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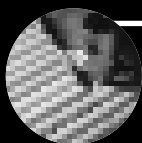


HOW TO KILL AN INDUSTRY



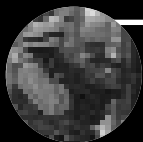
The real economy (or lack of it)

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Textiles – down but not out

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Democracy and colonialism – Iraqi-style

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WORKERS

“ First thoughts:

THE GENERAL ELECTION is a fraud and a farce. The politicians of all the parliamentary parties conspire to lie about Britain and its future. The government's attacks on Britain and on other countries are not to be discussed.

They lie that the attack on Iraq happened because nobody told Blair that there were no weapons of mass destruction. From the start it was a criminal conspiracy against a country they knew was defenceless.

They lie that the war was against terrorism and for democracy, peace and security. There will never be democracy or peace or security in Iraq while the troops are there. How many more Iraqi people will Bush and Blair kill before the occupation ends? We must stop the killing now and get the troops out now.

They lie that the Treaty Establishing a Constitution for Europe is not establishing a European state, and aims to put an end to

Britain. The government is gearing itself up for a huge effort to back the Constitution. We must reject it.

They lie when they deny that the EU has ordered an end to Britain's car industry. They lie when they cover up the EU Bank's orders – to reduce public pensions, to raise the retirement age, to grant greater private involvement in healthcare financing, extend working hours, and to contain labour costs and abolish “overly rigid” labour market regulations. We must end the EU's interference in our affairs and leave the EU.

The government does whatever capital wants, not what Britain needs. It does what it is told, whatever the damage to Britain. These are show-elections for a show-democracy. We need to rebuild Britain by rebuilding our manufacturing industry. To be able to do this, we must be sovereign in our own land.

Second opinion:

THE 60TH anniversary of the victory in Europe of the Allied Powers over Nazism and Fascism falls on 9 May. It is to the honour of the British Legion that they have commissioned their Victory and Freedom remembrance campaign to run throughout the General Election campaign. This is a timely reminder of what Nazism and

Fascism represented and who actually defeated them - the peoples of Europe and above all the armed forces of the Soviet Union. It is a timely reminder because it puts into context neo-Nazi crackpots and those who thrive off them, the self-styled left, now shattered irrelevancies from another era.



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**TRADE UNIONS****MOTORS****UNISON****THE LAW****ENERGY****SHIP REPAIR****EU****EDUCATION****EUROCASH****WHAT'S ON**

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From ASBO to CRASBO

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Coming soon

STUC faces election pressure

NOW IN ITS 108th year, the Scottish Trades Union Congress met in Dundee in April – subjected to a low-key but pervasive pressure from the Labour Party to support its “historic third term”. No voice dared advocate Blair by name, but a raft of invited speakers pushed his message, including Wales TUC Vice President David Lewis, who demanded the unions get behind the Warwick Agreement to support the re-election of Labour. He implicated the STUC in this quest by praising their “shared agenda”.

So it was the work of smaller unions, trades councils, youth delegates and fringe meetings that kept any fighting spirit alive, cutting through an apathetic and don't-rock-the-boat atmosphere.

The only moments of drama – apart from Bob Crow of the RMT forcefully chiding delegates for letting Secretary of State Alistair Darling off the hook on transport privatisation – came as the STUC General Council called for remission of an amendment that would have established STUC policy “consequently to oppose the EU Constitution”, conceding at the same time a pledge to hold a consultative conference on the EU Constitution in advance of any referendum. This was accepted by the movers – the trades councils from Clydebank and Kilmarnock – as a way forward to establishing STUC policy on the issue. Speakers Arthur West and Tom Morrison had condemned the imposition of privatisation enshrined in the constitution. Their points were reinforced on the final day by Phil McGarry, RMT Scottish Organiser, who said that his union would advocate a No in any referendum.

Each of the 450 delegates and visitors had received a copy of the new Trade Unions Against the EU Constitution pamphlet in their conference packs. This, a stall on the issue and a lunchtime meeting gave delegates opportunities to consider the question.

Many questions of vital interest to workers were addressed during the three days of the congress: campaigns for better health and safety highlighted the inadequacy of present levels of enforcement; demands that anti-union legislation be repealed; the need to save and rebuild manufacturing (though the Amicus and GMBATU motion seemed more concerned with implementing EU directives than taking control of rebuilding manufacture); and condemnation of cuts in the fire service.

Hope in the future of the movement was raised by activities of the STUC Youth Committee, including a campaign in schools to raise awareness of unions, and joint work with the National Union of Students – only 3% of students who work are unionised. The good news is that union membership in Scotland has risen for the second year running – this time by 4,324, to 628,721, with 43 trade unions and 24 trades councils affiliated.

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

MOTOR INDUSTRY**Sackings at Peugeot**

LOST IN THE reporting of the disaster which has engulfed Rover workers is news that 850 jobs at the Peugeot Ryton car factory in Coventry are also to be axed.

As reported in WORKERS in April, deliberate time wasting and foot dragging by the EU Commission for over two years ensured that new production of the Peugeot 207 range, scheduled for 2002, has now gone to France and Slovakia. Ryton, which employs 3,000 workers, will see almost a third of its workers sacked.

UNISON**Don't mention the constitution**

BRITAIN'S LARGEST union – Unison – is balloting for its National Executive Council. The critical issue is to ensure member participation and lift the appalling return from 2003 with only 5% (sic) of members voting. Confusing though the ballot paper is, confusing though the relevance of certain posts may be, what the election demonstrates is a paucity of clear thinking about such issues as the EU Constitution and its effects on public services.

Most candidates call for Public Services for People not Profit. But not one mentions the Constitution or the parts of it that refer to further privatisation and sell-off. It is hard to see how the candidates' grand calls for unity across public service unions, to fight issues such as pensions, can be effective when this is not even mentioned in their analysis. It seems many of the candidates are rushing to prove their credentials in “fighting Racism and Fascism”, or polishing their “Left” political party credentials.

EUROCASH**...it's our money****Awash with cash**

The European Union is funded with cash from member states, taking a cut from VAT and a percentage of gross domestic product (GDP). The European Commission works out how to spend what comes in, but there is no way to stop the flow. Yet the EU still wants more: its annual budget is forecast to rise by 31%.

UK contribution

In 2003 the EU annual budget was 98.3 billion euros; Britain's gross contribution was 15.2 billion euros. Since 1973 Britain's net contribution to the EU has been £75 billion (about 110 billion euros). The House of Commons Public Accounts Committee suggested that "the scale of [the Court of Auditors'] work is totally inadequate given the importance of ensuring the effective use of Community funds".

It's all in the books...maybe

Member states reported "irregularities" of 922 million euros for 2003 to the EU sleaze watchdog. But the Public Accounts Committee says that the fraud and corruption in the EU budget cannot be measured accurately. The figure may be much higher: EU accounts are too complex, and member states do not report consistently, or differentiate between fraud and other irregularities.

No accounting for EU funds

The European Union introduced a new accounting system last January, supposedly to prevent fraud. The new system will be little better than the old one. Opening balances have not been reconciled with closing balances on the old system. This greatly reduces the chance of ever finding out what happened in the past.

But who cares?

The Public Accounts Committee report concluded that "accountability and audit arrangements of the EU have been characterised by inertia among the institutions. The high levels of fraud and irregularity generally thought to exist in EU operations have seriously damaged the Community's reputation.

"The fact that the European Court of Auditors has qualified the Union's accounts for ten successive years gives credence to this view."



Photo: Workers

MEMBERS of the Rail, Maritime and Transport Union will march from Glasgow to London, via Liverpool, Manchester, Leeds and Birmingham, in the run-up to the General Election, demanding the renationalisation of the railways. The march, reminiscent of the Marches for Jobs of the early 1980s, will be led by the Silkwood Colliery Band with the slogan of "Privatisation My Arse", succinctly summing up the disaster of rail privatisation. [Photo: Virgin train at Birmingham New Street station]

From ASBO to CRASBO

THE USE OF Anti-Social Behaviour Orders has been welcomed in many areas as a deterrent to low level types of crime such as prostitution, drug dealing, vandalism and graffiti. But ASBOs ignore the background of such crime: unemployment, poverty, illiteracy and homelessness, all largely economic, are not being addressed as a class issue.

Now the government is introducing a "criminal related" ASBO, or CRASBO. Two cases are currently going through the courts. In North Yorkshire the Ministry of Defence, the North Yorkshire Police and the US Forces at Menwith Hill spy base are targeting peace protesters who have maintained a vigil against the Menwith Hill base for years.

The CRASBO will make tracts of North Yorkshire "no-go" areas to protesters and effectively enforce a form of internal exile on two leading women peace protesters.

The second case involves the bringing of a CRASBO against a man who posted job vacancy details for the post of Pope on a website. Incredible that this should happen in a country which ditched Roman Catholicism 500 years ago.

ENERGY**Playing poker with the future**

THE GOVERNMENT is still playing high risk poker with Britain's energy industries. Britain has now ceased to be either an exporter of or self-sufficient in gas as the North Sea oil and gas fields expire.

No decision has been made over new nuclear installations, and meanwhile the old power stations are being decommissioned. Coal is left to die.

Instead, almost as emergency measures, the government is finalising additional import contracts: 20% of Britain's gas will come from Norway via a new 745-mile underwater pipe. Already substantial imports from Algeria will be increased.

The Isle of Grain, site of the ill-fated oil power station in Kent, will now become the central distribution point for liquefied natural gas. Imports will rise from 3.3 million tonnes now to 9.8 million in 2008. Gas will keep its 30% market for power generation, all of which adds up to no

energy strategy, no independence or security of supply and a total abdication by government of its responsibilities to Britain.

SHIP REPAIR**Thames closure**

ONE OF the few remaining Thames repair yards faces closure due to lease expiry problems. The Thames Craft Dry Docking Company at Greenwich provides maintenance to the Thames tourist boats, the River Police fleet and innumerable smaller boating and shipping companies.

Over 10 million tonnes of freight use the Thames annually. There is not the capacity to move this to road or rail. Transport on London's streets is moving slower in 2005 than it did in 1905, but planners are not linking use of the Thames with the Thames Regeneration Project and the various cross-London rail plans. Efficient use of river transport requires maintenance and repair facilities to ensure safety standards are met.

EDUCATION**Lecturers to debate migration**

NATFHE ANNUAL conference meets in Eastbourne at the end of May, a critical time for higher and further education with increasing concern that key departments in core subjects such as Chemistry cannot be sustained in Britain. In addition the union itself is contemplating its own future, with talks on a merger with the Association of

University Teachers (AUT) under way.

The conference will also discuss a motion which deplors "the damaging effects of high skilled migration from developing countries to the UK which is further exacerbated by the market-led drives of Higher Education Institutions to recruit overseas students". The motion calls on the union to set up what is called a "Brain Drain" project to look at the implications in the sending and receiving countries.

Rally against EU constitution

ON SATURDAY 9 April Conway Hall in Central London was packed for a Anti-EU constitution rally. The audience came from all parts of Britain and also included small delegations from Ireland, France, Spain and many of the Scandinavian countries. The broad range of speakers included Doug Nicholls from Trade Unions against the EU Constitution, who gave a succinct overview of how trade union opposition to the Constitution has grown since last September's TUC.

All the speakers, including Labour and Conservative representatives, spoke of the undemocratic nature of the constitution. Many speakers – particularly those from Scandinavia – focused on how the militarisation of the EU made war in Europe more likely. The audience gave an especially warm welcome to two speakers. One was Marta Andreasen, the former EU chief accountant who had been ousted from her post for her efforts to expose EU corruption. The other was Neil Herron from the campaign which defeated the proposed assembly in the North East of England, part of the EU-inspired drive to divide Britain in separate regions.

NHS**Think cleaners**

UNISON, the union representing many healthcare workers, is running a Think Cleaners campaign. At its recent conference for hospital cleaners, union reps raised concerns such as lack of equipment and proper cleaning products, the shortage of isolation facilities for MRSA and the difficulty of having to clean with visitors always around.

It is a historical fact that the Tories' policy of privatisation of hospital support services 20 years ago led to a halving of hospital domestic staff. This policy, and the under-resourcing it entails, has been continued by the Blair government under the guise of market testing. Market testing is an integral part of EU competition policy, which continues to cause cuts in services and staffing levels both in-house and within private contracts.

The political parties have offered a range of solutions, including the return of the matron. The cleaners had a better set of proposals. The priority is to bring cleaning services back in-house and consult with staff to ensure contracts match needs. More staff should be employed in effective teams with better pay and conditions and

adequate training, who will work more hours with better resources.

Management should give a higher priority to cleaning services and show respect to staff instead of pursuing a blame culture, which encourages patients to complain without the staff having a chance to reply.

TRANSPORT**Reverse auctions**

TRANSPORT FOR LONDON has decided to procure consulting engineering and other professional services in construction by 'Reverse Auctions'. In this system firms put in bids by internet and later are asked to bid again to beat the lowest price until a bottom bid is reached which no one is prepared to beat.

The Standing Committee for Structural Safety recommended in its last report that this form of procurement should be avoided as it increased risks on safety. Research on relative costs within the construction industry show that design costs 0.1, construction 5, construction plus maintenance over the life of a building 20 – set against 200 as the value from its use. To save on design and so compromise other stages represents very poor value.

WHAT'S ON**Coming soon****MAY**

Sunday 1 May, London

May Day March – Assemble Clerkenwell Green 12pm, move off to Trafalgar Square 1pm.

Under the slogans "Fight for trade union rights", "Make poverty history" and "Support public services", this year's march aims to be the biggest yet.

Sunday 1 May, London

CPBML May Day Rally and Celebration, 7.30pm.

Celebrate May Day with the CPBML. Speeches, refreshments. Conway Hall, Red Lion Square, London WC1. Nearest tube, Holborn. All welcome.

Saturday 21 May, London

Free Palestine – end Israeli occupation National Demonstration, 1pm.

Organised by the Palestine Solidarity Campaign. Assemble on the Embankment, rally in Trafalgar Square. Details www.palestinecampaign.org

Monday 23 May, London

EU Constitution and Charter: Progress or Problems for Unions and Workers? One-day conference, 9.30am to 4.30pm.

Organised by the Institute of Employment Rights. Takes place at NATFHE Centre, Britannia Street, London WC1. Speakers include Brendan Barber and Bob Crow. For details and costs, email office@ier.org.uk

LONDON**The poverty trap**

ANALYSIS BY London trade unions, the Greater London Authority, the Mayor's Office and the London Citizens Organisation has arrived at a "living wage" for London – the absolute minimum you need simply to exist – of £6.70p an hour. Including benefits and tax credits this figure rises to £8.10p per hour. The national minimum wage rises in October to £5.05p per hour.

The analysis shows that 170,000 full-time workers in London receive less than a living wage (£6.70p) but above the official poverty wage threshold of £5.80p. Another 230,000 part-time workers receive wages less than the poverty wage threshold. This means one in seven of London's workers receive poverty-level pay – not counting those paid below the minimum wage.

Unionisation of the doormen

THERE IS CHAOS in the security sector – and it is all down to government policy on door supervisors. But the workers in the sector are organising themselves.

The Federation of Door Supervisors and Security (FEDS) is a union that now has 13,000 members. Its aim is to promote professionalism and good practice, and it provides advice and protection for its members. If a member is arrested on a work-related matter, specialist solicitors and QCs are made available. FEDS is continuing its campaign over how licensing of door staff is implemented. This has become a requirement as a result of the Private Security Industry Act 2001.

Deadline

There are 85,000 staff nationwide and most still have to register despite a deadline of April 2005. Up to now fewer than 20,000 licences have been issued and applications are taking three to five months to process.

Andy Walker, chief executive of the Federation was recently reported in the magazine *BIG ISSUE* as estimating that “72,000 door supervisors will have to... work illegally or the vast majority of pubs and clubs will have to do without security staff”.

One common reason for being refused a licence is having had a criminal record. However, this rule is being applied too stringently and people with minor offences committed many years before are being refused licences, and thus being denied a livelihood. FEDS pointed out that even the Director of Public Prosecutions, Ken McDonald QC, had had a conviction for possession of cannabis with intent to supply.

The union has criticised the lack of proper appeals procedures based on “relevance, seriousness or recency of any offence”. The Security Industry Authority (SIA) will only carry out appeals based on documentation rather than verbal statements from the individuals concerned.

They paid just a tenner for the whole company, the pension fund is bare and the jobs are gone. That's why that nothing but struggle can secure a future.

Rover: a tale of home-grown

MG ROVER has collapsed with the attendant misery for the Longbridge workers and the thousands employed in the various supply components industries. Despite possible Chinese orders to Rover's suppliers, redundancy announcements are starting, with Corus announcing 50 in Wolverhampton. Current overall estimates stand at 30,000 job losses. Network Rail hopes to benefit, declaring that there will be vacancies for skilled engineers (but not at the wages paid by Rover).

As the whole sorry mess unravels it is easy to point the finger at those who are perceived to be the main villains – the Chinese – but there are other elements, some closer to home, who are culpable in this vandalism against manufacturing industry.

Gang of Four

John Towers and Phoenix Venture Holdings, or the Gang of Four, as it was popularly called, was later joined by chief executive Kevin Howe. The Gang of Four bought MG Rover for just £10 from BMW in 2000. Since then the directors have pocketed an estimated £40 million in five years.

They have drawn salaries of more than £11 million and benefited from £17 million of payments into private trust funds. In addition, they have collected more than £12 million in interest and capital payments on loan notes given to them as part of the corporate restructuring that followed the purchase of MG Rover.

Techtronic, the ultimate holding company used by Towers and his fellow directors to acquire MG Rover, paid a £32.5 million dividend to Phoenix Venture Holdings, even though it made an operating loss of £119 million.

Meanwhile, Phoenix Venture Holdings paid £11 million of interest on the BMW loan back to Techtronic. Since 2000 it has received £70 million in dividends and paid £40 million in interest payments. The directors' pension fund is somewhere between £13 and £16 million.

Rover might have survived if the directors had ploughed the BMW money into a new car as soon as they took over



Rover owners reacted quickly to the closure news

‘It is easy to point the finger at the Chinese – but there are elements closer to home who are culpable in this vandalism...’

in 2000. However, Phoenix was just merely another venture capitalist or asset stripper (as was Alchemy), and as such it quickly separated the loss-making car-producing division from its profitable businesses such as property, engine manufacture and its car-leasing facet MGR Capital, which are all owned now by Phoenix directors. The sale of MGR Capital by BMW to the four directors was even done without the backing of a bank.

Among the huge sums raised by the disposal of MG Rover was £60 million from the sale of 60 acres of the Longbridge site to property developers St Modwen in 2003. A year later the MG Rover car parts business, Xpart, was sold by Phoenix to Caterpillar Logistics

ny. Five years on, the directors have pocketed an estimated £40
 os have gone. It's not enough to call this a tragedy. The lesson is
 e for our industry...

vandalism and asset-stripping



Photo: Workers

s with a rally outside the Midlands factory

Services for £10 million. Studley Castle, a hotel and conference centre, formerly owned by MG Rover, making £3.3 million profit in 2003, is now a separate company owned by Phoenix directors.

From the moment Phoenix took over there was never any intention of saving and rebuilding Rover.

What actually was the role of government, and more to the point that of unions such as the TGWU and Amicus during the 10 months of negotiations between Rover and Shanghai Automotive Industry from June of last year? It would seem that the Chinese firm has got everything it wanted: it has bought the "intellectual property rights" of the Rover models 25 and 75 and their engines, and Powertrain – all for a mere £67 million. British workers were never going to be employed by a Chinese firm when they could employ Chinese workers at a fraction of the cost. The Chinese were supposed to have found a £400 million pensions deficit – when did unions and government find out about this?

The pensions deficit, which the company and government are strangely silent about, means that the administrators, Price Waterhouse

Coopers, can separate the assets of the business and sell them off individually (such as the production line to China), leaving the pension fund just another unsecured creditor. As to the money raised by the administrators, the banks and financial institutions will be paid first – the workers and their pension scheme will be at the end of the line.

EU regulations

Government made much of its £100 million bridging loan for 6 months. This was merely play-acting with the Chinese, who insisted on two years. Both of them knew, of course, that a two-year loan would contravene European competition regulations restricting the use of long-term state aid to ailing firms, something that the British government would not do.

Saving and building British manufacturing industry is certainly not on the agenda of the Labour government or the other two parties in this silly season of general election knock-about politics. All three parties are signed up to their version of neo-liberalism and globalisation – though they dare not proclaim it to the electorate.

The politicians' belief in EU rules against state help for British industry has become so zealous as to rival religious fundamentalists. This must come as a relief to the EU Commissioners, who are finding it hard to enforce these rules on the Continent. Over the last year Germany and France combined gave 25 billion euros to their industry. Britain gave only 4.2 billion, and that was mostly in short-term emergency aid for "retraining" schemes.

The Gang of Four bought MG Rover for £10; why could not Longbridge workers have done the same? Are we saying we cannot run our own industries? Miners at Tower Colliery do not believe that. Any crooks can sell off the family silver, but it takes skill to make things. We cannot leave it to others to defend what is ours. Tony Woodley can only say the collapse is tragic – that is not good enough. Do we really believe that we are doomed to repeat the same mistakes again and again?

• See Back to Front, p16

Who ever thought the Chinese would come to the rescue?

ROVER SUPPLIERS in the Midlands have received the first enquiries to supply parts to the Chinese firm SAIC, confirming that they are getting ready to build Rover cars in China.

Only hours before, John Towers, boss of MG Rover, had said ownership of the designs for the Rover 75 and 25 and the M-Series engines was useless to SAIC without the machines and expertise to build cars.

Last year SAIC paid £67 million for the designs and right to manufacture. They also invested £50 million in tooling to produce cars there and had 65 Rover workers helping to set up their factory. These workers have just returned to Birmingham to face redundancy with 5,000 other Rover workers.

Any machines SAIC lack they will soon acquire very cheaply when the receivers auction the plant. They will probably also get any expertise they lack from the Rover unemployed.

The local press speak of "the Chinese having taught Rover a lesson in ruthless capitalism", or "clinical and cynical". SAIC had also approached that name well known to British workers facing privatisation or takeover, Price Waterhouse Cooper, which is the administrator for Rover, and we can all guess what their enquiries were about.

The Chinese Ambassador had also learned well from British governments. In perfect English he said it was "purely a matter for the two companies acting in their own interest, the government was not involved." They believed in "market socialism".

With the certainty of no investment for Rover from Britain, letting Rover collapse so they could pick up its assets was easy for SAIC. They estimate that they will be producing cars in China within eight months.

The economy is doing fine, we are constantly told. So why are investment in manufacturing at its lowest level since 1965, and

Take a short reality break: time for a few facts

WE ARE HEARING a lot of self-praise from Labour about its stewardship of the economy. We should remind ourselves of a few facts.

One million industrial jobs have gone since 1997. Growth is lower than under the Major government: between 1990 and 1997 it averaged 3.2% a year, since 1997, 2.4%, between 2000 and 2004, 2.3%. The infrastructure for industry is slipping away. How do we rebuild industry when universities have closed 46 engineering departments, 28 physics departments and 28 chemistry departments since 1996?

Unemployment is officially 1.5 million, intolerably high. Eight million people are classed either as unemployed or as having withdrawn from the job search (economically inactive), 124,000 more than in 2003. And 2.7 million people are on incapacity benefit, a threefold increase since 1990, costing £16 billion a year.

Under Major, productivity rose 2.4% a year, under Blair 1.4%. We have less capital invested per worker than in France, the USA and Germany, so output per hour worked is 25% higher in France, 16% higher in the USA and 8% higher in Germany.

Manufacturing

Investment in Britain's manufacturing industry is just 1.3% of Gross Domestic Product, the lowest level since the Office for National Statistics' series on business investment started in 1965. Corporate investment was 11% of GDP in 1997, 9.5% in 2004. Investment is 13.4% lower than the average of the G8 countries. Investment in R&D was 2.2% of national income in 1995, 1.8% now. Labour has cut corporation tax and taxes on shares and property, and still the capitalists do not invest in Britain.

They have other priorities, which the government has done nothing to stem. Chief Executive Officers give themselves vast salary increases (up by 16% in 2004), golden handshakes, golden hellos, bonuses unrelated to performance, huge pensions and offshore tax havens. To nobody's surprise, income inequality and wealth inequality have risen since 1997.

A fifth of job vacancies, 135,000, are

unfilled, due to skills shortages. Eight million people still lack basic skills. Only 30% of British workers have craft, skilled craft or vocational qualifications compared with 65% in Germany and 51% in France. Fewer than 25% of young workers take up places on apprenticeship schemes compared to more than 60% in Germany. In 1999/2000 252,900 people started on work-based learning, but just 239,300 in 2002/2003. One million young people are neither in education, training nor employment.

'One million industrial jobs have gone since 1997. Growth is lower than under the Major government...'

Even with two incomes, households have to eat into their savings and borrow more just to stay afloat. Personal savings are falling: in 2003, households saved just 4.8% of their disposable income, in 1997, 9.4%. Household debt is a colossal £1 trillion (thousand billion). In 1997 taxation took 35.4% of national income, now it takes 36.3%. Taxes have risen faster than in any other European country.

The public sector deficit has risen from £25 billion in 2002 to £36 billion in 2003 and £34 billion last year. Public borrowing will rise by £102 billion more than Brown forecast over the next five years. The public debt incurred thanks to the Private Finance Initiatives is £35.5 billion.

Land

The government does not see farming as necessary: "The role of rural England as the food provider for the nation is no longer an essential one." Between 1995 and 2000, 5,000 dairy farms closed down. Between 1990 and 2001, 100,000 agricultural workers left the land. In 1985, a quarter of land workers worked part-time or seasonally; now it is two-thirds.

A household of four pays £800 a year

extra on food because of the high prices imposed by the European Union's Common Agricultural Policy (CAP).

There is no land tax on big landowners and no tax on land sales. The rest of us pay £10 billion a year land tax in the form of council tax. Land prices have doubled since 1993, benefiting landowners but doubling tenant farmers' rents.

The EU, through the CAP, gives £2 billion a year to farming, but most goes to landowners not to working farmers. In Britain in 2003, 224 large estates received £47 million in cereals subsidies alone, an average of £210,000, £575 every day. The Duke of Westminster got an estimated £326,000, the Duke of Marlborough £369,000 and the Duke of Bedford £382,000. These figures are only estimates, because the 1979 Agricultural Statistics Act entitles landowners to withhold all information relating to any particular land or business, so they can keep secret how much public money they get.

Labour, in alliance with the Countryside Landowners' Association (now tellingly renamed Country Land and Business Association), rejected a proposal to put a limit of £187,500 on these payments to big landowners. The current CAP "reforms" will only add to the subsidies paid on the basis of land ownership not output.

Pensions

Before 1997 Britain's pension funds were solvent, with strong cash flows. Britain had £830 billion invested in private pensions to meet future pension payments, more than the rest of the EU put together.

What caused the current pensions crisis? In 1997 the government immediately decided to abolish the annual £5 billion tax credit on dividends received by pension funds. The Treasury and independent actuaries warned Brown that this would push pension schemes into deficit, close down guaranteed final salary schemes for millions of workers and cut payments to pensioners. Brown ignored them and as a result over £45

There one million fewer industrial jobs since 1997, why is taxation higher than in 1997? WORKERS takes a hard look...

facts about the real economy



Photo: Andrew Wiard/www.reportphotos.com

The reality of Blair and Brown's stewardship of the economy: closure and destruction. Above, 20 January 2001, and Luton sees a huge demonstration against the closure of the Vauxhall car plant by giant multinational General Motors, marching from the factory to the town centre. Workers in the TGWU, AEEU and MSF protested against job losses and the decline of manufacturing industry in Britain.

'By 2002, Britain's pension funds were paying pensioners on average 28% less than in 1997...'

billion has been taxed from occupational pension fund investments since 1997.

By 2001 the ending of the tax credit and the inevitable fall of the stock market had wrecked the retirement plans of millions of workers. In response, Brown proposed a pension tax credit guaranteeing a minimum income, predicting that it would cost £2 billion in 2004-5. His advisers pointed out that since half the population would immediately be eligible for the credit it would cost more like £10 billion a year. Treasury civil servants warned the state would not be able to fund this scheme.

Brown said, "We're only committed to pay the credit for the next five years. We can change it after that." The questions came, "But what about after? People save for 20 years for their pensions. They won't believe in you and they won't save. And what happens to their pensions after five years?" Brown ignored them.

By 2002, Britain's pension funds were paying pensioners on average 28% less than in 1997, and two-thirds of final salary pension schemes had been closed to new members.

Diktats from the EU

Labour is obeying European Union diktats. The European Central Bank in April 2003 demanded "reductions in public pensions" and "measures to raise the effective retirement age". It also demanded "greater private involvement in healthcare financing", "the extension of working hours" and the "containment of labour costs and the abolition of overly rigid labour market regulations". On all these, Labour is doing what it is told, whatever the damage to the country.

If the British textile industry is to recapture a competitive edge workforce coupled with practical government support, and govern

The British textile industry – after decades

THE TEXTILES and clothing industry is Britain's 9th largest manufacturing sector, with an annual turnover of around £17 billion. At the end of the 20th century, the industry exported £5 billion worth of goods.

But, alongside many of the industries which rose to dominate the world of manufacture in the 19th century, the story of textiles in Britain over the following hundred years is one of fluctuating but remorseless decline.

Presently, the industry is in the grip of an accelerating slump, so much so that the announcement of mill closure and job loss is barely newsworthy. There is a perceived inevitability about this process, usually accompanied by reference to terms such as globalisation to indicate remote forces beyond the control of anyone.

But closer inspection reveals that decisions which result in loss of jobs here are taken much closer to home.

Pulling out of Britain

In one of its last acts before merging into the new union called Community, the National Union of Knitting, Footwear and Apparel Trades (KFAT) conducted a survey of all the textile factories in its heartland area of Nottinghamshire and Derbyshire. The sobering facts were: over 3000 jobs lost in a six-month period, and a further 1800 about to go. Additionally, the two main garment industry employers locally, Courtaulds and Coates Viyella, were responsible for 75% of the redundancies in the North Midlands region. They in turn pointed the finger at Marks and Spencer for its decision to pull out of manufacturing and source more of its products from overseas.

The consequences of this British decision have had a powerfully depressing effect on the industry here, but the root lies in an inherent weakness.

In its transformation from a cottage industry to large-scale factory production, textiles retained many of the distinctive regional characteristics present from the outset. Clearly, Lancashire was to cotton as Yorkshire was to wool. But within that, different districts specialised in serving a

particular market. Thus Burnley wove for China and Blackburn wove for India. In short, parts of the industry became utterly reliant on one outlet only.

With the decline of empire and renewed focus on the home market, this dependence simply transferred from reliance on one country to reliance on one (usually High Street) retailer. Reliance on a single retailer created a fault line running through textiles with catastrophic consequences when any retailer chose to look elsewhere.

Immediate impact

When Marks and Spencer chose, in 1999, to source more of its products from overseas, the impact on the industry was immediate. In a single year, the proportion of M&S clothing made in Britain slumped from 90% to 30%.

The principal reason given by retailers for shopping elsewhere, and by manufacturers for closure here is the same, cheaper labour costs abroad. In 1998 the Low Pay Commission surveyed wages around the world and published the following comparisons (in US dollars, per hour):

Country	Labour cost/hour
UK	\$9.22c
China	25c
Pakistan	34c
Vietnam	37c
Turkey	\$1.48c

Small wonder British manufacturers and retailers are licking their lips at the prospect of shifting production to countries in Asia.

As touched upon earlier, manufacturers tend to cite competition from abroad as the main impetus for closure here. What needs to be emphasised is that this competition is self-generated, often even within the same company. When Courtaulds in Bolsover, which specialised in men's underwear for M&S, closed in August 2000, it simply transferred production to its two factories in Sri Lanka.

Similarly, Coates Viyella transferred work on clothing and ladies' wear to Sri

Lanka and Morocco. Its sock division moved to Costa Rica and shirts to Portugal. The company has opened a knitwear factory in Sri Lanka and a clothing factory in Vietnam.

It is acknowledged that the productivity of British workers is superior, but, as David Suddens, Chief Executive of William Baird, said in THE TIMES in October 2000, justifying his company's decision to relocate to Sri Lanka where labour costs are one-tenth of the UK average, "You always know that they are going to suffer worse productivity than in the UK, but at that sort of wage cost you can afford low productivity."

Good news for British employers, bad news for British workers.

So the textile industry is down, but not out.

Competitive edge

There is clearly no way that workers in Britain can exist on the wage levels that would be necessary to make them competitive with textile workers in underdeveloped countries. If the British industry is to recapture a competitive edge it will need to be based on a highly skilled and innovative workforce coupled with practical government support, and government protection for the industry as well.

Speaking at a conference entitled "What future for the British Textile Industry" in 2003, Peter Booth, the TGWU's national organiser for manufacturing, drew attention to the government's investment in schools and hospitals and the fact that they would need carpets, curtains, furniture covers and that staff would need uniforms.

Strength

"The textiles industry still employs a quarter of a million people with a strong prevalence in the traditional textile regions, and exports in internationally competitive areas total over £6.5 billion.

"There can still be a bright future for the UK textiles industry, but it can't be on the basis of low pay, long hours and poor investment. The industry that will survive is one that will develop in technical

it will need to be based on a highly skilled and innovative
 government protection for the industry as well...

... of decline, down but not out

expertise, with a highly paid workforce, well paid with good working conditions; supported by strong product development and marketing, with high quality product design.

“Our best bet for success is to combine the strengths we have to ensure a positive future for the textiles industry in this country.”

For Britain to retain volume production, the government would have to defy European Union diktats and adopt a buy British policy. But away from volume production, in the sphere of technical textiles, Britain is a pre-eminent force.

Technical textiles

Britain has a buoyant and expanding technical textiles sector, supported by an acclaimed knowledge base. The sector is developing world-beating technologies for performance fabrics and non-wovens in a wide variety of sectors including automotive, transportation, construction, healthcare, aerospace, agriculture and IT. Britain is among the top five countries developing product durability and innovation, particularly in the area of fire resistance, where Britain is a world leader.

In December 2004, the Institute of NanoTechnology hosted a conference in London entitled “New Technologies and Smart Textiles for Industry and Fashion”. A brief survey of the programme indicates some of the areas into which textiles is heading, along with current applications, and re-emphasises the need for Britain, via its more forward-looking manufacturers and universities, to maintain its current position at the forefront of these developments.

Science and manufacture

Papers presented at the conference covered a staggering range of themes that showed the relationship between textiles, science and manufacture: fashion and technology in 2020; the importance of new technology to the survival and regeneration of Britain’s textile industry;

Continued on page 12



Manningham Mills, Bradford – once a thriving workplace, its chimney is still the dominating feature of the city’s northern skyline. Now, in the words of Bradford’s gushing website, www.city-of-bradford.com, “ After several years of dereliction the mills are now being renovated and converted into stylish apartments, a development which it is hoped will further stimulate the local economy.”

Continued from page 11

nano coatings for high functionality textiles; self-cleaning textiles for the clothing, hospital and aircraft industries; use of nano silver in creating hygienic textiles; wearable health care systems; and smart textiles in vehicles.

Under each heading, a guest speaker outlined potential as well as current applications. The range is enormous, and probably needs a degree in applied science to appreciate its breadth, but this is not science fiction. University departments and individual companies are seizing the opportunities presented by scientific advances.

Drawn together

More pertinently, technologists and designers are being drawn together, particularly at university level, to ensure that potential and practicality are considered from the outset.

Professor Carl Lawrence, Director of Technical Textiles Research at Leeds University, spoke about the way in which his own department was evolving.

"Leeds University have brought together the design activity at Bretton Hall with design activity at Leeds University to form a school of design in which I as a technologist work, and I think that's a good thing.

"I have been asked to become involved in getting more designers involved in technological research. Right, what I want to try to do is illustrate how these new technologies in a way will have an impact on design. How it's allowing technologists and designers to come forward with smart fabric innovations.

'University departments and individual companies are seizing the opportunities presented by scientific advances...'

"Functionality, that's the name of the game. Functionality in my view is coming from what we call technical textiles. You will recall at one time there was a lot said about flame and fire resistant materials – all these sorts of materials were coming through and it wasn't long afterwards that we started to talk about puncture-resistant materials and bulletproof vests. On the medical side there was a lot of development in improving polyester to become compatible with the human body for use in arteries. And today, people are talking about tissue engineering and a range of different materials.

"We, in sport, can have sensors to monitor the heart, the respiration, the blood level and so on. Why can't we use that in ordinary garments. That's a concept and I think that will happen."

Through the innovative work of many of our universities and research centres, Britain is at the cutting edge of many of these developments, which point to a textiles industry of the future very different from its predecessor but nonetheless essential to our continued existence as an independent, self-determining nation.

Get up in the morning, put on your mobile computer system, and off you go...

ONE STRIKING EXAMPLE of an application of technical textiles is a wearable mobile computer system, designed at the University of Bristol and dubbed the CyberJacket.

Modelled on an ordinary biker's jacket, the CyberJacket has a wealth of computer and communications systems built into its fabric. It features a Global Positioning Unit to tell wearers exactly where they are, and can also be used as an aid for the visually impaired. Pictures from a helmet camera could be converted to colourful images more easily recognisable to people with poor eyesight and then displayed on a special set of glasses.

Besides the Global Positioning Unit, the CyberJacket also features a card PC and a GSM mobile phone, plus a speech recognition system.

A gimmick? Well, perhaps. Certainly some anticipated uses seem provocatively pointless, like the jacket that tells you where the nearest pub is. But why not nearest hospital, railway station, bank? Why not design a jacket which warns you when your blood pressure goes up? The point is, it can be done.

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The Iraqi election shows how bourgeois democracy is intended to deny workers the ability to obtain power...

Democracy and colonialism, Iraqi-style

THE FINAL OUTCOME of the much-heralded Iraqi elections bears some resemblance to Michael Howard's election statement – "vote Blair, get Brown". But in the case of Iraq, it was "vote for an end to the foreign occupation of your nation and get a President who does not even believe in the existence of Iraq".

A clear majority of Iraqis who voted, did so for alliances that said they wanted a timetable for early withdrawal of US-led troops, and of course those who boycotted the election mainly supported the resistance to the occupiers. But because of the way the electoral system was skewed to favour US puppets, Iraqis now have the leader of the Patriotic Union of Kurdistan as president. Two years ago his private army marched with US troops facilitating the invasion, and in return he wants an independent Kurdistan allied to the US, with the oil wealth of Kirkuk added, once they've finished their ethnic cleansing of non Kurds from the city.

Puppets

So the election has replaced one puppet who worked for both MI6 and the CIA by another who seeks the destruction of Iraq. This result is supposed to be a beacon of democracy in the Middle East, but it just proves that bourgeois democracy is intended to deny workers the ability to obtain power. We know this from our own experience in Britain.

But if that result isn't cynical enough, just look at the way Blair has tried to neutralise opposition to the war in Britain in the run up to the general election. In order to head off a trade union challenge calling for an end to the occupation of Iraq, Blair has played a blinder. "Why don't you listen to the Iraqi unions and communists," he declared. Instead of responding to Blair, "Why don't you listen to British trade unions and communists", some fell hook, line and sinker for Blair's three-card trick. Labour MP Ann Clwyd, (who, funded by millions of US government dollars under its Iraq Liberation Act, had worked with another CIA/MI6 Iraqi stooge, Ahmad Chalabi, to lay the ground for the invasion of Iraq), introduced to a Labour conference some Iraqi "trade unionists" who wanted British

trade unions to help them rather than attack the Labour Party, despite objections from some established Iraqi trade unions.

This was enough for many trade union delegates to the conference to ignore their agreed policy of an end to the occupation and instead declare, as a much easier option, their solidarity with a group of "trade unionists" (IFTU). These had been presented to the conference of the ruling party of one of the main occupying powers, and whose leaders were exiles and members of the political parties incorporated into both the first and second US-controlled governing bodies in Iraq. They were delivered by Blair's personal representative in Iraq with links to the US, and Iraqis linked to the intelligence services.

'Colonialism has many aspects. But trying to recreate the culture of the occupying power is always a strong element...'

This has been accompanied by a deliberate change of language by the self-styled Labour Friends of Iraq, who describe those Iraqis resisting the occupation as "fascists, baathists and jihadists".

If we assume that Blair would do nothing in relation to Iraq without the permission of Bush, we have to ask ourselves why Blair would praise the Iraqi Communist Party (which participated in the US-controlled governing bodies that were anti-union and froze the assets of unions), and why the British government has just given £250,000 to the British TUC to train IFTU stewards in those well-known bastions of trade unionism Kuwait and Jordan as well as Iraqi Kurdistan. The driving force for this would appear to be Unison, which should have known better – but it gets Blair off the hook in the run up to the general election.

Political organisations, especially Iraqi ones, that set up in exile in London for

many years are at the very least under constant surveillance by British intelligence and at worst are penetrated by them. It means that we just don't know who is who.

But all this is simply a repeat of history. After the defeat of Nazi Germany, the International Confederation of Trade Unions (ICTU) and the British TUC recreated a German trade union movement to ensure it was free of communist influence. This result of the Cold War set in stone an institutionalised anti-communism within international trade unionism. Today the ICTU carries out US government policy in attacks on Cuban unions in the International Labour Organisation. The AFL/CIO union centre in the US, which is the main influence in the ICTU, has been meddling with Venezuelan yellow unions that supported the US-inspired coup attempt against the elected President Chavez.

Then there were the South African unions that grew out of the struggle against apartheid. A national trade union officer who in the 1990s worked closely with South African unions, many of whose leaders were communists, has told WORKERS that he was under constant pressure to persuade the union leaders to cooperate with ICTU or Public Services International – even though the South Africans believed that the representatives of these organisations were linked to the intelligence services or politically dubious. His worst fears were confirmed when he returned from a visit to Johannesburg to face a blatant, but of course unsuccessful, attempt by a senior officer in the TUC to recruit him to the intelligence services to spy on South African trade unions.

Colonialism has many aspects. But trying to recreate the culture of the occupying power is always a strong element. It would appear that the US intends to create in Iraq at least two vassal states, both with an ultra neo liberal economy and hosting US bases. That requires a compliant trade union movement or none at all, but certainly not a trade union movement committed to national sovereignty and independence. Not a lot different from the EU Constitution then.

Professional football in this country has always been based on precarious funding. But the changes of the past decade have put even the largest of clubs only a poor season away from penury – and the asset-strippers...

Capital casts its shadow over British football



Photo: Workers

Old Trafford: a home for fans, or just another asset ready for stripping?

TURN ON the television and, if you have satellite or cable access, you can guarantee that football will be available somewhere. Pick up any daily paper in Britain and four or five pages of print will be devoted to the professional game here or abroad.

Football in England is big business, even if it isn't the biggest participatory sport – angling has more adherents – it attracts more spectators by far than any other professional sport in the country.

With new grounds all over England, big transfer fees and massive merchandising, one could be forgiven for thinking that the national game is in good health. The reality of football's finances shows a much more fragile picture.

Precarious

Professional football in this country has always been based on precarious funding but the changes of the past decade have put even the largest of clubs only a poor season away from penury.

The current three West Yorkshire league clubs – Bradford City, Huddersfield

Town and Leeds United – have all come close to extinction in the past four years with the first two having been placed in administration. Supporters have had to organise fund-raising events. Players have had to be sold and creditors fobbed off with much-diminished payments for services. And, inevitably, with the sale of assets has come relegation. Of course, the relegation has always been blamed for the sale, but in truth the asset stripping has always started before the loss of status.

Leeds have had to sell their star players so that the team which reached the European Champions League semi-finals has been dispersed and the ground sold and leased back, with the state-of-the-art training complex and youth academy facilities sold off.

When neighbours Bradford City went into administration, supporters were astonished to discover that the club did not own the ground, nor the players' contracts, nor the turnstiles or floodlights, gates, doors or carpeting!

Before Chelsea were transformed by Russian roubles of dubious origin, they

owed even more than Leeds, some £110 million. Then Chairman Ken Bates is reputed to have received around £17 million for his share of the sale to Abramovich. He now chairs Leeds United, but not before the former chairman of Bradford City had re-emerged with his former fellow director and son as a putative saviour of Leeds.

The carousel

Peter Ridsdale, who had overseen Leeds's rise and fall, popped up at Barnsley when they came close to the brink. He has now moved on to assist Cardiff City in their looming fight against bankruptcy. The carousel goes round and round with the usual suspects bobbing in and out as clubs become vulnerable to the stripping of their assets. There are plenty of potential victims out there.

Of the existing Premiership clubs, only a handful trade at a profit. Collectively, the top twenty clubs in England owe £800 million. Most borrow against the value of their grounds and the potential transfer fees associated with their players, but it is a precarious, hand-to-mouth existence.

Football needed re-capitalisation after it had reached its nadir in the 1980s with the Bradford City fire that killed over 55 people, the Heysel Stadium and Hillsborough tragedies and the fatal Birmingham/Leeds riot.

The rebuilding of death-trap stadia was essential but that needed an injection of capital. And SKY TV needed a mechanism whereby it could quickly develop a captive audience for its thin portfolio of programming. The banks agreed and the exclusive live rights were sold to satellite TV – and football became an industry into which "outsiders" with no previous interest could buy.

Does it matter for the workers who are wedded to this form of entertainment?

Manchester United's fans (and those of the other clubs referred to above) seem to think so. Their club, loved and loathed in equal measure, is the most widely supported and successful club in world. Its sales and support base outstrips those of even Real Madrid and Juventus, and yet it

precarious funding.
clubs only a poor

now finds itself vulnerable to takeover by an American financier.

Malcolm Glazer has been given "due diligence" – access to the books of the club's finances. The owner of Tampa Bay Buccaneers American football club, Glazer owns a number of companies in the US, one at least of which is the subject of a federal enquiry.

He does not have enough to buy control of the club even with the support of a banking consortium, but he can "leverage" the money out of the club once it is totally in his hands by borrowing against its current assets and future success. Man United will be instantly transformed into a debtor club in the same fashion as so many others.

Fans

The real cost will fall on the fans' pockets with increased admission prices, merchandise costs and subscriptions to MUTV. It may also come in another form. American sports clubs stay in business because they are franchises. There is no promotion and relegation, no prospect of moving up and down the leagues, because they don't exist in the same way as in Britain and Europe. How long before that becomes the norm here as the big clubs try to protect their position?

The Scottish Premier League already places minimum ground conditions on clubs winning promotion. Now the big clubs in Europe want preferential treatment to ensure that there is minimal likelihood of them being knocked out before the lucrative later stages of the Champions League.

The Premier League in England, now it is a separate body from the rest of English football, is only kept in check by the Football Association and by over a hundred years of tradition. Give it the chance, and it will make minimum ground size or some similar condition a prerequisite of entry. And, given the increasing tendency for England's top clubs to be sold to foreign buyers, we can't rely on tradition – that will count for naught when debts of £800 million have to be met.

WHAT'S THE PARTY?

We in the Communist Party of Britain (Marxist-Leninist), and others who want to see a change in the social system we live under, aspire to a society run in such a way as to provide for the needs, and the desires, of working people, not the needs and desires of those who live by the work of others. These latter people we call capitalists and the system they have created we call capitalism. We don't just aspire to change it, we work to achieve that change.

We object to capitalism not because it is unfair and unkind, although it has taken those vices and made virtues out of them. We object because it does not work. It cannot feed everyone, or house them, or provide work for them. We need, and will work to create a system that can.

We object to capitalism not because it is opposed to terrorism; in fact it helped create it. We object because it cannot, or will not, get rid of it. To destroy terrorism you'd have to destroy capitalism, the supporter of the anti-progress forces which lean on terror to survive. We'd have to wait a long time for that.

We object to capitalism not because it says it opposes division in society; it creates both. We object because it has assiduously created immigration to divide workers here, and now wants to take that a dangerous step further, by institutionalising religious difference into division via 'faith' schools (actually a contradiction in terms).

Capitalism may be all the nasty things well-meaning citizens say it is. But that's not why we workers must destroy it. We must destroy it because it cannot provide for our futures, our children's futures. We must build our own future, and stop complaining about the mess created in our name.

Time will pass, and just as certainly, change will come. The only constant thing in life is change. Just as new growth replaces decay in the natural world, this foreign body in our lives, the foreign body we call capitalism, will have to be replaced by the new, by the forces of the future, building for themselves and theirs, and not for the few. We can work together to make the time for that oh-so-overdue change come all the closer, all the quicker.

Step aside capital. It's our turn now.

How to get in touch

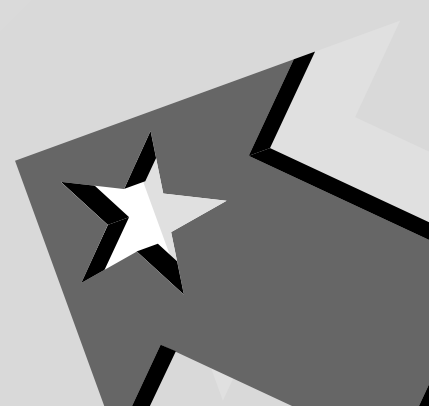
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Back to Front – Rover: killed by capitalism

‘Brown can bleat about “capitalism at its ugliest”, but this is what capitalism is about’

IF YOU WANT to understand the calculated destruction of Rover, read **FORD STRIKE – THE WORKERS’ STORY** by John Mathews, published in 1972. There is no better analysis of the problems facing the British mass manufacturing car industry in the late 1960s and early 1970s and by foresight and prediction its almost total demise 35 years later.

In 1975 Reg Birch, lead negotiator for the Amalgamated Engineering Union, in dealing with British Leyland, MG Rover’s predecessor, over the then-possible collapse of BL, described the negotiations as having been with “the Director of the British Museum”. Few understood the remark but it related to an industry starved of investment and re-tooling, ruthlessly asset-stripped and squeezed for every penny in profit during its lifetime of then 70 years. Today’s collapse of MG Rover continues to reflect that situation. Nothing had changed in over 30 years other than that in 1975 it was estimated that a BL collapse would have cost up to 1 million manufacturing jobs. MG Rover’s closure, after its salami-like paring away at employment over the last 30 years, has resulted in a mere 25,000 job losses.

There will be much wailing, ashes scattered, teeth gnashed and sackcloth worn following the Rover collapse. **WORKERS** said for the past 12 months that the negotiations with China were solely about closure. The Chinese, better businessmen than the Phoenix Venture Holdings Gang of Four, have bought the technology and intellectual property and left the carcass of MG Rover firmly where it was born in the West Midlands.

Brown can bleat about “capitalism at its ugliest”, but this is what capitalism is about. For £10 the Phoenix Four have accessed an estimated £1.3 billion in cash flow. The £500 million dowry from BMW to get Rover off its hands has vanished so completely that accountants cannot point to any significant investment during the

past five years. The Chinese clearly could identify the estimated £454 million black hole in the accounts. The Phoenix Four are estimated to have squirrelled away in pensions and benefits, and probably totally legally, an estimated £40 million. This is what capitalism is about.

Victim-like, cap-in-hand approaches to Downing Street are a waste of time. In 1975 Reg Birch advised the workers at Longbridge to weld the gates together, occupy and save the industry. Instead they embraced Michael Edwardes and MacGregor of later miners’ strike infamy, sat back and watched while convenor Derek Robinson was sacked. Unions in vehicle manufacture need to reflect on what strategy they had or have to save the industry. John Mathews’ book analysed inter-union rivalry and poaching. This has now been elevated as trade union principle in certain thinking, and is one reason why unions missed the bigger picture of merger, rationalisation, relocation and closure promoted by the employers. This strategy has resulted in reducing or exporting the industrial base. No industrial base = no membership = no trade unions.

Toyota, Nissan, Ford/Jaguar, Peugeot, Vauxhall? What future? Toyota and Nissan pioneered the no-strike sweetheart deals with the unions. Ford has gutted Jaguar. Vauxhall closed Luton. One of the original buyers for British Leyland was a Bombay conglomerate who intended closing and shipping Longbridge to India. This was ridiculed at the time but was the exact strategy the Phoenix Four were proposing, substitute China for India. What next?

British car manufacturing in the 1970s was said to be afflicted with “The English Disease” – industrial militancy. When BMW bought British Leyland after its privatisation by Thatcher, it referred to BL as “The English Patient”. It is now a corpse. The death of this 100-year-old employer has been protracted. It is an unnecessary death but it is fact.

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