

WORKERS

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OCTOBER 2007 £1

FORCE BROWN TO CALL A REFERENDUM

JOURNAL OF THE COMMUNIST PARTY



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IF YOU WANT TO REBUILD BRITAIN, READ ON

WORKERS

Speaking for Britain

THE TUC has spoken for Britain. Despite all the bluff of Brown and the manoeuvrings of his allies in the unions, Congress called overwhelmingly for the British people to have the chance to vote against the new European Constitution (ie, the treaties effectively bringing it into force).

Will there be a referendum? That is now up to workers in their union branches and in their workplaces. For a brief while this government is on the hook. Workers cannot afford to let it wriggle off.

There is precious little time: civil servants are even now tidying up the fine print. The European establishments are linking arms to attempt to prevent referendums, such as in the Netherlands. Yet opinion poll after opinion poll shows that the peoples of Europe are demanding their say.

As the article on page 6 of this issue explains, the derelict structures of Britain's trade unions are liberally sprinkled with representatives of a traitor class – having lost industry and roots, they seek to abandon Britain and live on EU handouts. They've got their season tickets on the Brussels gravy train, and they intend to stay in their seats. So they smear any opposition to the Constitution as opposition to the EU, and any opposition to the EU as linking up with the Tories or UKIP. That only goes to show how

far they have lost touch with the memberships who pay their wages.

The ball is now in the members' court. For far too long – and especially over Europe – workers have allowed their unions to support all kinds of rubbish that the members themselves oppose, as if it's not important what the leadership says. And while the overwhelming majority of union members, for example, oppose the euro, want a referendum, and don't want to see the EU get even more powers over national governments, they have let their representatives get their snouts deep into the European trough.

On the positive side, members won't be swayed much by what the likes of Simpson or Woodley say (nor, for that matter, by union leaders opposed to the constitution). But against this they have allowed an intolerant Europhilia to flourish in our unions, which now allows Brown to think he can get away with signing the treaties.

Many of Britain's unions are sliding into state sponsorship, taking their orders from Westminster and Brussels rather than from their members. And the members have put up with it. That must stop, and stop soon – the British working class cannot take orders from any government or any political party. An independent Britain requires an independent working class – and vice versa.



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

www.workers.org.uk

Issue 108, October 2007

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A welfare state for banks

BEFORE DEMUTUALISATION Northern Rock was a respectable regional building society. But with constant measures of deregulation, successive governments have ripped up all the safeguards against financial chaos. After demutualisation, Northern Rock became an aggressive borrower and lender, soaring up the Stock Exchange, to a position where it arranged 20 per cent of all mortgages in Britain. As recently as 25 July, it announced a 30 per cent dividend increase.

But it has only £20 billion assets to back its £80 billion loans. (By contrast, HSBC has £450 billion assets, to back its £440 billion loans.) This was an unstable platform for sustained growth, so when 'confidence' in this bubble bank popped, savers withdrew their money. Even the Governor of the Bank of England admitted that they were behaving rationally by doing so.

On Wednesday 19 September the Bank of England said it would lend £10 billion to the banks. This is putting finance capital on welfare: our money is bailing out private capital. They depend on us.

The economy has become overly dependent on consumer spending financed by cheap credit and government borrowing. Speculative and housing market bubbles have been blown up by greed and vast indebtedness. Britons now have £1.3 trillion of personal debt. In 1997, total borrowed money was equal to 40 per cent of all annual earnings; this year, it was 140 per cent.

Two to three million Americans are at risk of losing their homes due to the crisis in the sub-prime housing market, as low introductory interest mortgage rates expire over the next 18 months. Although there are far fewer sub-prime mortgages in Britain, mortgage lenders like Northern Rock are also finding it difficult to raise the cash to pay for additional mortgage lending. So it could become harder to get a mortgage, and it could cost more – and both these expectations are lowering house price inflation.

The Labour Party has embraced Thatcherism and encouraged the debt culture, telling workers that they do not need higher wages, because rising house prices are the road to riches. Borrowing against property staved off, temporarily, the growing debt crisis. As Marx put it a century ago, after the last big run on a bank: "They are striving to make capital out of means of circulation as such through the artificial intervention of legislation, and to raise the interest rate."

But all capitalism's solutions are building bigger problems for the future. For how long will we keep bailing them out?

TRADE**Another month in the red**

IN JULY, total exports of goods rose by 2.5 per cent to £19.2 billion while imports rose by 4 per cent to £26.3 billion, according to the Office for National Statistics. So the trade deficit for the month was £7.1 billion, after June's £6.5 billion. These are the kinds of figures we used to see after a year's trading, and a bad year at that.

Manufacturing output is the same as it was in 1995. Sterling is still kept high, making imports cheap and our exports uncompetitive. The manufacturing fifth of the economy produces two-thirds of our exports, so the continuing destruction of manufacturing industry will necessarily worsen the country's trade deficit.

MIGRATION**Councils hit by inaccurate stats**

THE LOCAL Government Association has said that inaccurate migration statistics have left as many as 25 local authorities paying for services to migrants who had not been included when the central government grant to authorities was being calculated. Up to 25 councils, including Birmingham, Sheffield and Manchester were affected.

The TUC also acknowledges, "Slough Council has pointed to the fact that there are 700 more children receiving child benefit than the estimated number of children in Slough. The Council has claimed that it stands to lose £15 million in funding, which will not be assisted in meeting needs such as providing education for 900 school children new to the UK who arrived in Slough in 2005 and 2006."

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

EURONOTES

The latest from Brussels

THE GUARDIAN wakes up

IN SEPTEMBER the TUC passed a motion from the GMB calling on the government to hold a referendum on the new version of the EU Constitution. THE GUARDIAN noted that "... Europe is not just a rightwing preoccupation. ... The TUC debate today demonstrates that the sceptics are far from defeated. Indeed, we may be witnessing a... shift within the British left, from support to opposition to Europe."

New for old

THE NEW EU Treaty is the old EU Constitution; both establish the European Union with power over national states. The 1992 'three-pillar system', which left some elements of national sovereignty, would disappear.

Most of the differences between the two are lawyers' tricks. For example, the statement in the Constitution that EU law had primacy over national law will be dropped – but replaced by a statement in an annex to the Treaty, which says that "primacy of EC law is a cornerstone principle of Community law."

Other changes would give even more powers to the EU. For example, a new article in the Treaty obliges all national parliaments to "contribute actively to the good functioning of the Union". This is the first time any EU treaty has told national parliaments how to act.

What the people think

MANY BRITISH people see through this charade. A recent Mori poll showed that 81 per cent want a referendum on the new EU Treaty; with 66 per cent feeling strongly that there should be a vote. Only 17 per cent agreed with Gordon Brown that Parliament should decide.

A YouGov poll of 1,000 trade union members found that 73 per cent want a referendum on the Constitutional Treaty – 27 per cent thought that MPs should have the final say.

And 42 per cent agreed that "It would be bad for trade union members like me if more decisions were taken at the European level in Brussels" – 18 per cent thought this would be a good thing. A third of trade unionists said that they would be less likely to vote Labour in the next election if Brown refused to give people a say in a referendum. Only 4 per cent were more likely to vote Labour.



Photo: Workers

Classroom assistant members of NIPSA, the Northern Ireland Public Service Alliance, lobbying commuters on their way home from work in Belfast. They voted by a massive 93.5 per cent for strikes, beginning on 26 September, in response to a derisory offer from the employers in June to their long-running dispute over pay and job-evaluation.

The employers have clearly miscalculated their resolve to stand and fight for better pay. The assistants spent the summer getting organised into area groups with strike coordinators liaising on publicity and strike organisation.

Community fights for health

AT A PUBLIC meeting in north east London held by the Save Whipps Cross campaign, local people heard from platform and floor speakers about what is happening with their local District General Hospital. A year on from the massive public meeting held when the downgrading of Whipps Cross was first proposed among a series of options for local health provision, no formal consultation has yet been held.

The meeting heard that Whipps Cross has made cuts which have led to a balancing of the budget, and that its clinical services have been rated as good. In fact, the strength of feeling showed by local people through the campaign may have shifted the threat to Accident and Emergency Services to King George's in Ilford, another local District General Hospital.

Campaigners felt that both hospitals desperately need the full range of services given the density of the population (set to increase further), the high proportion of patients with acute health needs (relative to other parts of London), and the congestion-clogged local transport systems which make travel further afield so difficult.

Whipps Cross consultant Alan Hakim said that the hospital urgently needed modernising, and given the size of the population it should be upgraded to an acute hospital, with new networks built between clinical and community care. But how will this happen, and when will the community services be put in place to enable GPs to pick up the easier health problems? These questions are not being answered at present, and campaigners say it is essential that existing services are fully kept until they are.

MIGRATION

The rip-off documented

SINCE 2004 when ten new states joined the EU, more than 475,000 Polish and Lithuanian workers have come to work in the UK. A study commissioned by the TUC and conducted by Compas, a research unit based at Oxford University, shows that most had found insecure and poorly paid employment, with more than half of those surveyed encountering problems at work.

A quarter of the workers in the study reported having no written contract (a

figure which rose to nearly a third amongst agency workers) and over a quarter had faced problems with payment – including not being paid for hours worked, discrepancies between pay and payslips, unauthorised deductions and errors in pay calculation. Ten times as many migrants as indigenous workers were paid less than the minimum wage.

Nearly a third of the workers in the report were living in accommodation provided by their employer, and as a result described excessive hours (due to their employment being linked to where they lived) and poor living conditions.

Phoney war over public pay



HEALTH The Unison Health ballot over acceptance or rejection of a pay award of 2.5 per cent – tweaked towards the low paid – has sunk without trace. A 20 per cent ballot return voted by 2 to 1 to accept the offer, with only 81,000 out of 405,000 bothering to vote at all. The RCN vote to consider rejection and industrial action, even though their own rules prohibit them from taking industrial action, came in on an even smaller return (18 per cent) and was promptly hidden away by the RCN national council. Trade unionists in health cushioned by three-year deals, Pay Review Bodies and similar embraces from the state need to reflect seriously on where they go next.

LOCAL GOVERNMENT Some 850,000 Unison members in are to ballot for two days' strike in November, likely to be the 14th and 15th. The decision, taken by the Service Group Executive where

half of the committee consciously did not turn up to discuss the issue, ignores the slightly improved offer of 2.5 per cent and that the largest Unison regions have indicated that they cannot deliver industrial action. It also ignores the split from the other two major local government unions – GMB and UNITE/TGWU – who are not balloting for industrial action but merely consulting with their members.

CIVIL SERVICE PCS, the Civil Service union, is likewise to ballot over pay and jobs. After informal consultation PCS is balloting until 22 October for further national industrial action across the civil service as part of the campaign against job cuts, below-inflation pay and privatisation. PCS members working in the Department for Work and Pensions (DWP) have overwhelmingly rejected a below-inflation pay offer: 76 per cent of those voting rejected the three year pay deal which sees cost of living increases for longer serving staff members of 2 per cent this year, 0 per cent next year and 1 per cent in the final year.

THE ROYAL MAIL The Union of Communication Workers is set to resume 48 hour stoppages in October in its fight over pay and cuts in jobs, after taking the summer off.

Teachers Certain elements in the National Union of Teachers are clamouring for industrial action over pay despite being locked into a two-year pay deal and having lost their negotiating rights over pay over 20 years ago. A mountain to climb where some see a hillock.

PRISONS AND POLICE Unofficial action by the Prison Officers Association in August and rumblings from the Police Federation over pay and the Treasury's 2.5 per cent pay ceiling go against the general direction, but cannot make them the new vanguard.

LONDON UNDERGROUND The RMT, desperate to maintain its strike credentials, is likely to seek a dispute to latch onto, hoping for a mini general strike in the public sector.

This is the strategy of the "left" in these unions, reminiscent of the Fire Brigades Union dispute of 5 years ago when it was said that trains would stop running, nuclear power stations and football grounds would close on health and safety grounds, local government workers and teachers in London would strike for improved London Weighting and the Blair government would crumble. Exactly the reverse happened – the FBU has been emasculated, the London Weighting dispute ran into the sand and thousands of Unison members resigned from their union rather than abide by the doomed strategy of the armchair generals. Morale and organisation have yet to recover.

The same strategy has re-emerged because of the failure of members to engage with the unions and of leaders to talk straight. We are owed nothing over pay, but have become accustomed to small annual handouts from the state like beggars at the gate. Perhaps a Yes vote will be achieved in local government, but none of the unions can sustain industrial action beyond the two days and Unison is quite clear no strike pay will be paid. Negotiations and the strike ballot will see the anniversary date of the pay settlement between 9 and 10 months behind, money saved in the government's coffers. Once again, employers are given the advantage before we begin, and unions lose credibility.

We have to reach a new maturity over the question of pay in the public sector and learn how to win hearts and minds for any such struggle – rhetoric, sloganising and posturing are no substitute.

WHAT'S ON

Coming soon

OCTOBER

Sunday 14 October, Woodside Halls, Glasgow. 12 noon.

"Why there must be a referendum on the EU Reform Treaty"

Scottish Campaign against Euro-Federalism public meeting. Speakers: Ian Davidson MP, Jackson Cullinane (STUC), Tony Coughlan (Irish No Campaign).

Saturday 27 October, Central London. Pro-Referendum Rally

Outside Parliament. For more details, see www.proreferendumrally.co.uk

NOVEMBER

Saturday 3 November, London, 11am. March to celebrate and defend the NHS

Called by Unison. Sets off from the Embankment (Temple Place) at 11am and marches to rally in Trafalgar Square.

Wednesday 7 November, Conway Hall, Red Lion Square, Holborn, London WC1, 7.30pm.

Revolution! Remember Russia 1917 and Look to the future! 90th anniversary of the Bolshevik Revolution

Public meeting organised by the CPBML. All welcome. Celebrate humanity's greatest achievement so far. Nearest Tube, Holborn.

EU CONSTITUTION

Dorset village referendum

RESIDENTS OF a Dorset village voted last month in favour of a national referendum on the new European treaty in the country's first official poll on the subject. Villagers in East Stoke, near Wareham, decided by 90 per cent that the nation should be surveyed on the new legislation. Of 333 on the electoral roll, 72 voted yes and 8 no.

The vote was called when village resident and UKIP supporter John Barnes used an obscure provision of the 1972 Local Government Act that obliges the parish council to carry out the request if ten members of a parish call for a vote on any subject.

Barnes said he hoped the result would lead to further polls being held across the country to put pressure on Prime Minister Gordon Brown to call a referendum.

The next village to hold a vote is expected to be Lanteglos, near Fowey, Cornwall.

NEWS ANALYSIS

Iraq: all about oil

BRITAIN'S VAUNTED political system has achieved something new – following the USA into not one but two unwinnable wars at once. These are not “wars for peace” or “wars for democracy”. As Alan Greenspan, the ex-chairman of the US Federal Reserve, has admitted, “the Iraq war is largely about oil.” And the Afghan war is largely about oil pipelines.

In Afghanistan, the US and British occupying forces are killing more civilians than the Taliban do. This year, from January to August, coalition forces killed 203 civilians, the insurgents killed 178. Approximately 8,000 civilians had been killed in this war and 657 coalition troops, as of 22 September 2007. The death rate of coalition troops is rising: 12 in 2001, 68 in 2002, 57 in 2003, 58 in 2004, 130 in 2005, 157 in 2006 and 175 in the first eight months of 2007. Only four British soldiers were killed there from 2001 to 2005, but 36 in 2006 alone and 30 more in the first eight months of 2007. The Labour government and the Conservative opposition want to add to the 7,000 British troops now serving there. Yet polls suggest that only 18 per cent of the British people believe the war in Afghanistan is winnable.

The British-led effort to cut Afghan drug production has completely failed. 2007 saw yet another record opium crop, 8,200 tons, up by 34 per cent from 2006's record. Afghanistan now produces 93 per cent of world opium. Is this an accident?

Permanent war

The June 2007 figure for Iraqi casualties since the war began is 785,987 civilians killed and 1,414,723 seriously injured. Last year, 29 British soldiers were killed; this year, 41 already. By 20 September 2007, a total of 168 British soldiers and 3,722 US soldiers had been killed and 27,409 seriously wounded. The war in Iraq has so far cost Britain £6 billion. Brown has rejected calls to withdraw the remaining 5,500 British troops. Army head General Sir Richard Dannatt warns of ‘a generation of conflict’.

US General David Petraeus has recommended withdrawing by next July the 30,000 US troops that Bush sent as his ‘surge’, leaving, as before, 130,000 US troops. Far from reducing the war danger in the Middle East, Petraeus has urged a raised level of threat to Iran. He claims that the ‘surge’ is working, but that where it isn't working, this is due to ‘malevolent’ intervention by Iran, which the Pentagon says – without producing a single shred of evidence – is directly implicated in the deaths of dozens of US soldiers.

The US is now building a new base on the border with Iran. 350 British troops have already been sent to the area. Bush has ordered the Pentagon to draw up a plan to escalate tension with Iran leading up to an attack. The plan includes a list of 2,000 bombing targets. President Nixon in the 1970s attacked Cambodia and Laos before having to leave Vietnam in defeat and dishonour. Is President Bush scheming similar wider mayhem before having to leave Iraq?

In both wars, British television shows only British and US troops on the ground, on the defensive, or trying to ‘win the hearts and minds’ of the peoples of Iraq and Afghanistan. It never shows the daily bombing attacks by the USAF and RAF that kill so many civilians.

Brown said that the TUC would not from Congress in Brighton shows,

After the TUC: the refer

TWO MOTIONS calling for a referendum on the EU Constitution brought the TUC to life in September. Although the motions from the GMB and the RMT referred on paper to the “Reform Treaty”, Congress was in no doubt that this was indeed the original rejected Constitution in all but name and there was no dispute on that issue. Nor was there any significant disagreement about whether or not to demand the referendum that was promised by all three parties at the general election in 2005 – only a handful of steelworkers and shopworkers supported Gordon Brown's contention that a referendum is not necessary.

The GMB motion set out the timetable – draft legislation by the Council of Ministers in December 2007, ratification before June 2009. It drew attention to the unfettered privatisation implicit in the Constitution, and expressed bitter disappointment that the Charter of Fundamental Rights will not – in the GMB's view – apply to British workers.

The RMT motion was more forthright and informative about the significance and implications of the Constitution, pointing out not only the threat from privatisation, the further militarisation of the EU, and the abolition of Britain's veto over transport and many other areas, but also at least ten constitutional changes, which the government denies are constitutional, but which all serve to transform the EU into a United States of Europe with all the powers of a legal state.

The RMT called not only for an urgent referendum, but went further by urging the General Council to campaign for a No vote in line with Congress policy decided in 2005.

A week of arm-twisting

Debate came on the third day of Congress, preceded by a week of intense arm-twisting on the General Council, and at times angry argument in delegation meetings, amid speculation that the T&G section of Unite would line up with the RMT, Unison, the PCS, the FBU, Aslef, the Bakers' union, and a number of smaller unions demanding a “No to the Constitution” position.

This proved to be a mirage – the T&G General Secretary meekly gave in to his Amicus counterpart when push came to shove, and joined in a concerted attempt to sow confusion about what a No position would mean. It was said that this would be a vote for withdrawal from Europe.

This was misleading. (Some realise that withdrawal from the EU will be necessary to make progress in Britain – equally, many have yet to reach that conclusion, but don't like the Constitution and want a referendum). There were repeated deliberate attempts to equate Europe with the Constitution, and to denigrate union members arguing for a No as anti-European and “lining up with UKIP and the Tories” (a refrain that is heard with tedious regularity in TUC meetings).

A majority on the General Council (29:17) voted to oppose the RMT, swayed by the Amicus General Secretary, who castigated the RMT for what many would see as astuteness in remaining outside “the Big Four” (T&G, Amicus, Unison, GMB) and outside the Labour Party (a reference both to the ineffectual Warwick Agreement and to the withholding of the political levy). In its delegation meeting the GMB

ot vote for a referendum. How wrong he was. And as our report the issue brought a dull meeting to life...

endum debate begins



Livelier outside than in: the RMT demonstration in Brighton against rail and tube privatisation

Photo: Workers

voted by just one vote to oppose the RMT. On the floor of Congress a Swedish president of the ETUC was planted to set the tone and spoke earnestly of “the European Adventure” and her hopes that the “treaty” would go through.

Although the RMT motion was lost, the GMB motion for a referendum was carried overwhelmingly, paving the way for the unions to play their part (or even take a lead) in a genuinely democratic process of deciding on the direction for Britain. It was noticeable that not a single British speaker – including the GMB – denied the correctness of the No position.

All welcomed the debate to come, and expressed solidarity with other workers in Europe. “It’s about your liberty,” RMT

General Secretary Bob Crow said.

Workers cannot afford to be complacent however. The task that has begun in the unions to explain to members how the EU is already removing all protection for workers must intensify. The Constitution will formalise the power of the EU against its workers. The Charter of Fundamental Rights will doubtless end up languishing at the European Court of Justice, where the interests of EU capital are bound to prevail in the end.

The British government has stated in a submission to the EU that collective action is not a fundamental EU right, that free movement is more important. And the Foreign & Commonwealth Office has put it in writing that “It [the Charter] does not

create the right to strike.”

But even if the lawyers were to rule that the Charter is applicable in Britain, would that make a “Yes to the Constitution” acceptable, as implied by the GMB? No it would not; there is far too much else at stake, namely the sovereignty of the nation states.

There are still too many trade unionists, especially in the industrial private sector, who are in denial about EU attacks on British manufacturing, and are held back by an illusory faith in the EU rather than reliance on their own ability to help forge an independent Britain for the working class, in cooperation with the workers of Europe.

The debate has only just begun.

Brown is about to give away our independence as a country with parliament...

Make your voice heard over the EU constitution



The proposed treaties would give the European Union a corporate existence overriding the sovereignties of its member states.

EU CHIEFTAINS now openly boast that they have a Constitution in the two treaties that replaced it. So cocksure are they that there will be no British referendum, they don't mind contradicting everything Brown's government claims. Does it matter? Of course it does! Brown is about to give away our independence as a country without even letting the issue get outside his tame MPs in parliament.

It's in-your-face triumphalism in Brussels. As German Chancellor Merkel said, "the substance of the constitution is preserved". She wrote, "A certain number of member States underlined the importance of avoiding the impression which might be given by the symbolism and the title 'Constitution' that the nature of the Union is undergoing a radical change." Former Italian Prime Minister Giuliano Amato said, "The good thing

about not calling it a Constitution is that no one can ask for a referendum on it."

According to Giscard d'Estaing, the Constitution's author, "All the earlier proposals will be in the new text, but will be hidden and disguised in some way." The new Trade Minister Digby, Lord Jones recently told the Economic Research Council, "This is a con to call this a treaty – it's not. It's exactly the same – it's a constitution."

Single legal personality

A single legal personality will give the EU a corporate existence overriding the sovereignties of its member states. This is to set up a new state legally. "The two Treaties constitute the Treaties on which the Union is founded and the Union replaces and succeeds the Community." This would transfer all legitimacy and all power to the EU. The EU, not national

governments, would decide everything.

All areas of policy would come under EU control, actually or potentially, as in any other state. The Constitutional Treaty would allow any decision-making that is subject to veto in the Treaties to be changed to Qualified Majority Voting (QMV). The Constitutional Treaty would also allow any provisions of the Treaties to be rewritten as proposed by the European Commission and the European Parliament.

Romano Prodi said that giving the EU a legal personality would be 'a gigantic leap forward. Europe can now play its role on the world stage thanks to its legal personality.' The French government says, "The European Union naturally has a vocation to be a permanent member of the Security Council, and the Constitution will allow it to be, by giving it legal personality."

...not even letting the issue get outside his tame MPs in

Constitutional treaties: demand a referendum!

Various British politicians have prevaricated on this important matter. Peter Hain said, "We can only accept a single legal personality for the Union if the special arrangements for CFSP [Common Foreign and Security Policy] and some aspects of JHA [Justice and Home Affairs] are protected." But they aren't. He also told MPs, "We could support a single legal personality for the EU but not if it jeopardises the national representations of member states in international bodies; not if it means a Euro-army; not if it means giving up our seat on the United Nations Security Council; and not if it means a Euro-FBI or a Euro police force." But that's what a single legal personality means!

Institutional changes

Instead of the present six-monthly presidency of the European Council, there would be a President, whose term of office would be two and a half years, renewable once, with extra powers, including control of the 3,500 civil servants in the Council Secretariat.

The new Foreign Minister (sorry, "EU High Representative of the Union for Foreign Affairs and Security Policy") would be a member of the European Commission. He would have the power to appoint EU envoys. He would chair the meetings of EU Foreign Ministers. As Prodi said, "as long as we have more or

'All areas of policy would come under EU control, actually or potentially, as in any other state...'

less a European Prime Minister and a European Foreign Minister then we can give them any title."

The Charter and the Court

The Government has already given away the independence of the judiciary. The new treaty simply confirms and strengthens the overriding rule of EU law. The article on fundamental rights will contain a cross reference to the Charter of Fundamental Rights, giving it legally binding value.

The Charter will extend the powers of the European Court of Justice (ECJ) to challenge and overrule national laws. The ECJ's judges say that the Charter will change national laws. The Court's Advocate-General says, "It is difficult now to find a field of national law which is not affected in any way within Union law, and that will increase with the Constitution."

Frederick Reinfeldt, the Swedish Prime Minister, was at pains to point out that "the UK was given a clarification, not an

opt-out." The Commission's lawyers agree that Britain has no opt-out from the Charter.

Foreign policy

Jack Straw told the House of Commons on 1 December 2003, "any move to QMV on foreign policy would be simply unacceptable". But in reality the government has accepted the introduction of majority voting in seven areas of foreign policy, most importantly on proposals made by the new Foreign Minister.

Blair got a 'declaration' asserting that national governments would keep control over foreign policy, but as a Foreign Office aide explained, "there is a massive difference between a declaration and a protocol. Everything else in the treaty is a protocol, but this is just a declaration. It is a worthless promise and not legally binding. Brussels will gradually expand its role in security, defence and foreign policy."

Justice and home affairs

The ECJ would for the first time get full jurisdiction over justice, home affairs and policing. The government said it would not accept the EU extending its jurisdiction on law and order, policing and the criminal justice process. But it has

Continued on page 10

BADGE OFFER – Nationalise water. Reclaim our most vital resource!

BRITISH WATER supplies are in the hands of foreign owned monopoly companies who are enjoying a cash bonanza while our infrastructure crumbles. If the ridiculously high profits made by these companies in the last few years had been channelled into developing a national water grid and other infrastructure projects we would no longer be facing a water shortage.

As it stands, if there is low rainfall in the South East in any winter, then by the following summer much of South East England will be using standpipes.

Severn Water, for example, has seen an 18 per cent rise in profits as complaints against the company rose by 55 per cent and it was investigated for providing false data to OFWAT. And since it acquired Thames Water in 2000, RWE (its German parent company) has extracted over £1 billion in dividends to shareholders!

FIGHT BACK with a Nationalise Water! badge, available from Bellman Books, 78 Seymour Avenue, London N17 8EB, price 50p each, or £4 for 10. Please make cheques payable to "WORKERS".



Continued from page 9

accepted all these things.

The Treaties would end vetoes over immigration, asylum, borders, visas and repatriation. The EU would get new powers to enforce ‘mutual recognition’ of legal judgements in civil and criminal cases, which “shall include the approximation of the laws and regulations of the member states.” Again, the government said this was ‘unacceptable’, again, they accepted it.

The EU would get new powers to set mandatory minimum sentences. Europol would get increased powers, including the ‘organisation and implementation of investigative and operational action’. Eurojust too would get new powers, including the ‘initiation of criminal investigations’. The new treaties actually go further than the constitution in allowing the EU to introduce identity cards and even residence permits.

Powers

The Labour government has dramatically increased the pace of ceding powers to the EU: since 1997 it has given up vetoes in 133 different areas (24 at Nice, 46 at Amsterdam), plus so far 63 areas in the Treaty negotiations. Major’s government gave up a mere 15, Thatcher 13.

Referendum Now!

Throughout 2004 and 2005 Blair promised a referendum on the Constitution. And on 13 May 2005, he said, “Even if the French voted No, we would have a referendum. This is a government promise.” Just three weeks later, the French voted no and the Labour government broke that promise, Blair saying, “there is no point in having a referendum, because of the uncertainty it would produce.” Blair timed his withdrawal from office precisely so that he could sign up to this Constitution without the name.

Brown is stubbornly continuing this anti-democratic policy. His much-touted ‘Governance of Britain’ document is just a smokescreen to cover his giving away

‘The TUC has spoken for Britain by demanding a referendum on the Constitutional Treaty. Workplaces must take a stand and make their voices heard.’

Britain’s sovereign independence. Brown’s new ‘constitutional settlement’ promises to give ‘more power to Parliament and the British people’, yet he wants to deny us a referendum on a treaty which would take power away from Parliament and the British people.

Parliament might just as well meet at the golf course in future – everything important will be decided in Brussels. If we are angry at what they decide we can just catch the next Eurostar and join the Euroqueue to make our protest in Brussels.

What’s to be done?

We have very little time to overturn the decision to sign these two treaties without a referendum. This would amount to a coup against the peoples of Europe.

It is a national emergency. The EU’s leaders hope to agree that EU members’ parliaments will all ratify the Treaty this December. There must be a broad campaign uniting everyone who is willing to demand a referendum, whatever their political affiliation.

The TUC has spoken for Britain by demanding a referendum on the Constitutional Treaty. Now all our unions must vigorously campaign and lobby for a referendum. Workplaces must take a stand and make their voices heard.

The treacherous Labour Party must be told that they will lose the next election – no one will vote for them unless they allow a referendum. We must unite with all those in the EU opposed to the treaties.

The TUC has plenty of employers to bring do logical conclusion...

Memo to the T



THE TUC REPORT, “The economics of migration: managing the impacts”, published in June, claims that immigration benefits Britain. The TUC deserves some credit for joining the debate, but rather less for the anti-working class conclusions it reaches. In this article, we review a plethora of findings, from the TUC’s own (albeit ignored) evidence through a number of eminent economic sources, and conclude that immigration is harmful to workers to the same degree as it benefits capitalism – racist as ever, whenever they get the opportunity they pay foreigners even less than they pay the indigenous workforce.

The figures showing the number of foreigners who have moved to the UK in recent years are heartening to the employer:

2002-3: 349,000
2003-4: 370,000
2004-5: 439,000
2005-6: 662,000

evidence to show how mass migration is being encouraged by low wages – successfully – but it still refuses to draw the only

TUC: the real economics of migration



2006-7: 713,000
Total: 2,533,000

There are also, by Home Office estimate, some 430,000 illegal immigrants who are particularly “favoured” in the employment market.

The expansion of the EU has been the main reason for the increase. 222,000 Poles were given National Insurance numbers for the first time in 2006–7, bringing the total to 466,000 in the last four years. In a recent survey, half the Polish immigrants said that they would like to stay here – so much for the government’s claim that they’ll all go back.

Poaching

UN Resolution 2417 forbids poaching specialist professionals, yet the government’s own figures show that:

- 38 per cent of all doctors working in hospitals in England qualified outside of Britain.

- 40 per cent of new dentists were born abroad.

- 58 per cent of new doctors in the NHS were born overseas.

- 25 per cent of British medics have their roots in the Indian subcontinent. They supply a third of trainee doctors.

- 44,000 overseas nurses worked in the NHS last year alone.

- In Greater London 23 per cent of doctors and 47 per cent of nurses working in the NHS were born overseas.

The more skilled the immigrants, the more the loss to the source countries. In a 1990 study, the ILO found that a ‘truly astonishing’ proportion of highly educated people aged 25+ with 13 or more years of education had emigrated to the USA: for example, Guyana 80.62 per cent, Jamaica 69.34 per cent, Gambia 58.51 per cent, El Salvador 46.63 per cent, Trinidad 43.7 per cent. The TUC report has to admit “the negative effects of migration” on developing countries.

As the TUC report says, ‘Migrant workers ... often earn much less than native workers would for the same work.’ Since 2002, real wages of new immigrants have fallen relative to those of British workers. As the TUC report admits, “it is likely that workers who are unable to enforce their employment rights and constantly at risk of being reported to the authorities by their employers are more vulnerable than any other group. It seems extremely unlikely that this would not have some impact on wage levels, at least at the bottom end of the labour market.”

So, “migration may have held down pay at the bottom end of the distribution”. And, “Migrant workers are more likely to work in jobs with higher health and safety risks and to be even more at risk than other workers.” Employers gain hugely from illegal workers, who lower wages and increase profits, and the government looks the other way. Yet the TUC still says that immigration is good for Britain!

A recent report, *The Impact of Recent Immigration on the London Economy* (City of London, July 2007), describes as a positive effect of migration “its

quantitative contribution through expanding labour supply and thus enabling employment growth and reducing upward wage pressure”. It goes on, “An effect of the concentration of migrants in the worst paid segment of the labour market has been a significant downward pressure on wages at the bottom end of the market. This seems to have encouraged job growth in these occupations, but earnings among workers in this sector have suffered, falling behind growth in the cost of living.”

As the TUC notes, 15 per cent of employers target Eastern European immigrants. For example, at one North Wales factory, the employer sacked the entire workforce, and two weeks later hired a contingent of Polish workers, at much reduced wages.

Inaccurate statistics

Further, says the TUC “the Local Government Association claimed that inaccurate migration statistics had left as many as 25 local authorities paying for services to migrants who had not been included when the central government grant to authorities was being calculated. Up to 25 councils, including Birmingham, Sheffield and Manchester were affected.”

Yet after all this evidence that an increase in the number of unskilled migrants reduces the wages of unskilled domestic workers, the TUC report concludes, “the country as a whole is benefiting from migration, as we noted above, the Treasury expects it to account for at least a tenth of future economic growth”. Note that the sole proof of benefit from migration that the TUC produces is not any actual existing present benefit, but only a Treasury prediction of “future economic growth”. If they had been able to find any present benefit, they would certainly have said so!

If the TUC officers cannot see the wisdom of their own evidence, then it is asking too much of them to look further. But we will.

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So, economist Paul Samuelson writes, “an increase in supply will, other things being equal, tend to depress wage rates.” A US study found that a 10 per cent increase in labour supply reduced wages for all groups. “Undoubtedly access to lower-wage foreign workers has a depressing effect [on wages],” says former US Labor Secretary Robert Reich. Research suggests that between 40 and 50 per cent of wage-loss among low-skilled Americans is due to the immigration of low-skilled workers. Some native workers lose not just wages but their jobs through immigrant competition. An estimated 1,880,000 American workers are displaced from their jobs every year by immigration.

Wage reduction

Then George Borjas, Professor of Public Policy at Harvard finds, “benefits from immigration arise because immigrants reduce the wage that native workers get paid.” No workers’ pain, no employers’ gain. Native workers lose, and this loss accrues to capitalists. “Workers lose because immigrants drag wages down. Employers gain because immigrants drag wages down. These wealth transfers may be in the tens of billions of dollars per year.” For example, in the last 16 years US immigration has increased the labour supply by 16 million, 10 per cent, and cut the native wage rate by 3-4 per cent = \$152 billion. It also increased US national income, but only by 0.1 per cent = \$8 billion. Total gain to capital, \$160 billion. In sum, says Borjas, “Immigration redistributes wealth from labor to capital.”

The WALL STREET JOURNAL constantly calls for unrestricted immigration. Perhaps in theory it is possible that the US capitalist class’s chief organ has misread the bottom line, and that unrestricted immigration is bad for capitalism and good for the working class, but is it likely? Alan Greenspan, chairman of the Federal Reserve Bank, pointed out

‘First we need to get to grips with the evidence and base our arguments on them. At the moment there is too much claptrap coming from both ‘sides’...’

what should be obvious to the TUC – that the laws of supply and demand inevitably imply that an increase in the supply of workers lowers wages and decreases inflationary pressures.

Britain’s low wage rates are partly due to high immigration flows, which is why immigrant labour is popular with employers. New Trade Minister, Digby, Lord Jones, says, “we have a tight labour market in the UK and yet wage inflation has not been a problem. Immigrants are doing the work for less.”

The Governor of the Bank of England, Mervyn King, says, “Immigration has reduced wage inflation ... the inflow of migrant labour, especially in the past year or so from Eastern Europe, has probably led to a diminution of inflationary pressure on the labour market.”

Evidence

Professor Richard Layard of LSE, who helped to design the Government’s Welfare to Work programme, wrote, “There is a huge amount of evidence that any increase in the number of unskilled workers lowers unskilled wages and increases the unskilled unemployment rate. If we are concerned about fairness, we ought not to ignore these facts. Employers gain from unskilled immigration. But the unskilled do not.”

Immigration has an adverse effect on the job opportunities of those British workers whose skills are similar. The greater the number of immigrants, the

greater the losses suffered by those who compete with immigrant workers. Immigrants take jobs that natives cannot afford to take and work for less than the going rate. Had immigrants never arrived the employer would have been forced to raise wages to fill the positions.

The present wave of unskilled immigration is destroying the jobs, wages and conditions of our less skilled workers. A ‘guest worker’ programme of permits for temporary low skilled labour would also benefit employers and harm low skilled labour. Canada, Australia and New Zealand exclude low skilled labour through point systems and quotas aimed at recruiting highly skilled immigrants, but a skills-based point system would threaten the wages and conditions of our skilled workers.

Where’s the need?

In Britain, there are more than two million “economically inactive” people who want a job. The real level of unemployment is 4.5 million, so why do we need to import workers?

Employers are glad to recruit overseas as this avoids both higher wages and training costs. But overseas recruitment is a disincentive to training and re-training British workers. It is also a disincentive to investment.

We need to defend skill, defend the interests of our skilled British working class, and demand apprenticeships to develop skills. If we did all these things properly, would we need any immigration?

But first we need to get to grips with the evidence and base our arguments on them. At the moment there is too much claptrap coming from both “sides”: unpleasant racists who hate all foreigners and so-called liberal thinkers who smother workers with their “caring”, masking only their cowardice to face up to reality.

Meanwhile, in all this muddled thinking and refusal to discuss, the real sides of the argument are missed: as always, it’s workers versus capitalists and as always we forget this at our peril.

Forty years after the murder of Che Guevara, we look at the facts behind the fiction of this icon of revolution...

Che's legacy to the working class

A LOT OF fiction has been written about Che Guevara, killed forty years ago by a CIA assassin's bullet in Bolivia. In order to discredit his memory, he has been variously described as a "1960's student icon", a "trotskyist", an "adventurist", a Soviet GRU agent, or even a murderer. But he did not suddenly appear as an icon. His background and ideology was a product of the circumstances surrounding his life, and the lives of others of his generation. What are the facts behind the fiction, and what is his legacy to the working class?

Ernesto Che Guevara was born on 14 June 1928 in Rosario, Argentina's third city. The countries of Latin America all had varying mixtures of immigrant, former slave and indigenous Indian populations that developed their individual and collective cultures. Argentina had, in the main, an immigrant population originating from countries such as Spain, Italy and Ireland, although descendants of native Indians and former slaves made up much of the working class in the interior of the country.

During Guevara's youth the Spanish Civil War was raging, and many Latin American workers, including Guevara's uncle, volunteered to fight with the Republicans (Cuba, incidentally, with the biggest contingent of volunteers). After the Republican defeat, many Spanish refugees fled to Argentina and other Latin American countries where they had relatives.

Stories of struggle

The volunteers returned with stories of the struggle. During World War II, Guevara joined the youth section of Accion Argentina, an antifascist organisation supporting the allies against the Nazis. Like many of his generation across the world, he followed the successes of the Red Army as they smashed the Nazi military machine and became a supporter of the USSR under the leadership of Stalin.

In 1952, he set off with his colleague, Alberto Granado (who had been jailed in 1943 for his involvement in political work



Ernesto Che Guevara, born 14 June 1928, executed 9 October 1967.

against the dictator Juan Peron), on what became the famous motorcycle journey. The journey, Granado's suggestion, was to expose them to the reality of poverty across Latin America, to the humanity of the people and an understanding of class, and to the role of the United States in colonising the continent and suppressing any opposition to itself or its companies that controlled many governments in Latin America. He was deeply moved by the

death of Stalin in March 1953, and after qualifying as a doctor he set off on his second trip across the Americas which led to his most influential experience in Guatemala.

Guatemala, the classic banana republic, had long been regarded as the property of the US United Fruit Company. Following the 1932 peasant revolt led by

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the Communist Party in neighbouring El Salvador and in which 30,000 peasants were killed by the El Salvador government reprisals, Ubico, the Guatemalan dictator, launched a decade of bloody anti-communist repression to make sure it could not happen in Guatemala.

Although the repression in Guatemala was supported by the US, opposition grew among students and the army. In 1944 Ubico was forced to resign and give way to the anti communist General Ponce who was then overthrown by an uprising involving young army officers and civilians armed by them.

US intervention

The result was the government of Jacobo Arbenz. His government, allied with the trade unions and Communist Party, embarked on a land reform programme to give land to peasant farmers who were mainly native Indians. The US could not tolerate this, especially when some of the United Fruit Company's land was nationalised, and it intervened militarily to bring the government down in 1954. What followed was a half century of the worst bloodshed committed by US-backed government death squads ever seen on the continent.

Guevara was in Guatemala at this time and caught up in the events. He learnt that if the working class was to take state power to deal with the injustices on the continent, they would have to fight to retain that control and avoid what happened in Guatemala.

Che was eventually deported with others, including Cuban communists, to Mexico where he met up with Fidel Castro's "July 26th" movement who were planning to launch a revolutionary guerrilla war against the Batista regime in Cuba.

He joined the group and eventually became a Comandante in the rebel army, showing great tactical and strategic military qualities. Their campaign culminated in the capture of the Cuban city of Santa Clara, when they destroyed



Cuba today: Che Guevara remains an inspiration

Photo: Workers

and captured a munitions train sent from Havana by Batista to reinforce his beleaguered forces. This decisive battle brought about the collapse of the Batista regime and the rebel army entered Havana and Santiago de Cuba.

After the victory of the revolution, Guevara's role was varied. His experience in Guatemala taught him that for the success of the revolution, the old enemies who had murdered and tortured revolutionaries and trade unionists had to be dealt with. He oversaw the Courts of Revolutionary Justice that tried and sentenced counter revolutionaries and those who had oppressed the people. He also set an example of doing and encouraging voluntary work, whether cutting sugar cane or construction.

Guevara was the Finance Minister, and one of his acts was to stop the construction, well under way, of a new bank, saying, "The Revolution doesn't need more banks." He oversaw the transformation of this bank into a major hospital in Havana. He represented Cuba in the UN, in other international forums and met revolutionary leaders from newly independent nations such as Algeria. He visited China and the USSR, although not enamoured with Krushchev.

He pioneered a policy that Cuba

should support revolutionary struggles in Latin America and liberation struggles in Africa. After all, many Cubans were brought to the island as slaves from Africa. He led an armed group in a failed attempt to help the Simba (Lumumba supporters) in the Congo who were fighting the neo-colonial government following the murder of the Congo's first President Patrice Lumumba.

Sent to Bolivia

Guevara always wanted to go back to Argentina to help make revolution there using his experience gained in Cuba. But it was to neighbouring Bolivia that he was sent in 1966 as part of Cuba's support of revolutionary movements in Latin America. Guevara and his group of Bolivian, Peruvian and Cuban communists launched a guerrilla war against the Bolivian government.

The year-long campaign failed for a number of reasons, although the guerrillas made some significant victories against the now-demoralised Bolivian army. The US was now involved in the hunt for the guerrilla and in a military operation organised by the CIA and US Army Special Forces he was captured and summarily executed by Lieutenant Mario Teran of the Bolivian Army on 9 October 1967.

WHAT'S THE PARTY?

His legacy to the international working class is immense. His internationalism and commitment to African liberation led eventually to covert Cuban military and medical support to the Guinea Bissau liberation forces led by Amilcar Cabril who defeated the Portuguese colonialists. This triggered the military coup that brought down the Portuguese fascist dictatorship and led to independence for Angola and Mozambique.

Guevara's values of internationalism and selflessness led to Cuba responding with military support to the MPLA in Angola when South African troops invaded and the US supported military aggression against Angola. This in turn led to the defeat of the South African Defence Force, assisted the collapse of the Apartheid regime in South Africa and brought independence for Namibia. In Latin America today, Che Guevara is held up as a revolutionary hero, not only in his home country of Argentina, but in Bolivia where he was killed – the new government of Evo Morales insists that his country's path is based on the values of Che – and right across the continent.

Ask any Cuban today what values Che represents to them and they will list his humanism, internationalism, anti imperialist outlook, determination to emancipate the poor, the have nots and the exploited of the world, his economic thinking, courage, loyalty to Fidel and socialism, his exemplary nature and constant willingness to sacrifice himself, and his humility.

This is not hero worship of an individual, but recognition of someone who set an example that others strive to emulate. For example his values are seen today in the 32,000 doctors of the Cuban Medical Brigades working in the poorest and most dangerous areas of 70 countries and the scores of thousands of free scholarships for students from poor countries who study in Cuba.

There is so much we can learn as British workers from these communist values which represent the very antithesis of capitalism and the very best of working class values.

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.

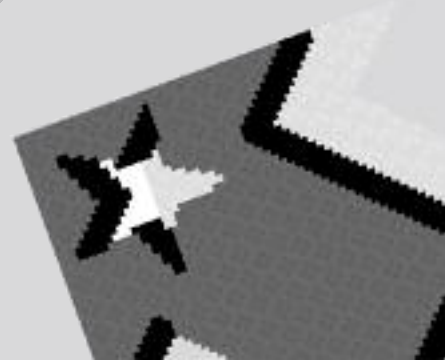
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Back to Front – Building profits

‘The Private Finance Initiative is literally draining away public funds...’

FROM THE newspapers you might assume that the finance problems of the NHS were a result of incompetent managers or overgenerous pay awards. But closer examination reveals how the Private Finance Initiative is literally draining away public funds.

It has long been known that when new hospitals are built using Private Finance that the costs are higher than the historical capital costs for that hospital. As a result PFI hospitals are usually linked to selling off land, and all PFI hospitals have been smaller than the hospitals that they replaced. And yet it is increasingly clear that those measures cannot bridge what is called the “affordability gap”, and clinical services are now being cut to keep hospitals afloat.

Under payment by results, the new system of resource allocation in the NHS, trusts receive most of their income through a standard tariff for treatments. This includes an element for capital charges (the cost of building and equipment) based on 5.8 per cent of trust income – the average across the NHS. But the capital costs of trusts with PFI schemes are higher than average, with the result that they are underfunded. Trusts with major PFI schemes had average capital costs of over 10 per cent in 05/06.

If this was a rational system you would expect the non-PFI hospitals to flourish and the PFI schemes to suffer. But PFI is essentially like a mortgage, and we the public must keep paying that mortgage for decades – failure to do so would lead to massive penalties.

As a result, configuration of health services is being driven by PFI costs. In London for example the Bromley Hospital and the Queen Elizabeth Hospital have major PFIs and big deficits. Other hospitals

in the area – Guy’s, St Thomas’s, King’s College and Queen Mary’s – have been conventionally built and do have costs covered. In a recent strategic health authority paper it was noted “It will be necessary to reconfigure services in ways that increase the utilisation of capacity at sites where there is little scope to reduce the fixed occupation costs and reduce activity at sites where it is easier to sell off or lease buildings.” In short, sell off NHS assets to cover PFI payments.

Government minister and surgeon Ara Darzi is now reviewing London’s health services. Teams of clinicians have put forward plans for development but Darzi’s report makes no references to the constraints of PFI. Darzi has gone on record to say that PFI will not present a “barrier” to this process. How can this be?

It has been said that the PFI plans for the NHS are slowing down. There is no evidence of this. There are now more than 80 signed PFI contracts in England’s NHS, with a combined construction cost of £8.5 billion. Under plans published in April, 41 more schemes are planned, bringing the total building cost to £15.5 billion. The debt and service payments accruing to these schemes will grow accordingly. The sums involved are so huge it is hard to comprehend the scale. But the consequences are there for all to see.

All health unions oppose PFI, but this is still more a principled position than an active fight. There needs to be greater understanding of the impact and a more vigorous opposition. In Scotland the PFI plans are being scaled down, why not in England?

• For more detail, see PRIVATE FINANCE, PUBLIC DEFICITS by Alyson Pollock and Mark Hellowell of the University of Edinburgh, available at health.ed.ac.uk/ciphp

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