockets of mystery financiers; spending a fortune on imports; having our national currency trashed; printing money, thus devaluing our hard earned cash and risking runaway inflation. Is Iceland's fall a taste of what we will have to fight? Look at it being coerced into joining the EU by 2011 ("fast tracked") and adopting the euro even sooner? Strong voices are raised, social conflict breaks out – who wants a 200-mile, rich fishing zone cut to 12?

In Scotland we have the separatist Salmond similarly pushing for the "euro for Scotland", but voices are strong enough to at least hold him to ridicule for his portrayal last year of a "Triangle of Prosperity" which unfortunately for him included both Iceland and Ireland (first in Europe to declare itself "in recession"). The resultant growing anger of Irish workers may be enough to make them resolve to reject the EU and its second attempt to make them vote for its constitution.

### "To create real, tangible national unity we need a national plan..."

The capitalist crisis in east Asia in the 90s has some lessons - but at least Japan had enough indigenous industry to see it through its chronic trade deficit and decade of decline. That is not the case with Britain, also injured by its loss of resources as outlined above. The TUC seemed ignorant of this situation in last year's over-optimistic assessment of the "UK as the world's 4th biggest economy".

The clock can certainly be turned back to find some suitable comparisons – for instance, the worst economic outlook since 1945. "The Slowdown echoes the Great Depression of the 1930s," said the new deputy governor of the Bank of England; the Bank itself now has interest rates at the lowest since its founding 400 years ago.

Marx's portrait of the crisis of just over 150 years ago is apt – telling of capitalism's incessantly recurring crises, its continual downward spirals and increasingly more vicious nature as it scrambles for the last drop of profit.

And, of course, all of this pinpoints a serious juncture in the process we have long defined as the absolute decline of capitalism. This story is now getting the exposure it has richly deserved for so long – revealed in all its gory details. The extent of both its hoard and its worthlessness came as a surprise to many.

The pyramid of hidden wealth now collapsing may have serious consequences for workers and the stability of their nations, especially here in Britain, and in the USA. A capitalist system that could survive such a crisis would inevitably be more vicious and controlling than before, with their enemy clearly the workers whom they have to exploit more vigorously. Already widespread plans are in place in the US to repress "civil unrest" – and there are many signs here that Britain is moving in a similar direction.

For two weeks in April, the vast tapestry reproduction of Picasso's *Guernica* is on show at the Whitechapel Gallery in London – where the picture was first shown in Britain...

## From Guernica to Whitechapel, via the United States



**Guernica: the huge canvas is 11 feet tall and 25.6 feet wide.**

THE HUGE tapestry reproduction of Picasso's masterpiece *GUERNICA*, expressing the full horror of the bombing of civilians in the small Spanish town by that name in 1937, was displayed at the Whitechapel Gallery in east London from 5 to 18 April.

The original painting, too fragile to travel, has been in Madrid's Reina Sofia Art Gallery since the demise of Franco, chief author of the atrocity committed by German and Italian planes at Guernica. But the tapestry reproduction is a splendid work in its own right, created in collaboration with Picasso in 1955 by weaver Jacqueline de la Baume Dürrbach, and robust enough to travel from New York, where it usually hangs in the entrance to the United Nations Security Council Chamber. So powerful is the image, that it was infamously covered with a curtain in 2003 when Colin Powell, then

US secretary of state, addressed the UN before the invasion of Iraq.

It will come as a surprise to many that Picasso's original painting was itself shown at the Whitechapel Gallery when it was less than 2 years old in 1939, its only showing ever in Britain. That historic occasion is now being celebrated 70 years later, to coincide with the relaunching of the gallery after a major extension and refurbishment.

### War, and the threat of war

Just consider the situation in January 1939. The Nazis were about to launch World War 2. General Franco, supported by Hitler, was in the process of conquering what was left of free Spain. Some 2,400 had travelled to Spain from Britain to join the International Brigades, but the British government was about to recognise Franco's regime. In this context Stepney

Trade Union Council asked Picasso to allow *GUERNICA* to be brought to Whitechapel from France to raise awareness of the Spanish Civil War. Picasso agreed, asking for a pair of boots to be donated as the price of admission.

15,000 came to see the painting in the first week it was shown, great heaps of boots were placed under it, and £250 raised for the Spanish Republican cause. It was in fact too late to help Spain prevent Franco's seizure of power from the Republican government – all but complete two months later – but not too late to help inspire the more general fight against fascism which was becoming urgent throughout Europe and beyond.

British workers had been hammered in the Great Depression, which capitalism was unable to end except through another Great War. It was only the following year after *GUERNICA* came to London, that

's GUERNICA was put  
re was first shown in

## ed Nations



German planes were bombing Britain.

That was a different world, when the Russian Revolution inspired many British workers to a different level of thought, and a different kind of internationalism than they have today. There are young men volunteering to travel from Britain to fight abroad in our time, but without a working class perspective, and we pay the price.

British workers occupied a pivotal position in world affairs back in 1939, based on the simple fact that Britain was an important industrial country – workshop of the world. This was our great strength as a class. But it was Clement Attlee, leader of the Labour Party, on the podium making a speech at the opening of the GUERNICA exhibition in 1939. Our great weakness was and remains political. Change that and we can change everything.

Continuing our new series on  
aspects of Marxist thinking

# UNITY NOT DEVOLUTION

The Communist Party of Britain is for the unity of Britain and against devolution and the fragmentation of a working class. The industrial revolution forged us as one working class whether we worked in a mill in Yorkshire, a mine in Wales or a shipyard in Scotland. That unity has been the basis for progress. Now we are under sustained attack from the European Union: Brussels attacks the nation state by pursuing the “ever greater union” into the EU superstate while actively encouraging devolution and regionalisation to fragment the nation state.

The proponents of the EU have had some success; there is now a Scottish Parliament and a Welsh Assembly. Workers in Scotland and Wales voted for those institutions, albeit in Wales by the narrowest of “official margins” and certainly not a majority of the people who are there. But the government’s favoured regionalisation was stopped in its tracks when the North East voted against a regional assembly: the last thing the area needed was another expensive bureaucracy and another layer of politicians.

The current economic crisis has exposed the nationalist mirage – remember Alex Salmond urging the working class in Scotland to join an “arc of prosperity” which included Ireland and Iceland? The working class in Wales were also asked to consider themselves as a “Celtic Tiger”. Now in April 2009 the teachers’ unions in north Wales are fighting to save 50 teachers’ posts as industrial decline in Wrexham and Deeside has again brought the spectre of depopulation.

We need unity because as a class our needs are the same. When the workers at Lindsey oil refinery demanded British jobs for British workers, across Britain workers knew the dispute was about the last remaining national agreement in the construction industry. Workers in Wales and Scotland took supportive action and identified themselves as British workers. The coming together of the Offshore Liaison Committee with the RMT union to demand the grounding of the Super Puma helicopters involved in the fatal crash in the North Sea is another example of one class, one voice.

The ruling class has abandoned Britain, some ultra-leftists will not even speak the word “Britain”, and so the only people who care about Britain are the working class. Britain is only really recognisable as the British working class. It is time that class took charge of the geographical territory to ensure its future. No Royal Bank of Scotland or HBOS is going to finance any exploration or development of North Sea oil, where production slumped by 78 per cent in the first quarter of 2009. British workers should decide we can do without politicians who don’t care about our country or our future.

### Interested in these ideas?

- Go along to meetings in your part of the country, or join in study to help push forward the thinking of our class. Get in touch to find out how to take part.
- Get a list of our publications by sending an A5 sae to the address below, or by email.
- Subscribe to WORKERS, our monthly magazine, by going to [www.workers.org.uk](http://www.workers.org.uk) or by sending £12 for a year’s issues (cheques payable to WORKERS) to the address below.
- You can ask to be put in touch by writing or sending a fax to the address below.

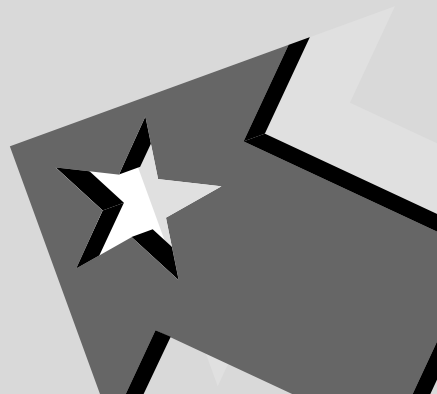
### WORKERS

78 Seymour Avenue, London N17 9EB

e-mail [info@workers.org.uk](mailto:info@workers.org.uk)

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

phone/fax 020 8801 9543



# Back to Front – The same old story

**‘Brown wants to restore faith in the capitalist system, which is Labour’s historic role...’**

WORLD INDUSTRIAL production is set to fall by between 30 and 35 per cent this quarter, even worse than the 20 per cent plus fall in the last quarter of 2008. In the last year, industrial production fell in the eurozone by 18.4 per cent, in the USA by 12.8 per cent and in Japan by 38.4 per cent. The Organisation for Economic Co-operation and Development predicts that 25 million more people will become unemployed in the 30 OECD countries, rising to a 10 per cent unemployment rate.

That’s mighty capitalism for you.

Britain’s production fell at an annual rate of 7.25 per cent in the last quarter of 2008. The OECD expects Britain’s economy to shrink by 3.7 per cent this year, and unemployment to rise to three million. 900,000 households are now in negative equity.

President Obama’s trillion-dollar scheme to buy toxic assets is a ‘public-private partnership’ whereby the American taxpayer helps private investors to buy these ‘troubled assets’. It sends good money after bad. The scheme was agreed only after US Treasury officials spoke to Wall Street bankers.

That’s mighty capitalism, too.

Under this ‘Troubled Asset Relief Program’, any profits would go to the private investors and the losses would be borne, as usual, by the public. As the Nobel-prizewinning economist Joseph Stiglitz said, the US government is using the taxpayer to guarantee the downside risks, namely that these assets will fall further in value, while it hands the upside risks, any future profits, to private investors such as insurance firms, bond investors and private equity funds. He said, “Quite frankly, this amounts to robbery of the American people. I don’t

think it’s going to work because I think there’ll be a lot of anger about putting the losses so much on the shoulder of the American taxpayer.”

Even finance capitalists admit now that the markets don’t work. Lord Turner, chairman of the Financial Services Authority, said, “The financial crisis has challenged the intellectual assumptions on which previous regulatory approaches were largely built, and in particular the theory of rational and self-correcting markets. Much financial innovation has proved of little value, and market discipline of individual bank strategies has often proved ineffective.” The FINANCIAL TIMES admitted recently, “The global financial system as we know it was forged by deregulation underpinned by a belief in free markets. That approach failed.”

But they still believe in it.

Brown wants to restore faith in the capitalist system, which is Labour’s historic role. He recently spoke to “faith leaders” (who follow other myths). He said, “Most people who have worked hard to build up their firm or shop don’t understand why any company would give rewards for failure; or how some people have grown fabulously wealthy making failed bets with other people’s money.” Don’t understand? Actually most people know that this is what capitalism does.

But most workers still want to believe in it, too.

This crisis is not caused by some external shock, like a war or an oil price rise. It is the inevitable result of the normal workings of the system, a capitalism in absolute decline.

We must understand that, and act to destroy it if we are to have a future for ourselves and our country.

## Subscriptions

Take a regular copy of WORKERS. The cost for a year’s issues (no issue in August) delivered direct to you every month, including postage, is £12.

Name

Address

Postcode

Cheques payable to “WORKERS”. Send along with completed subscriptions form (or photocopy) to WORKERS 78 Seymour Avenue, London N17 9EB

## Publications

WHERE’S THE PARTY?

“If you have preconceived ideas of what a communist is, forget them and read this booklet. You may find yourself agreeing with our views.” Free of jargon and instructions on how to think, this entertaining and thought-provoking pamphlet is an ideal introduction to communist politics. (Send an A5 sae.)

BRITAIN AND THE EU

Refutes some of the main arguments in favour of Britain’s membership of the EU and proposes an independent future for our country. (50p plus an A5 sae.)

## To order...

Copies of these pamphlets and a fuller list of material can be obtained from CPBML PUBLICATIONS, 78 Seymour Avenue, London N17 9EB. Prices include postage. Please make all cheques payable to “WORKERS”.

## Workers on the Web

• Highlights from this and other issues of WORKERS can be found on our website, [www.workers.org.uk](http://www.workers.org.uk), as well as information about the CPBML, its policies, and how to contact us.