

# WORKERS

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## DEBT: A CHAIN TO BIND US ALL



JOURNAL OF THE COMMUNIST PARTY



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# WORKERS

## “The Nobel Prize for War

IS HUMOUR a recognised characteristic of Norway? Obviously, with the award of the 2012 Nobel Peace Prize to the European Union, Norway appears in a new light. The prize was awarded among other things for the EU role of “fraternity amongst nations” and “peace congresses” promoting “peace and reconciliation, democracy and human rights in Europe for over six decades”.

Perhaps there is something in the water in Norway. A better description of the EU would surely be as the jailer of Europe’s peoples and nations. The promoter of the greatest extension of police powers, data collection and spying on individual citizens of Europe.

Maybe the prize goes to the promoter of the most reactionary anti-trade union and anti-worker legislation outside of the United States of America? The promoter of every crackpot failed market-driven economic nightmare ever dreamt up by capitalist theoreticians and politicians – Hayek, Friedman, Thatcher, Merkel, Cameron?

Or perhaps the promoter of a new colonialism through the ex-empires of its member states – Britain, France, Germany, Portugal etc? The promoter of war and breakup of nation states – Yugoslavia, Czechoslovakia, and Britain next? The

assassin of democracy and promoter of unelected autocrats in Greece, Italy and Belgium?

What kept the peace before the EEC was founded in 1957? What really kept the peace, in fact, ever since 1945? A clue is that Europe’s first war since 1945, the bloody break-up of Yugoslavia, only happened after the demise of the Soviet Union.

The EU and NATO go hand in hand – war in Afghanistan, war in Libya, war in Syria. The Nobel Peace Committee would have been better following its precedent of 1914-18 and 1939-45 and awarding no prize.

Truly, the Nobel Peace Prize has become a farce (unlike the highly respected scientific awards). It was founded by dynamite inventor and arms manufacturer Alfred Nobel, after all. And who, exactly, awards it? Stand up the four proud members of the Norwegian Peace Committee, political lightweights all: Thorbjørn Jagland, Secretary General of the Council of Europe; Kaci Kullmann Five, self-employed public affairs advisor and former chair of Norway’s Young Conservatives; Inger-Marie Ytterhorn, advisor to the conservative-liberal Progress Party; and Berit Reiss-Andersen, a lawyer and Norwegian Labour Party politician. Surprised, anyone? ■

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Photo: Workers

Some 130,000 marched in London on 20 October against government policies, according to the Trades Union Congress.

# Thousands in TUC marches

POSTAL WORKERS, firefighters, nurses, transport workers, prison officers, teachers, civil servants and many other trade unionists gathered across Britain and Northern Ireland on Saturday 20 October to march against the government's brutal economic policies. The TUC estimated 130,000 in London (even the police said 100,000), 5,000 in Glasgow and 1,000 in Belfast – all showing visible anger and rejection of a ruling Coalition whose policy is for huge enrichment for the few and impoverishment of the vast majority, what they laughably call "austerity".

The many home-made banners expressed the marchers' feelings: "Cameron has butchered Britain" and "Plebs against Toffs". As the London march passed Downing Street there was a great chorus of booing, echoing that which greeted George Osborne during a Paralympic stadium medal ceremony on 4 September. Ed Miliband was also booed, at the rally in Hyde Park in London, when he admitted that Labour might tinker but not change the "cuts" (actually slash and burn) strategy of the present government.

There were the usual calls for a "general strike now" from some, without acknowledging that a coordinated act of industrial action has to be based on actual action in the workplace and sector. It was noticeable that some unions had achieved a significant turnout of their members at the London march, whereas some other unions were less successful. There is a great deal of work to be done. ■

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

## UNEMPLOYMENT

### Increase in suicide rates

A STUDY by Liverpool University has found that between 2008 and 2010 male suicide has increased by 8 per cent (846 deaths) and female by 9 per cent (155 deaths).

The figures varied widely across different regions. In outer London unemployment had increased by 24 per cent and suicides by 9 per cent. In north Somerset and south Gloucestershire unemployment had risen 100 per cent and suicides by 50 per cent. The research showed that generally with every 10 per cent rise in unemployment suicides rose by 1.4 per cent. ■

## CONSTRUCTION

### Victory at Redcar

DURING SEPTEMBER, workers building the new pulverised coal injection plant at Sahaviriya Steel Industries in Redcar secured a victory over their employer.

The job began with the workers, who are "self-employed" through the Dutton International agency, being paid at Category 3 levels of pay. However, their employer, Rowecord Engineering, had reduced their pay by downgrading the job into a Category 4. This amounted to losing £1.50 from the hourly rate and a further £1 per hour from the bonus, over a five-week period.

On 11 September the workers decided enough was enough and "cabined up". They were duly sacked and promptly picketed the site. On 13 September the dispute was over with the workers regaining the Category 3 status and awaiting their back pay. ■

## EUROBRIEFS

## The latest from Brussels

**THE EU** has won the Nobel Peace Prize for warmongering. It may well win the Economics Prize soon given its disastrous economic record. Over the year to August eurozone unemployment rose by 2.14 million to a record 18.2 million. That's 11.4 percent of the whole workforce; the youth rate is over 22 percent.

**THE HISTORY** of the EU shows decline as economic and monetary union increases. The original six EEC members grew on average by over 5 per cent a year. Growth declined once they linked their currencies in 1969, rising again briefly after 1976 when the first currency link fell apart. The Exchange Rate Mechanism, imposed in 1979, saw a return to lower growth.

**FROM THE** launch of the euro in 2000 up to the 2007 crisis, eurozone growth rates averaged just 2.2 per cent a year. That's about half the level needed to reduce unemployment.

**IN 2008**, there was nil growth in the EU. In 2009 the EU's GDPs fell by 4 per cent, far worse than any other region of the world; by 2011 GDP growth was still just 1.5 per cent.

**WITHIN THE** the EU, countries in the eurozone consistently do worse than other EU members both for GDP and employment rates. Eurozone members still have fewer jobs in total than in 2007. They still have higher current account deficits than in 2000, and their public and private debts are still growing.

**DAVID CAMERON** wrote to MPs about a referendum on the EU, "...making a legal commitment now to hold a referendum in the next Parliament without setting the exact referendum question would not be a workable, nor a sustainable, position." In effect, no referendum until at least 2020.

**CAMERON IS** to tell EU leaders that he will be able to delay or avoid a vote on Britain's EU membership as long as Treaty changes, including British concessions, are put off until the summer of 2014 – after European elections but before the 2015 general election.

**SENIOR LABOUR** party figures are reported to be "unsure" whether to commit to a referendum on renegotiated EU membership terms. ■



Photo: Workers

## Solidarity in Glasgow march

WORKERS FROM USDAW, RMT, Musicians' Union and Equity gathered for the Glasgow march and rally organised by the STUC as part of the national demonstrations on 20 October. The contingent from the RMT seen above included maritime workers from Calmac Ferries – engaged in an ongoing fight against privatisation – and members from Blackpool and Carlisle City branches. A recent poll shows only 30 per cent support in Scotland for separatism – this cross "border" solidarity enhances that finding.

USDAW Scottish organiser Lawrence Watson expressed bitter disappointment at the outcome of a long campaign to keep open the meat factory of Hall's of Broxburn, whose Dutch owners Vion announced the closure in mid October. It will be fully wound up by February next year. Hall's had become a household name in Britain, making meat products here for over 80 years. It made Britain's best-selling haggis and a popular range of sausage meats. With up to 8,000 pigs being processed each week there will be a big knock-on effect on the farming industries. It's the biggest single factory closure in Scotland for over a decade, since the withdrawal of Motorola from Livingston in 2001. Potential bidders for the factory had been turned down, despite plans that assured few, if any, permanent job losses, fuelling anger in this central Scotland community. ■

## HIGHER EDUCATION

### Thinking disputes through

UNIONS IN higher education were offered a 1 per cent pay rise for 2012-13. Unison, gung ho for a dispute, launched a ballot for industrial action with a result of 50.3 per cent voting yes and 49.7 per cent voting no. The actual return is still under wraps, perhaps owing to its minuscule size. The ultra left on Unison's higher education service group quickly turned to the University and College Union (UCU) to bail them out.

Until recently UCU had its own problems with ultra-left postures. But no longer. After cleansing its Executive Council earlier in the year, its membership delivered a sensible 44 per cent to 56 per cent vote against taking strikes over a pointless dispute. How much do you want to lose fighting for a 1 per cent pay rise? Even though members voted for action short of a strike, national negotiators didn't see the overall mandate for action as strong enough to proceed.

All of a sudden Unison adopted a unanimous rejection of industrial action. The smaller unions in HE – Unite, GMB and the Educational Institute of Scotland, are now left floundering. If they have a Yes vote do

they go it alone or do they unite with colleagues and think through the strategy and tactics of pay (or any other) dispute.

Pay fights do not just happen because a union committee issues an instruction. Nor do they happen when the employer defines the criteria of battle – a 1 per cent straitjacket. Workers have to return to thinking about how to mobilise for action, not just tokenism or running up and down the street making a racket. Successful pay fights are won by thought, through tactics and deployment of forces, not by thoughtless sloganising or posturing. ■

## FREE SCHOOLS

### Where are the pupils?

THE BBC reported in October that 25 per cent of the free schools opening this year are substantially undersubscribed. One example is Avanti House School in Harrow, the biggest free school in England, which has only 130 entrants for its 240 places.

Suffolk's Beccles Free School, the subject of a local campaign of opposition, has 87 pupils for 162 places. Local head John Beccles said that another school was not needed in the town "...there are thousands of spare school places in Suffolk and no local school is full." ■

**ENERGY****Lights out in 2015?**

THE ENERGY watchdog, Ofgem, is now saying Britain runs a 50 per cent risk of power cuts by 2015. The Energy Secretary's strategic view? "It may be we will sail through the danger period...but if things go wrong, we may be in trouble."

John Robertson MP, Energy Select Committee, commented, "We have been warning of this problem since 2002." Energy industry monopoly suppliers E.ON, EdF and RWE Npower all hold their hands up over the required £110 billion investment and blame the government for creating "uncertainty" for investors.

Major US and Chinese nuclear power

station construction companies likewise have said "no thanks" and walked away. The government, meanwhile, is gambling the future of the country on the bet that gas fired generation will get them through the 2015 danger zone.

The energy companies are sitting on their hands because they know that indecision – both Labour and Coalition – now means the government will have to pick up the bill for future investment, regeneration and construction.

This is an energy investment strike produced by greedy monopolies, stupid governments, abdication of responsibility and criminal lack of planning. 2015 – the year of a general election and the voting out of the clowns who switched Britain off? ■

# General strikes in Greece

GREEK WORKERS staged a general strike on 18 October, with tens of thousands demonstrating in Athens and across the country. It was the 20th such national stoppage since the financial crisis began, with taxi drivers, ferry workers, doctors, teachers and traffic controllers taking part.

At the end of September a general strike in Greece brought the country to a halt as doctors, teachers, tax officials, ferry operators and air traffic controllers walked out, along with workers in other industries. Banks and historic sites were closed as were most shops, with shopkeepers also observing the strike and attending demonstrations.

An estimated 50,000 protested in September outside the Greek parliament in Athens against cuts of 11.5 billion euros and measures which include cutting pensions and raising the retirement age. Further proposals are for sharp increases in income tax rates and a lowering of tax thresholds, the introduction of a six-day week, cuts in the minimum wage and a halving of notice periods for redundancy.

A rally of shipyard workers the following day saw protestors breaking into the courtyard of the defence ministry. They had not been paid for several months and their employer, Hellenic Shipyards, is faced with bankruptcy following the cancellation of defence contracts.

Farmers in Crete have taken action, blockading the runway of Heraklion airport with their tractors. There were also demonstrations and a three-hour strike against German Chancellor Angela Merkel's visit on 9 October. Banners read "No to the Fourth Reich". Unemployment reached 25 per cent in July with young people being particularly badly hit. It was 11.8 per cent in April 2010.

Greece is entering its sixth year of recession, with the economy predicted to shrink by a further 6.5 per cent this year, despite earlier estimates of 4.8 per cent. Even the International Monetary Fund is expressing its qualms about the situation in Greece, but Merkel has rebuffed any idea of backtracking and is calling for the EU to have the power to veto national budgets. ■

**PEOPLE'S PLEDGE****Huge votes in Manchester**

AFTER THE People's Pledge campaign calling for a referendum produced an overwhelming Yes vote in April 2012 in Thurrock, it has now run a similar exercise in Cheadle and Hazel Grove constituencies in Manchester, polling nearly 90,000 people, with a record turnout of 35 per cent in the constituencies. Cheadle returned an

86.6 per cent vote calling for a referendum. In Hazel Grove the vote for a referendum was even higher, 88.5 per cent.

Both constituencies are marginal Liberal Democrat seats. The Lib Democrat MPs have refused to debate with the People's Pledge the issue of a referendum over the EU. They cannot ignore 13,606 voters in Cheadle and 12,043 in Hazel Grove who actively demanded a referendum if they want to hang on to their parliamentary seats. ■

**WHAT'S ON****Coming soon****November**

Thursday 15 November, 7.30pm. Conway Hall, Red Lion Square, London WC1R 4RL.

**"What Future for Young People?"**

Public meeting organised by the CPBML. Capitalism is abandoning the youth of Britain, launching them into a lifetime of debt. With nearly a quarter of them out of work – and those in work unable to afford housing – it is condemning today's young people to an impoverished existence. Is this the kind of future Britain is happy to live with? Come and discuss. Everybody welcome

Wednesday 21 November, London

**"#demo2012: Educate, Employ, Empower"**

Noting that "the current government has put the future of an entire generation at risk", the National Union of Students is holding a national demonstration in central London. Assemble at Temple Tube, but do check [www.nus.org.uk](http://www.nus.org.uk) for updates.

**FOODBANKS****Back to the 19th century**

THE GOAL of The Trussell Trust, the religious organisation responsible for food banks across Britain, is "a foodbank in every community". Is this what we are coming to?

At present there are over 500 foodbanks in Britain, with the number expected to boom as welfare provision collapses, wages are depressed, unemployment rises and poverty on a par with 19th-century Britain escalates.

The Trussell Trust denies that its Christian mission follows similar fundamentalist projects in the US, where foodbanks feed 37 million people daily. The number in Britain is tens of thousands. But the concept, as epitomised in government "Big Society" thinking is to institutionalise such do-gooding and charity.

There is even a franchise model for foodbanks; and there are discussions with supermarket chains about tax breaks. Corporate social responsibility projects see foodbanks as a feel good factor for capitalism. In the 1930s there were the soup kitchens, but Britain in the 21st century is wealthier, more affluent and yet millions face poverty. ■

All moribund capitalism can come up with now is to take away everything workers have. And it's turning on young people – using credit to bind them into a lifetime of repayments...

## Debt: capitalism's final solution

THERE ARE two simple questions that have been puzzling a lot of people: Why do the banks lend to people who can't repay their loans? And more particularly, why is so much being lent to young people before they have even started earning money?

The answers lie in capitalism's constant need to maximise profit. As Karl Marx foresaw over a century ago, competition between capitalists leads to a fall in the rate of profit. That leaves billions and trillions of capitalist profits desperately searching for high returns. For a century capitalists saw imperialism as the answer, creating fresh profits by opening up new markets around the world. But that's history, and there are few new lucrative markets left.

The solution for many in finance was to move into the loan-sharking business, or, to put it politely, to lend money to workers on a huge scale. Then you "make money" – itself a typically confusing capitalist phrase, since here nothing is made – by impoverishing your own workers.

**“The result is impoverishment for the many, but soaring revenues for the capitalists...”**

For decades workers had used their bargaining power and union organisation to increase their wages in real terms. But every penny going to a worker meant a penny lost to the capitalist. Now it's payback time. Alongside cuts in services and below-inflation wage rises, governments are pursuing the impoverishment of the working class. All the gains made are to be swept away in the name of being “globally competitive”. Meanwhile workers are encouraged to take out loans to maintain their standard of living.

The average British household is now shelling out £2,284 a year in interest

repayments (August 2012 figures). With average household incomes around £2,150 a month, that means that the average household is paying a month's earnings a year just to service its debts. The result is impoverishment for the many, but soaring revenues for the capitalists – a huge transfer of money from workers to capital. No wonder the earnings of the top 1 per cent are soaring relative to everyone else.

It seems like the ideal business. The “product” isn't even tangible – just money, itself an abstraction. No messy materials and manufacturing to do. And with rates of return on mortgage and credit card lending so attractive, it looked like an easy way to hike those profit rates back up again.

### Too good to be true

It all looked too good to be true, and it was. Banks lent billions to people who had no means of repaying the loans – unless, of course, property prices continued to spiral upwards. We all know the result: crash, slump, depression.

Workers allowed themselves to be sucked into the illusion that you could borrow your way to prosperity. Take the United States. As reported in BUSINESS WEEK, using figures from the Washington-based Economic Policy Institute, inflation-adjusted hourly earnings for production and non-supervisory workers – 80 per cent of the workforce – rose by a mere 0.1 per cent a year between 1979 and 2007.

The increase in the standard of living over that period, cited by apologists as proof that capitalism works, was financed entirely by debt. Faced with stagnant wages and rising aspirations, American workers sought to borrow their way out of trouble, or into a new car or house.

Predictably, household debt in the US as a proportion of disposable income rose and rose: from 68 per cent in 1980 to 128 per cent in 2007. The combined effects of tighter lending and bankruptcies led to a fall in 2011, though only down to 112 per cent of average earnings.

British capitalists were slower than

## Meet the Party

The Communist Party of Britain's new series of London public meetings began on 27 September, with further meetings on 15 November, 12 February and 11 June; all are held in the Bertrand Russell room, Conway Hall, Red Lion Square, Holborn, London WC1R 4RL, nearest Tube Holborn, and start at 7.30 pm. Other meetings are held around Britain. All meetings are advertised in What's On, see page 5.

**M** The theme of the next meeting, on Thursday 15 November, is: “What Future for Young People?”. Details of further meetings will be announced in WORKERS and at [www.workers.org.uk](http://www.workers.org.uk).

**M** Catch our WORKERS sellers this month at the student demonstration in London this month (see What's On, p5).

**M** The Party's annual London May Day rally is always held on May Day itself, regardless of state bank holidays – in 2013, Wednesday 1 May, in Conway Hall, Holborn. There will also be May Day meetings elsewhere in the country.

**M** As well as our regular public meetings we hold informal discussions with interested workers and study sessions for those who want to take the discussion further. If you are interested we want to hear from you. Call us on 020 8801 9543 or e-mail to [info@workers.org.uk](mailto:info@workers.org.uk)

Continued on page 8







dig themselves even further into debt. Money is tight, too tight even for some employers. As the chief executive of Morrison's, announcing the supermarket chain's profits last year, said, "One third of our customers have no disposable income left at the end of the month." No wonder Wonga can find customers for its payday loans at an APR of 4,214 per cent (yes, over 4,000 per cent annually, according to its own figures).

So in its search for a new market to replace the old, capitalism has turned to the young. The new wheeze is to get workers into debt before they have even started working, so that by the time they get a job and start paying a mortgage (or paying someone else's mortgage, which is what renting has become), they truly will be handing back the biggest chunk of their income straight to finance capitalists.

The only snag is capital won't invest in production any more, so there won't be the jobs to provide the income to generate the cash to repay debt. But that kind of thinking is too long term for capitalism. All that matters is this year's profits.

Student debt will, of course, make its own contribution to the shabby total of overall debt. A survey by the university guide Push UK in 2011 concluded that

**“Capital won't invest in production any more, so there won't be the jobs to provide the income to generate the cash to repay debt...”**

British students starting this year will emerge from their university course with average debts of £53,400. For students in England alone, paying much higher fees, that average debt climbs to £59,000. (These figures are adjusted for the much-vaunted bursaries and fee waivers already in place.)

### **Falling student numbers**

So while in 2004 the average student was accumulating debt at the rate of around £3,400 a year, those starting this year will be sliding into the red to the tune of almost £15,600 a year. No wonder young people are being put off further study: as WORKERS reported in October, figures from UCAS show a 14 per cent drop from the previous academic year in the number of

British and European Union students taking up places in England – down by 54,200 (see Box, left).

Debts for students, the Push survey's authors say, are rising faster than inflation. The reason: a combination of the disproportionate effects of above-inflation increases in travel and energy costs, and the difficulty of finding part-time employment. You don't need a degree to work out the overall effect: 800,000 students getting into the red at the rate of £15,600 a year will mean a debt total rising by more than £12 billion a year.

Even the government-friendly Institute of Fiscal Studies reckons that most students starting now will still be paying off their fee loans into their 50s and admits that graduates who do not fully pay off their debt face what is in effect a “graduate tax”. For those who began their studies before this year, that tax will be 9 per cent of their income above £15,000 for 25 years. Those starting this year will be condemned to 30 years of paying 9 per cent of their income above £21,000 (indexed in line with earnings).

And don't expect much relief from Labour. Ed Miliband has been promoting the policy of a real graduate tax, unlike the scarcely hidden one now in place. ■



## **CPBML/Workers**

### **Public Meeting, London**

**Thursday 15 November, 7.30 pm**

**“What Future for Young People?”**

Bertrand Russell Room, Conway Hall, 25 Red Lion Square, London WC1R 4RL. Nearest tube Holborn.

Capitalism is abandoning the youth of Britain, launching them into a lifetime of debt. With more than a fifth of them out of work – and those in work unable to afford housing – it is condemning them to impoverishment. Is this the kind of future Britain is happy to live with? Come and discuss. All welcome.

**The government is now on the back foot over transport. Even DAILY TELEGRAPH readers want renationalisation. There's a golden opportunity to reverse the madness of privatisation...**

## Bring back publicly owned rail

RAIL UNIONS and transport campaigners scored a major victory last month as the government succumbed to massive pressure over high rail fares and decided to peg future fare increases. At the same time, in the wake of the West Coast franchise fiasco, the franchising system that underpins the privatised railway began to collapse under the weight of its own internal contradictions.

The government had been committed to raising rail fares by up to 11 per cent next year along with similar increases in future years, well ahead of average pay increases. However, during September these massive increases were scrapped, and the rises limited to the Retail Prices Index (RPI) plus 1 per cent until 2019. Tensions between Tories and Liberal Democrats in the government added to panic among many commuter-belt MPs as fares campaigners impressed on them the electoral consequences of the hit on living standards. The forthcoming by-elections in Corby and Croydon have clearly concentrated minds.

But unions were not satisfied with giving the government a bloody nose. White-collar rail union the Transport Salaried Staffs' Association warned that planned increases were still "inflation busting" for the next seven years. "Ministers are misleading passengers when they claim they will end inflation busting increases as soon as possible," said General Secretary Manuel Cortes, highlighting the fact that passengers now contribute 60 per cent towards the cost of running the railway, £6 billion a year, and Chancellor Osborne plans to increase this to 75 per cent.

Not that George Osborne is willing to pay! The arrogance of the Tories was once again shown in the wake of the Andrew Mitchell "plebgate" resignation as Osborne decided he was entitled to sit in first class with a standard class ticket, something it seems he has done on a number of occasions. It seems that rail workers have been unimpressed by Osborne's arrogance, and have presented him with the choice of sitting with the "plebs" in standard class or coughing up

**"Since privatisation, more than £11 billion of public funds has been mis-spent..."**

the first class fare!

An annual season ticket from Corby to London will cost over £7,000 next year. This compares to £336.17 a year in Italy for a 22-mile journey from Velletri to Rome. In France, the 24-mile journey from Ballancourt-sur-Essonne to Paris costs £924.66 a year. Britain has the most expensive rail fares in Europe.

The RMT says since privatisation more than £11 billion of public funds has been mis-spent. It says that removing complex interfaces, transaction costs, increased debt servicing and private profit and dividend payments from the industry could save over £1 billion a year, resulting in lower fares and lower public subsidy.

### Publicly owned

The East Coast mainline is currently run by Directly Operated Railways, publicly owned and controlled, following the collapse of two previous private operators. Last year it made a profit before tax and service payments to the Department for Transport (DfT) of £195.7 million, an increase of £13 million. Passenger journeys on East Coast, which runs trains from London to Yorkshire, the North East and Scotland, increased by 2.1 per cent. Customer satisfaction at East Coast rose by 2 per cent, and the latest punctuality figures were its best since records began in 1999. All of which adds weight to those who argue the case for renationalisation of Britain's railways.

This was boosted following the government's decision to scrap the franchising of the key West Coast route. Having announced that First Group were to take over from Virgin, ministers were forced not only to reverse their decision, but to put the whole of their franchising

timetable on ice while they try to sort out how to salvage the situation. The cost to the prospective franchisees of the bidding process are being paid back to them. And that's not just Virgin and First – there were two other bidders who must be reimbursed. Given that First took a £240 million hit in share values as a result of the decision (for which they will probably get compensation!), the cost to the public purse could run to hundreds of millions of pounds.

### Legal challenge

The crisis was precipitated by incumbent franchisee Virgin mounting a legal challenge when it lost the contest for the next franchise period. This has led to the uncovering of massive flaws in the bidding process, and has raised serious questions about the whole process even among advocates of a privately run railway.

The government has of course tried to deflect any responsibility for the mess, scapegoating a few civil servants – to the ire of civil service union PCS, which has fingered massive cuts in staffing in the DfT as being part of the problem.

The franchising system is supposedly "apolitical", with government ministers having no influence on the outcome of the bidding contests. But the way in which Virgin boss Richard Branson has been able to influence events is also alarming, with reports that he has been pulling strings in Downing Street to reverse the decision to award the West Coast franchise to First Group. And First Group has itself gone suspiciously quiet about the whole sorry affair, with some pondering on how much "compensation" they will get following the abandonment of the West Coast re-franchise. There is a strong whiff of corruption.

Against the background of a growing trend for outsourcing and contracting out in other public services like local authorities and the NHS – where companies like Virgin are looking for quick profits in providing healthcare – public service workers and service users should sit up and take heed of what is



Transport workers on the march in London at the TUC demonstration, 20 October.

going on in the rail industry!

The problem with the current rail franchising system is that train companies can submit “fantasy bids”, knowing they can keep raising fares or just walk away or seek bailouts if they can’t sustain large profits. While they make large profits, they receive in nearly all cases huge subsidies from the taxpayers. And failure to pay money they owe the taxpayer for broken commitments doesn’t stop them being allowed to bid for more rail services. Over £450 million is being paid to another eight different profit-making train companies who’ve failed to meet the targets they predicted in their own bids.

The government will now be extending Virgin’s current franchise by up to a year, then holding not one but two further franchise bidding rounds for West Coast, all in order to keep the service in private hands. It is ironic that allowing Virgin to

keep the franchise may bring the government into conflict with EU law – it was of course the EU that began the “liberalisation” of railway across Europe that led directly to the privatisation of Britain’s railways.

### Renationalisation

There are signs that the Labour Party may at last be moving away from its previous position of support for the franchising system for Britain’s railways. Even the DAILY TELEGRAPH has run a readers poll which shows a majority in favour of renationalisation, and it has perhaps dawned on the likes of Labour Transport spokesperson Maria Eagle that acting on the party’s policy of returning the railways to public ownership and control might be electorally popular.

But shadow chancellor Ed Balls has clearly not got the message (does he

ever?), angering the rail unions at the Labour Party conference by continuing to peddle the long-discredited line that renationalisation will cost billions. It won’t – the government merely has to wait for a franchise to end, and then take it over, as happened in East Coast. And there are a number of effective ways of bringing franchises to a premature end! It is certain that the Labour Party can’t be trusted – we have to continue to look to our own devices, and look sharper.

There is now a golden opportunity to force an end to the madness of the privatised railway that is costing workers dear, both as taxpayers and fare paying passengers. The rail unions must be supported in their efforts to ensure that this opportunity is seized and Britain’s railways are run as a public service, not to line the pockets of billionaires like Branson. ■

## The European Union wants to shackle the nations of Europe in every aspect of social and economic life...

# The European Union – war on Europe’s people

**This article is an edited version of a speech given to a public meeting organised by the CPBML in Conway Hall, London on 27 September.**

TAKE A LOOK at the European Commission’s official website, at the job opportunities section. It bills itself as a modern administration. It says you can be placed in any member state in the exciting role of administrator. “As a vital member of staff, you can find yourself playing a key role in the European Union’s legislative and budgeting processes...coordinating the broad economic policies of member states.” What a fantastic job to have! I don’t think so: the power to affect member states by your decision is not something we should relish.

What is it about the European Union, which is designed to invade every area of our lives? The fact is that European legislative policies attempt to infect our national identity and further destroy who we are as a working class.

The European Union has developed policies designed to ensure the free movement of people, goods, services and capital – its key aim. This is the main way to provide maximum profits while eroding working class wages. It operates by a system of supranational, independent institutions, with negotiated decisions by the member states. The EU could not impose on the peoples of Europe without its important institutions, especially the European Commission, the Court of Justice and the European Central Bank. Its political centres are not based in Britain but in Brussels, Luxembourg and Strasbourg.

Whenever a British Embassy closes down overseas it is noticeable that European Union bureaucrats immediately move in.

Since 2009 the euro has been immersed in the European sovereign debt crisis. In July 2012 the value of the euro fell below the US dollar for the first time in two years. So-called “austerity” measures forced upon the member states have little impact on this crisis but allow the ECB and EU leaders to hold Greece, Ireland, Spain, Portugal and Italy to ransom. We see people within Europe having to resort to food banks to assist with everyday living. Pensions become worthless and it is an ongoing struggle to survive. This is the human side of being governed by the EU. It is what happens when your sovereign borders are wiped out.

### Shackles

We may not have the euro but the British working class does experience numerous restrictions that the EU places on our everyday lives. It shackles us in terms of a nation and more importantly the ability to choose how we live. EU regulations and directives attempt to govern every aspect of life. In our working lives we see increased laws to restrict our ability to organise. The crisis measures being taken have a huge impact on our pensions and how long we stay in a job.

We have seen our manufactures replaced with cheap imitations of quality work. The ability to have a British workforce has been eroded in favour of opening up to EU labour market forces, thus diluting our ability to produce and sell to a world market. Comradeship across



Photo: Council of the European Union – M@S

EU crisis meeting, Brussels, 19 October: 23 languages

industries and workforces is eroded as industry shuts down, never to reopen under capitalism.

Yet we could make all the goods that we need to be able to feed ourselves, control our territorial waters, and trade with the world as a sovereign nation. European trade accounts for just 20 per cent of Global trade – we can trade with the other 80 per cent and still trade with Europe from outside the European Union.

Migration from Europe has increased, causing a rise in youth unemployment in Britain. Migration Watch says that between the first quarter of 2004 and the third quarter of 2011, employment in Britain of

## The growing relationship between the EU and the US

- EU and US based companies account for nearly two-thirds of top R & D companies worldwide.
- EU and US trade climbed to \$636 billion in 2011, 14 per cent more than the previous year.
- The transatlantic economy is the largest

and wealthiest market in the world, accounting for over 54 per cent of world GDP in terms of value and 40 per cent in terms of purchasing power.

- US investment in the Netherlands from 2000 to 2010 was nine times US investment in China over the same period.

- US investment in Britain was more than seven times more, and in Ireland nearly three times more, than in China.
- According to a 2011 study, gains from the free trade agreement between the EU and the US could amount to nearly 120 billion euros, approx \$156 billion ■

# Order to maximise profits. Immersed in crisis, it seeks to control

## bles



ages, 22 summits since the euro crisis began, zero solutions – united only by hatred of workers.

workers born in the so-called A8 countries that joined the EU in 2004 increased by 600,000; over the same period unemployment of young people here increased by a similar amount. It doubled from 575,000 to just over 1 million. We need a genuine informed debate on immigration and labour mobility – before the British working class is divided by the EU.

The attack on our way of life continues with a government riding on the coattails of the EU. For example employers can now sack workers on the grounds of lack of capability or poor performance without giving any explanation. Another case is the Health and Social Care Act, actively encouraging any provider to offer services, breaking up our national treasure.

The transfer of public services employees to the private sector is part of a strategy to reduce unionisation and to create a flexible labour market. Union membership in Germany fell by 23 per cent between 1993 and 2003 from 11.6 million to 8.8 million. In Britain union membership fell over the same period by 12 per cent from 8.8 million to 7.6 million. Private companies are less likely to be unionised than the public sector. In Britain 62 per

cent of the public sector workforce is unionised compared with 20 per cent private sector. Who is benefiting? Not the British working class.

### Links to United States

Much is said by europhiles about Europe being a protection against the US. Not so – they work hand in glove. In 1990 the Transatlantic Declaration formalised relations between the European Union and the US.

The key areas of co-operation include not only political, trade and economic relations but active co operation on global challenges. What do they mean by global challenges? What we would call efforts by developing nations to lift themselves out of poverty, as in Cuba and other states inspired by them. Viva revolution for Cuba – a beacon in terms of standing up to this powerful nation. It lifts the spirit of what a country can do if they are collective in their stand.

The European Union and the US meet regularly at presidential summits, and the Transatlantic Economic Council (TEC) provides a high-level forum to address areas like investment, financial markets,

accounting standards and secure trade (in whose interests?). Chaired by the EU trade commissioner and US deputy national security advisor, it advances economic integration. Then there is the Trans Atlantic Consumer Dialogue, which issues recommendations on policy making on food, trade, health and intellectual property issues. And naturally a Trans Atlantic Business Dialogue to help establish a barrier-free transatlantic market. All this is backed up by a Trans Atlantic Legislators Dialogue to foster relations between the European Parliament and US congress. The 2011 EU–US Presidential summit focused on economic growth, without of course doing anything about growth.

### Referendum

The British working class needs to organise and be ruthless in campaigning for a no vote in a referendum on the EU. British workers want and demand a referendum from a non-mandated government. The latest opinion polls show 70 per cent of British workers want a referendum on the EU. The Coalition government may disagree – with Kenneth Clarke MP in June 2012 stating, “I cannot think of anything sillier to do than hold a referendum.” This is the position of a government that puts profit before the British working class.

What can we do to campaign? We can show that the capitalist club in Europe does not work. The EU is in crisis both economically and politically. We can appeal to millions of workers on the loss of our liberty, our unity, loss of jobs and industries, loss of our skills, loss of identity and loss of sovereignty.

As we continue to fight capitalism and greed within our own borders we also need to extend our comradeship to working classes across Europe so that we can bring about the destruction of the European Union. Our Greek comrades have a banner proclaiming People of Europe unite. There is no such thing as European people. There is each nation with its own working class, with its own interest at heart. We need to grasp that our country is our culture and identity and leave the EU. ■

A foreign correspondent has used his background and first-hand... a compelling picture of uprising hijacked by Islamist reaction...

## Exposing the myth of the ‘Arab Spring’

**After the Arab spring: how Islamists hijacked the Middle East revolts, by John R. Bradley, hardback, 247 pages, ISBN 978-0-230-33819-7, Palgrave Macmillan, 2012, £10.99.**

IN THIS SPLENDID book, John Bradley, an experienced foreign correspondent, shows how the media have lied to us about recent events in the Middle East. He exposes the myth of the “Arab Spring”, which he says, like every Eastern European “colour” revolution, was not for freedom or democracy but for reaction.

He reminds us that Tunisia “was ruled by the most secular Arab regime and was the most socially liberal and progressive Muslim country in the Middle East. As such, before its revolution it had been the last bulwark against the Saudi-funded Wahhabi form of Islam that, since the oil boom of the 1970s, had spread everywhere else in the Islamic world.”

Bradley points out that Tunisia was a “Muslim country where abortion was legal, where schools taught sex education, and where the veil was banned in government institutions (and severely discouraged elsewhere).” Polygamy had been outlawed for decades. The fertility rate was 2.08, down from 7.2 in the 1960s.

### Education

Schools and health care were free. More was spent on education than on the army. Its education was excellent, ranked 17th in the world, and seventh in maths and science. A third of Tunisia’s young people went to university, where 60 per cent of students were women.

The army had no role in politics. The government opposed regionalism, tribalism and Islamism. “In Tunisia, there was a reason that the Islamists were not the vanguard: for decades the regime had imprisoned or exiled them.”

In 2009, only 4 per cent of Tunisians were poor; after the counter-revolution, 25 per cent were poor, and 40 per cent were jobless. The Islamists won the October 2011 election. Islamist stormtroopers smashed up cinemas, TV stations, bars, synagogues and university buildings, and attacked



Photo: Mohamed Elsayyed/Shutterstock.com

25 January 2012: thousands gather in Cairo’s Tahrir Square on the first anniversary of the Egyptian

unveiled women, artists and secularists – the fascist murder of Tunisia’s secularism.

In Egypt a military coup ousted Mubarak. Saudi Arabia gave \$4 billion in soft loans to Egypt’s new military regime. The generals promised civilian rule, but reneged and have jailed even more people than Mubarak did. Bradley comments, “In 2011 the pro-democracy activists had from the outset foolishly declared their own revolution ‘leaderless’; they had learned nothing from history about how revolutionary movements lacking a vanguard are crushed by more entrenched and better-organized forces in the aftermath of massive social and political upheaval.”

In February 2011 Saudi forces shot

down Bahrain’s unarmed protestors. President Obama backed the Saudi invasion. Saudi Arabia backed an Islamist revolt in the Yemen. It funds the religious schools (madrassas) in Pakistan that teach the Saudi-based Wahhabi form of Islam, which emphasises Jihad as war on infidels; in return Pakistani troops are stationed in Saudi Arabia to support the regime.

Saudi Arabia also funds madrassas in Indonesia, Malaysia, southern Thailand and Afghanistan. It is the paymaster of Islamist terrorism around the world. Its fronts include the World Assembly of Muslim Youth, the International Islamic Relief Organisation and the Muslim World League.

The USA thinks that its interests, and Israel’s, are best served by a pact with



...n uprising to call for further political reforms.

Saudi Arabia. So President Obama backs all the Saudi counter-revolutions, supports the Muslim Brotherhood in Egypt and backed the Al-Qaeda-linked rebels in Libya.

Bradley notes, "Syria, the only ostensibly secular Arab country apart from Tunisia, was ruled by a minority Shia cult, and there, too, the Sunni fundamentalist Muslim Brotherhood was ready to pounce." In this, the only remaining secular Arab country, the USA and Britain back the Islamist, Al-Qaeda-linked, Saudi-backed rebels trying to overthrow the government by force.

Bradley concludes, "Socially and economically, the Arab Spring has put back countries like Tunisia, Yemen, and Syria by decades."

# More from our series on aspects of Marxist thinking

# GUERRILLA STRUGGLE

**Guerrilla struggle, irregular warfare, or as the US now calls it "asymmetrical warfare", was developed as a successful strategy to win power, by Chinese communists, Cuban revolutionaries and Vietnamese national liberation fighters. In 1973, a time of intense working class action in Britain, our Party wrote a pamphlet that sought to apply the tactics of guerrilla war to civil political action, civil strife and industrial action in Britain.**

Classic tactics include "hit and run", avoiding full frontal warfare, maximising your strengths and knowing your enemy's weakness; maximising the damage to your enemy whilst minimising your losses. "When the enemy attacks, we retreat; when the enemy retreats, we harry them; lure the enemy in deep so we can surround them or attack their supply lines," were all famous tactical quotes from the Chinese revolution. Guerrilla struggle is a strategy developed by Communists and successfully used by resistance and liberation movements.

A well-known use of guerrilla struggle applied to industrial struggle in Britain was the flying pickets of the striking miners in 1972 and 1974 that closed other strategic sites such as the Saltley coke works in the West Midlands when engineers joined the miners. The remainder of the seventies saw guerrilla action by engineers playing off one employer against another, with rail workers, teachers and white collar workers joining the fray, and concluded with the Winter of Discontent that brought down the Callaghan government.

The key was to hit the powerful employer where he was weakest and where workers were strongest, to take the employer by surprise but not to be adventurous, to avoid all-out confrontations that might lead to casualties, to know when to withdraw and strike the employer somewhere else, to spread solidarity, but most importantly to ensure control of the struggle was in the hands of local organised workers. The governments of the seventies could not control these struggles and consequently organised workers brought down two governments.

This is why Thatcher, after her election in 1979, made her priority destroying trade unions and outlawing anything that smelt of guerrilla struggle such as solidarity action, local strikes based on a show of hands or instantaneous walkouts. In the eighties, workers had to use their heads to avoid the government stealing their unions' assets.

Today, with those laws still in place, guerrilla struggle is even more the key to victory. The construction workers at Lindsey Oil Refinery who walked out in 2009 over the use of foreign labour and who organised phenomenal solidarity strikes across the country are a good example. It's time to use our heads again because only workers who know their employer well can determine these tactics.

### 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.
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# Back to Front – Devouring the young

**‘Only under capitalism could we have too many educated people. Only a capitalist government would see rising GCSE exam success as an outrage...’**

NEVER SAY that capitalism has no long-term aim. It does. Capitalists simply want to stay in power until the Earth is swallowed up by the Sun. Yet most of the time they have no thought for the future beyond making as much profit as possible in the current financial year. No wonder the system has no time for educating or training young people who would make them profits in future – that would be too much like a strategy.

When modern capital was born in the Industrial Revolution, it fed on children – children as young as four or five. Six-year-olds were commonly working 12 to 14 hours a day with minimal breaks, earning a small fraction of the adult wage. Orphans were paid nothing, just food and board. It’s a measure of how dire things were that the Factory Act of 1833 stipulated that children of 8 and under could not work in a factory, and that those aged between 9 and 13 could work no longer than eight hours a day. And that was progress!

Now capitalism doesn’t seem to be interested in employing young people at all. The minimum wage has become, for most young people in Britain, a maximum, but that’s still too much for many employers. According to the Office for National Statistics, in the three months to July this year 716,000 (20.3 per cent) of 16- to 24-year-olds not in education were unemployed.

Even education is considered too expensive. Hence the £9,000 annual fee level, set as a maximum but predictably

enough the norm. You might think that Britain would benefit from broad uptake of university places. Yet the fees fiasco has resulted in tens of thousands fewer new students this autumn than last – including, astonishingly, 5,000 empty places at Russell Group universities.

In an act of treachery to young people, these were the very universities that were pushing for high fees in the first place. In the past some of them were saying fees should go up over £20,000. Maybe even these universities can see that if that were to happen, they would start running out of students altogether.

Only under capitalism could we have too many educated people. Only a capitalist government would see rising GCSE exam success as an outrage, and instruct its obedient servants to revise grade boundaries to “lower” achievement. Now it’s going one step further: the new EBacc will leave many young people with no grades at all, just a useless “statement of achievement”.

There is one aspect of young people that does interest capitalism – the potential to get them into a lifetime of debt. An online survey by the voluntary organisation YouthNet reported last year that the greatest fear for young people is now debt (in a comparable survey in 2008 the top fear was death). Therein lies the main attraction of student loans and fees, ideal vehicles for ensuring that today’s young people are subsidising finance capital for decades to come. ■

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