

WORKERS

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TUC: FIGHT FOR INDUSTRY



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WORKERS

“ In defence of the British working class

CAPITALISM'S fifth column in Britain – the ultra left – along with their allies in the liberal bourgeois establishment, have done their best to destroy any concept of a working class in this country. Their obsession with race, gender and sexuality has led to a situation where raising the issue of a British working class itself is dismissed by these bigots as racist, sexist or homophobic.

Now even Harriet Harman, during the week when she “ran” the country, can get away with saying that if the failed US bank Lehmann Brothers had in fact been “Lehmann Sisters”, we may not have a crisis of capitalism!

As the TUC Conference is riddled with this same claptrap, perhaps it is time to remind those delegates of the simple nature of class in

this country.

Firstly, let's nail the race issue. There is only one race – the Human Race. Secondly, if we work, then we are workers. Whatever kind of work we do, if we sell our labour power in order to live, we are workers. Thirdly, if we live permanently in Britain, irrespective of our origins, we are British.

Consequently if we sell our labour power to an employer in order to survive and we live here permanently, we are British workers and along with all the others who work and live similarly, we constitute the British working class. It's not rocket science. But we need recognise this so we can we begin to act and organise to defend and advance our class, as a class.

Can't help, won't help

SO, HOW to recover from the crash? The government and the opposition agree that we should rely on those who caused it. But life has proved that stock markets are not a reliable source of finance for industry and that they don't help to develop efficient companies.

Capital markets are no good at picking firms likely to succeed in the long run. Mergers and takeovers do not improve productivity: efficient companies are taken over, stripped of their

productive assets and their workers sacked.

Only huge government spending can provide enough investment to lift countries out of depression. We need investment, not cuts. We need more public spending, not less. We need higher wages for more workers, not unemployment and wage cuts.

None of this can happen while we allow capital to rule. Only workers' rule, socialism, can bring full employment and end the slump.



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EU pressure on Ireland

EU LEADERS HAVE agreed to a series of "guarantees" on the Lisbon Treaty in return for Ireland holding a second referendum, after Irish voters rejected the Treaty last year. They agreed on a declaration which seeks to address what EU leaders see as Irish concerns about taxation, ethical issues, workers' rights and neutrality. They also repeated an agreement reached in December to postpone cutting the size of the Commission laid down in the Lisbon Treaty. The declarations have no force in EU law and therefore are not real guarantees.

The EU Presidency confirmed, "the text of the guarantees explicitly states that the Lisbon Treaty is not changed thereby". Foreign Office Minister Lord Malloch Brown said, "Ireland sought and has received guarantees, but the treaty has not been reopened. In that regard, it is a referendum on the same treaty as before."

Czech Prime Minister Jan Fischer agrees, "It is an explanatory clarifying text which changes not a dot nor comma of the Lisbon Treaty." Former Green MEP Patricia McKenna says that the "guarantees" given to Ireland are no more than a "ludicrous charade" and that the public has been given the false impression of legal certainty when this does not exist. (Yet the Irish Green Party says that it will campaign "vigorously" for the Lisbon Treaty.)

Following the December EU summit, at which the "guarantees" were first formulated, Irish Foreign Minister Micheal Martin promised, "We will not be asking people to vote on the same proposition." In May, Irish Europe Minister Dick Roche repeated this, saying, "Our partners understand, I believe, that we cannot and will not put the same package to our people later this year."

Yet despite these promises, the deal makes no change to the text of the Treaty, so the Irish people will be voting on exactly the same text they rejected last year. 53 per cent of people said 'No', but they will be forced to vote again.

One leading German politician said the No vote was "a real cheek", while a British Labour MP said the Irish voted No because they had "become extremely arrogant".

The Treaty abolishes the national veto in more than 60 areas of policy – on everything from transport to the rights of criminal suspects and even some aspects of foreign policy. Ireland will lose 40 per cent of its power to block EU laws it disagrees with (compared with a 4 per cent decrease in Germany's power to block legislation), and the Treaty creates a powerful new EU President and an EU Foreign Minister, which will dilute Ireland's influence in the EU. The Treaty also hands the European Court of Justice significant new powers in sensitive areas such as Justice and Home Affairs.

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

AFGHANISTAN Public support pull-out

THE GOVERNMENT tells us that we have to fight an unwinnable war in Afghanistan to stop terrorists from hitting us here. The European Commission tells us that we cannot legally secure our borders because this restricts the "right to free movement". Yet the EU is sabotaging our security by ordering us not to stop terrorists, criminals and illegal immigrants entering here.

What nonsense: spend £2.6 billion a year for year after year – for how long? – fighting thousands of miles away for an impossible Afghanistan, while the EU forbids us to spend far less to control our own borders!

An ICM poll of 13 July showed that 56 per cent of us wanted troops out of Afghanistan either at once or by the end of the year – a report that the GUARDIAN somehow headlined "Public support for war is firm, despite deaths".

The ComRes poll of late July confirmed this majority opposition. 52 per cent said, "British troops should be withdrawn immediately from Afghanistan." 58 per cent agreed that the war is "unwinnable".

BANKERS Drinking away

EVERY MONDAY morning City A.M., a freesheet handed out in the City of London, carries a news item catchily titled "Bill of the week". One recent bill was this little gem. Six bankers at the Keelung restaurant in London's West End ran up a food bill of £168.50. To wash it all down, they drank twelve bottles of wine. Total drinks bill – £872.

EUROBRIEFS

The latest from Brussels

Marking time

It has been a quiet summer for the EU and its institutions after the European Parliament elections and before the Irish referendum on the Lisbon Treaty on 2 October. Little changes: despite the economic crisis, the main concern is with jobs (theirs) and money (ours). Take the EU Presidency. Blair announced he wants to be EU President. The next person to take that job will get an extra £113,016 to rent a home plus £43,704 for entertaining on top of the current £36,778 annual living allowance. According to EU documents this is to give the President "more dignity".

They love Brown

Mandelson is determined to prop up Brown in office until after the Irish referendum to protect the Lisbon Treaty, even if it damages Labour's poll chances. He fears that the Tories would call a referendum in the UK. An EU diplomat said, "People are learning to love Gordon Brown here. They want him to hang on as long as possible."

Lisbon 'illegal'

The German Constitutional Court called the Lisbon Treaty an "illegal power grab", because it takes away sovereignty from nation states, denying them the right to set laws on defence, taxes, policing and education. The Treaty cannot be ratified in Germany until the German parliament has approved a new law guaranteeing its rights in the EU decision-making process.

Farmers fined

The European Commission ruled that the French government paid illegal subsidies to farmers up to 2002. Hard-pressed fruit and vegetable growers have been told to repay €500 million to their government as a result. After protests, the French agriculture minister, Bruno Le Maire, promised to get more EU subsidies in compensation, but farmers weren't impressed with his offer of €15 million "emergency" aid.

Opt out

This August should have seen the end of Britain's opt-out from EU Working Time Regulations, which set a maximum average of 48-hours a week. But no agreement was reached, so the opt out continues.



London, 17 July: striking postal workers marched over jobs, pay and services, and Royal Mail modernisation plans.

Photo: Andrew Wiard/www.reportphotos.com

VESTAS

Closure pushed through

OVER 400 jobs were lost in August when Vestas Blades, the British subsidiary of the world's largest wind turbine manufacturer, axed plant at Newport, Isle of Wight, and Southampton. At the same time, the parent company created 5,000 new jobs in the US, Spain and China.

From 20 July to 7 August 11 Vestas workers occupied the factory at Newport

until evicted by police. The company is now refusing to pay redundancy pay to the 11.

The government has promised that a "green revolution" will create 1.2 million jobs here by 2020. (The wind industry itself says 60,000.) But it is not investing to make it happen.

The government has said that wind and other renewables will provide 30 per cent of all our electricity by 2020. Currently, renewables provide just 5 per cent, with 2,500 wind turbines – almost all made in Germany and Denmark.

Local govt pay consultation

AFTER MUCH fanfare, the final employers' offer on pay to local government workers, equating to roughly a 3p per hour increase, has gone out to member consultation. From 0.5 per cent to 1.25 per cent for those on scale points 4 to 10, 1 per cent for those on scale points 11 to 49, one extra day's leave and a redundancy avoidance agreement to be agreed by December 2009.

Underlining that this is the best deal on offer, the respective trade union national negotiating bodies have recommended acceptance – though Unison, the largest union, is facing every possible direction by allowing branches to ignore the national recommendation, dumping collective responsibility and leadership. The offer is time-conditioned – take it quickly or there is nothing.

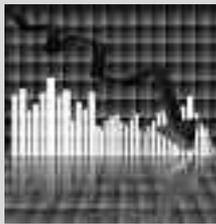
All the unions have clearly indicated that there will not be any industrial action, so why go through the consultation exercise? Why not just sign up, roll over and get on with it?

Hawks in Tory London boroughs are saying they will not pay it anyway, despite being signatories to the national agreement. Some might suggest this is a cunning ploy by various negotiators to ensure the consultation exercise comes in with a Yes vote. Some may see it as yet more smoke and mirrors. What definitely will follow from this fiasco is that the already extensive local bargaining and undermining of national joint conditions will be exacerbated.

The Tory agenda for local government, now the overwhelming majority party in the overwhelming number of councils, boroughs, districts and counties across England, is to dismantle national bargaining. It actually also reflects Labour Party national strategy, following up the privatisation and dismantling of local services. So they're all together but Tories look set to provide the shock troops.

If the trade unions get their minds and actions together then over a period of time this could work to their advantage, but the will and leadership has to be there. The one size fits all Unison response to pay in local government in recent years of national strike action is now well and truly buried. Workers in local government are going to have to think through new guerrilla tactics for dealing with an employer side on the offensive, with radical reshaping of public service provision being piloted – Total Space (see page 6) – inspired by Labour and implemented by the Tories.

Jobless total leaps



ON OFFICIAL figures, unemployment rose by a record 281,000 to 2.38 million in the three months to May. When all adults on out-of-work benefits are counted, 5.2 million British workers are jobless. 726,000 18-24-year-olds are unemployed, 17.3 per cent.

Output fell by 2.4 per cent in the first quarter and by 0.8 per cent in the second. It fell by 5.6 per cent in the year to June, nearly the same as in 1930-31, the worst year of the great slump.

Manufacturing output fell 0.5 per cent in May. It is now 13.1 per cent lower than in the same period of 2008. Manufacturing jobs have fallen by 201,000 over the last year, to just 2.6 million.

Industrial production, a wider measure which includes energy production as well as manufacturing, fell 0.6 per cent in May, 1.8 per cent in the three months to May. It is now 12.3 per cent lower than in the same period of 2008.

The Brown government wants to make the labour market more like the USA's, but this would further destroy manufacturing and cut wages. The inflation-adjusted median weekly wage of American men without a high-school education fell from \$517 in 1979 to \$402 in 2004.

US unemployment rose to 9.5 per cent in June, up by 467,000 to 14.7 million. One in nine Americans now depends on government food stamps. US GDP fell by 3.7 per cent in the last year. Business investment fell by an astounding 20 per cent.

Eurozone unemployment rose to 9.5 per cent in May, up by 273,000 to more than 15 million. Its GDP fell by 2.5 per cent in the first quarter, a year-on-year fall of 4.9 per cent.

Global losses on loans and securities total \$4 trillion. The value lost in Britain was £2 trillion. Global support for the bankers now totals \$10 trillion, \$2 trillion from the Brown government.

After getting all those billions of our money, the banks are still not lending to industry. Banks' net lending has fallen by £5.4 billion, the largest fall for a decade. Company borrowing fell in April and May because banks here charge the highest interest margins and fees in the G7. In April, firms paid back to banks more than banks lent out. Firms are paying off their debts, not investing.

So the Confederation of British Industry forecasts that investment will fall this year by 12 per cent, and by 1.4 per cent next year – no basis for a recovery!

STEEL

Tata sacks hundreds more

THE ANNOUNCEMENT in July of 366 more redundancies from Scunthorpe's steel works, added to earlier layoffs, is causing serious worries in the north Lincolnshire town, Britain's main steel producer.

The shock announcement came just five months after the steel giant axed 2,500 others nationwide, and raised questions over the future of its plants in Yorkshire and North East Lincolnshire.

Nationalised in 1967, privatised after massive modernisation, the Corus steel company was bought two years ago by the Indian Tata concern, whose main works is at Jamshedpur, India. Priority in hard times will obviously be given to that enterprise.

Jamshedpur produces 7 million tonnes a year, and by 2010 is projected to make 10 million tonnes, thanks to massive investment. The plant is situated next to large coal and iron ore deposits, whereas

all Scunthorpe's coking coal (blast furnace fuel) and iron ore is imported before being shipped by train a further 20 miles to the works. The Yorkshire coalfield supplied the fuel pre-Thatcher.

Scunthorpe works is now running at 50 per cent capacity, i.e. 1.5 million tonnes a year, and the price obtainable for the product is only half what it was pre-credit crunch, so revenue is down by three-quarters. Local people are talking now of the "writing on the wall".

The Tata group is only 30 per cent "self-owned", and 70 per cent in hock to the banks. \$11.8 billion was borrowed to buy Corus when times looked good. How to repay that now? The expectation is that whatever is needed will be shipped to India – mills, etc – and liquid metal production will cease, perhaps leaving only a rod mill, supplied by foreign "billets" – the 10 metre bars to reduce, to roll down. Eventually there will be nothing.

Shipping costs are now very low. This too is hastening the end of European and north American manufacturing.

WHAT'S ON

Coming soon

SEPTEMBER

Sunday 6 September

Burston Strike School Rally 2008, Church Green, Burston, near Diss, Norfolk.

The annual rally commemorates the strike and celebrates those who continue to fight for trade union rights. The rally kicks off at 11am, and ends at 4.30pm. Speakers and music. See <http://tinyurl.com/l6bd8v>

Thursday 10 September, 7.30pm

"The economy – why workers should run Britain"

Bertrand Russell Room, Conway Hall, Red Lion Square, London WC1R 4RL

The first in a series of three public meetings organised by the CPBML and Workers magazine (see advertisement, page 8). All welcome.

BONUSES

Gravy train still running

IN THE FIRST three months of 2009, British banks' bonuses totalled £5 billion. Goldman Sachs' bonus pot is \$20 billion – \$700,000 for each partner. Morgan Stanley's bonus pot is \$14 billion. Nine US banks recently paid \$33 billion in bonuses. No wonder the City crows that bonuses are back.

Gordon Brown said in October 2008, "Where there is excessive and irresponsible risk-taking, that has got to be punished. The day of big bonuses is over."

On 3 July, Alistair Darling said, "Some (banks) are only operating at all because of very substantial support from taxpayers, who are entitled to tell the government we must not repeat the mistakes. If they go back to the way they were – to business as usual – without asking themselves over and over again whether they understand what they are doing, that would be disastrous for them and the rest of the world." He ended by saying – that he would do nothing to cap bonuses.

On 22 June, the 70 per cent state-owned Royal Bank of Scotland announced a £15 million pay packet for its new chief executive, Stephen Hester. UK Financial Investments, the quango that manages taxpayers' stakes in bailed-out banks, agreed to this. RBS also wants to sack 11,700 workers.

The big lie is that high bonuses for partners boost private sector productivity, while wage freezes and job cuts boost public sector productivity.

Total Place: a pilot for privatisation

SO FAR work worth £112 billion has been taken out of Britain's public sector and placed in the hands of private companies. The government's next move, getting underway now under the label Operational Efficiency Programme, is to push this process much further and, more importantly, sell off at bargain prices the land and buildings belonging to local authorities.

In 13 pilots deemed 'Total Place', it will examine what services can be considered duplicates, what services could be merged, shared, outsourced, run differently and allegedly more efficiently. Services that have grown separate and distinct – health, local government, central government, education etc – for a multitude of organic and different reasons over decades – will be bundled together.

The bundling will be about supposed savings. It will be also about parcelling services up into devourable chunks for sale or privatisation.

A root and branch reconfiguration of health, local government, higher and further education, local public services in the name of efficiency is being planned. But really it is about freeing up the billions of pounds in fixed and frozen assets in estates, property, expenditure etc in the what's being called the "Great Sale of the 21st Century".

One size for all

Total Place is in addition to efficiency savings already being driven forward by local authorities, outsourcing in health etc. Councils as disparate and distant as Bournemouth, Newham, Essex, Birmingham, and Barnet are all pursuing a one-size-fits-all solution. Buildings are being centralised: Birmingham will go from 55 sites to 5, Newham from 38 to 1. Hot desking, home working, outsourcing of services and staff, the tick-box culture for service delivery, targets monitored and set by computer, management by email, key performance indicators – KPIs – ratcheting up productivity, "hubs" of remaining rumps of tiny supposed strategic workers will be today's fad and model for the future.

This will be reflected in fragmentation of services, and place delivery with myriad competing providers. Myriad that is, until as with the privatised utilities, private monopolies gain control.

An estimated 365,000 jobs are forecast to be lost as part of cuts in public sector funding and the removal of services due to Total Place rationalisation. These changes will impact in many ways. Services used by the public will be available, funded out of the public purse, but controlled and driven for profit by private companies, in most cases multinationals. Gone will be democratic accountability. Local services for localities and local people will cease.

Corruption and the Rotten Boroughs will rise and the cycle will have come full circle: services vital for civil society which are too important to be left in the maw of politicians and civil servants will have to be brought back under control of British workers.

After 141 years has the Trades Union to change?**Too much business as us**

THE 141ST ANNUAL Trades Union Congress opens in Liverpool in mid-September. One hundred and forty-one years should focus the mind as to whether we as an organised working class have really made progress? One hundred and forty-one years is tenacious and dogged, proves staying power but what is the direction and purpose? After 141 years are we are as institutionalised as the capitalist system we argue to change?

The preliminary agenda for Congress is riven with contradiction. European Union directives undermine and destroy our ability to organise and create the country we want. But instead of moving to destroy the cancer the call is for more intervention and a more "social" interpretation by the EU. This misses the whole point as to why the EU was established and why its roots spring from the fascism of the 1920s/30s politic of Hitler, Mussolini, Franco, Mosley and others. The European Union has nothing to do with social care or social democratic paternalism – it's just about naked ruthless exploitation by Capital rampant across all national and tradition boundaries of the European continent (and beyond).

There are important signs of an emerging clarity. Clarity for industry comes from Community (ex-Iron, Steel Trades Confederation) over saving the steel industry, and from the Bakers, Food and Allied Workers Union for defending manufacturing industry. It comes from the mining unions for the preservation of coal, the energy industries and the future of Britain as an industrial nation. And from the rail unions fighting to save our rail network.

It is no coincidence that the first treaty, the founding act, the first directive of the EU was over the so-called rationalisation of Europe's coal and steel industries. Coal and steel were to be centred on the Ruhr and Germany's industrial heartland. The centralisation saw the sweeping away of all other competitors – and it was at the core of Thatcher's war on the steel and mining communities in the 1980s and early 1990s. Her war had little to do with her ego and class hatred or Arthur Scargill and the heroism of the National Union of Mineworkers, and a lot to do with the subservience of British capital to the EU project of supposed capitalist regeneration and integration.

The EU and the real rise of fascism

The first treaty of Rome mirrored the German Thyssen – Krupps Steel and Coal Trusts in the 1920s and 30s, which achieved monopoly in Germany, then Europe and then tried to conquer the world. These were the people who bankrolled the Nazis and led the drive to war. Those who promote the pious motions concerning the British National Party, racism and fascism, should reflect on where the real drive to emasculate the working class has been coming from during the last 30 years. The drive from parliamentary parties and politicians has seen the undermining of industry, of community, of the trade unions, of the institutions that constitute Britain. All this has been for the purpose of greater penetration and unity with the European Union, a greater huddling of the failed and bankrupt. This is the real rise of fascism in Britain and such silence from the TUC over this is ominous.

Ominous too is the silence over the looming general election and the desperation to have set in place access to further British and EU funds for so-called modernisation schemes for the unions. Modernisation to recruit migrant workers, to protect vulnerable workers, to enshrine do-gooding jobs for the boys and girls before the Tories get into power and wreck the

n become as institutionalised as the capitalist system we argue

usual in the institution that is the TUC



Photo: Andrew Ward/www.reportphotos.com

The TUC: Full of banners, full of speeches, not so full of delegates and not enough new thinking despite developing clarity on industry.

economy – though if you work in manufacturing, finance, construction, fishing, textiles, engineering, shipbuilding, coal, energy you may already think the economy has been wrecked. Perhaps being 141 years young and having sat through Tory administrations during most of that time has conditioned our thinking to always have cap ready in hand for the return of our natural overlords? That probably explains why Labour in power, old or new, always apes the Tories.

Membership

Trade union membership continues to decline, union density slips further away. The strategy of trade union mergers has ground to a halt as the supposed solution. Big has not meant better or more beautiful but has just led to ever more publicly-aired examples of ego, sectarianism, squabbling over the assets, posturing and childishness

– usually from grown men and politically correct quotas of women, black, disabled.

Every major trade union is courting the United States SEIU public sector union and its wondrous recruiting techniques. Techniques that have probably terminally split the already weak and infiltrated US trade union movement – be it from the FBI, CIA or Mafia.

Now everyone is falling over themselves to discover factors that are particular to the USA over recognition, contracts of employment and US labour law, none of which have any relevance or application to Britain. But they are a good diversion and the trips to the States will be oversubscribed. The SEIU have discovered that people join the union if you ask them to join – rocket science!

Decline in trade union membership is linked to the unions' inability to reach out to the minds of workers in this period of

fragmentation, disunity, industrial collapse and the associated sense of powerlessness and irrelevance. All are spawned from the EU and wilfully welcomed by governments in the UK for the last 30 years. Workers are not blind to the corrosiveness within their unions, the lack of purpose, coupled with a corruption of mind – from NEC member to MP – and very few days work done in between time. In many workers' minds there is a view that our unions are not doing what they should, but that the task of cleaning out the stables seems too immense.

Unison, which was Britain's largest union, slipping to second place, looks likely to regain its crown from Unite, which has seen dramatic and deadly job losses in its industrial and finance sectors throughout the year. Unite's honour was

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redeemed by the oil refinery workers such as at Lindsay who have heroically fought for the right to work. Unison takes its “million voices for change” campaign to the TUC. Cynics might wonder why a union that claims over 1.3 million members can't sign up its own million voices, let alone from the wider population? Posturing, positioning or posing – it is the TUC and playing to Congress is the order of the day.

Romantic calls

Likewise the Prison Officers Association (POA) returns to its theme of scrapping Britain's draconian anti-union laws as it is almost impossible to have a legal ballot or strike in Britain. The POA romantically calls for national street parties blossoming into a series of general strikes.

Sadly they will be crushed in the rush

from an army of trade union lawyers who will leap forth with tales of injunctions and incarceration of general secretaries. A wry smile might flicker to think of capitalism's jailers and wardens detaining their own national executive – it just proves there are only two classes in Britain!

The Musicians Union decries abuse of performing artists' creations on BNP websites and the use of music as a form of torture. Equity leads the fight for burlesque dancers' rights not to be enshrined as sex encounter or sex establishment workers. The Society of Chiropodists and Podiatrists continues its battle for “working feet” and would have bonfires made from high heels.

Everyone of note will be queuing up to speak at the solidarity rum evening with Cuba and Venezuela comrades, all very proper. Perhaps the Cuban comrades should tell their British comrades that a bigger help, rather than everyone

swanning off to Havana for May Day and other junkets, would be to do what they have done in Cuba, here and soon?

Take responsibility

Couldn't we indeed follow the Cuban lead: rejuvenate the nation? Rebuild our industries? Recreate sovereignty and independence? Re-establish the NHS as a national treasure? Obliterate illiteracy and innumeracy? Destroy the drug culture? Resolve the housing nightmare? Reduce unemployment by ensuring useful work for all? By creating jobs attack the root of crime and reduce the highest prison population in Europe? Join the Communist Party?

The list is endless. It starts by taking responsibility for a revolution that is not really about drinking rum and basking in sunny weather, though Liverpool in September may leave a lot to be desired.

CPBML/Workers

Autumn Series of Public Meetings, London

Thursday 10 September

The economy – why workers should run Britain

Thursday 15 October

Stopping the parliamentary road to fascism

Thursday 12 November

Marxism – why you should be a communist



All meetings are held from 7.30-9.00 pm Bertrand Russell Room, Conway Hall, 25 Red Lion Square, London WC1R 4RL. Nearest tube Holborn. Everybody welcome.

What are concerned and honest workers to make of the economic and political mess that they see around them as we enter the conference season?

The failure of capitalism

BRITAIN IS in a mess. Manufacturing is collapsing, not so much from lack of demand, but because of the refusal of banks to lend for investment, while the bankers themselves are back at the roulette table after taking trillions of pounds of our money.

Instead of the government forcing the banks that it controls to lend to industry, it prepares to sell off Northern Rock to Tesco while allowing Lloyds and RBS to repossess record numbers of houses. The construction industry grinds to a halt while young families cannot get housed. Record numbers of young people are up to their neck in debt due to student loans while record numbers of the same young people cannot find a job.

Disaffection with politics has never been greater while unelected “politicians” appear to have taken over our country after what passed for an incompetent coup attempt to dislodge Gordon Brown by a bunch of inadequate politicians.

The British Army has been kicked out of Iraq while generals tell us that our young men and women will be sent to die in Afghanistan for another 40 years. One employer in twelve says it plans to recruit immigrant workers instead of British workers over the next months while unemployment in Britain tops the 2.5 million mark. And all this under a Labour government!

So how did we get here and what should be done?

The City

In the earlier days of British capitalism, the City of London’s financial institutions provided crucial services to lubricate the cogs of burgeoning industry and commerce. The Limited Liability Joint Stock Company helped break the bonds of small-scale production, by pooling the riches of individuals to create the massive investment needed for the Industrial Revolution.

Banks provided essential credit, a secure deposit, a safe currency, the means of settling bills and of exchanging currencies. The insurance services provided traders with the confidence they



Photo: Andrew Wiard/ www.reportphotos.com

needed at a time when shipping was a very risky business. And the commodity dealers made sure that, in the end, buyers did meet sellers. At that time, the City of London was at the core of British industry and it was through the City that the vast operations of imperialism were conducted – the export of capital, the import of raw materials, the financing of trade and the reaping of profits.

Marx analysed the strengths and weaknesses of capitalism when the City was at its peak. His basic simple point was that all wealth, all economic surplus, is

created by the labour of workers. Capitalists, in their various forms (industrial, merchant and financial) all get rich by taking this surplus, created by workers, for themselves.

Finance capitalists in particular, said Marx, had a tendency to forget this basic truth. He went on to say that the Stock Exchange had created a new variety of parasites in the shape of promoters, speculators and simply nominal directors. Its system of buying and selling shares

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meant that the “gains and losses through the fluctuations in the price of these titles of ownership...become by their nature more and more a matter of gamble, which appears to take the place of labour as the original method of acquiring capital...” (Karl Marx, *Capital*, Vol 3)

In other words, labour power is the essential ingredient for creating wealth, but finance capitalists will always look for ways of making money by gambling money. Gambling does not create wealth: it is simply the same finite amount of money being sloshed around in the system. It's rather like a casino. There are winners and losers, but the casino owner always comes out on top.

After the Second World War, there was state intervention to encourage workers to get involved in this gambling. Tax relief on occupational pension contributions and on mortgage interest was introduced to encourage workers to contribute to company-based occupational pension schemes and take out mortgages and become “property owners”. The occupational pension schemes invested their income in stocks and shares, not in industry, and property ownership was intended to make people believe that they were investing in an asset that would inevitably increase in value.

Industry

Until the 1970s, British capitalism still rested most of its foundations on British industry and the British working class, although the truth is that capitalism has never been about creating wealth or meeting the needs of people. It has achieved these things in varying degrees and at various times, but only as a by-product.

Capitalism is about profits, and profits can be made from asset stripping, the creation of artificial shortages, from war, from speculation, plunder and extortion, as well as by creating real wealth by producing economic surplus. To the capitalist they are all the same, and in the coming years all of these options would be utilised by capitalism except creating real

“Financial institutions were now making profits of billions, where was it coming from?”

wealth by producing economic surpluses.

But capitalism had already been in decline, and since the demise of its main imperial era and the advent of new capitalist competitors, such as Japan and Germany, together with the growth and influence of the Soviet Union, it was now in terminal or absolute decline. This was reflected by Britain's joining the Common Market, the forerunner to the EU. The other important factor of that time was organised labour. In the 1960s and 70s, British workers through their trade unions were taking on the beast by widespread strike action.

With the advent of Thatcher to power in 1979, things began to change. Her first act was to abolish controls on the export of capital, freeing British capitalists to abandon Britain and its working class. Her government basically took the line of finance capital, that British capitalism would now make profits from anything except workers creating wealth.

So Thatcher freed up the financial sector, deregulated the Stock Market, demutualised building societies, privatised most major state enterprises creating new businesses run by the financial institutions, and initiated the sale of council housing which began the spiral of personal debt as she created a “property-owning democracy”.

The City would no longer be a centre of industry and commerce, but was to be the centre of a new type of speculative finance that would put off or slow down capitalism's absolute decline.

At the same time, the Thatcher government declared war on the working class who were no longer needed. Anti-trade union laws were introduced and whole industries such as coal mining, steel, shipbuilding and manufacturing were either destroyed or seriously damaged in

her scorched earth policy to destroy the working class and the industries they worked in.

When the Labour Party came to power in 1997, this policy was well advanced, and the Blair government immediately gave it a further boost when Chancellor Gordon Brown announced the “independence” of the Bank of England, effectively removing its regulatory role over the City and creating what we now know as “light touch regulation”.

As the Labour government continued to encourage finance capitalism's attempts to make money out of money without relying on labour to create wealth, more ways were dreamt up to continue the attack on British workers. More privatisations, mass immigration and the EU's free movement of labour were next on the agenda. What was left of manufacturing was encouraged to move to Eastern Europe or Asia.

But of course Marx was right. Wealth is only created from labour, and those whom he accused of having a tendency to forget this basic truth, and who were now running the capitalist show, not just in Britain but across many parts of the world, would soon prove to us that he was right. Bankers and financiers paid themselves obscenely huge sums of money for dreaming up schemes that could make even more money.

But if the total amount of money in the system was finite, and the banks and financial institutions were now making profits of billions, where was it coming from?

Of course, now we know. It didn't exist, and when the whole thing collapsed, they had to find it from somewhere. But from where? From us of course. It came from workers, now up to their necks in record debt, whether it be credit cards, loans, mortgages or loan sharks.

The speculative investment of occupational pension funds, workers' deferred wages, has created losses on a gigantic scale leading to the closure of most schemes to new young workers and many schemes to existing workers. But it's the trillions of our money given to the banks that is the icing on the cake for the



Photo: Andrew Wiard / www.reportphotos.com

Lindsey oil refinery workers demonstrating at the refinery in June.

capitalists. They have taken it and carried on as if nothing has happened. It looks as if they are uncontrollable by governments.

So what is to be done, especially given the parlous state of our class and our trade unions? It's no use drawing up a wish list impossible to achieve under capitalism. We have to argue for the achievable. We may have to play capitalism at its own game, demanding a return to old-fashioned capitalism that invested in industry and commerce. Maybe we should draw up a national plan for the reindustrialisation of Britain.

For example, if, as we are being told, Britain is to have a new high-speed rail network plus electrification of other lines, we should be demanding that it should be made in Britain, with British-made steel and with British-constructed rolling stock, not Japanese or Scandinavian. What a potential campaign for the rail and manufacturing unions to get stuck into!

Or for the new breed of nuclear power stations to be built, we demand the use of British technology and that they be built by British workers, not by a French company using east European labour. This would be a natural extension of the current campaign by Unite, GMB and UCATT.

How about a construction programme to build houses, to rent, not to buy, but not the rabbit hutches that today pass for "affordable housing"? What about making Britain self-sufficient in food by developing agriculture using the latest technology?

We could involve unemployed young workers in any of these projects, alongside

skilled workers who can pass on their skills. These new skilled workers would then move on to new work. Such campaigns would be based on us doing this for ourselves. Pressurising whatever government we end up with, and not getting diverted by notions of reinventing the Labour Party. This would be a fight by the working class for its future.

But how could we fund it? Let's start with the banks. Well, if the banks will not fund it, we should remember that the state has a controlling interest in RBS and Lloyds who could either be nationalised or instructed to join Northern Rock as a new state bank. The fact that Northern Rock was nationalised at all means that it can be done. The government could decide only to deal with the state bank on all matters from payment of salaries of civil servants to handling all Treasury money.

Non-state banks could be excluded. All banks and companies should be forced to pay their taxes without recourse to Off Shore tax havens.

Let them go

If the banks threaten to leave Britain, let them go, but seize their assets first. What about the reintroduction of Usury Laws to prevent banks from propelling millions of people into debt (a campaign is already under way by London citizens on this issue and should be supported)?

Of course, there are other means of securing funding for investment. How about scrapping the replacement of Trident nuclear-armed submarines, and the

cancelling of contracts to build two unnecessary aircraft carriers and other warships?

This idea already carries widespread public support. The skilled workforce that would be engaged on these projects could be redirected to the new construction plans. We should also withdraw from the war and occupation in Afghanistan and withdraw from our many military bases around the world, starting with Ireland, and then everywhere else from the Falklands to Cyprus.

The principle of such a plan, and these are only ideas, would be to be realistic about the state of capitalism, and the state of our class. It means proposing ideas that are achievable through struggle that could become demands of trade unions in those industries. Not pie in the sky demands. If these demands were taken up by our trade unions, whilst we boycott next year's General Election as irrelevant, we would be saying the we will not sub contract our struggle to any political party, but will take it on ourselves.

Now is not the time to demand the "nationalisation of the commanding heights of the economy"! Now is the time to think about how we may save the British working class from going down with capitalism in absolute decline. It would mean defying EU laws that we have had no say over, but what would they do if we did? Invade us?

Oh, and it's important to encourage people to read Marx, because he is as important today as he was 100 years ago.

The phasing out of state enrolled nurses that began in the 1980s created space for registered nurses. But into the space they occupied have come health care assistants with little or no regulation...

Professionalism matters: the attempt to un



Photo: Andrew Wiard/ www.reportphotos.com

Nursing: there are now more health care assistants than there are registered nurses.

WHEN RECEIVING health care at home or in hospital there is every chance that you will have a healthcare assistant to provide the hands-on care – one of the estimated 700,000 who are now employed by the NHS and the private sector.

The number of workers in these roles has more than doubled since 1997, with the majority working as part of what the government now describes as “the nursing workforce”, but others acting as assistants to physiotherapists, occupational therapists and other professionals. Their actual title might be healthcare support worker but they could also be called healthcare assistant, nursing assistant, care assistant etc. The focus of this article will be those workers

who provide direct clinical care in hospital or community settings.

Historically Britain had two levels of nurse: state registered nurse (SRN) who did three-year training; state enrolled nurse (SEN) who did two-year training; another smaller group of staff known as nursing auxiliaries. In the 1980s the SEN role was phased out with many converting to SRN status but others leaving the profession altogether. Remaining as an SEN was deemed to be restrictive to the individual’s career development, as they were not allowed to progress to Ward Sister or Charge Nurse.

No national standards

But into the “space” left by the SEN role we now have a large workforce of support

workers who, unlike the SEN, have no agreed national standards of training, and are not regulated by a professional body.

Just like the SEN their career progression is limited, and while some of them may be undertaking roles which directly correspond to the former SEN role their pay may be considerably less. When the health trade unions negotiated the new pay framework known as Agenda for Change it was accompanied by a Knowledge and Skills Framework for the whole NHS, which clearly outlined how staff knowledge and skills should be reflected in their pay band.

But many employers chance their arm by placing the support workers on the lowest pay band and whether they move up the banding tends to reflect local

...s should have given a boost to the professionalism of state
hundreds of thousands of healthcare assistants not subject to

Undermine skill in nursing

union organisation rather than their skill level.

Many registered nurses have “kept their distance” from this process. Many expressed concern about the rapid expansion in health care assistant roles but did not act on this concern.

Some registered nurses pointed out that they were now doing roles previously done by doctors and realised that they could not do it all. Some registered nurses fondly thought that there would be legal constraints on the endless expansion of the healthcare assistant role.

Now that registered nurses have finally asked the question about how far this process can extend, they have realised that in law there are only three things a healthcare assistant cannot do: deliver a baby, prescribe medicines and certify a death.

Waking up

Registered nurses finally woke up to the fact that the legal onus is not on the employer; rather it is on themselves to delegate to the healthcare assistant only those aspects of the work that the registered practitioner deems to be within the competence of the assistant. If the registered nurse delegates inappropriately their registration may be on the line. Paradoxically this situation that frightens many nurses is also the key to taking charge of the situation.

All the time employers are seeking to evolve the job descriptions of the healthcare assistants and to reduce the ratio of qualified to unqualified staff, but the registered practitioners have to assert their right to delegate safely. From that requirement to delegate safely, many things can follow. Registered practitioners can use this as a lever to demand the appropriate training and regulation of support staff.

In addition, the key to safe delegation must rest on the registered nurse’s ability to supervise the assistant. If the ratio of registered nurses to support workers is too low then clearly the registered nurse cannot delegate safely. The argument of

the registered nurse with the employer must centre on the fundamental legal requirement for the employer to provide safe conditions of work.

For some reason registered nurses seem to shy away from talking about staffing ratios with the people who will really benefit – namely the patients. Maybe they are worried about frightening them.

But the consequence of not talking about the issue is pretty frightening too. It is clear that many aspects of care can be delegated to an assistant but the crucial question of how much can be delegated safely has been carefully researched in the United States.

The practice of charging patients more depending on the type of staff who deliver care has the useful incidental by-product of providing researchers with clear data to examine the link between patient outcomes and staffing levels. A major study published in the *NEW ENGLAND JOURNAL OF MEDICINE* by Jan Needleman et al in 2002 reported on data gleaned from nearly 6 million patients who were in-patients in 799 hospitals across 11 states.

Health outcomes

This study showed conclusively that those patients who had a higher proportion of their care delivered by a registered nurse had shorter hospital stays and fewer urinary tract infections and respiratory infections.

Many members of the public would also be shocked to know that the 700,000 healthcare support workers are not subject to any national regulation. Of course, like other public servants they are vetted by the criminal records bureau, but it is perfectly possible for those who are unfit to practise (but who do not have a criminal record) to be dismissed from one post and then apply for another. They cannot be “struck off” as they are not registered.

Back in 2004 a Department of Health consultation into Health Care Assistant regulation recommended that they be registered with the Healthcare Professions Council (HPC), the body that

“700,000 healthcare support workers are not subject to any national regulation...”

currently regulates pharmacists and many therapists. Despite the personal cost implications of paying a regulation fee, repeated surveys of healthcare support workers themselves have shown the vast majority of them wish to be regulated.

Despite the 2004 consultation no progress has been made on the issue.

Costs

A recent pilot in Scotland has concluded that statutory regulation would be too costly to implement and maintain. The Scottish pilot recommended something called “employer led regulation” which seemed to entail even more responsibilities for the registered practitioners in monitoring and supervising the assistants.

Registered practitioners who participated in the Scottish pilot described the impact on themselves as “burdensome” and “resource intensive”. Unless they take charge of this situation they could find themselves in the bizarre position of not having any time to nurse because they would be so tied up in the supervision of their assistants – a sort of nursing by one degree removed. It is also unclear how an employer-led scheme would offer the public protection of a statutory register.

As *WORKERS* goes to press we await the English Department of Health’s response to the Scottish pilot. We also await a general election in 2010. It now seems unlikely that any regulatory framework will be in place before a general election. The health professions and the public should keep to the demand for statutory regulation before and after any general election.

Financial speculation, irresponsible behaviour in the City, massive shares slumping: three centuries ago, finance capital was learning

The rise and fall of the South Sea Bubble

RUINOUS FINANCIAL speculation and bursting bubbles are not new, having happened many times before, occurring as early as the 17th and 18th centuries. Far from being unaccountable accidents, they are a characteristic and a feature of the economic cycle of the capitalist system.

Take for example the South Sea Bubble, one of history's earliest and worst financial bubbles.

By 1710, London had already become the kingdom of the "moneyed-men", and early signs of financial recklessness could be detected. The stockjobbers, who resided in a series of narrow passageways called Exchange Alley, located by the intersection of Cornhill and Lombard Street, were actively involved in the buying of stocks and shares, but there was a prevailing sense that 'shares will go ever upward'.

In the saying of the day, the dealers' aim was "to sell the bear's skin before they have caught the bear". Enterprises were founded on little more than an encouragement of human greed and corruptibility.

The greatest scheme was the South Sea Company (established in 1711 by the Lord Treasurer, Robert Harley) which was granted exclusive trading rights in Spanish South America.

Debt

In 1710 the Tories had taken power from the Whigs. There was a huge government debt of £10 million, and borrowing money from the Whig dominated City was difficult. Harley wanted to provide a mechanism for funding government debt incurred in the course of the war.

But Harley could not establish a bank, because the charter of the Bank of England made it the only joint stock bank. He therefore established what, on its face, was a trading company, the South Sea Company, though its main activity was in fact the funding of government debt.

The mania started in 1711. Government proposed a deal to the South Sea Company, where Britain's debt would be financed in return for 6 per cent interest. Britain added another benefit to sweeten



Playing cards mocking the Bubble became fashionable in the 18th century.

the deal: exclusive trading rights in the South Seas, which were expected to prove enormously profitable. The company planned on developing a monopoly in the slave trade.

Additionally, it was thought that the Mexicans and South Americans would eagerly trade their gold and jewels for the wool and fleece clothing of the British. Most of these trading plans did not materialise. The South Sea Company issued stock to finance operations and gain investors. Shares were quickly snatched up from the start.

The South Sea Company, seeing the success of the first issue of shares, quickly issued even more. Investors had no quibble, despite the highly inexperienced management team. All they saw was that the stock was going to the stratosphere. Many investors were enamoured by the lavish corporate offices that had been set up, painting an image of success and wealth. It became extremely fashionable to own South Sea Company shares.

Thousands of other projects were

launched in this age of the moneyed men. Speculators were known as "projectors". They wanted money for a host of things, including "for a wheel of perpetual motion". Many schemes were swindles or hoaxes, which were spread by greed.

Newspapers reported zealously and daily the changing prices of shares: the gullible felt a new way to make money without toil had arrived. Fortunes it appeared could be made overnight.

In 1720 a bill was passed enabling people to whom the government owed portions of the national debt to exchange their claims for shares in company stock, and shortly the directors of the South Sea Company had assumed three-fifths of Great Britain's national debt – some £9 million.

The bill triggered an enormous burst of speculation in company stock – shares rose in value. Also, in 1720, in return for a loan of £7 million to finance the war against France, the House of Lords passed the South Sea Bill, which allowed the South Sea Company a monopoly in trade with South America.

In 1720 the whole of England became involved with what has since become known as The South Sea Bubble. The company then talked up its stock with "the most extravagant rumours" of the value of its potential trade in the New World, which was followed by a wave of "speculating frenzy".

The share price had risen from the time the scheme was proposed: from £128 in January 1720 to £175 in February, £330 in March and, following the scheme's acceptance, to £550 at the end of May. The price of the stock went up over the course of a single year from about £100 a share to almost £1,000 a share. Its success caused a country-wide frenzy as all types of people – from peasants to lords – developed a feverish interest in investing; in South Seas primarily, but in stocks generally.

Shares immediately rose to 10 times their value, speculation ran wild and all sorts of companies, some lunatic, some fraudulent or just optimistic were launched. For example, one company

ve government debt,
ing its tricks...

floated was to buy the Irish Bogs.

The South Sea price finally reached £1,000 in early August and the level of selling was such that the price started to fall, dropping back to £100 per share before the year was out, triggering bankruptcies and short selling. The bubble had burst.

Vast numbers of investors were entirely ruined. The stocks crashed. Porters and ladies' maids who had bought their own carriages became destitute almost overnight. The clergy, bishops and the gentry lost their life savings; the whole country suffered a catastrophic loss of money and property. Suicides became a daily occurrence. The gullible mob whose innate greed had helped feed the mass hysteria for wealth, demanded vengeance.

Arrested

The South Sea Company Directors were arrested and their estates forfeited.

By the end of September the company failures now extended to banks and goldsmiths as they could not collect loans made on the stock, and thousands of individuals were ruined (including many members of the aristocracy). Parliament was recalled in December and an investigation began.

Reporting in 1721, the investigation revealed widespread fraud amongst the company directors and corruption in the Cabinet. Among those implicated were the Chancellor of the Exchequer, the Postmaster General and other Ministers. Some were impeached for their corruption; the Chancellor was imprisoned.

The events of 1720 caused suffering across the land. England at its most corrupt became the target of satirists, principally the ruling classes and the elected politicians (462 members of the House of Commons and 112 Peers were implicated). King George I and his two mistresses were heavily involved and publicly blamed.

When reality returned, the old industries of shipping, farming and landownership, too dull for the exciting times of the stock-market rollercoaster, were the places to put hard cash.

Continuing our series on aspects
of Marxist thinking

SKILL – WHY IT MATTERS

Transforming nature through labour is the source of all wealth.

Skilled labour combines comprehension with technique. Animals survive mainly through the use of habit and instinct; humans must above all use intelligence and learning. Without the ability to develop the knowledge and practice that is essential to production, humanity would perish.

In pre-industrial times, skill was essential to survival: often quite high level skill, yet survival for many was harsh.

In contrast, modern civilisation depends upon socially organised production, sophisticated technology and high levels of human skill. As an industrial people we are a vast organism of skills and knowledge in which each part is of vital importance to the whole. We have the capacity to create great wealth.

Capitalism despises skill but it cannot do without it. Instead it seeks to restrict it, abuse it, distort it and tailor it purely to make a profit. Hence capitalism's encouragement of the "free" movement of labour, allowing employers to cherry pick from a rootless, unorganised workforce with no regard to the destructive impact that this has on the skill base of the countries of origin or destination.

Capitalism wishes skill to be instantly available without paying for its development or maintenance. Instead of providing apprenticeships, it prefers to import skilled labour, and is always reluctant to pay a higher rate for skilled labour.

Workers, on the other hand, are for skill, fighting for its recognition, development, and maintenance. We've recently seen oil refinery workers take a stand against the deliberate destruction of their skills. The British working class has always fought for its skills. The skilled rate was established and protected through bitter struggle. Our forebears fought for universal education, proper training and apprenticeship. Skill leads to power at the workplace and strengthens class-consciousness.

Skill has moved from being a tool for survival to one of liberation. The industrial revolution unlocked the way to the defeat of misery, ignorance and disease and also the way to the advancement of science and potential abundance. Capitalism now stands in the way.

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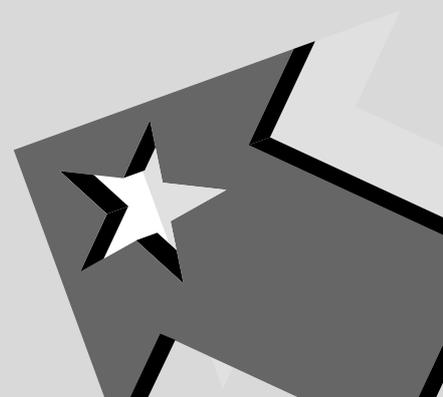
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Back to Front – In defence of protection

‘Any attempt to look after the interests of national capitalism would be branded as protectionist and outlawed...’

IF GORDON BROWN and Alistair Darling, Sarkozy and Merkel, the TUC and the EU all keep telling us how bad “protectionism” is, then maybe we ought to look at exactly what they are against – just in case it’s something that may be good for us.

In the 1980s and 1990s, when the global nature of capitalism became apparent to all, movements around the world including trade unions rallied against this ‘globalisation’. Some trade unions such as Unite have argued for international trade unions to combat globalisation, and it has even merged to create one with the United Steelworkers of America. The International Confederation of Trade Unions, to which the TUC is affiliated, has even stolen the slogan “Globalisation of Solidarity” from the Cubans in order to improve their anti globalisation credentials. The Cubans, however, know how to practise such solidarity,

What we were witnessing was simply capitalism abandoning the nation state on a much greater scale than before. Capitalism needed ‘Free Trade’ agreements to enable it to operate without hindrance of national states or laws. It needed unimpeded trade, capital flows, migration of labour and direct foreign investment. The EU was the example of such a Free Trade Agreement, but was soon to be followed by attempts by the USA, largely unsuccessful, to establish such agreements.

The quid pro quo was that nation states must not interfere with the global development of capitalism and that capitalist competition must be allowed to operate unhindered on a world scale. Any attempt to look after the interests of national capitalism would be branded as protectionist and outlawed.

Proof that capitalist globalisation could be successfully resisted came from Latin America. Led by Cuba, the countries of Latin America and the Caribbean thwarted Washington’s attempt to saddle them with the Free Trade Agreement of the Americas. The US had to be satisfied with an agreement with Colombia and El Salvador alone.

Meanwhile, LDV vans, Vauxhall, Corus Steel at Redcar and much of British manufacturing, have been allowed to go to the wall because of banks’ refusal to lend and the government saying that it cannot support these companies because that would amount to protectionism.

Meanwhile, the government’s car scrappage scheme, involving a subsidy of £2,000 for every 10-year-old car traded in for a new car, has seen an increase in the volume of cars sold, but 80 per cent of them are imported, with a huge number coming from Hyundai’s factories in India. But to insist that this subsidy, our money, should only go to companies employing British workers is protectionism.

Twenty years ago the argument was about import controls, to protect British manufacturing, so the arguments are not new. But if all those who profess to be against capitalist globalisation are serious about confronting this beast, then they should look to attacking the very pillars of globalisation and support its antithesis.

The opposites of globalisation are the nation state and protectionism. Support for these need to be central to any opposition to globalisation. Then of course, there are the pillars of globalisation, the unimpeded capital flows, unimpeded migration of labour and unimpeded foreign investment. These also have to be opposed. But they can only be successfully controlled when we have control of the national state, Britain.

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