

WORKERS

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MAY/JUNE 2024 £1

**BRITAIN NEEDS REAL
CHANGE, REAL INVESTMENT**

NO TO WAR!

**OUR FIGHT IS
HERE!**

Scotland SNP rejected **May Day** Our power
Renewables Friend or foe? **Housing** The facts
Private equity Killing retail **Ukraine** More escalation
State power Who governs? *plus* Historic Notes,
Middle East Stay out! News and more

WORKERS



A day to remember power

MAY DAY is a day to remember the power of the working class to transform the world. In 2024 we must assert that power to shape a future for Britain.

Capitalism has failed us utterly. Abroad it offers nothing but ever-escalating wars, and interference in other countries' affairs. In spite of the lessons of Iraq and Afghanistan, once again politicians talk up a need for greater British involvement in war and increased spending on aggression, not defence.

Membership of NATO ties us in to a policy of war on as many fronts as they wish – today Ukraine and the Middle East, tomorrow the Far East.

Capitalism glories in uprooting vast numbers of people and transporting them thousands of miles from their homes. Immigration is not an outside force beyond the power of governments to control. It is a deliberate policy to depress wages and de-skill our class, while draining skills and people from the countries they leave behind.

Meanwhile in Britain our rivers, lakes and seas stink. Our food producers, essential to self-reliance, are brushed aside. The fabric of schools and hospitals decays for want of money. Fundamental industries like steel are run down to the point of extinction.

Capitalism would rather our attention were fixed anywhere but on Britain. Here, in our workplaces, we are powerful; abroad we are not. Expressions of solidarity or sympathy for other workers around the world may be well meant. But fine words will not bring about change; they take our attention away

from our urgent tasks here and now.

There is but one working class in Britain. We reject attempts to divide and separate us, for whatever reason. Since May 2023 the pages of *Workers* have recorded struggles by workers from many different parts of our class: steel, rail and other transport workers, energy workers, engineering workers, health workers, teachers, university lecturers, workers in the arts, offshore oil workers and more.

Many young workers have joined struggle for the first time; the class as a whole is stronger for it. But some trade unions have indulged themselves in distractions, at the expense of the basic task of uniting against the employer. These distractions vanish when exposed to the cleanser of class struggle.

Workers are the antidote to decline. Those who say that Britain is finished are wreckers, prophets of doom, finding excuses for their own lethargy and indifference.

Workers know elections make not a whit of difference. All political parties standing candidates – in Westminster or elsewhere – offer nothing but more of the same. Politicians, in office or aspirant, are held in universal contempt.

The only guarantee of a future lies with us ourselves, with our class strength and unity. The British working class, that is to say everyone who works for a living in this country, can change Britain and hence the world.

Stop the drive to war! Build a new Britain!



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Ajit Wick/shutterstock.com

Consultants picketing near Bournemouth Royal Hospital in 2023.

Consultants accept new offer

HOSPITAL CONSULTANTS in England have voted to accept a pay offer. The offer will see most consultants receive increases of between 2.9 and 12.8 per cent on top of 6 per cent already offered in November 2023.

The improved deal, after unprecedented strikes by consultants, is better for those with four to seven years' experience as consultants. It includes reform of the doctors' and dentists' pay review body (DDRB), and reduces the time it takes consultants to move up pay scales.

Over 80 per cent of consultant members of the British Medical Association (BMA) voted to accept the new offer, with a similar level of support in the smaller Hospital Consultants and Specialists Association (HCSA).

The chair of the BMA consultants committee, Dr Vishal Sharma, commented that the settlement was due to the "resolve of consultants, who took the difficult decision to strike, and did so safely and effectively, on multiple occasions". He also said that it represented "the end of the beginning" of the campaign to restore pay levels to those of 2008.

The DDRB will be making recommendations for the 2024-25 pay round in the coming months. NHS England has made submissions to both the DDRB and the Agenda for Change pay review for NHS non-medical staff. It has warned that any future increase over the 2 per cent budgeted would risk staff and service cuts.

TEACHERS' PAY

Preparing for battle

AFTER A year of unprecedented industrial action, the National Education Union discussed what to do next in its ongoing pay campaign at its Easter conference.

The ground was prepared with a successful preliminary indicative ballot for further strike action over pay and funding. Support was strong – 90 per cent in favour on a 50 per cent turnout.

The union chose not to move to an immediate formal ballot but to wait for the outcome of the pay review body, the School Teachers' Review Body, which is due to publish recommendations in the summer.

The review body has become thoroughly discredited among all teachers. The outcome is anticipated to be the 1 to 2 per cent pay increase asked for by the government. The hope of the new general secretary, Daniel Kebede, that the ballot result would be sufficient to move the government to negotiation, was regarded by the majority as extremely unlikely. It now seems inevitable that a formal ballot for action will be held in the autumn.

FACTS MATTER

At *Workers* we make every effort to check that our stories are accurate, and that we distinguish between fact and opinion.

If you want to check our references for a particular story, look it up online at cpbml.org.uk and follow the embedded links. If we've got something wrong, please let us know!

If you have news from your industry, trade or profession call us on 07308 979308 or email workers@cpbml.org.uk



ON THE WEB

A selection of additional stories at cpbml.org.uk

Bringing it back home

On the 75th anniversary of NATO, Britain should call time on that aggressive military organisation. We need above all to look at what our country needs – and it's not a war abroad.

Nonsense in court ruling on climate

A ruling by the European Court of Human Rights finding Switzerland guilty of failing to reduce emission targets represents a big threat to national sovereignty. More claims are sure to follow.

Rail travel grows despite government actions

Rail passenger numbers have mushroomed despite government policy that in effect imposes managed decline.

Doctors in Wales strike for pay

Pay for doctors in Wales is not resolved. They are striking again against the derisory offer from the devolved government, not accepting its plea that it is all it can afford.

Batteries – fresh start in the South West

The promise of massive investment in battery production for electric vehicles has yet to materialise in Britain. But it looks as if Tata are now committed to a plant in Somerset.

Plus: the e-newsletter

Visit cpbml.org.uk to sign up to your free regular copy of the CPBML's electronic newsletter, delivered to your email inbox. The sign-up form is at the top of every website page – an email address is all that's required.



Workers

Nautilus and RMT members continue their campaign outside Parliament, 20 March.

Still fighting the P&O sackings

P&O FERRIES workers are continuing to protest against the notorious sacking and re-hiring scandal. Members of the RMT and Nautilus unions held a rally outside Parliament on Wednesday 20 March calling for government action.

Two years ago P&O Ferries sacked 786 ferry crew without warning and immediately replaced them with lower paid agency workers. Union members across Britain and elsewhere were appalled and reacted with demonstrations and rallies.

At the time government minister Grant Shapps shed crocodile tears, promising legislation to ensure it could never happen again. Yet there are still no mandatory regulations in place.

Martin Gray of Nautilus told the rally that his members were “discarded like dirt”. He said that the Seafarers’ Wages Act and voluntary Seafarers’ Welfare Charter brought in by the government lack sufficient legislative backing to address exploitation in the industry.

The International Transport Workers’ Federation is the international union representing seafarers. It has called for a mandatory charter and stronger employment laws to prevent a repetition of the P&O sackings.

The view of the TUC and unions is that P&O broke the law in several respects and exploited loopholes to cover its actions. P&O management have been let off the hook.

After the sackings, RMT launched a campaign, Fair Ferries. The aim is to look at the whole sector and monitor progress, or the lack of it, on the government’s promises. ■

• A longer version of this article is on the web at www.cpbml.org.uk

WALES

Fighting for convenience

LOCAL COUNCILS are cutting services and closing facilities across the country. One small town in Wales is making a stand.

Denbighshire in North East Wales has a proud industrial history with mining and steel production. But since the 1970s, like many areas of Britain, the main source of employment and income for the area has come from tourism.

On paper the county council says it supports the local community and businesses, so its recent decision to save money by closing all its public toilets has sparked a fierce debate.

Some people thought there was a legal obligation for councils to provide toilets. Under the 1976 Local Government Act, councils in England and Wales have the power to install them in “relevant places” but

no legal obligation to do so.

The small Denbighshire tourist town of Llangollen on the River Dee receives thousands of visitors a year: a whole section of the town car park is set aside for coaches. Its inhabitants are leading a campaign to oppose the county council decision. If the public toilets next to the car park close, coach companies say that stopping in the town will not be feasible.

In 2016 the Welsh parliament discussed moves to compel councils to create a strategy ensuring public toilet provision across Wales. At the time Raymond Martin of the British Toilet Association said, “It’s something that we could do with across the UK. Having decent public toilets is good for public health, business and the prevention of disease. It’s civilised.”

Now, across Wales and Britain, some say the priority to “rebuild Ukraine” not to provide the simplest infrastructure to keep a local economy functioning here. ■

MIGRATION

Legal, and soaring

THE INCREASE in net migration into Britain is mainly driven by legal routes and not by people smuggled into the country. The latest figures show that the number of visas continues to rise, as a result of government policy.

The government issued 1.4 million visas last year, excluding visitors. The two largest categories were 616,000 for foreign workers and their dependants (up from 421,565 in 2022) and 605,000 for students and their relatives. It's these two which underly the jump in immigration.

The British population was around 58 million in 1996; net inward migration was relatively stable, below 100,000 each year. But in 1997 the incoming Labour government imposed its open door policy, which all successive governments have maintained. The result was a sustained increase in net migration: by 2021 the population had reached 67 million.

After the disruption brought about by the Covid pandemic, the upward trend in net inward migration resumed and increased. This is due in large part to changes brought about by the introduction of the Skilled Work Visa.

• A longer version of this article is on the web at www.cpbml.org.uk



Nottingham Council House.

Nottingham goes bankrupt

LOCAL GOVERNMENT minister Simon Hoare announced in February that commissioners would be appointed to run Nottingham City Council. This follows the Labour-run council issuing a section 114 notice after the council overspent by £23 million – effectively declaring itself bankrupt.

The commissioners will have extensive direct powers – over the council's finances and running front-line services. This is the second recent instance of a council being unable to run. More are expected to follow, despite the increases in council tax announced in March.

People are suffering big rises in council tax along with cuts to or abolition of needed local services. No political party has set out a plan to find the money to fund these services. Each blames the other.

Last year Birmingham City Council, the largest local authority in England, declared itself bankrupt. Government sent in commissioners to the council after it issued the same bankruptcy notice in September.

Bradford, Cheshire East, Durham, Middlesbrough, Somerset, and Stoke-on-Trent all face an immediate threat of bankruptcy. Others like Kirklees are making deep cuts to services, hoping to avoid this.

An estimated 127 councils out of a total of 317 in England are at risk within the next five years. In a few cases such as Thurrock, Spelthorne and Croydon councils seem to have suffered from very poor decisions and leadership. But for most the problems are linked to excessive debt – getting worse as interest rates rise.

Somerset declared “a financial emergency” in November. Cuts in the county include more than 1,000 council staff redundancies, and a halt in funding for public toilets, CCTV and theatres in the county. Plans to close five recycling centres, as well as cuts to funding for bus services and libraries, will be reviewed in the coming year. A similar scenario is playing out across the country.

• A longer version of this article is on the web at www.cpbml.org.uk

WHAT'S ON

Coming soon

MAY

CPBML May Day Meetings

“Stop the drive to war! Build a new Britain!”

Glasgow, *In person*: Wednesday 1 May, 7pm

Renfield Conference Centre, 260 Bath Street, G2 4JP

London, *In person*: Wednesday 1 May, 7.30pm

Brockway Room, Conway Hall, Red Lion Square, WC1R 4RL

Manchester, *In person*: Saturday 4 May, 2pm

Upstairs at The Britons Protection, 50 Great Bridgewater Street, Manchester M1 5LE

Bristol, *In person*: Wednesday 1 May, 6pm–9pm

The Golden Guinea Function Room, 19 Guinea Street, Bristol BS1 6SX

JUNE

Tuesday 4 June 7pm

Online discussion meeting (via Zoom)

“Food security: capitalism's neglect, workers' priority”

The production and supply of safe, nutritious and affordable food is all our concern. Capitalism has no plan or vision to feed the people. How can workers in agriculture and elsewhere put this right? Come and discuss. Email info@cpbml.org.uk for an invitation.

JULY

Wednesday 10 July, 7.30pm

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

In person CPBML Public Meeting

“Why are our public services getting worse?”

Capitalism can't sustain the services that a 21st century civilisation needs. How can we ensure our services serve the people? Come and discuss. All welcome.

To keep informed about upcoming CPBML meetings, make sure you're signed up to receive our electronic newsletter (see page 4).

Britain needs unity, not division, not devolution. In Scotland coming home to roost...

Scotland gears up to fina



Workers

Delay after delay: ferries under construction at Ferguson Marine in Port Glasgow.

ATTEMPTS BY the Scottish National Party administration in Edinburgh to put forward its destructive vision for Britain have fallen on stony ground. A YouGov poll of over

‘Before Brexit was achieved, the SNP administration was slavishly following EU diktats...’

18,000 people in early April suggested that the SNP would lose 29 of its 48 seats in Holyrood. Once again, people will use a vote as a tool to kick out division, incompetence and oppression by SNP, Scottish Greens and Conservatives.

But the Labour Party report *A New Britain* shows that it too embraces a federalist view. It wants more powers devolved to the parts of Britain. We should oppose such huge, divisive, wasteful and reactionary change.

It is capitalism that has inflicted devastation on Britain. To turn the country into fragmented and competing regions will only weaken our class to the benefit of

capitalist power and increased EU influence and interference.

Rail potential denied

Examples of botched plans resulting from the separatist mindset and the drive for maximising capitalist profits are flooding the headlines.

A plan that could have borne fruit and played a big role in strengthening the unity of Britain and aiding re-industrialisation was to build high-speed rail lines like HS2.

The extension of the HS2 vision to link up to Glasgow, Edinburgh and eventually on to Inverness could have been a boon for industry, and have created the possibility of

and the multiple failures of the ruling SNP separatists are

ally reject SNP

saving high-quality steel production in Britain. After all, it was the roll-out of railway connectivity which contributed towards creation of the concept of a British nation. The railway ran throughout the country from the mid-nineteenth century onwards.

But the HS2 extension was ditched.

Shipbuilding debacle

Another debacle was the failure of the plan by the SNP and Scottish Greens to provide the much-needed new ferries for services to the many islands on the west coast of Scotland. Before Brexit was achieved, the SNP administration was slavishly following EU diktats on putting such shipbuilding contracts out to tender throughout Europe. As a result some of the required ships are still under construction in Turkish shipyards.

But it was the extreme delays to the construction of two ferry ships at Ferguson Marine yard on upper Clydeside at Port Glasgow that caused public outcry. There had been a long campaign to save this last remaining commercial shipyard on the Clyde. As Ferguson Shipbuilders Limited it was saved from closure by private investment in 2014 (in time to save face for the SNP in the Scottish referendum year).

The SNP administration took the yard under its own control in 2019. Several years of delay ensued due to lack of investment and attempts to install hybrid engine systems. Finally, on 9 April, one ferry ship, the *Glen Rosa*, was launched. Work on the other ship, *Glen Sannox*, continues. Both are now some six years late and costing nearly three times the original price of £97 million.

Workers not at fault

The nay-sayers, putting the blame on the workforce, had predicted this to be the last commercial launch that the once world leading Clyde shipbuilding industry would see.

Representing the shipyard workers, Gary Cook, GMB Scotland senior organiser in engineering, said "The sight of such a ship being launched into the Clyde is a too rare reminder of this river's proud shipbuilding heritage. No one, apart from the

islanders, want these ferries finished more than the workers who have been blameless in this sorry process but been used as a political punchbag for far too long."

He called for the contract for seven smaller ferries to be awarded to the yard urgently to reassure the workers and protect the skills that have been developed there.

The GMB convenor at the yard, Alex Logan, pointed out: "Given the chance, we have the skills, commitment and experience to make this a thriving business capable of building ships on the Clyde for years. The reputation of this yard and its workers has been battered through no fault of their own." He demanded the opportunity to demonstrate that "this river can produce world-class ships, in the past, in the present and in the future."

Major oil refinery to close

Capitalism and its political representatives are thus seen to be sabotaging rail and shipbuilding. And many other investment projects are failing too. Divisive regionalism and central government indifference allow multinational corporations to take advantage more freely.

A prime example is the failure to ensure British energy security, reinforced by the imposition of net zero policies. As a result we now have the spectre of the closure of the century-old Grangemouth oil refinery on the River Forth. This would have as bad an impact as the closure of Ravenscraig steelworks in 1992.

To add insult to injury, the British government is backing the offering of over half a billion pounds to support Petroineos Refining in its plans to open a new site at Antwerp in Belgium. The SNP and Scottish Greens, caught in the web of their own "net zero" arguments, shed some crocodile tears. But now they meekly accept the corporate plans and regard the whole episode as some kind of progress.

The workforce and its union, Unite, are opposing the planned closure and the conversion of the port to an oil and gas import terminal.

The Scottish TUC is taking on board the response to such port conversions and the broader issue of "freeports". STUC

general secretary Roz Foyer condemned the tax breaks handed out to corporate owners and said the STUC was poised to counter any company setting out to undermine workers' wages and conditions.

She emphasised that "proper trade union recognition is the only way to ensure employment standards are protected and good quality jobs are delivered."

And plans for re-industrialisation face ongoing difficulties. For example, in the North Sea area there is the potential to create a wind energy industry that could become a global hub for offshore wind expertise. But the infrastructure is lacking: there aren't the ports and harbours large enough to cope.

While the difficulties in establishing energy sources based on solar, wind and wave power are becoming more apparent, the SNP and Scottish Greens remain adamant in their opposition to allowing the construction of any new nuclear energy facilities.

The GMB is protesting that this prohibition will prevent the creation of thousands of new jobs, mostly highly skilled. The union's organiser for energy, Claire Greer, pointed out "the Scottish government has stated that nuclear energy takes a long time to build. However, so too do wind farms." This is another instance of a Scottish administration steering a different course that disrupts a positive Britain-wide industrial development.

Common struggle

Workers in Scotland are not unique. They are subjected to the same slings and arrows fired by failing capitalism as workers throughout Britain.

Common problems – and fightbacks – can be seen across Britain, including lack of proper housing, growing use of drugs, cuts in council budgets, cuts in education funding, cuts to arts funding, problems in health and a growing drive to militarisation and war.

In Scotland as in the rest of Britain we see trade unions responding and recruiting, farmers defending their craft, youth taking on the challenge of opposing war and conscription, and a growing movement defending free speech. ■

Despite the huge sums of money, the vast quantities of arms and equipment sent to the front, the war in Ukraine is not going well for imperialism.

Ukraine: all the ruling class



Anelo/shutterstock.com

Russian Shahid combat drone flying over Ukraine.

THE WAR in Ukraine is deadlocked, and there are always two ways to break a military deadlock: settle or escalate into a far wider war – stick or twist.

The ruling class here in Britain is making its choice – for escalation. It is interfer-

ing more and more in Ukraine. The deeper that involvement becomes, the greater the danger that we will see the total war against Russia that some are clamouring for. If workers here don't assert their own interests, the ruling class will draw Britain into wider war.

Mobilisation

Total war demands total mobilisation, so the head of the army, General Sir Patrick Sanders, said in January that the government may have to "mobilise the nation" in the event of war against Russia – alarming news for all, but especially for young people. We need to campaign against conscription, but also against the kind of war that would bring conscription.

The war in Ukraine is particularly dangerous because it is in Europe. That's where rival powers have started all too many wars, where NATO is directly involved, and where nuclear-armed Russia has attacked one country and is seen as threatening others. And dangerous because, regrettably, there is so much popular support in Britain, and in other European countries, for the Ukrainian side (see the YouGov poll in February 2024).

According to that poll, most people in Britain think Ukraine should be supported until Russia is beaten. Those who want to encourage a negotiated peace are in a significant minority, even if most people do not want Britain to provide additional support. At least there seems to be a majority

'The ruling class in Britain is making its choice – for escalation...'

ammunition, and the covert presence of soldiers on the ground. Their answer: double down...

Mass offers is escalation

‘The government and Labour grossly overestimate the threat from Russia...’

against sending troops into Ukraine, and against the British forces’ ongoing role of coordinating air strikes against Russian targets in the country.

The Sunak government and the Labour government-in-waiting, both desperate to win support, grossly exaggerate the threat to Britain from Russia. Even after two years of war, Russian forces only occupy the south-eastern fringe areas of Ukraine populated largely by Russian speakers. It is absurd to claim that they could go on to seize Latvia, Lithuania, Estonia, Poland, Germany, Britain, and so on.

Failure

In Ukraine, the NATO-backed counteroffensive last year failed to recapture Russian-occupied territory. Kyiv’s subsequent move to “active defense” marked the end of its hopes to regain control of all the Russian-occupied territory. It cannot hope to expel all Russian forces from Ukraine.

NATO’s sanctions have failed to cripple the Russian government’s war effort. The Russian government has now adopted an attrition strategy that is exhausting Ukraine’s forces, draining American military stocks, and sapping Europe’s peoples’ support for the war. Quite simply, Ukraine is running out of soldiers.

NATO cannot fix this manpower shortage without sending troops, directly intervening in the war. Some may be there now. Leaked US documents revealed in March last year that the British government had deployed up to 50 Special Forces troops active in Ukraine. NATO wants to escalate the war by giving Ukraine’s forces long-range cruise missiles to target Russian cities (Britain has already supplied short-range cruise missiles capable of striking eastern Ukraine).

The war is stalemated, with no

Billions available for war

THE GOVERNMENT has already committed a massive £12 billion to carrying on the war since February 2022. According to the House of Commons Library, £7.1 billion of this has been directly for military assistance.

In January Rishi Sunak hopped over to Kyiv to pledge a further £2.5 billion of military funding for the current financial year, an increase of £200 million over the previous two years.

Some £200 million is earmarked for the purchase of “surveillance, long-range

strike and sea drones”. This will make Britain the biggest supplier of drones to Ukraine, a government post on the web boasted in January this year.

Britain’s military aid to Ukraine exceeds even that of the EU, which has allocated 11.1 billion euros (£9.5 billion) of support through its so-called European Peace Facility for “non-lethal and lethal arms and training”, according to the House of Commons Library. It is the first time the EU as a bloc has authorised the sale of weapons to a third country. ■

prospect of outright victory for either side without a drastic change of policy. The danger of escalation is growing. The need for peace is also growing.

How might peace come about? A standstill ceasefire, for example – a ceasefire-in-place based on where the armed forces are today – would leave all but the south-eastern fringe of the country free of Russian control. While this would not be a complete victory for Ukraine, its government could still hail its defiance of the Russian aggression as a great achievement.

But NATO governments reject the ceasefire-in-place and instead recently committed to expanding the war. On 26 February, French President Emmanuel Macron convened a meeting of 20 European leaders, including British Foreign Secretary David Cameron and a US representative, where they called for more weapons and financial aid to be sent to support Ukraine’s war effort.

Wider war

Macron said, “We are convinced that the defeat of Russia is indispensable to security and stability in Europe.” But this course of action is more likely to provoke than to deter a wider war.

They discussed sending troops to Ukraine. Macron admitted after the meeting that there was no consensus on sending Western ground troops to Ukraine, but said that “nothing should be excluded”.

Ukraine’s government has formally banned all negotiations. Its current “peace formula” of complete Russian withdrawal, followed by war crimes trials, implies a total Russian defeat that is ever less likely.

The Biden administration says that it will discuss “nothing about Ukraine without Ukraine”. It has managed to get Congress to pass his \$61 billion weapons package for Ukraine. The British government also rejects negotiations.

MPs support escalation, at whatever cost to the British people (see Box). They insist that the people of Ukraine fight on until total victory, in a forever war which means that yet more Ukrainians will be killed or displaced.

Britain has no interest in being involved in wars abroad. Empathising with “plucky little Belgium” led British workers into the mass slaughter of World War One. Identifying with the sufferings of the people of Ukraine could sucker us into another world war. We must not allow the ruling class to drag us into war as happened in 1914. Instead workers must continue to assert their class interests.

As with all wars launched by imperialist powers, the necessary peaceful settlement will not mean an end to all wars. As long as we allow imperialisms to exist, they will generate wars.

For us in Britain, our contribution must be to end the rule of imperialism here. And to do this, we must unite and act to end the rule of the British ruling class. ■

It's not enough to say that renewable energy is the solution. What is needed is long-term planning, and we are a long way away.

Renewable energy – friend

THERE CAN be little doubt that the burning of fossil fuels, particularly in the age of industrialisation, has seen a rise in the concentration of carbon dioxide in the Earth's atmosphere. According to the US National Oceanic and Atmospheric Administration, which measures CO₂ in the air, the level is now 421 parts per million, an increase of 50 per cent from pre-industrial levels.

Few people would want to do away with the advances in agriculture, industry, health and welfare that industrialisation has made possible. But debate tends to be about how we transition to a carbon free future as quickly as possible. Net zero is the given – it is just the method of achieving it that is called into question.

Moving away from fossil fuels is a legitimate goal. Once you've used coal, gas and oil you can't re-use it. You can't make more. Hence the appeal of the renewable energy argument. The chief difficulty is that the means of converting potential renewable power into reliable, continuous and affordable energy is yet to be developed.

Green jobs?

Idle talk about "green" jobs abounds whenever industrial destruction is announced. But where are the green jobs promised to Durham, Yorkshire, and Wales to replace the coal industry? Sparse, superficial, and cosmetic at best. Instead, the towns and communities in those abandoned areas suffer neglect.

Among alternative sources of energy, wind power has many advocates, and the



Ian Dick, Flickr (CC BY-2.0)

Whitelee Wind Farm, the largest wind farm in Britain, owned by a subsidiary of Spanish multinational

associated technology is continually progressing. But carefully consider the downsides. The fossil fuel driven construction and installation of modern turbines must be set against the supposed carbon-free end product.

Their impact on the landscape. Pylons need to be built in windy places, which in Britain equates with remote and much loved rural sites, far from the population centres which need power. And the latest models at 280 metres are taller than any building in Britain except the Shard in London (310 metres).

The power generated on a windy day must be transported over great distances, further reducing efficiency, and necessitat-

ing huge grid and infrastructure updates. Pylon construction requires steel, concrete, fibreglass, copper and rare earth materials. Their mining, processing and transporting add hugely to the upfront costs.

Solar panel waste

Much the same can be said of the solar panels now springing up in vast arrays across the British countryside. As with wind turbines, the production of solar panels is anything but green. Silica-rich sand is mined and processed to produce high grade silicon, which is the first step in an intensive industrial process – consuming energy and producing waste (not all of which is recycled). The rare earths required

'The power generated on a windy day must be transported over great distances, further reducing efficiency...'

n to environmental woes. Technology alone will fail. What way from that...

nd or foe?



tional Iberdrola (main shareholder Qatar).

generate 2,000 tons of toxic waste for every ton produced.

Most disastrous of all is the loss of productive farmland. The inducements paid to landowners to site pylons, windfarms and solar panels on their land means many of them cannot resist a fast buck. Instead of using land to produce food, taxpayers' money is spent to increase our dependence on imported food.

Then come the days when the wind doesn't blow and the sun doesn't shine. We've come a long way since windmills made flour and the sun made salt from seawater, but wind and sun can only be viewed as complementary to more reliable sources of power.

More contentious is burning biomass (usually wood pellets) for power generation. Britain's biggest power station, Drax in North Yorkshire, was converted to burn biomass, and currently supplies about 4 per cent of our electricity needs.

But biomass relies on subsidies and tax breaks which disguise the true cost of electricity produced this way. Not to mention the environmental impact of deforestation in those parts of the world where the wood is grown. Characterising biomass as "renewable" is now in question.

Other legitimate forms of energy such as hydropower and tidal power are of limited applicability and can't easily be scaled up. Their contribution to the overall energy mix is small.

Hydrogen

Hydrogen offers promise in the transport sector. A small number of cars and vans are already in production. But "blue" hydrogen, currently the most widely used form in industry, is produced using steam methane reforming, a highly carbon-emitting process that also releases methane.

"Green" hydrogen is split from water by electrolysis, with the power for the process fuelled by wind power. It is an expensive technology, in its infancy in terms of large scale production. Again the real cost is masked by wind subsidies.

The elephant in the room when discussing energy is nuclear. Admittedly,

'The elephant in the room when discussing energy is nuclear...'

startup costs are very high, though Small Modular Reactors can be more efficiently produced off site. Some new generation nuclear power stations are now certified for 80 years of operation.

They can generate power 24 hours a day whatever the weather. In use, they produce virtually zero carbon dioxide or other greenhouse gases. Concerns about the disposal of spent fuel from reactors remain, though Britain has pioneered methods for safe storage, and some designs produce spent fuel which can be treated and re-used.

Design improvements have reduced the risk of accidental meltdowns or vulnerability to targeted attacks. Public acceptance of the central importance of nuclear being a key component of our energy mix is growing. What must grow alongside it is the willingness to commit to the long-term planning for all energy sources which is vitally necessary.

Renewables are improving, but remain a long way from being the solution. ■

Meet the Party

The Communist Party of Britain Marxist-Leninist's series of Zoom discussion meetings continues on Tuesday 4 June on the subject of food security. All meeting details are published on What's On, page 5, in our eNewsletter, and at cpbml.org.uk/events.

M As well as our Zoom discussion meetings, we hold regular in-person public meetings, with one in London on 10 July on the state of our public services (details on page 5), and informal meetings with interested workers and study sessions for those who want to take the discussion further. And don't miss our May Day meetings, held in four cities this year (details on page 17).

M If you are interested we want to hear from you. Call us on 07308 979 308 or send an email to info@cpbml.org.uk

There's a whole industry dedicated to 'proving' that important young people looking for somewhere even remotely affordable.

Housing, population and immigration

THE EFFECT of immigration on housing is profound. It increases the overall demand for homes at a time of very restricted supply. It affects the overall cost of housing, whether it be social housing, privately rented or owner occupation.

While landlords and housing developers profit, the resulting exploitation of workers, who find themselves paying more and more to maintain a roof over their heads, is creating real social misery.

Such statements about the impact of immigration should be uncontroversial. But in Britain today to say such things is to risk bringing down the wrath of social media, because anything that suggests that mass immigration is not a massive benefit for Britain is pilloried as racism.

Even the term "mass immigration" is attacked as racist, although what other term would do for a situation where net migration into Britain last year was some 750,000 people? That's not a trickle.

Massive

Yet the facts speak for themselves. The massive expansion in the demand for housing is wreaking havoc across the country.

In 2018 the Ministry for Housing, Communities and Local Government published research into the reason for the increasing cost of housing in England. It concluded the cause was that increasing demand was outstripping the available housing stock.

And it put a figure on that relationship. Its analysis showed that an increase of 1

'The £70 billion support for private rentals is about six times what the government will spend on social housing...'



nikonpete/shutterstock.com

New build on a greenfield site: a familiar sight across Britain, but building new houses while letting

per cent in demand from new households resulted in 2 per cent rise in house prices in real terms. That amounts to a 32 per cent price increase in real terms over the previous 25 years.

The analysis concluded that two-thirds of this increase was a result of demand from the 5 million migrants who had come to Britain. This increase was unevenly spread across the country – with a greater impact in some areas, such as London, where immigration was higher.

What is happening with house prices is important, but so too is the private rental sector. That's the main source of housing for young people living on their own, particularly those moving from their native towns to the big cities.

The private rental sector is even more

important for the swelling numbers of immigrants. According to data published in 2022 by Oxford University's Migration Observatory, almost two-thirds of EU-born people living in London were renting privately. What effect is this having on prices?

It's an interesting question, but facts are hard to come by. Even the Migration Observatory cautions that much depends on the statistical approach taken.

Private rents

But it is undeniable that private rents are rising, and rising – especially in London, where they now typically account for 30 per cent of renters' average household income.

Even that daunting figure hides the fact that millions of renters are in house and flat shares, even room shares, at an age when

...ing workers into Britain is an undiluted good. Tell that to
...able to live...

Immigration: the facts



...ing immigration rip means a permanent crisis.

most would have imagined that they might be living on their own. According to Trust for London, to rent a one-bedroom home in London typically costs 46 per cent of gross median pay – in other words, of the average salary before tax.

Who can afford to pay this kind of money? The answer is that many can't. They can only pay the rents because the government – the taxpayer – is subsidising their rents. The independent New Economics Foundation revealed in January this year that the government is set to spend £70 billion on housing support for private rentals over the next five years.

That £70 billion into context is about six times what the government will spend on social housing over the same period.

How much of the housing shortage is

down to immigration is impossible to quantify with any precision because the data doesn't exist. (And why not is an interesting question in itself.) But it's hard to escape the logic that expanding the population while the housing pool stagnates will inevitably lead to price increases.

And certainly private renting is much more common among more recent immigrants. When the Migration Observatory looked at the Office for National Statistics' Annual Population Survey for 2019 to 2021 it found that 37 per cent of foreign-born residents were living in private rented accommodation, as against 14 per cent for those born in Britain.

The Office for National Statistics has shown that between 2000 and 2015 the number of households where the head of household is UK born has remained reasonably stable – only a 2 per cent increase over those 15 years. The number of homes with a foreign-born head has increased by 90 per cent or, an additional 1.6 million homes.

Unknown

But all this is historic data and is becoming out of date; calculating the demand for housing in the future is becoming extremely problematic. This is mainly due to the unknown levels of future immigration.

The Ministry for Housing, Communities and Local Government at the time of its 2018 research considered a figure of 250,000 net immigration a year to be the highest parameter necessary when calculating the range of their predictions.

More recent reported levels of immigration, at treble that number, have resulted in predictions by others of eye-watering levels of additional housing need. By 2046, these levels would result in the need to build 18 new cities the size of Birmingham to meet the increase in demand.

The argument that there has always been a need for an increase in the supply of housing of various kinds is correct. But we are in an ever-worsening situation where this increasing demand means that the prospect of renting or owning a decent home is rapidly evaporating for many people.

And failing to acknowledge the link

between increased population and the cost of housing – or even to debate it – prevents any progress. A cap on immigration, build more houses and increase the housing stock would be a start.

And we don't necessarily need to line the pockets of rapacious developers building on profitable greenfield sites to do so. In 2022 there were over 675,000 vacant dwellings in England – nearly 250,000 of them vacant for more than 6 months. That's an increase of around 15 per cent since 2013 – over 86,000 more empty dwellings. These are enormous numbers. In comparison around 205,000 dwellings were built in the entire UK in 2022. And the latest figures show that, if anything, the position is worse in 2023.

Planning

A planning system focused on housing need and which encourages the use of empty properties, refurbishment of older properties and development on brownfield sites would be a positive step. But any action on those lines would be bound to fail in the face of a rapid and uncontrolled increase in population.

So much for the real world. Out in the unreal world, where immigration is seen as the salvation to all Britain's problems, there are people who complain that a cap on immigration would harm house-building, ignoring the pressure on farmland and nature. And the employers love this talk. So too does the government.

In March this year the government scrapped the Shortage Occupation List for skilled workers. Instead, it has come up with the Immigration Salary List, which does much the same thing. And straight onto this list went Stonemasons and Related Trades; Bricklayers; Roofers, Roof Tilers and Slaters; and Carpenters and Joiners.

Housing is just one area which illustrates the unsustainable impact of mass immigration on infrastructure and resources. Immigration, touted as a solution to our problems by the ruling class, supported by those who are least affected, has simply added to the problems of workers who are in competition for these limited resources. ■

Examining the glaring limitations of present-day political and confronting the myriad problems surrounding us...

Who governs Britain? An



Workers

Westminster: the mother of all parliaments, or the mother of all smokescreens?

CLARITY ABOUT the lack of democracy is particularly important in an election year when electoral distractions become a plague that can weaken us if we are not immune to them.

From the cradle to the grave, we hear the same complacent endorsement of the existing method of governance on these lines:

“You are most privileged to live in an era of parliamentary democracy where everything is based on the principles of universal suffrage and periodic general elections that decide which candidates and which parties get representation in the House of Commons at Westminster; where the victorious party installs its leader as Prime Minister, who goes on to construct a Cabinet and a Government that wields

executive power through the agencies of the state on behalf of the electorate. Even if the party you voted for does not end up as the government, you have had a chance to influence the outcome, and maybe in the future your turn will come.”

Displaced

Yet, in the period between elections under this type of governance, the electorate-as-a-force conveniently vanishes, withdrawn from involvement. It is displaced by the intrigues of a never-ending Westminster parade of blind alleys, in which one particular brand of bourgeois politics is in charge while the others hurl ritualistic abuse. For up to five years the electorate, supposedly key, is relegated to an outside observer of government and parliament.

In Britain today two classes cohabit uneasily, two classes divorced from each other, two classes with divergent economic concerns and contrasting lifestyles. The classical description of classes within capitalism says there is a clash between those who have to work to get a living even if their labour increases capital and those who own the means of production, live off the work of others and appropriate the surplus value.

This analysis remains true, yet nothing ever stays exactly the same. And, since the early 1980s, with world capitalism and here in Britain too, there has been a tremendous concentration of economic power among finance capitalists and monopolist corporate bodies. They exercise stifling control over the real economy and are increasingly

arrangements forces us to fathom the best way of

and how?



hostile to our national interests.

Developed capitalist countries like Britain are examples of imperialism. Yet when imperialism is mentioned, people usually focus on its aggressive desire to overpower other parts of the world, and they might concede the right of developing countries to fight national liberation struggles. But imperialism also exploits and oppresses just as rigorously in its heartlands.

Who wields real power behind the façade of visible politicians? The puppeteers determining politicians' moves are the networks of finance capitalists and monopolists, pulling the strings, usually out of sight.

What, then, does a brief snapshot of Britain's political economy under imperial-

ism reveal?

Finance capital directs the flows of capital today. Money-capital speculation is its obsession. This speculative capital destroys productive capital as it seeks short term, largely monetary gains.

And because productive capital entails longer-term investment within a process or in researching and developing a product in order to create surplus value, speculative capital actively shuns it. Productive capital entails the use of workers with a different class interest that finance capital fears. Financial markets reign supreme neglecting investment in means of production, and in production itself.

Deindustrialisation

The deindustrialisation of Britain continues. Mass immigration and the sucking in of cheap labour proceeds on a vaster scale alongside the obstinate refusal to upskill and invest in British workers. Generally, Britain is a low wage economy, which is the cause of capitalism's perennial problem of underconsumption.

Almost every part of our country's infrastructure needs not just overhauling but renewing. Our public services have been chronically underfunded for many years.

The Treasury is the dominant government department, setting the tone and parameters for the others. It is consistently loath to endorse investment, or industry, or necessary public spending, or sensible national protections or judicious planning.

It is pro finance capital and against strengthening independence. Its orthodoxy condemns Britain to a spiral of decline. And the rise in government debt means soaring interest debt repayments, a vicious cycle of attacks on public services, and a return to austerity measures.

A recent example of monopoly corporations' bad effects is the sorry tale of the Post Office and the Japanese IT company Fujitsu, well told in the ITV drama *Mr Bates and the Post Office*. We should admire the magnificent resilience and courage of the band of postmasters who took on the Post Office, Fujitsu and the government, which conspired against them for decades. Taking campaigning action was vital in exposing the scandal.

'Imperialism also exploits and oppresses just as vigorously in its heartlands...'

When problems openly escalate into scandals as with the invasion of Iraq or the Grenfell Tower fire, then public inquiries are wheeled out. These take years or even decades to publish a report. Then generally nothing decisive happens, the problems are not tackled.

Years after the Grenfell fire, an estimated 2,000 high-rise residential buildings have some form of dangerous cladding, and nothing has been done about it. Perhaps all these residents should get together and form a campaigning body that organises a few sit-ins of the installing companies or negligent government departments. That is likely to force the issues.

For many decades government in Britain has overseen a shift in influence and power to the big financial players and huge corporations. Mainstream politics offers a pointless joust between two parties who are both for the maintenance of capitalism.

Populist parties like UKIP and its successor Reform, which were for Brexit, argue for even greater power to unregulated markets, even though the markets' attack on working class society was the main reason for the popular uprising for independence.

The working class is the only agent for change; the only force capable of overturning the ruinous hold of finance capitalists and monopolists over society. Progress comes through us and our actions. A working class creates power when it comes together and acts collectively.

As a first step workers must disengage

Continued on page 16



Continued from page 15

from reliance on the parliamentary parties. In particular, workers must end the ruinous habit of fawning over a Labour Party that has never produced the goods, and never will. Surely after witnessing the administrations of Ramsay Macdonald, Harold Wilson, James Callaghan, Tony Blair and Gordon Brown, we can see the dreadful role of the Labour Party.

And from their pre-election stances, it is already plain that there is no prospect of anything fundamental being brought in by Keir Starmer and his supporters. If elected, his Labour Party is going to be remarkably similar to Sunak's Conservatives.

Absolute decline

Necessity sometimes simplifies and determines choice. And it is becoming clearer to millions that the systemic tendency towards absolute decline and the inadequacies of the prevailing political structures hem everyone in.

After some years of relative quiet, there has been a welcome resurgence in working class struggle recently, much of it centring on pay, though not all. Yet in the past sometimes big upturns in working class activity have frittered away and the rule of capital has managed to re-assert itself.

Therefore this valuable momentum and increased mass involvement can't be lost or squandered. Working class initiative must be held and extended – by keeping charge of matters in workplaces and sectors – by not letting our guard drop – nor allowing the recently gained active involvement to lapse when specific disputes reach temporary settlements.

Instead struggle must spread further, into more spheres and other sectors of society. We strengthen our influence when

we govern events by action. Action is an art. Many recent pay struggles have been well conducted, avoiding infeasible all-out strikes and instead adopting a more guerrilla approach.

Workers have been involved in successful pay disputes that have frequently achieved significant increases. Once a trade union culture is reborn, spin offs will follow, not least in the form of willingness to be involved in future struggle.

Yet we don't have to idolise strikes, or always reach for the strike button. Action short of a strike or "working to rule" with collective restrictions imposed over the amount of work to be done can be effective and sustainable. Even at times just expressing a collective attitude on a key problem can bring beneficial effects in a workplace or sector.

The word "guerrilla" does not imply a mere tactical stance. Properly applied in the context of a mass in class struggle, it has ideological significance because it presumes a class acting as a force-for-itself, ever keen to control events. Wherever possible, positional tactics of a trench warfare mode should be avoided and flexible tactics that do not exhaust those in action should be pursued.

Initiative should never be ceded to a system that always wants to stifle our aims. As pay settlements are reached, the return to work cannot be a case of "as you were". Workplace trade union organisation has sprung into life again. It ought not just briefly flare only to die back.

Pressure

There are many pressing concerns to pursue beyond pay: conditions of work, health and safety, pensions, training up of a younger skilled force, quality of work, and so on. Momentum gained on pay should translate into ongoing pressure on all the issues that concern us.

Over recent years our party has popularised the idea of "taking control". Its first crucial factor is asserting a collective response, which then needs to evolve into a social power operating independently of the system, on a persistent basis.

Taking control is when workers act collectively, consciously and independently to

'Taking control means building the working class so that it becomes increasingly separated from the capitalist order...'

pressurise and force the employer or government into accepting specific demands. Taking control means building the working class so that it becomes increasingly separated from the capitalist order, and acts as a movement outside their remit. Taking control requires a protracted strategy to shift the balance of power towards the working class and against the ruling class.

Involvement

And it will involve more than just trade unionists – also concerned professional bodies and campaigners striving for effective national delivery of transport networks, for farming, fishing, energy security, nuclear power, clean water and rivers. The working class will at some point have to consider the stage of moving beyond taking control to assuming absolute power which is all a revolution is.

And when we do, it will not be enough to raise a red flag over the Houses of Parliament. It is ridiculously static to believe that governing systems and political theory have reached their peak in bourgeois democracy. The way we collectively organise against the system will shape the way we construct power and government in a new society. It will certainly necessitate democracy and responsibility on a hitherto unknown scale. ■

• This article is based on the introduction to a CPBML public meeting held in March.

CPBML MAY DAY MEETINGS 2024

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Celebrate International Workers' Day 2024 at the CPBML's May Day meetings, held this year in Bristol, Glasgow, Manchester and London.

Workers of all lands, unite!

On May Day we take stock of Britain and the world. In the past year, many British workers have continued to battle with the employers, showing discipline, unity and tactical ingenuity.

We are faced with a new threat as the ruling class intensifies its drive to war. How should workers respond and build a new Britain?

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Workers of all lands, unite!

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No to war!



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High street names are disappearing, branches are being closed or are anything any more – or are capitalist greed and asset stripping

What's going on with retail



Stephen Chung/Alamy Stock Photo

20 February 2024: An Oxford Street Body Shop branch, just closed after private equity cutbacks.

THE CLOSURE of retail shops in our town and city centres across Britain is a common topic of conversation. The concern is that they are increasingly empty and poverty-stricken.

The general assumption is that the increase in online shopping, exacerbated by Covid, is to blame, but research reveals something more sinister going on, hidden from workers unless they delve deeply.

Chain stores such as Ted Baker, The Body Shop, Lloyds Pharmacy and Wilko are among the many outlets that have closed across the country in recent months. These follow the collapse of other well-known companies such as Debenhams and Topshop.

According to data from The Centre for Retail Research, 2022 was a particularly

bad year for the retail sector – possibly the worst in 25 years. Over 17,000 stores closed, averaging nearly 50 a day, with over 150,000 jobs gone.

The sector continues to decline, losing almost 120,000 jobs in 2023. The union USDAW has been calling on the government to work with the union and employers to come up with an industry strategy to address issues such as rents, rates and taxation. The government is not listening.

Most analysts blame the high street decline on the rise of online shopping and “consumer behaviour”. In 2022 more than a quarter of retail sales in Britain were online – the highest rate for any western European country, and significantly higher than for the USA. Business rates for online retailers are much lower than those for tra-

ditional sellers.

But this analysis is far from the whole truth. Behind the job losses and store clo-

‘Retail businesses provide cash flow and often come with property assets, making them attractive to private equity...’

closed, city centres are emptying. Is nobody buying hoping to blame?

tailoring in Britain?

‘Just weeks after gaining ownership, Aurelius put The Body Shop into administration...’

sure lies the dead hand of private equity (PE) “investment” (see Box).

Retail businesses provide cash flow, and often come with property assets, making them attractive to PE firms.

In 2018 Retail Dive, a US digital news and analysis company for retail executives, did an in-depth analysis of the impact of PE investment on the US retail industry from 2003. They found that PE firms had bought over 120 retail companies in that 15 year period, often via debt-fuelled buyouts. Of the ten largest PE buy-outs – including Staples, Toys R Us and Claire’s – half were bankrupt or in financial distress by 2018. Not a great surprise, since the researchers found that PE firms generally funded their purchases with debt.

According to market analysts Debtwire, between 2016 and 2017 equity made up less than 43 per cent of the price of PE buyouts of companies: the rest was largely funded by debt. PE firms have also owned Maplin, New Look, Poundland and HMV – companies that have either disappeared or been drastically “restructured” with store closures and job losses. These firms’ destructive – but legal, even promoted – methods are worth a closer look.

The Body Shop debacle

In Britain, German PE firm Aurelius Group bought The Body Shop in November 2023, finalising the deal on 1 January. Aurelius immediately sold most of The Body Shop’s European and Asian business, an estimated 14 per cent of the company’s global business, to a family office.

Then on 13 February, just weeks after it gained ownership, Aurelius put the UK Body Shop business in administration, closing more than 70 of the stores in Britain

What is private equity?

FAR FROM creating wealth or adding value, private equity (PE) is another capitalist way to filch wealth already created by workers. The long-term success of companies in their portfolio is no concern to PE firms. Instead, their sole purpose is to extract the maximum profit for themselves and investor clients within their self-defined time frame.

Private equity (PE) firms manage investment funds on behalf of clients, which can be organisations like pension funds or insurance companies, or extremely wealthy individuals. In exchange, these PE firms charge fees

and get a share of profits above a pre-set minimum.

They often work in partnerships or consortiums to buy and manage a portfolio of companies. Their strategy is to extract value for their clients and themselves, before selling the companies on.

PE funds have a finite term of 10 to 12 years, with investors seeing dividends typically from year six onwards. PE firms often use debt to buy a company and then put the debt on that company’s books. They may even use the company to acquire more debt purely to fund dividends to their investors. ■

and making 489 people redundant. Because Aurelius had called the administrators in, it was not liable for redundancy payments. The administrators directed staff to the government’s Redundancy Payments Service.

The workers will only get the statutory minimum redundancy pay. British taxpayers will foot the bill for this.

There are allegations that the administrators are investigating claims that millions of pounds were taken out of the company before it went into administration. In addition, The Body Shop took out a series of loans with Aurelius. According to company filings, these loans pledged valuable assets to Aurelius, such as property and intellectual property rights.

So Aurelius was both the company’s owner and its most significant creditor. If The Body Shop doesn’t survive administration, Aurelius will have first claim to those assets. If it does survive, Aurelius will be in prime position to buy back a slimmed down business shorn of its liabilities.

This has been a particularly brutal case, but not an isolated tale.

Another example is Lloyds Pharmacy, which went into liquidation in January. The company was bought by Aurelius in 2021 for £477 million when the chain employed more than 2,500 pharmacists at almost 1,300 stores. Between then and the start of

this year, Aurelius sold off 90 per cent of the pharmacies before winding the company up, having saddled what remained with debts of over £293 million.

The big names fall

When Debenhams went into administration in December 2020, many assumed that covid lockdowns had accelerated its demise. But in reality, the company had never recovered from three years of ownership by a private equity consortium of Merrill Lynch, CVC Capital and TPG.

The consortium bought Debenhams in 2003 for £600 million and took £1.2 billion in dividends before selling it in 2006. When it bought Debenhams the company had debts of £100 million. When it sold Debenhams, the debts were over £1 billion.

The unearned dividends taken from the company were paid for by selling and then leasing back 23 stores on expensive rental arrangements, leaving new owners and managers with little room for manoeuvre to cope with the challenge of internet sales. Debenhams’ eventual collapse took the jobs of 12,000 workers.

There is no quick and easy way of killing off private equity dealing. It is just part and parcel of how capitalism and its pariah governments function, for all the politicians’ occasional squeaks about it in committees. All have to go. ■

As communications systems have become ever more centralised and monopolised, so too has state control of them. They are now

Financial systems as well



Funtap/shutterstock.com

SWIFT processes over forty million online transactions a day.

Underground empire: how America weaponised the world economy, Henry Farrell and Abraham Newman, hardback, 278 pages, ISBN 978-0241624517, Allen Lane, 2023, £25. Kindle & eBook editions available. Paperback edition due 5 September 2024.

THIS BOOK, written by two American academics, is an astonishing and alarming account of how the USA controls the global financial transfer system.

In 1973, a group of European banks created SWIFT, the Society for Worldwide Interbank Financial Telecommunication. The US government changed SWIFT from a politically independent organisation, which was supposed to help protect banks from government regulation, into an all-seeing servant of the US state, mapping the hidden world of international financial transactions.

Now, SWIFT's messaging system carries over ten billion messages a year, facilitating 1.25 quadrillion dollars in transactions. Every day, SWIFT processes over forty million transactions across the world. By comparison, China's Cross-Border Interbank Payment System (CIPS) handles

roughly thirteen thousand transactions a day, almost all in mainland China and Hong Kong.

Like SWIFT, the dollar clearing system plays a key role in the US control of global finance. It started with the Eurodollar market, which was touted as creating a decentred new realm of finance. In fact it made the global financial system more vulnerable to American control.

Dollar transactions

The international banks carry out international transactions in US dollars, which exposes them to the dollar clearing system. This is a set of complex financial arrangements run by US-regulated banks Citibank, JP Morgan, Goldman Sachs and others.

These monopolies spent decades building international markets in the name of efficiency and profit. They sought to dominate these markets, so that other businesses had to use their systems and pay tribute to them.

The flows of financial information are part of the global information flows that travel through communications networks based on US territory and subject to US surveillance. The US government has a

stranglehold on the global communication system's choke points.

Libertarian crypto entrepreneurs wanted to rebuild society's communications networks on a different base using blockchain technology, the cornerstone of currencies such as Bitcoin (which used crypto to create a new kind of money). They had hoped that blockchain-based currencies and communication systems might cut out all intermediaries and protect society against the temptations of empire, stopping governments and corporations from controlling people's lives.

Internet pioneers had hoped to provide the first truly decentralised means of global communication. Libertarians proclaimed that the internet undermined the government's power to censor information and that cryptography made financial transactions unintelligible to government.

They claimed that currencies like Bitcoin would drastically decentralise economics and politics.

Instead the communications systems became an ever more centralised means of control. First, private businesses took charge of the new set of services, like the internet, payment processing (PayPal), and commoditised sharing (Uber and Airbnb). Most of these services were networks and got centralised over time, concentrating profits and power, following the usual logic of capital developing into monopolies.

Then governments, primarily the US government, seized control of centralised systems. Telecommunications companies, and e-commerce and platform companies like Google, Facebook, Microsoft and Yahoo! were all forced into line.

This level of state control meant that when Russia invaded Ukraine in 2022, the US government could immediately weaponise the whole world's financial system against Russia. The US response shocked the Chinese government, which had never believed that the USA would go so far against a major country.

Russia accounted for 2 per cent of global trade – surely cutting its banks out of SWIFT would be too risky? But the USA (along with the EU) didn't only weaponise SWIFT. They also blocked Russia's access to its own currency reserves.

alised and
w weapons of war...

Weapons

'When Russia invaded Ukraine the US could weaponise the world's financial systems...'

This posed a clear threat to China, which responded by trying to protect its capital holdings abroad. As US secretary of state Anthony Blinken noted on 22 May 2022, "Beijing, despite its rhetoric, is pursuing asymmetric decoupling, seeking to make China less dependent on the world and the world more dependent on China."

The authors make the obvious comment – "[Blinken's] words described America's policy nearly as well as they did China's. The United States, too, wanted to become less dependent on the world, either bringing production back home or 'friendshoring' it...so that the dangerous choke points in supply chains were on US territory or the territories of allies."

Blocked

In October 2022, President Biden imposed the most far-reaching export controls on any single country since the end of the Cold War. He blocked China from acquiring technologies that would allow it to produce high-end semiconductors.

The authors point out that "As the United States considered new and harsher coercive options against China, it risked coming to resemble its adversary, driving other countries, businesses and individuals away...the United States and China can't help but see each other's actions as bids for global control."

Once again, as before the First World War, rival empires are fighting for dominance, using the old means of armaments and blockades, with today's added dangers of new forms of surveillance of communications and control of finance.

The authors say this new spiral of economic confrontation is gathering strength: "It might tear the global economy apart or even pull the world into actual war." ■

WORKERS

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After the bloody world war between rival imperialisms, the class and its allies turned their attention to the infant Soviet

1918: The war of intervention

DAYS AFTER the Russian October 1917 revolution, the Cossack government of the Don Territory offered refuge to Kerensky's deposed Provisional Government, "to organize a struggle against the Bolsheviks". That was the first action against the Bolshevik government, in which Britain and its allies played a leading role.

The British government had backed one coup after another, most significantly, in September 1917 by the army's commander-in-chief General Lavr Kornilov against Kerensky. It failed, but in effect it was the start of the civil war in Russia.

Lenin wrote at the time "...the Kornilov revolt was a military conspiracy supported by the landowners and capitalists led by the Cadet Party, a conspiracy by which the bourgeoisie has actually begun a civil war."

The first interventionist forces arrived a few months later in March 1918 – with 130 Royal Marines at Murmansk in North Russia. Many more followed. By mid-July, the Allies had committed themselves to waging a full-scale offensive campaign.

On 20 July, British forces moved to occupy Archangel, the first open Allied offensive. They backed the local White Guard (anti-Bolshevik) revolt and overthrew the local Soviets. By the end of the year 14,000 troops were there, from Britain, the USA, France, Italy and Serbia.

As the Allied war against Germany ended in November 1918, the Soviet government was still in power, defending Russia's national independence. When it was clear that the German army was

beaten, the Soviet government offered to negotiate peace with the Allies

But the Allies rejected this peace proposal. Instead the British government organised and led a much bigger invasion force into Russia – eventually some 180,000 Allied troops (60,000 British) from sixteen countries across six fronts. And in addition 70,000 Japanese troops intervened in Siberia.

Britain publicly pledged that "the domestic policy of Russia is a matter for Russia alone." But in reality British rulers intervened extensively. Under-Secretary of State for Foreign Affairs Lord Robert Cecil told the War Cabinet that really a military dictatorship would be necessary.

Then came Admiral Kolchak's coup in Siberia on 17-18 November 1918, when he declared himself 'Supreme Ruler'. Churchill, then minister for munitions, boasted in Parliament that the British Government had called this into being – of necessity.

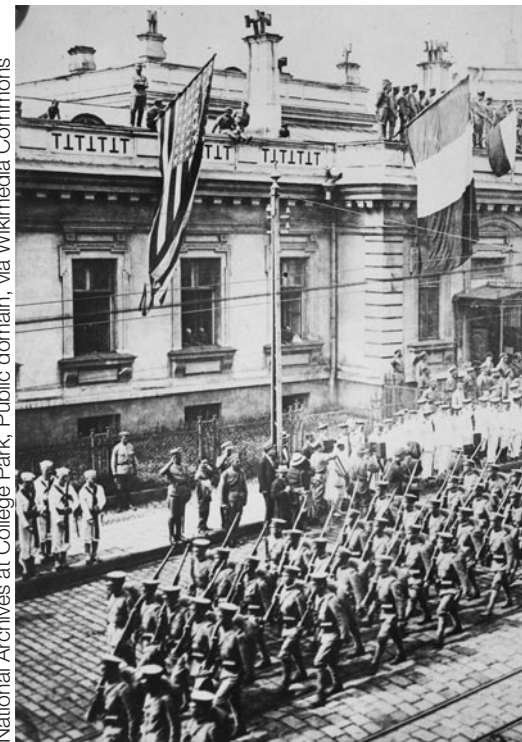
One of Kolchak's generals, Rudolf Gajda, said of his government, "...[it] cannot possibly stand and if the Allies support him they will make the greatest mistake in history." He went on to say that one half of the government was making plans for a constituent assembly, and the other was plotting a restoration of monarchy. Calls for an assembly were actually cover for violent counter-revolution.

British bullets

The Whites always depended on outside help. General Alfred Knox, Britain's military adviser to Kolchak, is reported to have said, "Since about the middle of December every round of rifle ammunition fired on the front has been of British manufacture, conveyed to Vladivostok in British ships and delivered at Omsk by British guards."

In October 1919, Kolchak's forces put down a workers' rising in Omsk, killing an estimated 900-1,000 people, including the last members of the Constituent Assembly – twelve moderate Socialist Revolutionary politicians.

The British government sabotaged peace negotiations. General Knox denounced the very idea of talks with "the blood-stained, Jew-led Bolsheviks".



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Interventionist soldiers in Vladivostok, 1918.

The British Military Mission to South Russia reported that the White recovery under General Denikin after March 1919 "was due almost entirely to British assistance".

Although British forces in South Russia were supposed only to be training and supplying, they did much more. 47 Squadron of the RAF helped the Whites hold Tsaritsyn for six months, strafing enemy troops and bombing trains. Ministers routinely lied to parliament that they had orders not to join in combat.

The Allies and their White Russian friends committed war crimes on a vast scale, only ever matched by Hitler's later assault. Allied officers instructed their soldiers "...to take no prisoners, to kill them even if they came in unarmed."

Churchill was well aware of the Whites' massacres of Jews, but denied all the reports, claiming that in White-held territory "protection was always accorded to the Jewish population". Stopping military aid, he warned, would deprive Britain of the leverage to "exercise a

'The Allies and their White Russian friends committed war crimes on a vast scale, only ever matched by Hitler's later assault. ...'

The British ruling Soviet Union... Intention



moderating influence”.

In the *Sunday Herald*, Churchill asserted that “International and terrorist Jews were plotting worldwide revolution.” The White conviction that Jews master-minded the Revolution fed into Nazism via émigré organisations in Munich and Berlin.

The British government had spent £100 million on the war. The war killed 1.35 million Russians and crippled three million. Another 14 million people died of starvation, cholera, typhus and “Spanish flu”.

The war became ever more unpopular among British workers. They called strikes, refused to load war munitions, and set up Councils of Action. The TUC set up the Hands off Russia Committee. All this helped to force the government to end the intervention.

The last British troops left North Russia in October 1919, without the traditional, face-saving “decent interval” after abandoning their “allies”. Russia’s workers and peasants defeated the joint armed attack. The newly formed Soviet Republic won its independence. ■



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ABOUT US

As communists, we stand for an independent, united and self-reliant Britain run by the working class – the vast majority of the population. If that’s what you want too, then come and join us.

All our members are thinkers and doers. We work together to advance our class’s interests. Every member can contribute to developing our understanding of what we need to do and how to do it.

What do we do? Rooted in our workplaces, communities and trade unions, we use every opportunity to encourage our fellow workers and friends to explore how Marxism can be applied to Britain now. Marx’s understanding of capitalism is a powerful tool – the Communist Manifesto of 1848 explains the financial crash of 2007/8.

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78 Seymour Avenue, London N17 9EB

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twitter [@cpbml](https://twitter.com/cpbml)

www.cpbml.org.uk

phone 07308 979308



Middle East: keep Britain out of war!

'We must not let the government divide us into factions clashing over foreign wars. We should never again be involved in wars abroad...'

ESCALATING MILITARY action in the Middle East threatens a wider war. That's obvious, but what can workers in Britain do about it?

The British people need to be united and to assert Britain's interests, which are the interests of the British people. We must not let the government divide us into factions clashing over foreign wars. We should never again be involved in wars abroad.

First, we should condemn the significant British involvement in actively flying sorties to destroy missiles aimed at Israel on 13 April. This is escalation which can do no good.

A later government statement said that the RAF was in fact defending British troops on the ground – and that increased British air activity also freed US warplanes involved in ongoing 10-year joint action against Islamic State.

That there is such an extensive and ongoing intervention in the region should be cause for concern – not a justification for escalation.

Second, we should call on the British government to do everything possible to work for an immediate and permanent ceasefire in Gaza. That would include relief for the people of Gaza – food and medicines primarily – without question and conditions.

The government's position on ceasefire and relief has been equivocal. It is content to decry the "excessive" actions of the Israel Defence Force and to air drop token amounts of aid. But Palestinians are being assaulted by weapons exported from Britain, USA and Germany.

Third, we must reiterate condemnation of the attacks on Israel by Hamas on 7 October 2023 and by Iran on 13 April. These actions will not bring about peace and security for Palestine. Instead they risk escalating the conflict.

Missiles and drones from Iran overflowed Iraq, which is still politically unstable after the disastrous US-led war and occupation. It risks being dragged into the conflict on one side or another. And increased terrorist activity against shipping has escalated the civil war in Yemen, where Saudi Arabia and Iran have long been involved.

Fourth, we should condemn Israel's actions against the people of Gaza and other

extraterritorial attacks like that on the Iranian consulate in Syria. These acts are not justified as national self-defence, even in the face of terrorist attacks on its citizens. And to criticise Israel's attacks is not antisemitic, any more than condemning Hamas terrorism is anti-Arab or anti-Palestinian.

We distinguish between peoples and organisations, including governments, which purport to speak in their name.

Netanyahu does not distinguish between the two; he holds the whole people of Gaza responsible for Hamas's terrorist actions.

The Palestinian people did not attack Israel, Hamas did.

In fact the government of Israel is deeply unpopular. It was in crisis before the 7 October attacks, and demonstrations against the government continue, despite some popular support for reprisals. The Israeli people are not waging war on Gaza, it is their government.

Likewise British armed forces in the region are acting on government orders, not in the interest of workers here in Britain.

The hard won experience of many generations of workers is that reaction abroad breeds reaction at home. Weak rulers will always use a divided population to further their own aims in whipping up wars.

Most notably in our history, the First World War started at a time of intense class struggle in Britain (and for Ireland, the struggle to free itself of British rule).

The outbreak of WW1 changed everything, although it was not as popular with workers as history books claim. We can't let that happen again.

Our government is deeply unpopular, too. And support for Labour is reluctant and cautious at best. We must not let any of them believe that to escalate wars abroad is any sort of answer.

And lastly, we must look at ourselves as workers. Do we tolerate those who foster division in our class, sometimes well meaning, but often not? Or do we assert what is right: no to foreign wars and adventures: no to bringing foreign conflicts to our streets and workplaces? ■

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