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TAKE CHARGE

OF OUR UNIONS
OF OUR NATION
OF OUR FUTURE



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WORKERS

“ Take charge

ANOTHER MONTH like September and there soon won't be much left of British industry. First the European Aeronautics Defence and Space Company, EADS, swallows British Aerospace, never mind that it's called a merger (see p9). Then the European Commission orders the break-up of EMI (see p4).

Industry created modern Britain, so it's no surprise that the autumn offensive against Britain and its working class coming from Europe is aimed at industry. To say the driving force for this assault is coming from Germany is not to be anti-German: it's simply a fact.

Witness the report from German Foreign Minister Guido Westerwelle and his mates (see p3) calling for even more powers for the EU. Having spent the first half of the 20th century seeking to dominate Europe by force of arms, German capitalists have turned to another strategy – European integration, open markets, free movement of labour...war by other means.

For the working class, the only answer is to take control. We must start with our own organisations, the trade unions, for too long abandoned to unrepresentative egos (see p6). And then, our country, our future. ■

No statue – thank goodness

THE BBC has declined to erect a statue to the author George Orwell in its reception lobby on the basis that Orwell was “far too left wing”. It's a strange definition. His political career embraced working with the Spanish Trotskyist POUM during the Spanish Civil War, whose activities have been clearly documented as sabotaging the Republican government and acting as agent provocateurs linked to Spanish fascism. In whose interests did he work?

After the Second World War he wrote

virulently anti-Communist fiction and invented the term Cold War. In the 1990s MI5 security service documents released under the 30-year civil service rule identified Orwell as an MI5 agent spying during the 1940s and up to his death on any journalist, author or writer deemed to be pro-Soviet or Communist.

No wonder the BBC felt compromised about having a statue to Orwell in its reception lobby. How would those who lambast the BBC for bias have squared that circle? ■

Cover image Matt Gibson/Shutterstock.com



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Aleida Guevara (with scarf), daughter of Che, spoke at a candlelit vigil outside the US Embassy in London on 18 September to mark the 14th year that the "Miami Five" have been imprisoned within the USA. The five men infiltrated US-based terrorist groups in the hope to stop violent attacks against Cuba. They were seized on 12 September 1998. The unjust detention is seen by many as part of the US Government's campaign to break the Cuban revolution. Members of Unison NEC joined hundreds outside the embassy.

Call for more power for EU

ELEVEN EU countries have called for more powers for the EU. German Foreign Minister Guido Westerwelle headed the Future of Europe Group, which made the call in September. They want the European Commission – the EU's executive – to have more powers. They want "a directly elected Commission President who appoints the members of his 'European Government' himself", as well as a stronger European External Action Service.

Their report says, "In the long term, we should seek more majority decisions in the Common Foreign and Security Policy sphere... For some members of the Group this could eventually involve a European army." This would mean Britain and France losing their seats on the UN Security Council, to be replaced by the EU, that is, by Germany.

The report says, "Strengthening the Economic and Monetary Union has absolute priority." So they want "an integrated financial framework, an integrated budgetary framework, [and] an integrated economic policy framework". They also want a European Border Police or, in the medium term, a European visa.

Some reforms will require changing EU treaties, with all 27 member states agreeing, so instead they want to speed up changes by requiring support just from a qualified majority. ■

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

PENSIONS

All right at the top

THE TUC has investigated the pensions of 351 directors of FTSE 100 companies and found that at a time when ordinary workers' schemes have been cut or even closed directors' pensions have risen sharply in the past year.

The average director's pension is now £240,191 a year. At the other end of the scale membership of workplace pension schemes has fallen for the third consecutive year according to the Office for National Statistics, mainly due to the closure of private sector schemes.

In the past 20 years the membership of private sector schemes has fallen by more than three million. The National Association of Pension Funds has warned that millions of workers will be forced to survive on just their state pension.

The government is trumpeting its new automatic enrolment scheme, but this will be vastly inferior to existing public and private sector schemes. ■

RESIDENCE

EU wants change

THE EUROPEAN Union is trying to change Britain's habitual residence test, which controls benefit claims by new arrivals. Currently entrants from the European Economic Area – the countries of the EU plus Iceland, Norway and Liechtenstein – will fail a "right to reside" test and not be eligible for benefits if they are without a job or are not dependents of a worker or self employed person.

The European Commission says this test is discriminatory and should be removed. ■

EUROBRIEFS

The latest from Brussels

A parliament for the eurozone...

EUROPEAN COMMISSION President José Manuel Barroso and other top EU officials want to create a "eurozone parliament" with powers over members' fiscal and economic policy. They also want the European Commission to be able to veto national spending plans.

Barroso said, "A deep and genuine economic and monetary union... can only be completed with a new treaty." He explained that a federation of nation states is "our" political horizon which will guide the EU future. The European Commission will bring forward ideas for Treaty change before the June 2014 European Parliament elections

...but the German people aren't happy

PEOPLE LIVING in the EU don't agree. Merkel couldn't win a referendum on turning the EU into a single state. An online survey by YouGov found that 53 per cent of Germans oppose the transfer of more powers to the EU, against 27 per cent in favour. Other polls in Germany confirm their doubts about the euro, as do those in Poland (76 per cent oppose joining) and France (60 per cent wish they had not).

Another euro-wheeze

THE EUROPEAN Central Bank has come up with yet another scheme to save the euro, called Outright Monetary Transactions. The Bank will buy "unlimited" amounts of Spanish and Italian government bonds, if those governments apply for aid and give sovereign control of their budgets to the EU. This ECB scheme directly funds governments, which EU treaties forbid.

Spanish and Italian banks hold a lot of their governments' debts; these bonds have lost value. The ECB scheme would bail out these banks yet again, with billions of euros on top of its current exposure, standing at over 900 billion euros in April 2012.

These interventions carry an additional danger that the ECB may ultimately redistribute those considerable risks among various countries' taxpayers.

Creditors want central banks, in effect the taxpayer, to bail them out. There is no guarantee this can "save" the euro any more than earlier bailouts. Meanwhile the economy continues to fail in EU member states. ■



Photo: Workers

British record company EMI, a world leader in the music business which has operated for 115 years, is to be broken up by order of the European Commission. The takeover of EMI by Universal Music, giving Universal an even greater dominance over the music industry (pushing its global share from 29 per cent to 36 per cent), has been waved through by the commission to a shameful silence from the British government. Conditions for approval include the forced sell-off of British household-name labels such as Parlophone. So four global players become three, and new artists will struggle even more to be heard.

Teachers unite in struggle

EDUCATION SECRETARY Gove, mired in the GCSE re-marking scandal, will be dismayed to see that the two biggest unions, the NUT and the NASUWT, have announced joint action on pensions, pay and working conditions. In taking action, which began on 26 September, the unions have refrained from falling into the trap set for them by those who call for strike action alone. Teachers have no appetite for stunts which reveal weakness and play into the hands of the government. But they have reserved the option of further strikes should these prove necessary.

"Action short of strike action" is the call to teachers this term and will keep the pressure on the government while allowing teachers to address aspects of their working life where their professionalism is challenged. School staff can remain united when they are effectively reasserting control over their workplace.

Teacher unity is again being asserted in this action, with the two unions involved together representing nine out of 10 teachers. The action agreed means that teachers will refuse to hand in lesson planning, refuse to cover for absent colleagues, impose a strict limit on the number and type of meetings they will attend, and refuse to cooperate with any appraisal process which does not conform to the joint unions' protocol.

Included in the unions' demands on conditions is a negotiated system of appraisal and lesson observations which provides sufficient protection for teachers. At present, many teachers are subject to frequent, often unannounced, classroom observations which put them under intense pressure. The unions are also demanding a reduction in the number of Ofsted inspections, which cause extra (unproductive) work and stress to professionals, act as the enforcer of government policies and views in schools, and are being used to push schools towards becoming academies. School inspection, once a means of improving, has become both punitive of professionals and a narrowing influence over the curriculum.

Gove's oft-repeated homily "leave teaching to the teachers" belies blatant interference over the curriculum and in how schools function. The distorting landscape of education is as baffling to parents as it is infuriating to teachers. By their action, teachers are taking the responsibility to fight back. ■

SCHOOLS

No control over food

THE CONSUMER organisation Which? has reported that there is no control over the food served by the growing number of academies and free schools.

Strict nutritional standards in place for state primary and secondary schools for the

past five years have seen the uptake of school meals rise to 46 per cent and 40 per cent respectively. But academies and free schools can install vending machines if they wish and sell whatever food they want in their canteens. And in schools built under the Private Finance Initiative, the "owner" of the school buildings can install whatever junk food machines they want, regardless of the wishes of the school management. ■

Wardens at the crossroads

WHEN IS a dispute not a dispute? When is a dispute bordering on a rout? The Borough of Camden in London privatised and outsourced its traffic wardens in the 2000s. The contract is now with outsourcing specialist NSL Ltd. Unison trade union membership is around 80 per cent of the workforce. Most of these members were recruited to the union by regional organising staff after the outsourcing, not by the local branch, and union recognition was achieved without dispute.

The vast majority are workers originally from Africa, with ethnic and tribal differences. Union recruitment and organisation as workers has largely overcome these divisions. The workers are low paid (£8.09 an hour) and work extensive overtime to make up their wages. In February Camden Unison branch lodged a 30 per cent pay claim to try to establish parity with other NSL contracts in differing boroughs.

Strikes occurred in July and August, with an overtime ban in place since late August. In negotiations NSL offered a 3 per cent rise in year one, 4 per cent in year two and 3 per cent in year three. And this when local government workers are now in their third year of zero pay increases. This offer was rejected by the branch and then withdrawn by NSL, coming back with an offer of the London Living Wage of £8.30 without further negotiation.

The London Living Wage is announced annually in November, and employer subscribers to it are expected to up the new rate within six months. By rejecting the three-year offer the branch has now chained its members to an even lower hourly rate determined by people associated with Boris Johnson's Mayoral office. Further it has to be noted that promises made by the branch to the workforce bore no resemblance to reality, or managing member expectations or even allowing the embryo collective bargaining structures to start functioning. Many of these members have no understanding or experience of trade unionism.

Chronic low pay, especially where dependent on excessive overtime, has previously been resolved industrially, for example in the history of textiles and sweatshop employment. The key is to break dependency on excessive overtime and incrementally drive up the hourly rate. That depends on the workers themselves refusing the overtime rate and not being undercut by fellow workers who will work the excessive hours. This is even more difficult due to the employment of extensive migrant labour desperate for work and divisions played upon both by the company and differing ethnic groups among the workforce.

So where is the dispute going? The company can probably absorb the fines imposed by Camden Council for not meeting key performance targets, the result of reduced overtime. The request by the branch for a union-wide financial appeal implies the dispute is going nowhere and that those who believe "the longer the dispute without resolution the better" are in charge (or that unsustainable promises have been made of full take-home strike pay).

To appeal to other NSL workers on differing contracts to help develop an all-London strategy for dealing with NSL is to lock the door after the horse has bolted. Asking Unison to research NSL accounts, contracts and management salaries is again a tokenistic gesture. And a real sign that the branch has no exit strategy is the plea to Unison's Labour Link structures to approach Camden Labour group to resolve the dispute politically.

Much is being made of the fact that most of these members are black and on low hourly rates. But why wasn't that addressed when they were direct employees of the Council theoretically a more sympathetic employer?

Nothing contributes more to demoralisation than a badly planned, deliberately misleading and directionless dispute. London has seen a similar disastrous dispute in recent years in Barnet among Freemantle workers employed in care homes. Led down the garden path, they were abandoned once the strike strategy failed and the company refused to negotiate. The NSL Unison members are going to have to do some hard thinking and discussion especially about those who have treated them like cannon fodder. ■

US

America's jobless youth

JUST OVER half (54 per cent) of 18-24 year-old US youth are employed, the lowest level since 1948, according to figures released at the end of the summer. Nearly a

fifth of young men aged 25-34 are still living with their parents.

The total amount of non-dischargeable student loan debt is over a trillion dollars, more than the combined total of credit card and auto-loan debt. Much of the debt will remain a permanent burden for former students and the economy alike. ■

WHAT'S ON

Coming soon

October

Saturday 20 October, London

"A Future That Works"

TUC march and rally in central London against government policies. Assemble 11am Victoria Embankment. March due to move off at noon, heading for a rally in Hyde Park. Note that on the last TUC march people were still leaving the Embankment at 4pm, so the TUC is asking people to stagger arrival times. For more info see afuturethatworks.org.

November

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

"What Future for Young People?"

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

Wednesday 21 November, London

"#demo2012: Educate, Employ, Empower"

Noting that "the current government has put the future of an entire generation at risk", the National Union of Students is holding a national demonstration in central London. Details of the route and timings are still being negotiated, so check www.nus.org.uk for updates.

DAIRIES

Price rise for farmers

MÜLLER UK, which also owns Robert Wiseman Dairies – and whose website says its mission is "To bring sustainable dairy goodness from the heart of Shropshire for the good of everyone" – has agreed to increase the price paid to farmers for milk by 2p to 29p a litre.

Müller's Market Drayton, Shropshire, depot was blockaded by farmers in August, as previously reported in Workers. Arla Foods have also increased their price from 27p to 29.5p. Their Stourton plant was also blockaded. Farmers have also won a new code of conduct giving them more bargaining power with producers. ■

Instead of a tiny percentage of stewards, branch officers, activists, we must return the ownership of the union to the members....

Why we must reclaim our trade unions

THE 144TH Congress of the Trades Union Congress has come and gone, but where does it leave the six million affiliated members in their day-to-day struggle to survive? What's changed from 1868 when the pioneers of our movement set up the organisation – bar the surface gloss?

We are still fighting for the right to work. We are still fighting for rights at work. We are still fighting for wages and terms of employment. We fight for equality in numerous garbs but avoid resolving the real issue of inequality between worker and employer. We fight for social justice but never challenge the inequity and injustice inherent in the capitalist system. We can document and expose the failures, flaws, corruption, brutality, greed, lies, deception, fraud and theft inherent to capitalism year on year over the last 144 years.

Workers never cease to be amazed that they, the capitalists, can keep perpetuating their frauds, their financial scams, their incredible bonuses and fortunes at our expense year on year, decade on decade. Are our members' memories so short or have they been so successful in creating mass amnesia among Britain's workers?

Capitalism has actually created an

“No one can identify the distinction between legal and illegal capitalist enterprise...”

industry which exposes its own corruption and rottenness because that generates profit, a market, income and employment for crusading journalists. Whereas no one can identify the distinction between legal and illegal capitalist enterprise, capitalists revel in their own filth. But exposure does not lead to cleansing the problem, otherwise we would have rid Britain of capitalism many years ago.

Agenda of attack

What is capitalism intending to do? Accelerate the agenda of attack on workers and their trade unions at every opportunity and in every forum it can. Abolish health and safety provisions; abolish workplace employment rights; abolish security of employment; destroy the ability to bargain over wages; destroy pension provision;

destroy skill and invention; undermine the ability of trade unions to organise and represent; perpetuate a “no rights culture”. Promote exploitation and wealth extraction in every function of civil society – education, health, housing, transport, energy – all up for grabs and profit.

Every area of working class advance in the past 144 years is to be either asset-stripped or privatised and all limited democratic gains made are reduced to ensuring that the capitalist class controls all and is perceived to be unchallengeable. Parliamentary democracy and local democracy are both stripped of their functions and services as capitalism ransacks the nation. The bought access to politicians and control over most occupants of the Houses of Parliament contribute to the disengagement of workers from the so-called democratic process in Britain. Capitalism in Britain in the 21st century has a vision of absolute unchallengeable control by them, for them, forever.

So what are we going to do about the state of Britain? There are six million of us affiliated to the TUC, six million in unaffiliated trade unions or staff associations of some description and a



CPBML/Workers

Public Meeting, London

Thursday 15 November, 7.30 pm

“What Future for Young People?”

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

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



Part of the march during the TUC's last big London walkabout, on 26 March 2011.

further 18 million of us unemployed, self-employed etc, who are not in any form of workplace organisation.

Do we think that the Coalition is unassailable as Thatcher presented herself 30 years ago after the Malvinas War that supposedly re-established British military global presence? Were the Olympics Cameron and Clegg's Malvinas moment – will they now sail gloriously into winning the next general election based on our stupidity and intoxication over games and circuses?

Saturday 20 October will see the TUC's second public demonstration, following on from 26 March 2011, against the government's so-called austerity policy. March 2011 was the mobilisation of millions of workers to fight for pensions and a "march for the alternative". Now hundreds of thousands of workers will march under a slogan of "March for a

future that works".

Why do we adopt the language of the enemy when we use that bastardised word "austerity"? What has austerity to do with the rich, idle capitalists and their class of asset strippers, bankers and estate agents masquerading as MPs? The only application of "moral strictness", "self-discipline or self-restraint", as austerity is defined in the Oxford English Dictionary, is as it is being applied to the working class: depressed wages, rising costs for essentials, reduced quality of life, unemployment, poverty and despair. What is a march for the future or a future that works when the trade unions are too frightened to actually spell out what we mean?

If we mean full employment, a planned economy, health, education, housing, transport, industry, investment, equality, then we should speak the unspeakable.

Away with the market, away with exploitation, yes to socialism!

Is the march on 20 October going to set the country on fire? Will it be that spark which ignites all the anger, frustration, despair of millions of people suffering from an economic strategy now in its 35th year which is solely intended to destroy us as an organised working class? Sadly no.

Is it the start of a protracted strategy of measured resistance to see the Coalition gone? One would hope so but when the major trade union caucuses are manoeuvring towards two huge trade unions within the next five years, one public sector, one private sector, then sadly the answer is no again.

The largest public sector union to mobilise its members to attend the 20 October rallies (Glasgow, Belfast, London)

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has run its campaign on a supposedly clever theme of footwear, with some political message about “shopping” and “shoes” assumed to be the only interest for women in resolving our difficulties. How infantile and irrelevant for day-to-day workplace battles – especially in a union with a claimed membership of over one million women!

Will marches make the government change direction? Workers have been marching for hundreds of years with no recorded success of a government surrendering once the banners have passed by. Will the TUC move towards a general strike as some seem to aspire to? If in a position of weakness and assault on all sides, why would we bare our bosom and invite a death thrust to the heart?

What is needed now is not rhetoric or posturing but calm planning and organising. Instead of the jockeying for position in the big one, two, three or four trade union amalgam, why not a real fraternal organising plan to put assets and resources into the real rebuilding of Britain’s trade unions?

Recruitment

During the London 2012 Games, Unison, Unite and GMB carved up on clear industrial and organisational grounds their strategies to cover recruitment of catering, security, transport, logistics support staff, etc. The disaster of the recruitment exercise was that all three unions failed to recruit and one reported only seven recruits out of a potential seven thousand.

There are many lessons to be learnt from this but one was that the vast majority of potential recruits did not understand what a trade union was or the concept of collective organising and bargaining. An immense educational project with a real battle of ideas is required to re-educate, re-enlighten, re-recruit these lost generations.

Do we only want two trade unions in Britain, when the line between public and private and public becomes so blurred? The answer has to be no.

Paul Kenny, retiring President at this

“What is needed now is not rhetoric or posturing but calm planning and organising...”

year’s TUC and GMB General Secretary, in his presidential address commented, “Our challenge is to grow, to organise those industries and workers which in some cases we have avoided, perhaps because of the difficulty of the task.” How absolutely correct!

The time has come when the manoeuvring, political shadow boxing, marriage proposals and broken romances about possible trade union mergers has to cease. The egos of less than half a dozen general secretaries concerned as to whether they go into the history books as

the first leader of the biggest trade union in British history or the Captain of the New Titanic are not what our trade unions are there for.

The answer shouts from every workplace across Britain. Every worker in their respective union, every workplace organised in a union, not a general union for every workplace, not 6 million workers affiliated to the TUC but 30 million.

Instead of a tiny percentage of stewards, branch officers, activists involved in the union, too often for their own agenda and self-interest, we must return the ownership of the union to the members. Six million members to be conscious, engaged, active and participating.

Some would argue that such a view is idealistic and undeliverable. But revolution is made by the conscious involvement of millions of people knowing the how and why there must be change. Without such a new consciousness there will not be an end to this aberration in history called capitalism. ■

Meet the Party

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

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

M Catch our WORKERS sellers this month at the TUC’s “A Future that Works” march (see What’s On, p5).

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

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

The European Union and its friends here are attacking our nation, our finances and our manufacturing...

The fight for Britain's independence



Photo: Jorg Hackemann/Shutterstock.com

The Deutschmark by any other name: euro sculpture outside the headquarters of the European Bank, Frankfurt, Germany

IN KEEPING with its origins and track record, the EU again mounts an autumn offensive on Britain. In 2012 it is attacking us simultaneously on three fronts – constitutional, financial and manufacturing .

Turning first to the constitutional part of the attack, the euro narrative goes along these lines: ah, so you British workers have collectively rejected the euro and you want out of the EU – well, here is something that we and our Westminster colleagues have been cooking up for some time. We will use our Holyrood branch office to serve up fake Scottish “independence”, to see if that will divide and weaken you. Not satisfied with euro territorial gains elsewhere, the EU’s aim is to break up Britain into pieces.

Chancellor Merkel and her colleagues, who unified Eastern and Western Germany in the 1990s, must be rolling about in the aisles at the sight of Salmond urging the break-up of Britain. What a clown they will be thinking as they pat him on the back. The correct term is quisling. At present this attack is being contained – with over two-thirds of the Scottish electorate not

wanting to break up team GB.

On the financial front, further details of the EU banking attack were announced in mid-September. The proposed EU banking union would have central control by the EU commission and require subordination of the Bank of England.

To repel this attack, instead of getting bogged down in debates about reforming monopoly banking or LIBOR (which in 2008 was a broken index anyway), the first objective should be to make British credit an instrument of industrial planning. Our banks could then become an important administrative utility, vital to the process of rebuilding Britain.

One of the chief reasons why Britain’s industrial revolution during the 19th century was so successful was that we had an efficient banking structure that could finance industry. What is now required in 2012 are banking skills of a new type – capable of circulating money in the interests of national industrial development.

At present there is an attempt to keep

placing more blame onto the banks with the aim of deflecting attention away from the EU-loving parliamentary ranks of Labour and the Coalition, who are the real authors of Britain’s economic mess. So the declaration from the EU that member countries should move towards banking union has to be flatly rejected. It can be accompanied by kicking out the EU Internal Markets & Services Commission, which is headquartered in the City and whose sole task is to wreck what remains of Britain’s financial independence.

Manual and non-manual workers (including banking and finance) need to rebuild Britain, and obstacles like this have to be removed.

Assault on manufacture

The latest attack on manufacture also came in September and took the form of the proposed takeover of BAE Systems by the European Aeronautics Defence and Space Company EADS. Reassuring and well

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rehearsed cooing noises immediately came from the Coalition about the importance of “saving jobs” and the synergy between EADS and BAE.

It’s all nonsense, of course, and the synergy they refer to comes from the fact that EADS Airbus civil aviation production was built from the skills acquired from our British engineers when manufacturing Concorde jointly in Bristol and Toulouse.

At the time Concorde was designed and first built, the French aviation skill base was second rate. Of course they did not have any planes flying between 1940 and 45 and their catch-up postwar Sud Aviation Caravelle airliner frequently fell out of the sky. But the EADS Airbus civil aviation industry is now headquartered at Toulouse in France and owned by France and Germany. In contrast to the government support there, what our engineers got here were poisonous whispers from the weasels in parliament that Concorde was a failed technology, culminating in the reconfiguration of the British Airbus consortium in 2000 to form EADS, and then handed over to France and Germany.

Deliberate

The fact is BAE has been deliberately exposed over the years and the EADS references to synergies, economies of scale and forces of production coming via the euro fanatics, masks the truth. Once Concorde was built, Airbus EADS as a British Company was constantly diluted, ending up in 2006 with the sale of BAE’s remaining 20 per cent strategic shareholding in EADS Airbus thanks to the connivance of that miserable Labour Government we had at the time. At that point it was generally acknowledged that this was the signal that BAE was being further weakened by confining it to the military rather than the civil aviation market – thereby preparing BAE for an EADS kill at a later date.

A further blow was delivered earlier this year when the Indian Government (no doubt influenced by the EADS non-executive director Lakshmi Mittal, the



RAF Typhoon: built on British engineering

Photo: Peter Gronemann/Wiki

Indian acquirer of Jaguar/Range Rover) announced that for its purchase of new military fighter aircraft, its preferred provider on grounds of price would be Dassault of France, rather than the Typhoon.

Without the Indian Government’s contract, the Typhoon fighter aircraft production run (which is primarily built by BAE) is currently curtailed – “putting BAE into play”. British engineers build the intricacies and flying capabilities of the Typhoon and the easy bits are built by the Germans and Italians who get a wing each and the Spanish who get to grease the wheels. They call it the Eurofighter while British workers and the RAF call it the Typhoon, named after the earlier 1943 RAF fighter bomber used as a Nazi-panzer tank buster.

In terms of engineering the Dassault is absolutely no match for the 2012 Typhoon, and as in the design and build of Concorde, it lacks the level of BAE workers’ skill that the French and Germans do not have and desperately want. The Dassault plane is merely a bit of camouflage.

Hammond, the current Defence Secretary, has stressed the need to protect British interests but said, “We are not Luddites.” No, this EU crowd are certainly not Luddites but they are Vandals. It was

the Hammond wretch that ordered the smashing up of the perfectly serviceable Harrier jump jet earlier this year and then said that a further £100 million of landing gear has to be put on the BAE aircraft carriers that are currently being built to facilitate the American F35 aircraft that are to be bought.

The F35 once built will have an impenetrable “black box” that protects American technology, so when purchased will only be upgraded and serviced at American behest through its black box input. Is that how you protect your country’s skill base and technical know-how (which philosophically of course was what the Luddites were about)? No doubt Hammond to the Yanks will be like a schoolboy, having bought an Airfix model kit, only to end up getting glue all over his hands while trying to put it together.

A country under threat

The last time that Britain as a country was under the type of threat now faced was September 1940 under the Nazi Directive No 17 codenamed Operation Sea Lion. The Directive stated that “since England, despite her hopeless military situation, still shows no sign of willingness to come to terms, it has been decided to prepare a landing operation against England...the aim of this operation is to eliminate the English homeland.”

Unlike the carpet bombing in September 1940 there is none of the messy physical tyranny coming from the EU fanatics now. Instead they rely on their “EU placemen” here in Britain and use impenetrable EU regulations to cook us a stew that they hope we will choke on.

In reality it is down to the British working class to fight for British independence. Forget the parliamentary disagreements between Labour, the Coalition, the SNP and the other Parliamentary also-rans. Their showpiece spats are about as genuine as the professional wrestling bouts that were once shown on television during Saturday afternoons just prior to the football results. Rebuild Britain and step up the tempo in leaving the EU. ■

Tuition fees were welcomed by some universities, which saw them as compensating for government cuts – not the brightest of moves...

Universities in crisis as cuts start to bite



Photo: Smarty/Shutterstock.com

Demonstration against cuts and tuition fees in Newcastle, 9 December 2010, a day when Parliament voted to raise fees to £9,000 a year.

THE TURMOIL in higher education has reached a critical stage. Successive governments have been attacking and undermining higher education for decades, but now the coalition's policies clearly define a different direction and purpose, for a greatly reduced sector largely financed and increasingly run by private companies.

Higher education has long been central to Britain's economic, social, political and cultural life. Now we need it more than ever to earn our way in the world. Between 1989 and 1997 the Labour government cut university funding per student by 36 per cent, greatly increasing the student/staff ratio to 20:1 and resulting in far fewer

contact hours between staff and students. This has been damaging enough. But the Browne Report of 2010 and the White Paper of 2011 are the only two major policy documents on higher education in the last 50 years not to see it as a public good. The present government wants us to see it only as a private investment for personal gain.

Billions lost

The 2010 Comprehensive Spending Review cut 80 per cent from the block grant to English universities for undergraduate teaching. Arts, humanities and social sciences lost all central funding, cutting £3 billion a year by 2015-16.

To replace this lost income, the government let universities set a new maximum tuition fee of £9,000 a year, almost tripling the £3,400 fees introduced by Labour, fees that the LibDems had pledged to abolish.

We will have the highest average level of student fees in OECD countries when the new system starts. This marketing of higher education will also increase inequality. Students who can pay the fees up front will pay less than the majority who will have to borrow. None of this was in any party's election manifesto.

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Some 800,000 students use the loan scheme. Students borrow to pay the fees and also borrow to cover their housing and living costs. These maintenance loans range from just under £4,000 a year to over £7,000 for those who are studying away from home at a London institution. After adding up loans for fees and maintenance, some may graduate with a debt of nearly £50,000.

Fewer students will be able to take on such debts. UCAS figures show a 14 per cent fall in the number of UK and European Union students taking up places in institutions in England for 2012-13 entry compared with the same point last year (down by 54,200).

The loss of income from these students could cost the sector about £1.3 billion over three years, leading to huge job losses and course closures. By contrast, student numbers are up in Scotland, where Scottish and non-English EU students are charged no fees, and in Wales, where fees are capped at £3,465.

Last year the recruitment cap on student numbers meant that more than 150,000 eligible students were unable to get a place. Many universities have been fined for breaching their caps (London Met £5.9 million). The government ended a programme to widen participation, claiming that scholarships and bursaries would do the job better, a claim contradicted by the research on the subject by its own Office for Fair Access.

It seems a casually contemptuous approach to a vital part of our economy. This is reflected in the shortfall in numbers of students applying with AAB grades or higher in A-levels, also engineered by government meddling. UCAS data show that 79,200 students achieved these grades in A-level and equivalent qualifications: the predicted total was 85,000.

That leaves several of the most selective universities facing significant student shortfalls under the AAB system, introduced by the government ostensibly to allow such institutions to expand at the

“Under Labour’s 2008 Sale of Student Loans Act, loans can be sold on to third parties without notice...”

expense of the others (welcomed by them originally).

Universities are only being guaranteed about three-quarters of their previous intake. To recruit extra students, they will have to compete in two pools of places. About 65,000 places will be reserved for applicants with A-levels of AAB or higher. Institutions whose fees do not exceed £7,500 will compete for another 20,000 places. Students recruited by private higher education providers from this pool will be eligible for loans, so public money will boost these companies’ profits. This policy will force less highly ranked universities to cut their fees to fill their places. This selling off of 20,000 places to the lowest bidder will be at the expense of the existing universities undercut by the new providers. This system will reinforce inequality.

Deficit

Replacing direct grants to universities with fees backed by loans appears to cut the government’s annual deficit. Borrowing to give grants to universities counted as public borrowing, but borrowing to make loans to students does not count as public borrowing. It is treated as capital spending, which takes it out of the annual deficit. But the increased borrowing needed to fund higher tuition fees and the resulting higher loans will add £5 billion a year to net public sector debt, far more than the £3 billion a year saved by the cuts to the grant.

The government expects most of this borrowing to be repaid by graduates. But this debt will only be paid down if annual repayments match and exceed the annual outlay. The Office for Budget Responsibility thinks this will be around 2032.

The number of graduates without a job

six months after graduation has doubled in the past five years, according to the Higher Education Statistics Agency. The Office for National Statistics’ March 2012 survey, *Graduates in the Labour Market*, found that 35.9 per cent of those graduating in the last six years were filling low or unskilled jobs, up from 26.7 per cent in 2001. At present rates of job destruction, who knows what the figure will be in 2032? The government has almost certainly set aside far too little to cover the shortfall.

Under Labour’s 2008 Sale of Student Loans Act, loans can be sold on to third parties without notice, consultation or consent. Sales will require repeated annual subsidies to buyers, to make the purchase worth their while, paid for by the taxpayer. The government conducts these negotiations in secret. There is little statutory or contractual protection. The loan agreement says, “You must agree to repay your loan in line with the regulations that apply at the time the repayments are due and as they are amended. The regulations may be replaced by later regulations.”

This is part of the government’s wider policy to create markets for assets that start in the private sector, placing complex, unstable loans with the sector that launched the country’s financial crisis, creating more opportunities for speculation. The government also wants for-profit “providers” to be able to insure against the risk of students not repaying the loan, introducing trading in risks and derivatives into higher education.

The government wants to enable private companies to buy universities. “Private Equity Firms Looking to Acquire Universities”, said EDUCATION INVESTOR on 22 September 2011. They want to get the billions coursing through a student loans system moving from government revenues to the student’s debt ledger, through the university, and out into the pockets of shareholders and chief executives.

The purpose and direction government has laid out for higher education is not in our interest. Fewer workers will be able to get higher education, and academic standards will be debased. ■



Gove challenged over exam coercion

AS WORKERS WENT TO PRESS a legal challenge was being launched against exam regulator Ofqual for its refusal to re-grade GCSE English papers in England. Six teaching unions, 113 schools and 13 councils have combined and written to exam regulator Ofqual and exam boards AQA and Edexcel threatening to seek a judicial review.

The challenge says Ofqual's refusal to re-grade flawed exam results from June contravenes "the cardinal principle of good administration that all persons who are in a similar position should be treated similarly", adding that the decision is "conspicuously unfair and/or an abuse of power, breaching (without justification) the legitimate expectations" of students who sat the examinations.

This August, for the first time in 24 years, the number of students gaining a C in English dropped. Schools and pupils were shocked as all the indicators pointed to another year-on-year rise. Because some pupils had taken the exam earlier, with results published in January, schools were able to gauge accurately the range of marks necessary for a particular grade, including the important C grade – a C in English is a pre-requisite for progression to higher levels of study, and a requirement for apprenticeships and other points of entry to the world of work. Secondary schools are rated on the percentage of their

students achieving C and above.

Had teachers got it wrong, or was something else afoot? Schools smelt a rat. It transpired that analysis of the January results had indicated more students than ever would be likely to achieve a C or above in the June exam. Accordingly Ofqual made the exam boards change the grades so as to drive down the anticipated success rate in June, despite examiners believing they were fair and backed by compelling evidence. But not a word to the schools – hence the outcry in August when tens of thousands of pupils were suddenly deemed failures.

Education Secretary Gove admitted that students were treated unfairly, but when pressed to order re-grading of the June exams with the January grade boundaries, insisted such a change was beyond his remit. His suggestion that the pupils could resit the exams in November condemned them to an additional and unnecessary year of uncertainty and lost opportunity.

Direction

Infuriatingly for Gove, Welsh Education Secretary Leighton Andrews directed the Welsh exam board to re-grade the June exams. 2,400 students saw their grades rise, 1,200 of them from D to C.

The backlash after this blatant engineering of results may yet prove to be Gove's undoing. He has united all corners

of the educational spectrum with his cack-handed interference and wilful disregard.

Playing out in the background is an ongoing debate about GCSEs, which replaced O-levels in 1987. O-levels were awarded on the basis of a single examination at the end of a course of study, whereas, with GCSEs, modules of study in a particular subject are assessed throughout the duration of the course.

There has been relentless pressure on schools to achieve better and better results for their own survival. Crude league tables and Ofsted make this inevitable, so the year-on-year rises in GCSE results come as no surprise.

For some, O-levels bring back fond memories of academic students going on to sixth form and university while their less academic (or less well off) peers populated the mine, the mill and the shipyard.

Now Gove's new exam – the EBacc – will provide a qualification for some, but nothing at all for the rest (those who find the exam "difficult" will leave school with only a statement of achievement). With their plan of mass youth unemployment, why bother to educate those young people at all?

Gove staggers about from one debacle to another. In the past 37 years there have been 18 education secretaries, one every two years on average. Why is this one still here? ■

A new book by eminent economist Joseph Stiglitz dissects the role of free-market capitalism...

The market isn't working, the system isn't working

THE PRICE OF INEQUALITY, by Joseph E. Stiglitz, hardback, 414 pages, ISBN 978-1-846-14693-0, Allen Lane, 2012, £25.

IN THIS remarkable book, the man widely seen as the greatest living economist shows how the economic and political system has failed – the market is not working and government has not corrected this market failure. His focus is on the USA, but his insights apply to other countries too.

Most people in the USA are worse off than they were 30 years ago. 18 per cent of young people are unemployed and eight million families have been evicted from their homes. Wages are falling by \$0.5 trillion a year, far more than Obama's stimulus packages.

Some say that flexible labour markets and lower wages will aid recovery. But, as Stiglitz points out, "the United States, with allegedly the most flexible labour market, performed far worse than countries with stronger labour protections (like Sweden and Germany). And the reason is obvious: cuts in wages reduce total demand and deepen the downturn."

Poor performers

Gordon Brown told us that an independent central bank would improve matters. But Stiglitz explains, "The independent central banks of the United States and Europe didn't perform particularly well in the last crisis. They certainly performed far more poorly than less independent central banks like those of India, China, and Brazil. The reason was obvious: America's and Europe's central banks had, in effect, been captured by the financial sector. They might not have been democratically accountable, but they did respond to the interests and perspectives of the bankers. The bankers wanted low inflation, a deregulated financial sector, with lax supervision, and that's what they got – even though the economic losses from inflation were minuscule compared with the losses that arose from the excessively deregulated financial market. The losses to ordinary consumers from predatory lending were given short shrift – indeed, the



Stiglitz: "Cutting back on government spending destroys demand and destroys jobs."

additional profits increased the financial strength of the banks. The soundness of the financial system was, after all, the central banks' first charge."

As he observes, "As soon as wages start to recover, the central bankers, with their single-minded focus on inflation, raise the spectre of price increases. They raise interest rates and tighten credit, to maintain unemployment at an unnecessarily high level."

The Coalition tells us that its "austerity" policies (actually, poverty policies) will bring recovery, but Stiglitz emphasises, "The critical point to bear in mind in thinking about deficit reduction is that the recession caused the deficits, not the other way around. More austerity will only worsen the downturn, and the hoped-

for improvement in the fiscal position will not emerge."

He points out, "Europe's crisis is not an accident, but it's not caused by excessive long-term debts and deficits or by the 'welfare' state. It's caused by excessive austerity – cutbacks in government expenditures that predictably led to the recession of 2012 – and a flawed monetary arrangement, the euro. When the euro was introduced, most disinterested economists were sceptical.... Looking across Europe, among the countries that are doing best are Sweden and Norway, with their strong welfare states and large governments, but they chose not to join the euro." After the crisis started, "The countries could agree only on further belt tightening, which forced Europe into a double-dip recession."

Reasons for the failure

Working

Stiglitz warns, “cutbacks in expenditures and taxes will lead to a contraction in the economy. And if we go one step further, as the Right wants to do, to cut back expenditures even more, in a valiant if possibly fruitless attempt to reduce the deficit, the contraction will be even greater.” Simply, “cutting back on government spending destroys demand and destroys jobs.” He compares “austerity” policies to medieval doctors’ bloodletting.

Myths

Stiglitz notes, “The worst myths are that austerity will bring recovery and that more government spending will not.” He goes on, “Recessions are caused by lack of demand – total demand is less than what the economy is capable of producing. When the government cuts back on spending, demand is lowered even more, and unemployment increases. ... Underlying the myth that austerity will bring confidence is often another myth – the myth that the national government’s budget is like a household’s budget. Every household, sooner or later, has to live within its means. When an economy has high unemployment, the simple rule does not apply to the national budget. This is because an expansion of spending can actually expand production by creating jobs that will be filled by people who would otherwise be unemployed. A single household, by spending more than its revenues, cannot change the macro-economy. A national government can. And the increase in GDP can be a multiple of the amount spent by the government.”

So the solution is clear – spend more. But why isn’t it happening? What’s the problem?

As Stiglitz writes, the USA has a government of the one per cent, for the one per cent, by the one per cent. He notes, “...the success of the moneyed interests in creating a system of ‘one dollar, one vote’”, in “corporations controlling Congress”.

So the 99 per cent in the USA will have to organise to break Wall Street’s stranglehold. To do this they will first have to shed illusions about American society. ■

More from our series on aspects of Marxist thinking

CAPITALISM’S DODGY CLAIMS

To survive, a system has to have many props. A main buttress of capitalism ideologically is its claim to be by nature enterprising, with a self-generating dynamic and an entrepreneurial spirit. The claim is repeated so often and is so rarely questioned that it has assumed the guise of an indisputable truth.

But should we succumb to assertion when it comes without supportive evidence? Even worse, should workers tolerate a complete falsehood?

Undoubtedly, in the early periods of industrial capitalism, today’s claim was then a truth. All the trappings of an industrial revolution - railways, canals, etc - were produced either on the back of internally generated capital or from the expansion of joint stock companies. You will not find a better panegyric to the transformative powers of the early capitalists than in the COMMUNIST MANIFESTO: “The bourgeoisie has created more massive and more colossal productive forces than have all preceding generations together. The bourgeois cannot exist without constantly revolutionising the instruments of production, and thereby the means of production, and with them the whole relations of society” (Marx and Engels, 1848).

But a lot of water has flowed under the bridge since those times and the nature of capitalism has changed fundamentally. Similar claims just don’t work now. In the contemporary world when it comes to profits capitalists do not take risks; when it comes to their private profits they expect certainty; more important, they expect the certainty of provision of public funds before undertaking any substantial project.

Take the Crossrail development in London, for instance, where the £14.8 billion undertaking is entirely financed by funds provided by either government, Transport for London or Greater London Authority bonds. In one way or another, this means that the profits made by the private construction firms involved are being entirely underwritten and guaranteed ultimately by our taxes or by business rates. Again with the Private Finance Initiative (PFI) schemes, capitalist companies that build new schools or hospitals are pocketing fortunes from public money. There is no evidence of a vibrant entrepreneurial spirit at work, merely the featherbedding and propping up of a senile capitalist class by a corporate state funnelling public funds amassed largely from workers’ taxes into private coffers.

If a corporate state can direct funding capital into the hands of private companies without offending the natural order of things, then why can’t a socialist state direct funding into industrial and infrastructural projects to meet the needs of working people and be considered by the newly arranged society as entirely natural too?

Everyone should promote the argument and one of capitalism’s props will fall.

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Back to Front – A sovereign state

‘For Britain the lesson is clear: national sovereignty will be eroded or even nullified by the EU...’

SOVEREIGNTY HAS become a vital issue for Britain, one that requires informed and urgent consideration by the British working class – the great majority of the British people who must work to earn the means of their livelihood.

Italy provides a template for what happens to a state that loses its sovereignty. Patently, the power to order Italian affairs no longer resides with anything resembling an elected administration. Adherence to the euro trumps national integrity, so power can be assumed by so-called technocrats without any reference to even the pretence of democracy.

For Britain the lesson is clear: national sovereignty will be eroded or even nullified by the EU. Consider the recent bid by Germany to virtually take over Greece by economic fiat in the name of euro, and EU, stability. Essentially, Greeks are being ordered to implement EU-determined policy or face the prospect of external imposition.

Britain, not being in the euro, is not threatened to such an extent at the moment, though there are constant moves to enlarge the EU’s authority – witness the German-led “Future of Europe” report (see p3). But a home-grown sovereignty issue threatens the integrity of the nation – Scottish independence.

In pursuing its own narrow ends the SNP seeks to persuade the Scots their best interests would be served by sham independence. Sham because parting company with the rest of Britain would deliver Scotland to the EU as a minor

region unable to withstand the machinations of the big players.

The working class is not shackled to arbitrary notions of right wing or left wing. It exerts its sovereignty when it acts on its own behalf irrespective of definitions and labels others might wish to impose.

The sovereignty of the working class, above all a sovereignty and independence of thought, is the progressive force in Britain today. No matter the issue – the euro, Scottish petty nationalism or whatever – true democracy, the voice of the people, is the forceful expression of that sovereignty.

Labour under Tony Blair, with support from inside the Trades Union Congress, undoubtedly wanted Britain to join the euro at its inception. But the British working class, even without anything as formal as a ballot, was so obviously opposed that Labour was unable to impose its wishes.

It does not matter to the working class whether the present prime minister’s posturing on Europe is sceptical or not. Nor that the issue might drive the Coalition partners apart. The only concern for the working class is the complete repatriation of powers to Britain, the full restoration of sovereignty.

If Britain is to be rebuilt as an independent nation then, in its abounding diversity, the working class must recognise itself as being sovereign and take whatever action is required to secure its sovereign status. ■

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