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MAY/JUNE 2016



## **VOTE TO LEAVE!**

**Steel** The big challenge

**Working hours** Ever longer

**Media** Investigations hit

**Agencies Directive con** 

**Academies By brute force** 

TTIP Obama's empty threat

**EU** Falling apart

**BBC** Into battle

plus News,

**Book Reviews** 

**Historic Notes** 

and more

## WORKERS



### A vote for a future

WE HAVE SAID that the fight to ditch the EU is the "decisive confrontation" facing the working class this year, and for the near future. As the referendum campaign has progressed, the battle lines have been drawn ever more sharply.

On one side stand all those who wish to see Britain as an independent country, able to create its own laws, shape its own destiny and decide which citizens of other countries should live here.

We cannot rebuild Britain, re-industrialise, stop war – let alone start to create a socialist society – with the dead hand of the EU upon us. We can decide to rebuild Britain and construct a new industrial economy – and prosper – outside the EU. A new world is waiting.

On the other side stand all the institutions that have loyally defended capitalism down the years. The Conservative Party, the Labour Party, the Liberals, the Greens, the City of London. That they have been joined in their support for the EU by the TUC and many unions is a sign of our backwardness, a measure of how far we still need to go – whether the vote is to leave or remain.

Never has the distance between the working class and the organisations it built to defend itself been so great. Despite membership in the millions, many unions are being hollowed out from the inside as ordinary workers shun involvement outside of the workplace. One shining exception is the RMT: active, engaged, growing – and against the EU.

Many other unions are run by a motley crew of self-styled activists, mostly elected either without opposition or on ballots with laughably low turnouts. Retired members now run too many union branches, their inquorate meetings testament to their impotence. Their presence is a powerful deterrent to the involvement of young members.

And it is in these fortresses of futility that support for the EU is alive and well, even if nothing else is. Having given up the fight for workplace organisation and representation, having abandoned the truth that progress starts through struggle at the workplace or not at all, they are left only with a daft defence of "rights" enshrined, they think, in EU law.

They talk about the right to equal pay. But we have had that "right" in Britain since 1970, and we're nowhere near equal pay nearly half a century on. We have the minimum wage, but millions earn less. We have a Working Hours Directive, yet working hours are lengthening month by month.

The referendum campaign has shown more clarity among the people of Britain than some expected. As a recent survey by the Fabian Society has revealed, when the arguments for and against are clearly put, Leave pulls ahead of Remain.

There will be more twists and turns as 23 June approaches. But already one major victory has been chalked up: at long last, there is a national debate about the future of Britain as an industrial nation. We must ensure that debate never stops.



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#### Disarray over local govt pay

PAY STRATEGIES in local government are now in disarray, fragmented and directionless. Unison, with some 413,000 members the largest union in local government, has come to a standstill as the members reject the union's direction of travel.

After two consultations on pay produced minuscule member involvement, Unison's Industrial Action Committee has refused to initiate an industrial action ballot for two days of so-called all-out industrial action in September, followed by further days of action.

It is unprecedented for the Industrial Action Committee to refer back a request from the local government National Joint Council and Local Government Service Group Executive. What is a reality check in Unison terms? It must surely be to have had a 10.9 per cent return on the consultation ballot, with only 7 per cent of the membership actually voting to reject the offer and take industrial action!

The government's Trade Union Bill will require ballot thresholds of 50 per cent for industrial action, which Unison knows it won't achieve. So a further round of consultation with members will take place because no one has the courage to recognise that 10.9 per cent participation means that your army has either deserted and gone home or is in hiding.

The GMB's 100,000 members in local government voted by 9 to 1 to accept the employers' two-year deal, which is heavily weighted towards the lower paid. Unite, with 30,000 members, has voted for selective action but only if linked to Unison's all-out action.

The employers' offer is a complex attempt to get out of the trap they will be in with the new national minimum wage – some pay grades are now lower than the minimum wage. The government wants to drive wages down – and the trade unions are in a state of paralysis.

The strategy of tying the pay claim to the various "living wages" has effectively set a ceiling on wage claims. Local government pay is now the lowest within the public sector. Continuing wage freezes, reduction in local government funding, and the subsequent cuts in services and jobs, have left both employers and trade unions in a state of limbo.

On top of this, the proposed academisation of all schools will remove tens of thousands of workers from local government pay negotiations. National pay bargaining for teaching and non-teaching staff will then be threatened (see page 16).

Will the National Joint Council agreement survive? Will the "Green Book" (covering the single status agreement) see more and more employers split away, either individually or on a devolved basis, not only in Scotland and Wales but in the English regions and cities?

Workers has continually stressed that the strategy and tactics must change – because the industrial landscape has changed. With unprecedented outsourcing of services and private sector penetration of the public sector, we cannot pretend we are in the same era.

With fragmentation of employment, with greater churn around contract provision and with engineered uncertainty over jobs, we need to think through new strategies. A first step would be to recognise the shattered employment scene and start organising accordingly.

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

#### **ECONOMY**

EU-driven decline



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THE UK'S overall balance of payments – now known as the current account deficit – deteriorated sharply last year. The figures, detailed in the Office for National Statistics' latest statistical bulletin, released on 31 March, show an overall deficit for 2015 of £96.2 billion, up from £92.5 billion in 2014.

Once you dig into the figures (the bulletin hides these in its data charts), it's not hard to see why: the deficit with EU countries is phenomenal. The 2015 total is £106.4 billion, up from £103.5 billion in 2014. Only trade and investment with the rest of the world is keeping Britain afloat.

These numbers put into perspective the "predictions" that the EU would not be bothered with trading with us after a Brexit. The EU would be slashing its own throat if it made trade with Britain more difficult.

Back in the 1960s and 1970s the balance of payments was taken as the most important economic indicator. Governments teetered depending on the latest figures. But the deficit now dwarfs that of 50 years ago. Equivalent to 5.3 per cent of GDP, the annual deficit is now at its highest since annual records began in 1948.

And it's getting worse. The overall deficit in the last three months of 2015 was a staggering £32.7 billion, up from £20.1 billion in the third quarter. This equates to 7 per cent of GDP, the largest proportion since quarterly records began in 1955.



#### ON THE WEB

#### A selection of additional news at cpbml.org.uk...

#### Network Rail: sleight of hand

The government is revaluing Network Rail's balance sheet in an attempt to shore up its own crumbling accounts.

#### EU: no answer to unemployment

Unemployment is endemic to capitalism and to all capitalist states. It remains high within the EU – and remaining in will not change that.

#### Junior doctors carry on as government cracks appear

Striking doctors manned picket lines and engaged with the public in their fight against new contracts.

#### Government U-turn over baseline tests for four-year-olds

Ministers have abandoned controversial plans to judge primary schools based on new tests for four-year-olds.

#### Migration statistics in turmoil

One set of official statistics suggests that around 1.6 million EU citizens came to Britain between 2006 and 2014 – but another set suggests the figure could be a million higher.

#### **ENO chorus success**

Members of the English National Opera chorus have settled their dispute about wage cuts. They had overwhelmingly voted to strike and not sing during the first act of the opera *Akhnaten* on the last night of this acclaimed production.

#### Plus: the e-newsletter

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Junior doctors demonstrating in Walthamstow, northeast London, on 6 April. As *Workers* went to press, they were due to walk out again on 26 and 27 April.

#### **Private ambulance chaos**

PATIENT TRANSPORT has been thrown into chaos in Sussex. The Clinical Commissioning Groups for the county decided to take patient transport away from the ambulance trust, South East Coast Ambulance Service (SECAmb), and give the £63.5 million contract to private company Coperforma. This contract is for the non-emergency transport services that take patients to and from appointments.

Coperforma's website proclaims that it is "transforming hospital transport". Its chairman, John Porter, boasts that he also chairs a company called Sinocare, "which owns and operates hospitals in the People's Republic of China and aims to raise the standard of health care for the Chinese middle class". John Porter is the son of Dame Shirley Porter, fined  $\mathfrak{L}12.3$  million for using Westminster council's housing policies to rig votes.

The transformation has been thorough. SECAmb used to handle 25,000 patient journeys a month, but in the first two weeks of the contract Coperforma managed only 6,100. Patients and staff have been at their wits' end. Booked transport failed to arrive, patients were left stranded at hospitals and staff had to arrange taxis to transport them home. Calls to Coperforma's call centre from desperate patients and NHS staff went unanswered.

Non-emergency patient transport is an important undertaking. It includes taking renal patients to dialysis and cancer patients for radiotherapy appointments. If patients miss their appointments or are delayed, the consequences can be serious, and sometimes fatal.

Coperforma had the nerve to try to put the blame for the chaos onto SECAmb, saying that the ambulance trust had not transferred data on appointments, a claim SECAmb was easily able to refute. The chaos continues. It is rumoured that large numbers of staff have left Coperforma's call centre. And now GMB members transferred from SECAmb to Coperforma are balloting on strike action since Coperforma has derecognised their union.

#### **POVERTY**

#### Food banks on the rise

THE TRUSSELL TRUST announced in April that 1.1 million people in Britain are now using food banks to obtain emergency food supplies. The figures include 415,866 children. Numbers are growing year by year.

Other charities also run food banks, but Trussell is the largest. It began as a charity working with street children in Bulgaria, but spread to Britain when a mother contacted it saying she was struggling to feed her children. In 2004 it had two food banks here. Now it runs 400. In just one period of 2014-15, Trussell found, usage had risen by

38 per cent over the previous year.

Co-op supermarkets now label some cheap range tinned foods as "ideal items for the food bank" (with collections on the way out). Asda displays the Trussell logo on shelves of tins of Spam, saying "This is a food bank item". So supermarkets cash in as food banks become a permanent feature of poverty Britain in the 21st century.

The growth of food banks has taken place during a period when Chancellor George Osborne has reported that our economy is strong and growing. For a tiny minority, those who have made vast fortunes out of "austerity", this is true. Trussell's latest figures on food bank use are one demonstration of what is happening in the real economy.

#### **BANKERS**

#### Voting with their snouts

NO WONDER the City of London and the banking mafia in Canary Wharf in their multitude of banking skyscrapers shriek so loudly about the "dangers" of Britain leaving the EU. Figures published by the European Banking Association (based in London not Brussels) identify over 3,000 London bankers earning more than 1 million euros (£790,000) in 2014 – three times as many in London as across the entire rest of the EU.

The EU had supposedly capped bonuses in 2014 to 100 per cent of salary or 200 per cent if approved by shareholders. To circumvent the bonus cap, bankers have just raised their salaries. No 1 per cent pay limit in the banking industry!

## **Health bursaries scrapped**

THE GOVERNMENT has confirmed it will definitely be pushing student nurses and other health care students into debts of at least £50,000 each by scrapping the NHS bursary. From August 2017 students will have to take out loans for £9,000 in tuition fees and further loans for subsistence. They will be paying the entire bill for their training, even though nurses spend 50 per cent of their training time working for the NHS on clinical placements, and their starting salary is £22,799.

The Department of Health is currently conducting a "consultation". But this is no consultation on the substance, rather a piffling discussion about how it intends to implement this change. It is a classic example of government taking a decision by-passing parliament altogether. No debate in parliament, no parliamentary vote – just a minor adjustment to a statutory instrument. This is how something is enacted which could devastate the NHS workforce, and therefore the entire NHS.

Those most affected are yet to join the profession. So the onus has fallen on current students and their teaching staff to somehow bring the matter to the attention of the country and expose the government plan to make this change. Led by Unison and with support from the National Union of Students and other organisations, there is to be a joint lobby of Parliament on 25 May.

Unison head of health Christina McAnea said: "Replacing the bursary system with loans will put off many potential students, not encourage more people into our caring professions...

"The UK already has to import staff from overseas just to keep the NHS going, and nothing in this consultation will change that. Worryingly, it looks like ministers don't plan to stop at health professionals. The consultation suggests that bursaries for social workers could be next in line."

#### **SOCIAL CARE**

#### Children's report hidden

IN MARCH 2014 the Department for Education (DfE) commissioned a report into children's social care services. Seen at the time of its commissioning as a likely blueprint for privatising local authority children's services, the report was actually completed in September 2014.

The charity and publication Children and Young People Now requested a copy in November 2015. Five months later, despite a significant Freedom of Information battle, the DfE still refuses to publish it.

Intervention by the Information Commissioner's Office to try to force publication of the report in the public interest had an odd response: yes the report is in the public interest, but no, it cannot be released because the DfE intends publishing it at a future date. The DfE intends to publish it when it fits with government schedules, which probably means after the EU referendum. If the report is, as suspected, a privatisation blueprint, the aim could be to delay more bad publicity for the government.

Meanwhile the attack on children's social care continues. Ofsted inspections are resulting in "inadequate" status reports, followed by the DfE appointing external commissioners with a remit to find alternatives to local authority control. At the same time, central government cuts are forcing local authorities to slash budgets.

Twenty-four local authorities have had their children's social care services put into commissioners' hands since 2013. The more such services are removed from local government control, the louder the government will clamour that privatisation is the only solution.

The return of Dickensian conditions for children is on the horizon.

#### WHAT'S ON

#### Coming soon

#### **MAY**

The CPBML will be holding May Day meetings and rallies in Edinburgh, Leeds and London. For details, see www.cpbml.org.uk/events

#### JUNE

Thursday 2 June 7.30 pm "Vote to Leave the EU" Brockway Room, Conway Hall, Red Lion Square, London WC1R 4RL CPBML Public Meeting



With the referendum rapidly approaching, the people of Britain are making up their minds? Will we succumb to the lies of the Remain crowd, the forecasts of doom from those with a track record of getting forecast wrong? Or will we affirm our future as a sovereign nation by voting to leave the crumbling EU?

Come and discuss. All welcome.



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Those in favour of staying in the European Union claim it i truth – the EU is falling apart before our eyes...

## Are we witnessing the sle

THE PEOPLES of the countries that make up the EU are showing what they think of this wannabe superstate. Referendums are sprouting up all over the place, all of them motivated by hostility to the EU. Across the continent the borders are going up. Schengen? What Schengen? Is the EU starting to collapse?

You may think the British referendum on in or out of the EU is the only referendum in town. But you would be wrong. Denmark had a referendum in December 2015, on the issue of cross-EU border policing.

This is the same cross-border policing that, we are told, could put Britain at greater risk of terrorism if we voted to leave the EU. For Denmark it would have meant Europol membership, European Arrest Warrants and bringing the national criminal justice system in line with EU criminal law.

The Danes, who also voted against the Maastricht Treaty in 1992 in a similar referendum, saw this as a straightforward issue of national sovereignty and voted No, despite both the government and the opposition urging a Yes vote.

So Denmark retains its own criminal justice system. If you bear in mind that this referendum took place just weeks after the Paris terrorist attacks, it takes on more significance. Yet we are told doing the same would be a disaster for Britain.

The Netherlands has just had its own referendum. The issue here was ratification of the EU-Ukraine Association Agreement.

The result was overwhelming rejection, by 61 per cent to 38 per cent, of the Ratification Act agreed by the Dutch Parliament.

Rejection of the association agreement "would open the doors to a continental crisis in the EU", bemoaned unelected EU Commission President Jean-Claude Juncker, adding that only Russia stood to benefit from a No vote. The Dutch were unmoved.

After the No vote, Juncker said that the "vote would change nothing", while a Dutch opposition leader claimed it was the beginning of the end for the Dutch government and the EU. The President of the EU Parliament argued, "We can't allow national referenda to veto EU foreign policy".

#### Contempt

This contempt for democracy should come as no surprise. Every time the EU elite has not liked a member state's referendum on an EU issue, they simply told that country to run the referendum again until they got the right result.

Meanwhile, the European Commission has started a legal process that ends with Brussels determining whether the rule of law operates in Poland, creating outrage in that country. "Perhaps for the first time we're dealing with a situation when, because of [Polish] opposition politicians' denunciations, the European Parliament has passed a legal act aimed against Poles, our nation," the Polish government's spokesman, Rafal

Kaonos/shutterstock.com

Bochenek, told state news agency PAP.

If Britain votes to leave, don't be surprised if they try to do the same to us. But this contempt for the people only strengthens the case for leaving the EU and reasserting our own national sovereignty.

Last year's migrant fiasco began when German Chancellor Angela Merkel, who



#### CPBML/Workers

#### **Public Meeting, London**

Thursday 2 June, 7.30 pm "Vote to Leave the EU"

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

With the referendum only weeks away, the people of Britain are making up their minds. At stake is our future as a sovereign industrial nation. Come and discuss. All welcome.

#### s a force for stability. Nothing could be further from the

## ow death of the EU?



called for a million migrants to come to Germany. Then the EU – at Merkel's insistence – outvoted Hungary and other East European countries, forcing them to take thousands of migrants.

#### **Mistake**

It was a big mistake. The outvoted countries resorted to building fences and taking other measures, including use of the military, to secure their borders. First Hungary, then Slovenia, Austria, then non-EU Macedonia and other Balkan countries, followed by Denmark, Sweden and now even Belgium!

Schengen is effectively dead, and the migrant season is under way. But fences didn't solve the migrant flow. They simply turned Greece into a giant concentration camp. So Merkel and her allies decided to bribe Turkey to become the solution.

Turkey's despotic leader Erdogan had the EU and Merkel over a barrel. He demanded 3 billion euros and a fast track to EU membership for Turkey, in exchange for the return of migrants from Greece to Turkey, with Syrian refugees going the other way on a one-for-one basis.

After a German TV comedian broadcast a satirical poem about Erdogan the Turkish president claimed he had been insulted and demanded that Germany prosecute the comedian. Merkel agreed, setting the wheels in motion. So we now have Turkey dictating to the EU, receiving 3 billion euros from the EU – and still no solution to the migrant issue.

Hungary is also having a referendum. The question on the Hungarian ballot, to be held in the autumn, is an interesting one. "Are you in favour of the EU being allowed to make the settlement of non-Hungarians obligatory in Hungary, even if the parliament does not agree?"

Hungary is supported by Poland, the

'Now Turkey is dictating to the EU – and still no solution to the migrant issue.' Czech Republic and Slovakia, with which Hungary is jointly pursuing a legal challenge in the European Court of Justice over quotas. Meanwhile, Brussels is threatening to sue Hungary in the same court if the result of the referendum "violates EU law".

#### **Sanctions**

Another divisive issue for EU members is the question of sanctions against Russia. The sanctions were introduced at the insistence of the US, with Britain its biggest cheerleader. But they are deeply resented by many EU countries, including Hungary, Slovakia, the Czech Republic, Greece, Italy, Spain and Portugal.

Meanwhile, the focus of migrant activity has shifted to Libya, with people smugglers circumventing the EU-Turkey deal. Italy is their target. As a consequence, Austria is closing its border with Italy and building yet more fencing to keep the migrants out.

This raises the possibility that Italy may find itself in the same situation as Greece. Not surprisingly, Italian Prime Minister Matteo Renzi has asked for the same deal as Turkey. Merkel has turned him down point blank and Renzi is said to be furious.

And right on cue, here comes another Greek repayment crisis, with creditors demanding changes in Greek law to provide new contingency measures, on top of a 5 billion euro package of additional tax increases, spending cuts and privatisations.

The euro has been a disaster for Eurozone countries – except for Germany. Youth unemployment is nearly 50 per cent in Spain and Greece, nearly 40 per cent in Italy, over 25 per cent in France, and averages 22 per cent across the Eurozone.

Since the start of the euro, far from "converging" (the stated aim of monetary union), eurozone economies have been growing ever more unequal. The continual weakness of the euro leaves it vulnerable to speculation. In April another slump in its value coincided with a report from the OECD which said it is doomed to remain a weak currency indefinitely.

Are we witnessing the slow disintegration of the EU? We can only hope. A vote to leave the EU would be an act of solidarity with the workers across the EU who are suffering from this would-be superstate.

All steel-producing countries are cutting back on production crude steel production entirely – though it is essential to any

## The challenge of steel



Redcar steelworks: almost all of it closed in 2015 when Thai owners SSI put their British subsidiary into liquidation, shutting down the blast furnace. Or

STEEL IS as much part of how we live as electricity. It's essential for buildings, all forms of transport, energy and machinery. Without it there can be no production or manufacturing. Yet our ruling class is attempting to end steelmaking in Britain. Like it or not, that's a challenge.

The past few months have seen the closure of key parts of the steel industry in Britain and threats to much of the rest.

'We've seen more imports from the EU than from China.'

Redcar is no more, steel and engineering group Caparo's is in administration, and now Tata's withdrawal from Britain puts the future of Port Talbot and Scunthorpe in question.

All steel-producing countries are cutting back on production. But only in Britain is it regarded as feasible to eradicate the production of crude steel in its entirety. Yet in countries where there is still a sense of strategic importance of industry, state support and intervention are adopted.

Current international economic conditions were the trigger for the crisis, but the problem is deeper. The long-term cause is the decline in British capitalism, and its attempt to destroy manufacturing here and all that depends on it. Embracing the EU and welcoming overseas ownership of key

assets have systematically eaten away at the industrial base. Steel is one of the prime examples. And now we are told that the industry in its current ownership and form cannot continue.

Excess capacity and falling demand for steel in China is driving down world steel prices. Dumping – subsidised export sales – is a problem. But in Britain we've so far seen more imports from other EU countries than China. EU competition and state aid rules prevent Britain from protecting our industry. Imports from EU countries cannot be subject to import tariffs. Other nations are finding a way, Britain must do so too.

Germany, Italy and France have supported their own steel industries even in the face of EU regulations and fines.

## . But only in Britain is it considered feasible to eradicate modern economy...



nce cooled, a furnace cannot be brought back.

Commenting on the lack of government intervention to help save Redcar, Tony Burke of the Unite union said, "...the Italians do it by intervening directly in their steel industry, making a mockery of ministers' claims that EU rules forbid it."

#### **Dishonesty**

Less honest and more worrying for our class is the TUC's position. General Secretary Frances O'Grady said to the EU Trade Commissioner, Cecilia Malmström, "It is important in the context of the EU referendum debate in the UK, where the EU is being wrongly blamed by Brexit campaigners for the crisis in the steel industry, that the Commission demonstrate that it is acting to protect the sector by opposing China being granted Market Economy Status. I look forward to hearing from you about how the European Commission plans to develop stronger protections against dumping of Chinese exports." That's either playing to the crowd or naive.

It's not a question of matching high-volume low-quality steel production elsewhere, or trying to recreate the former industry. The picture is more complex. British industry has assets and capacity not found elsewhere. We must start with maintaining that and importing only what we can't make here.

Basic raw material steel rebar is used to

Continued on page 10

## The figures

THE MAIN steel-making sites in Britain and the numbers directly employed are at Port Talbot (4,100), Rotherham (1,200), and Scunthorpe (3,300). In Wales a further 2,700 work at Trostre, Llanwern, Newport and Shotton. There are rolling mills and coating lines at Hartlepool, Skinningrove and Redcar in he northeast (1,300). There are also sites at Wednesbury and Walsall in the West Midlands (100).

Speciality steel products from Britain are highly regarded. As well as the expertise at Port Talbot, our industry offers:

- Stocksbridge: specialist steels for aircraft landing gear, aircraft engine turbines, oil and gas production.
- Rotherham: engineering steels.
- Clydebridge and Dalzell, Lanarkshire, now bought by Liberty House metals group: will recycle scrap steel for use in engineering steels.
- Caparo, also selling to Liberty House: tube and advanced engineering steel for the automotive and aerospace industries.
- The Newport hot rolling mill, reopened when the Liberty House group bought it late last year: now makes coil steel for fencing and similar products.
- Carbon and alloy steels made in Tata plants: used by Alstom and Siemens in their power plants.

## Maintain steelmaking in Britain

CPBM-L online editorial on 8 April 2016 after Tata Steel's announcement of the sale of its British business.

WE MUST maintain steelmaking in Britain. The whole of our class and nation must bring strong immediate pressure to bear on our negligent, quisling government.

The steel industry is strategically important to the British economy and the foundation of many of our most important manufacturing supply chains includ-

ing aerospace, automotive, defence, and construction. Every part of modern life uses steel. If we can't produce sufficient steel locally, then it will have a devastating effect on aspects of our manufacturing supply chains.

In the present crisis produced by Tata Steel's attempt to sell our national assets, pressure must be maintained to achieve and ensure a proper sale. If one can't be arranged, then government must set aside its prejudices, reject the EU's proscriptions on nationalisation moves

and provide direct financial support and control to preserve our steelmaking capacity.

Also the British government must curtail even stop Chinese dumping of underpriced steel in our economy while determining that all major procurement projects (such as at rail and airports) use British steel.

We must be serious about our ability to survive as a nation and provide a future for our people. Maintain British steel, leave the EU.



The Forth Road Bridge, built in 1964 with Scottish steel. No Scottish or British steel will be used in the new Queensferry Crossing.

Continued from page 9

reinforce buildings and as a precursor to more highly specialised products. Global production was around 2.4 billion tonnes in 2014, nearly 25 per cent above projected demand. Demand is expected to fall, leading to a projected excess of close to a billion tonnes in 2017. There is also a glut of iron ore – and because these industries are capital intensive with high fixed costs, short-term reductions in output have little effect. Hence the need for a strategic, long-term approach.

Port Talbot has advanced steel-making equipment and an experienced workforce capable of making world-class high-quality steels for most applications. It relies on imported iron ore and coal. Converting blast furnaces to electric arc technology could allow raw materials to be reprocessed and offer a step-change in carbon emissions as the site moves from production to recycling.

Britain, as things stand, is the fourth largest exporter of scrap steel in the world – and it could exploit this to commercial advantage. It was the ingenuity and skill of British working people that transformed the ailing car industry into a world-class manufacturing operation. If we take responsibility, we can convert Tata's decision to pull out into a lasting opportunity.

The new Sir Henry Royce Research Centre at Manchester University is set to become a world leader in developing new steels and related products. Two-thirds of the types of steel used today were not even in existence 15 years ago. Automotive, aerospace, defence, nuclear and rail all demand consistent application of new steel technologies. And Britain is a world leader in their development.

#### Infrastructure

Britain will need a lot of steel as part of £300 billion in infrastructure spending due over the next five years. And beyond that lie HS2, HS3, Crossrail2, Heathrow and Gatwick expansions, nuclear power generation, gas power generation, among others.

Ministers are claimed to be encouraging, for the first time, councils and hospitals to buy British steel. New medical facilities, schools and roads are among the public projects that will be obliged to consider using British steel before importing from abroad, under rules that value social impacts of production such as the quality of workforce training and the carbon footprint of the steel as well as the cost of the materials.

But "being obliged to consider" is not enough to help UK steel-makers compete with foreign imports and to maintain a national strategic industry. The recent batch of navy frigates and Ajax military vehicles were built with steel sourced from Sweden. Modernisation of the Forth Crossing used steel from Poland, Spain and China. The contract for the Mersey Toll Bridge was won by the South Koreans.

Specialist steels produced here are crucial to development. For example, Scunthorpe produces the highest-quality rail steel in the world. Good-quality crude base steel is essential to the making of specialist steels. Chinese steel exports aren't yet of the highest quality, but Osborne saw fit to invite them to supply rails for HS2.

Britain imported 5.4 million tonnes of steel last year. 3.9 million tonnes came from other EU countries, principally Germany, and 1.5 million from the rest of the world. Germany, France, Italy and Spain subsidise their own industries. In 2014, British steel exports were worth £6 billion. Imports were £5.9 billion.

Steel production in Britain fell by 38 per cent. Other EU countries, apart from France, saw production fall, but by far less – Italy 2.1 per cent, Germany 4.3 per cent, Sweden 5.6 per cent and Spain 8.9 per cent. So steel that according to EU rules is illegally subsidised is undermining British steel that is produced according to the EU rules!

## Tata: the folly of foreign control

TATA WAS NOT able to take a long-term view on steel production in the UK. The whole Tata group has serious problems because of the way in which it has built up debt and hit snags and delays in its developments in India. This illustrates the folly of leaving strategic industry in the hands of owners based outside Britain. In the end, their own interests prevail.

Greybull Capital has agreed to buy Tata's Long Products Division; Scunthorpe is the main plant. It is reported to want to use the name "British Steel", currently owned by Tata. Talk of £400 million investment is more promising, but that can't be effective without government support and intervention. We can't rely on a government promise of a 25 per cent stake "if necessary" as a guarantee for security. The government must be held to that and more.

The Community, Unite and GMB unions completed a consultative ballot on 19 April about temporary changes to terms and conditions, as part of the deal. All

unions voted to accept.

Unite assistant general secretary Tony Burke said: "The UK government still has a lot to do too in ensuring that steelmaking can thrive and that British steelworkers can compete with their global competitors on an even playing field. This means going further on procurement for defence and infrastructure projects by compelling the use of British steel, as well as going further in tackling the dumping of cheap imports and high energy costs."

The EU's Agency Workers Directive hasn't protected us – just encouraged the massive growth of casualisation...

## Agencies for capital



London, January 2013. RMT protest outside London Underground head office demanding that 33 Trainpeople agency staff, employed for five years on the Wembley Central group and then sacked, be given staff jobs with London Underground.

MORE AND MORE workers find they can only get work through agencies. Over the past few years agencies have evolved from short-term suppliers of casual labour into a systematic tool to undermine wages and union organisation. The EU has made it easier for employers to make that step.

Agency work, or forced self-employment, had long been endemic in a few industries, including construction. Fights against the employment of people on those terms have been sporadic. Occasionally widespread disputes have broken out – such as that in 1972 which resulted in the infamous convictions of the "Shrewsbury 24"

(see Box, page 12).

Now these practices have spread to all sectors and many types of work – ranging from warehouse workers to lorry drivers and nurses. Employers now see it as their duty to shareholders to escape from employment law and to evade tax and national insurance payments. Worse, they bully workers into taking part in these schemes, often to impose low wages.

The Agency Workers Regulations came into force on 1 October 2011, implementing the EU Temporary Agency Work Directive of 19 November 2008. It defines a "temporary work agency" as an organisation that sup-

plies workers to work temporarily for hirers.

The EU directive and the UK regulations are supposed to give agency workers the right to equal treatment with regard to basic terms and conditions of employment. So it seems agency workers should be treated no worse than if they had been employed directly. That does not happen.

The only way to enforce that parity is through workplace organisation and not through the courts. Unions need to organise to ensure that people working in the same roles, alongside one another, are given the

Continued on page 12

Continued from page 11

same rewards for doing the same work. That means ensuring agency workers are employed on the same basis as directly employed workers. Clearly, this means stopping employers from using employment agencies as a cheap alternative to employing workers on permanent contracts.

The government enacted the regulations to give the lowest level of protection it thought it could get away with. For example there is a qualifying period of 12 continuous weeks before an agency worker has a right to the same "basic working and employment

conditions" that apply to comparable direct employees. The regulations also adopt a narrow definition of what counts as pay for the purpose of equal treatment.

The EU directive does not give agency workers a general right to equal treatment in relation to statutory rights, such as protection from unfair dismissal. Agency workers' rights even where they are enforced are still minimal.

The courts have upheld that view over many years. In a recent decision, Smith v Carillion, Mr Smith was held not to be a worker or employee of the company for which he worked, and so was not protected



'The directive has enable

The overall impact of the directive across Europe has been to legitimise and indeed encourage the casualisation of working conditions. It has led to a huge increase in the number of workers employed through agencies and hence without the full rights of directly employed workers.

Under the EU rules, temporary workers are entitled to the same pay and conditions as permanent staff after 12 weeks of continuous employment. As a result, agency workers who have a permanent contract of employment with an agency and are paid between assignments will not have a right to equal pay with directly employed workers.

This is so even where the agency worker has worked for 12 weeks in the same role with the same hirer. Many agency workers sign so-called "pay between assignment" (PBA) contracts without realising that results in lower pay, costing workers around £500 a month in lost wages in some areas.

#### Loophole

This loophole is known as the "Swedish derogation". It exempts an employment agency from having to pay the worker the same rate of pay, as long as the agency directly employs the individual and guarantees to pay them for at least four weeks during the times they cannot find them work. Agency workers can then be contracted out to other employers.

More and more recruitment agencies operating in Britain, both large and small, are using this EU-legitimised scam. Thousands of temporary staff working for supermarkets, manufacturers and services firms nationwide have been urged to waive their rights to the new rules, or risk losing their job.

As Katja Hall, former CBI chief policy



## The Shrewsbury 24

ONE OF THE many pay disputes in 1972 was in the construction industry, the first national strike by building workers. Unions called for an overall national minimum rate and an end to the Lump – the widespread practice of employing casual labour and undercutting wages agreed on organised sites.

Pickets visited unorganised sites during the dispute. Many of the pay claims were met, but the Lump continued. Five months after the dispute ended, the government instigated a series of politically motivated prosecutions for alleged picketing offences at sites around Shrewsbury. 24 workers were convicted.

The longest sentences were for two workers found guilty of conspiracy to intimidate under a law not used for nearly 100 years. Des Warren died of Parkinson's in 2004 probably due to the "chemical cosh" tranquillisers administered in prison. The other was Ricky Tomlinson, who went on to be an actor and who is still energetically backing the campaign for justice for the pickets.

## ed employers to increase their exploitation...it se in the number of workers employed through out the full rights of directly employed workers.'

director, said, "Many firms prefer to pay an agency to provide temps using the Swedish derogation rather than face the bureaucracy involved in complying with the directive. This is perfectly understandable and entirely within EU law."

In many British workplaces agency staff are paid up to £135 a week less than permanent staff, despite working in the same place and doing the same job. Swedish derogation contracts are used regularly in call centres, food production and logistics firms.

The number of agency workers with these contracts has grown by 15 per cent since the recession, with as many as one in six agency workers on them. Industry bodies say that between 17 per cent and 30 per cent of all agency workers are now affected by these contracts.

Tesco used the loophole with its supply chain, allowing agencies to ignore the rules. Tesco said that the Swedish derogation approach had been "recognised" by the British Retail Consortium, the CBI and the government. Other supermarkets and manufacturers followed suit with the PBA model.

The Communication Workers Union has staged a series of protests at call centres, involving temps working for recruitment agency Manpower, who are then supplied to communications giant BT.

Former CWU general secretary Billy Hayes said, "These contracts are legal, but in the same way that the legal tax arrangements of Starbucks, Amazon and many celebrities are morally wrong, we believe these contracts fly in the face of fairness. Both agencies and hirers [employers] are at fault for choosing to use these contracts..."

There are other bad effects for workers. In the health and care sectors, for example, agency work is offered above regular pay rates. But on closer examination this is just another scam. Apparently higher pay rates rely on those staff having to stay out of the NHS Pension Scheme. Employer pension contributions are used to top up the salary

scales. But not to the full amount, of course.

Frequently these workers must also enter into "umbrella company" schemes, a dodge to reduce tax paid by the individual. So the state effectively subsidises wages paid by these agencies. And as a bonus the arrangement also reduces the amount of employer national insurance contributions.

#### In-house

Some local authorities and NHS trusts have set up in-house employment agencies. The directive may make these more common. Last year the government put a cap on the amount that can be spent on agency staff. This has not diminished the pressure for nurses and other health staff to work through umbrella companies and other abusive arrangements. Instead it has institutionalised existing staff shortages.

A survey found that 65 per cent of supply teachers believe they are not paid at the correct level. It also found that 11 per cent of supply teachers working through agencies say they have been asked to waive their legal rights. 68 per cent of supply teachers "said they had not been made aware of the 12 week rule under the directive. Teaching unions need to act to regulate all supply agencies and to insist on national standards for the employment of supply teachers.

The short-term solution of agency work has been turned into a permanent condition for many workers. Many agency workers are employed by an agency for years, all while working for minimum wages, on long, unsocial hours, and with no promotion or training opportunities offered to them. The government keeps no record of the number of agency workers, and has no plan to do so.

Some employers don't even bother with the pretence of agencies and declare their workers to be self-employed contractors. That means no guaranteed earnings, no pension, no holiday pay and no security. It's always been around in some areas, but like other abuses, it is growing. And it does not end up much different from zero hours employment. Workers can only fight these dodges by organising in workplaces to challenge them.

All this raises questions about the EU directive. Why was the "Swedish derogation" loophole built into the law in the first place? If its effect is to increase exploitation, and we have seen that it is, what use were its allegedly good intentions?

## **M** eet the Party

The Communist Party of Britain Marxist-Leninist's series of London public meetings in Conway Hall, Red Lion Square, WCIR 4RL, continues on 2 June with the title "Vote to Leave the EU. Other meetings are held around Britain. Meeting details will be published on What's On, page 5, and on www.cpbml.org.uk/events.

The Party's annual London May Day rally is always held on May Day itself, regardless of state bank holidays. There are also CPBML May Day meetings in Edinburgh and Leeds.

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

The fight for lower hours didn't begin with the EU. It certa number of hours we are working is climbing steadily...

## Work longer hours, retire



Workers commuting at Canary Wharf, London.

A TUC INITIATIVE, Work Your Proper Hours Day came and went on 26 February this year without attracting much attention either from the media or from constituent unions and their members.

The day, designed to draw attention to the increase in working hours for British workers, may not have been a priority for Congress House. It has other fish to fry as it colludes with Cameron and Osborne in the Remain campaign.

The TUC estimated that if all the unpaid overtime worked by the average employee were put together at the start of the year, it would be mid-February before they started to be paid. Work Your Proper Hours Day was devised to mark this.

The very idea of having one day a year when you work your contracted hours shows the scale of the problem. The fact is that in almost every workplace around the country we have lost control of the hours

that we work. We will pay dearly for this through stress-related illness and premature death.

In hourly-paid occupations, the overtime is effectively compulsory, but is at least paid. In other work – including most monthly paid jobs – unpaid overtime is the new normal (see Box).

British workers put in unpaid overtime hours worth £31.5 billion in 2015, though our class once led the world in the fight to limit the working day. Now we work long hours, take shorter and shorter lunch breaks and enjoy few public holidays. Sunday working, driven through against fierce opposition, particularly from USDAW, the shop workers' union, has become the norm for many, not just shop workers.

#### No hope from the EU

Let us dispose quickly of the notion that workers can hope for anything from the EU

on working hours. The Working Time Directive is sometimes cited, incorrectly, as having some bearing on the junior doctors' contract. In fact, the BMA and their junior doctor members negotiated a far better agreement on working hours, which the new contract would dispose of. British workers fought to put limits on the day long before the EU, EEC or Common Market.

Left to its own devices, capitalism would have us take the absolute minimum of time to prepare ourselves for the next day's work – time to eat a meal and sleep. It was against this that trade unions made the limit on the working day central to our early struggles.

As Marx observed, a 10-hour working day had been normal in the 18th century, but in the years of the wars against revolutionary France, aided by the Combination Acts and fierce repression of trade unions, capitalists increased the length of the work-

alice-photos/shutterstock.com

#### inly hasn't ended with the Working Time Directive – the

## e later

ing day to 10, 12, 14, even 18 hours. Marx wrote that even as hard-nosed an apologist for capitalism as Thomas Malthus feared that workers would become extinct if this continued. The legislative limits set on the working day were the product of a protracted civil war between workers and capitalists.

Fifty years ago, pundits held forth about leisure societies. In the 1930s the bourgeois economist J.M. Keynes predicted that his grandchildren would work three-hour days. He would be puzzled to find British workers, who led the fight for the eight-hour day, increasing their hours.

#### Longer weeks

A growing number of us, now 3.4 million – and that's just the official tally – work over 48 hours a week, a figure that has been rising by 15 per cent year on year since 2010. We have zero hours contracts and internships. A growing number of workers, made redundant, find themselves driven into self-employment. Some may earn much the same as they did before, but with all the overhead costs met from their own pocket, not that of the employer they work for.

A study by LSE economists of what

they call extreme working hours shows a trend of gradual deregulation along with an increasing ratio of long working weeks.

They predict a world in which there are a few full-time workers working increasingly long hours, and a reserve army of casuals, on short to zero hours and few if any benefits. In truth, in large parts of the economy, we are already there.

Many see nothing wrong with working every hour they wake, connected to the workplace by electronic devices. Toadies vie with one another to reply to the boss's emails at more and more antisocial hours, and this becomes the norm. Who would have thought workers would gladly spend their own money on devices the employer could use to invade their spare time?

Neither is there any respite at the end of a worker's working life. Increases in state pension age have wrecked the plans of many, not least women. If there were to be a single age for men and women at which they could start to draw the state pension, the logical solution would have been to make it 60 for everyone. Instead, successive governments conspired to hike it. So women born from March 1950 onwards, who had expected to be able to draw their

'Researchers predict a world in which there are a few fulltime workers working increasingly long hours, and a reserve army of casuals.'

pension at the age of 60 find the age pushed upwards. Men and women born after 1953 will now not draw the state pension until the age of 66; those born after March 1960 not until the age of 67; and those born in 1978 or later only when they reach 68.

A study by the Royal London pensions firm found that a worker aged 22 in 2016 would have to work until 77 to enjoy the same standard of living as his parents did when they retired. In some parts of Britain,

## When the working never stops

LAST AUTUMN the London Magazine branch of the National Union of Journalists carried out a survey of working hours. More than 10 per cent of the branch answered, a high response rate for a webbased survey. And the results show a disturbing pattern of excess and unremunerated working, along with a lack of awareness among employers and members about the law on working hours.

By and large, the problem does not lie in the number of hours laid down in contracts of employment. Fewer than 3.5 per cent of respondents had contractual hours of more than 40. It lies in a working life that for many effectively starts when they get up in the morning and finishes only when they go to bed.

Only a third said they "tend to leave

around the end of [their] working hours". The rest work longer, sometimes much longer. More than a third tend to work at least an hour a day, regularly. Another third tend to work between half an hour and 45 minutes extra, every day.

Breaks are an issue. Fewer than a third consistently take an hour for lunch – and even more say they eat while carrying on working at their desk. So much for "rights": the law specifies a "minimum 20 minute rest break" in a 6-hour shift, but rights without union organisation are worth little.

A fifth of respondents based at an employer's workplace said they "normally" work on the way to work. Slightly fewer, one in six, work on the way back home.

Most report working when they get home in the evening, with 30 per cent of

respondents saying they regularly work at home on weekends and bank holidays.

According to the Working Time Regulations time spent travelling between home and the workplace is not counted as working time, but time spent travelling on other duties is. Yet more than a third of those who answered the section on foreign travel said time spent travelling was not treated as working time. Many routinely come straight into work after an overnight flight.

Remuneration for excess working seems to be a thing of the past. Only 5 out of 168 respondents reported getting paid overtime. More than 60 per cent get neither overtime pay nor time off in lieu. And only around one in seven "generally" take time off in lieu.

Thanks to George Osborne, ably supported by Education currency – "academisation", the forcible conversion of scl

## Academies: brute force a

CHANCELLOR GEORGE Osborne's announcement in the March Budget that the government plans to force all schools in England to become academies by 2022 has been met with anger and bemusement across the education world. This extreme measure was not in the 2015 Tory election manifesto – and what on earth was the government up to? Surely there had to be more to it than an obvious distraction from the abysmal Budget news about the economy.

There was. The rationale began to emerge the next day when the more detailed White Paper, "Education Excellence Everywhere", was published, now fronted by Education Secretary Nicky Morgan. Academisation will mean staff pay, terms and conditions will cease entirely to be determined at national or local authority level. Instead, chief executives of trusts and their boards will decide.

Added to this was the plan to end university-based teacher training and do away with qualified teacher status (QTS), to be replaced by four years of on-the-job training accredited by individual head teachers.

And in case parents don't like the way things are going, they will no longer get to elect governors for school governing bodies – called "governing boards" in the business-model academies. These will be replaced by appointed "advisory" governors with little or no decision-making powers, selected for their "correct skills mix".

#### **Labour first**

The academy programme was introduced in England by the Labour government in 2000. The rationale was to help "failing schools" identified by the Ofsted inspection regime to be "turned around". The idea was that Local Education Authorities (the "Education" part of the title disappeared under Labour) could not be trusted to support schools, so private

'There is no evidence that academies are more successful.'



NUT banner on the 16 April People's Assembly march in London.

sponsors from industry would be brought in to run academies instead.

Among the early sponsors were Harris Carpets and Christian evangelist car dealer Sir Peter Vardy's Emmanuel Schools Foundation (which became associated with the teaching of creationism in science lessons). Sponsors were supposed to contribute up to £2 million capital costs to the process, although it later turned out that this requirement was quietly dropped as they became totally publicly funded. These single academy schools became grouped into what are now called Multi-Academy Trusts (MATs), under single chief executives.

The Harris Federation now runs 37 schools (with four more planned), all in London, although other MATs have schools dotted around the country. One of the central aspects of academy schools, apart from being much more generously funded than state schools, was that they would be free of the obligations of local authority schools.

So in terms of curriculum, staffing (little requirement to employ qualified teachers), pay and conditions, and so on, academies were "free to innovate".

They were also free from local authority oversight, allowing a number of financial scandals quickly to follow and continue now. In the most recent case, in March 2016, Perry Beeches MAT was found to have deleted records for £2.5 million of free school meals funding, and the chief executive was being by sub-contractors employed by the school – on top of his trust salary. Sir Daniel Moynahan, chief executive of the Harris academy chain, earns almost £400,000 a year.

Nearly two-thirds of secondary schools are now academies, but primary schools have proved a harder nut to crack, valuing their relationships with local community schools and councils. To date, only 2,440 of 16,766 primary schools in England have become academies. Intense persuasion has

## Secretary Nicky Morgan, a new word is gaining nools into unaccountable academies...

## and ignorance



failed. Now coercion is to be used.

The government appears to have united against the move just about everyone involved in school education: unions, acade-

mics, parents, and Tory and Labour local authorities. Local authorities see the move as cutting their links with local schools created over a century ago and accountable to the electorate.

Teacher unions see it for what it is, a full frontal attack on teacher organisation. Union recognition, common pay scales, common standards of professional qualification, decent working conditions – all would become much harder to achieve.

Even now, with is a crisis in teacher recruitment, local authority schools are finding that job adverts attract applications from significantly higher numbers of teachers fleeing from academies.

Not surprisingly, even some academy principals are worried. The immediate goal is 4,000 academy chains, with every school part of a chain. David Carter, the National Schools Commissioner in charge of academies, has talked about the creation of 1,000 new trusts. That would presumably require another 1,000 highly paid chief executives.

Once all schools and their valuable land have been handed over to the MATs, it is likely that the "edubusinesses" will become fewer and larger. Schools will lose their autonomy, governance will lose its independence and accountability, and the MATs will be free to top slice millions in public funds from school budgets.

Academic experts are questioning the educational rationale, as there is no research

evidence that academies are more successful than local authority schools. The National Governors Association, usually a quietly neutral body, is angry about the emasculation of the role of school governors in general and of the input of parents in particular.

Even the head of Ofsted Michael Wilshaw, formerly head of Mossbourne Academy in Hackney, north London, recently wrote to Nicky Morgan to criticise seven large academy chains for paying their chief executives huge salaries and failing to improve educational standards.

#### How to fight?

It is unclear whether the changes can be introduced without the need for scrutiny by parliament, or new legislation. Teacher unions are already discussing together what to do, with the National Union of Teachers planning to ballot members for possible industrial action. Unions rightly see this move as an all-out attack on teacher organisation in the workplace.

As academies, without union rights and independent governors and with professional standards undermined, schools will be difficult places in which to organise. As always, the strength to fight this unethical onslaught against teachers and their charges will need to come from organisation at school and local authority level. Teachers have done it before. They now need to do it again.

## Oversubscribed – and no way of coping

THE CRISIS in school places is already a huge problem, especially in primaries, due mainly to local large spikes in population (it will hit the secondaries very soon).

Last year oversubscribed schools turned many children away, parents were allocated places in different schools for different children (sometimes miles apart), and children of non-religious parents were allocated places in undersubscribed religious free schools against their wishes.

These problems are particularly acute in areas of high population such as London.

On this year's national offer day, 18 April, one in six London families learned that they had failed to get a place for their child in their first choice school.

Splitting siblings between different schools is unsettling for children and a nightmare to manage for working parents needing to drop off and collect young children, especially if they have no car.

Local authorities have a legal duty to provide a school place for every child who needs one, and this is to continue, but they are not allowed to build new schools to enable them to do this. Until now, local authorities have tried to manage by expanding existing community schools. But they have no powers to do this with academies. Academies and free schools can set up willy nilly at huge cost if approved by the Department for Education, regardless of where they are and whether their places are needed locally.

This chaos will get far worse if every school is an academy, as local authorities will have no power to plan for the places they are expected to guarantee.

4 October 2015: Part of the TUC demonstration against cuts to the BBC at last year's Conservative Party Conference, Manchester.

#### The upcoming renew 'austerity' and dema

## Into bat

AS MEMBERS of the National Union of Journalists gathered in Southport for their biennial conference on 14 April, one of the key topics of debate was already clear: the future of the BBC.

Ten days earlier, the four media unions organising at the BBC had issued a statement calling on BBC Director General Tony Hall to ditch the secret agreement with the government last year.

In what the unions call a "shoddy deal" – made without any consultation with anyone, parliament least of all – the BBC last year agreed to shoulder the £650 million cost of free TV licences for the over-75s. Effectively, the BBC announced itself as an agent of the Department for Work and Pensions, which had previously funded the free licences.

In return the BBC has been graciously allowed to raise the licence fee by the rate of inflation, and lower its commitment to help fund rural broadband. But the free licence commitment equates to 20 per cent of the BBC's budget. "Entire services will have to be cut, programmes dumped, free speech undermined and thousands of jobs lost," said broadcasting union BECTU.

#### **Charter renewal**

These attacks will come on top of a decade of cuts, and against the looming background of the 10-yearly renewal of the BBC's Royal Charter, due in 2017. Meanwhile a White Paper on funding and the future of the BBC is due out during May 2016, or more likely after the EU referendum. Issues were flagged up in a 2015 "root and branch" Green Paper review to which there was an unprecedented public response (192,000 submissions).

Throughout the debate about what sort of BBC we want, entertainment unions the Writers' Guild, the NUJ, BECTU and others have run a campaign called "Love it or Lose it". On 5 April, under the banner "Keep the BBC independent, ditch the deal!" they demonstrated outside the BAFTA awards ceremony in Piccadilly, culminating in a "thunderclap" of simultaneous tweeting and posting on social media (#future of TV #back the BBC). The public loves the BBC, but without a fight it will not survive as we know it.

At stake is the destruction of no less

## wal of the BBC's charter is an opportunity to expose and the funding to make a great institution even greater...

## tle for the BBC

than the cultural equivalent of the NHS. It even saves lives: during the floods in Cumbria local radio gave life-saving information and advice.

#### **Asset**

Outgoing chair of the Arts Council Sir Peter Bazalgette described it as Britain's greatest asset after the English language and Shakespeare. For many viewers and listeners overseas the BBC is simply Britain. It is the country's biggest commissioner of new music and young talent, and Europe's biggest provider of media and creative skills training (technical staff). It is the greatest investor in news production in the world, reaching 210 million people. Its investigative standards are second to none.

Whether in times of crisis, or on a daily working basis, it is a national point of reference, capable of uniting the country and interpreting world affairs.

Expect a wide-ranging review, with wide-ranging attacks. Select Committee recommendations asked Culture Secretary John Whittingdale to look at such matters as the purpose and content of the BBC, its regulation and accountability, size, independence from government and commercial interests, financing and standards.

The licence fee, subscription top-ups, the security of future funding, expenditure, expansion or reduction of services, the pay and perks of top executives, the failure of a digital media initiative (cost: £98.4 million), and the apparent cover up by *Newsnight* of abuses committed by Jimmy Savile and others – flaws highlighted by the resignation of Jeremy Paxman – have all been reviewed.

#### Mission

Argument has raged around the fine detail of governance and structure of the Corporation, virtually to the exclusion of its mission to "inform, educate, entertain". Controversial proposals include a unitary board largely appointed by the government to replace the BBC Trust. This would be regulated by media regulator Ofcom, and have powers to set the editorial direction of the whole of the BBC, which the Trust was not empowered to do.

The fear is that government placemen would edge the BBC closer to being a state

broadcaster rather than a national democratic voice. There is likely to be a duty placed on the board to consult with the public as a matter of course. But if the BBC's recent track record is anything to go by, don't hold your breath.

Public debate has also pitted popular culture, such as *The Great British Bake Off* and *Top Gear*, against serious programme making. The 2016 BBC Proms will unashamedly feature *Strictly Come Dancing* in an attempt to capture a new audience.

But what really matters to most people is that their subscription should support a "universal public service" (that is, for everybody) and retain an independent national voice, as it has for over 90 years. Ordinary

'The licence fee equips the public with a sense of proprietorship and scrutiny.'

licence fee payers could hardly care less what goes on in the higher echelons of the BBC. But perhaps they should: cuts of  $$\infty$$ 80 million are planned by 2021.

A licence fee may not be the ideal way to fund the BBC – proposals for a universal levy on households have been mooted – but calls for wholesale government funding are simply fanciful. On the contrary, the government wants to introduce competition and privatise the BBC, but so long as a licence fee equips the public with a sense of proprietorship and scrutiny, they can't get away with it

Whittingdale has opposed the licence fee and wants to decriminalise non-payment. Meanwhile, the Treasury has refused an increase in direct government subsidy.

The picture is dire. Thirty per cent of management jobs, including back office and support roles, are to be slashed in an attempt to save core costs. Radio is said to be facing a "death sentence" as plans to hand it over to "the market" go ahead. And

all the while the EU claims the right to monitor the activities of national broadcasters, waiting for any opportunity to increase its powers to encourage privatisation.

Pensions and legitimate expenses such as travel for reporters are under attack. Low wages, especially in the World Service, mean it is difficult to attract and retain staff. A new management regime at BBC News is busy dismantling longstanding agreements and policies – staff voted to strike, and the BBC stepped back.

An unworkable redeployment policy within BBC Nations and Regions has left some members of the NUJ facing possible redundancy for three years and necessitated a trawl for voluntary redundancies. Restructuring at BBC News Gathering in 2015 led to a 24-hour strike in Birmingham in protest at the loss of editor roles, with opposition also in Bristol and the south west.

White City in London has been sold off, and the 93-year old Meteorological Office contract put out to tender. BBC3 TV can now be found online only. News is also moving online.

#### Competition

In a digital age, there is fierce competition from cheaper, faster, bigger American rivals. The BBC's £3.7 billion annual budget is dwarfed by the likes of Amazon, Google, Netflix. Many prefer to listen or watch on catch-up, a loophole which deprives the BBC of £150 million a year, as a licence is currently required for live programming only.

From 2016, however, iPlayer TV will begin to feature live streaming with stars such as Paxman, Cumberbatch, Judi Dench, to draw in new licence payers. Even those watching on smartphones and tablets will need a licence.

Journalism and the arts have to be paid for like everything else.

Charter renewal is still several months away. At its conference in Southport, the NUJ committed itself to the "strongest possible" campaign during the Charter Renewal. We must make it an opportunity to reassert our working class values of freedom from shareholder and government pressure, advertiser influence and the chase for ratings.

## Another directive, another threat. This time it's journalists at the receiving end...

# EU Directive threatens investigatory journalism

Barry White, outgoing NUJ member on the European Federation of Journalists (EFJ) steering committee, outlines the latest threat to press freedom.

ON 14 APRIL, just 11 days after the Panama Papers confirmed the central role of journalists and whistleblowers in revealing illegal or unethical business practices, the European Parliament approved rules to protect corporate trade secrets that could seriously hinder future revelations.

Although the stated aim of the Trade Secrets Directive is to protect firms within the EU from corporate espionage by foreign rivals, on closer examination many feel that business could use the law to prosecute journalists and whistleblowers for exposing corporate bad behaviour.

The European Federation of Journalists, along with other media associations and press freedom organisations, believed that it had achieved a clear exception for journalists after extensive lobbying of European institutions. What was not clear was the protection given to whistleblowers, who are usually critical in providing information about corruption and other wrongdoing.

Shortly after the Directive was passed the EFJ said that journalists and media associations were concerned that it could, after all, put journalists at risk, limiting their ability to investigate and report about business. Its concerns are shared by Reporters Without Borders and the European organisations representing magazine, newspaper and broadcasting companies.

"Despite valuable improvements of the original draft, the newly adopted Directive

'Journalists will need to start campaigning through the NUJ.'



still raises doubts as to whether journalists and in particular their sources – whistleblowers – are appropriately protected," the statement read.

"Exceptions foreseen under Article 5 for the exercise of freedom of expression and information are not clear enough, which means that safeguards for freedom of the media will largely depend on how national governments implement the Directive.

"In addition, whistleblowers are potentially left exposed insofar as they will be held to prove that the disclosure of information is made 'for the purpose of protecting the general public interest'.

"This could lead to significant legal uncertainty and chilling effects on journalists as they would be required to prove that the whistleblower's intention was in line with the requirements of the Directive before even being able to use disclosed public interest information."

At the same time the Socialists and Democrats group in the European Parliament, which voted for the measure, put out a statement justifying, with a late reservation, their support for the Directive and claiming that both whistleblowers and journalists are "expressly exempted" from the scope of the new law.

But in the face of opposition from unions and publishers, and with the excuse that other national and EU legislation might undermine the Directive, they called on the European Commission to put forward new proposals..."to protect whistleblowers in the EU exposing illegal or unethical activities"!

In the meantime what are journalists and whistleblowers to do? We face conflicting legislation, good for some lawyers, bad for journalists and whistleblowers. While we await these new proposals, attention will shift to the 28 member states who will over the next two years decide how to incorporate the new Directive into national law.

This will be an interesting exercise in seeing just how much national parliaments actually act as the peoples' watchdogs in matters such as these. Journalists will need to start campaigning through the National Union of Journalists and other press freedom organisations to stop the incorporation of this dodgy directive into our laws.

The UK record is not good. We are already in a battle to stop the worst excesses of the government's Investigatory Powers Bill (often called the "Snooper's Charter") now before parliament. This weakens existing safeguards for journalists and risks their data being accessed by law enforcement agencies, while giving the state widespread powers to intercept Internet and telephone communications – which also put sources at risk.

Through the Bar Council, lawyers have expressed serious concerns about the Bill, which they believe will threaten "legal Professional Privilege", the right of clients to have their conversations with their legal representatives kept confidential. "Failure to protect that privilege would amount to a significant derogation of a fundamental constitutional right which is part of the foundation of the rule of law," the Bar Council told a parliamentary committee in March.

So in the UK we need to step up the campaign against the Snooper's Charter, which has already received its second reading, and prepare to campaign against the new Trade Secrets Directive. Unless, that is, there is a vote to leave the EU on 23 June, which could derail it.

## This issue we review two books which show clearly where the wealth that workers create is going...

## Their profit, our loss

#### Havens for evasion

The Hidden Wealth of Nations: The Scourge of Tax Havens, by Gabriel Zucman, translated by Teresa Lavender Fagan, with a foreword by Thomas Piketty, hardback, 200 pages, ISBN 978-0226245423, University of Chicago Press, 2015, £14, Kindle and e-book editions available, paperback available late 2016.

THIS TIMELY book exposes the world's tax havens. These all offer the same service, "the possibility of not paying any taxes on dividends, interest, capital gains, wealth, or inheritances". Gabriel Zucman, assistant professor of economics at the University of California, Berkeley, explores the history of tax havens, evaluates their size and proffers an action plan.

This hidden wealth now amounts to at least \$7.6 trillion, a record high. Switzerland is the top offshore wealth management centre, managing an estimated \$2.3 trillion. Investment funds are mainly headquartered in Luxembourg, Ireland and the Cayman Islands. Trusts and shell companies are largely based in the British Virgin Islands.

After 15 years of discussion, the EU produced its savings tax directive in 2005. This has been a fiasco, for four reasons. It did not include any sanctions against the non-compliant; it excluded Luxembourg and Austria, the EU's two internal tax havens; it applies only to interest and not company dividends; and crucially it excludes interest payments to "legal entities". These legal entities include companies in the British Virgin Islands, the Cayman Islands, the Bahamas, Panama, Liechtenstein and so on.

Jean-Claude Juncker, Prime Minister of Luxembourg for the 15 years when it became the premier tax haven, and now President of the European Commission, boasted, "the lights are not going to go out in the banks" in Luxembourg.

Between them, the EU and the City of London account for most of the world's tax havens. As long as the EU exists, it will protect its tax havens. As long as we are in the EU, the City of London will ensure that tax havens flourish. Outside the EU, we would be in a far stronger position to end this abuse, as so many others.



#### In the shadows

Shadow Sovereigns: How Global Corporations Are Seizing Power, by Susan George, paperback, 208 pages, ISBN 978-0745697826, Polity Books, 2015, £12.99, Kindle edition available.

SUSAN GEORGE'S excellent book explains how the EU's scheme to give giant corporations extraordinary new powers came about.

The US and the EU have been pushing for TTIP since 1995. That year, the unelected European Commission and the US Department of Commerce founded the Transatlantic Business Dialogue, made up of the CEOs of 70 major US and European companies.

In 2007 President Bush, Angela Merkel and European Commission President José Manuel Barroso founded the Transatlantic Economic Council, which says its aim is to "[advance] economic integration between the European Union and the United States of America". It describes its role as getting rid of regulations in order to "empower the private sector".

The EU's Directorate General for Trade has been pushing hard for TTIP. In 2013 it said, "The European Commission, the EU Member States and the European Parliament all believe that Investor to State Dispute Settlement (ISDS) is an important tool for protecting EU investors abroad." ISDS has no separation of powers: companies would have legislative, executive and judicial powers. Corporate diktat replaces the rule of law and overthrows national sovereignty. All the EU member governments signed up to ISDS.

Juan Fernández-Armesto, an arbitrator from Spain, said of ISDS, "... it never ceases to amaze me that sovereign states have agreed to investment arbitration at all... Three private individuals are entrusted with the power to review, without any restriction or appeal procedure, all actions of the government, all decisions of the courts, and all laws and regulations emanating from parliament."

In December 2013 the European Commission announced that a Regulatory Cooperation Council would be established. This unelected body would take over the legislative functions of defining the regulations governing consumer protection, public health, the environment, labour law and so on.

Susan George sums up: "In the EU, a fully developed offensive against the welfare state and the European social model is under way, with the goal of clawing back all the gains won by working people over the past six or seven decades."

## In its early years European integration proceeded without political, purpose. Now we know better...

## The American origins of

THE SUPRA-EUROPEAN approach took its first steps following the Second World War, at the eager prompting of the United States. In March 1947 a resolution passed through both houses of the US legislature declaring, "Congress favours the creation of a United States of Europe".

This US support for pan-European initiatives was prompted by its fear during the economic dislocation of 1946-47 of the significant membership growth in the communist parties of Italy and France. It was symptomatic of the rabid "resist the spread of communism" contagion that was the hallmark of postwar America.

In June 1947, the US State Department proposed a European Recovery Programme, known as the Marshall Plan. Sixteen European nations formed the Committee for European Economic Cooperation, making a case for \$19.1 billion aid from the USA. They received \$13 billion shipments of food, staple goods, fuel, machinery and vehicles produced in the United States and, later, investment in industrial capacity in Europe.

Marshall Plan funding, which ended in 1951, was not an act of altruism. Europe was an enormous market for American commercial interests. Aid came with two conditions. Firstly, pressure was placed on European governments to adopt trading rules that eased the path for American exports. Secondly, recipient countries had to promote a federal Europe.

The Organisation of European Economic Co-operation (OEEC) was created to administer the distribution of Marshall Plan funding. Jean Monnet, a French politician largely recognised as the founder of the EU, pushed

"Our Community is not a coal and steel producers association. It is the beginning of Europe." for the OEEC to have an executive council with supranational rather than intergovernmental powers. And the newly formed CIA set the an American Committee on United Europe as a conduit to provide covert funding to promote federalism and integration.

Monnet's scheme was to build a United States of Europe, beginning with the integration of the coal and steel industries and a supranational authority to run them. The plan proposed that Franco-German production of coal and steel be placed under a common High Authority within the framework of an organisation that was open to the participation of other European countries.

This pooling of coal and steel production was intended to set up the common foundations for enlarged economic development and pave the way for the political eclipse of nation states.

In effect today's European Union began in 1950 with the creation of the European Coal and Steel Community (ECSC), which placed all French and German production of coal and steel under one central authority. The British government was not even told of these plans. Italy and the three Benelux countries (Belgium, the Netherlands and Luxembourg) joined soon after.

Jean Monnet said, "Over and above coal and steel, it is laying the foundations of a European federation." Some governments of the six countries were worried about the unlimited powers of the High Authority. An intergovernmental Council of Ministers was created with qualified majority voting. But although this council could take part in decision-making, it could not instruct the High Authority, which was to remain supreme. Britain, which would not at that time submit to a supranational authority, remained outside.

#### **Treaty of Paris**

The Treaty of Paris in April 1951 created the ECSC, requiring the governmental powers of the six states to be abandoned to a stateless and uncontrolled autocracy. Monnet was appointed as the High Authority's first president. "Our Community is not a coal and steel producers association. It is the beginning of Europe," he said.

It is speciously argued that after the war there was a need to form some pan-



Where did the EU begin? In the Oval Office of the Truman (left) with (left to right) George Marshal president Paul Hoffman and Commerce Secretar

European entity to subdue the rivalries of the nation states in Europe and particularly France and Germany, binding them within strong institutions. In fact in the postwar world, these old problems were not apparent. European integration was encouraged, particularly by the US, to oppose the socialism in the Soviet Union and in Eastern Europe. And a European Community offered Germany "respectability" and a greater role after the twelve years of Nazi rule.

After the French National Assembly defeated a move to establish a treaty for a European Defence Community in 1954, the six founder states proceeded again on the path of further economic integration.

For a few years all public statements about European government disappeared and the strategy pursued was of building Europe through the progressive integration of other economic sectors. The first targets were the nuclear industry, all forms of energy, and transport. Building Europe was presented as merely a matter of trade and jobs, though political integration proceeded

#### revealing its real,

## the EU



l, author of the Marshall Plan, Studebaker y Averell Harriman, who traded with the Nazis.

under the guise of economic integration.

The European Economic Community (EEC) was set up by the Treaty of Rome in 1957 by France, Germany, Italy, Belgium, the Netherlands and Luxembourg. The treaty opened the way to an integrated economy, as the common market was extended to the whole of the mutual trade in goods of the founding countries.

Though the early ambitions appeared economic, the preamble to the founding treaty agreed by the six heads of state declared that they were "determined to lay the foundations of an ever closer union among the peoples of Europe".

From its very inception, joining integrationist Europe always meant much more than accepting a certain set of conditions in the here and now. It was also participation in a process that would lead onwards to a final destination. This is still the case today.

 A full history of the origin and development of the EU is available on the web at www.cpbml.org.uk.

# Worried about the future of Britain? Join the CPBML. SIX CALLS TO ACTION

Our country is under attack. Every single institution is in decline. The only growth is in unemployment, poverty and war. There is a crisis – of thought, and of deed. The Communist Party of Britain Marxist-Leninist held its 16th Congress in November 2012, a coming together of the Party to consider the state of Britain and what needs to happen in the future. Here we set out briefly six Calls to Action for the British working class – for a deeper explanation, see www.cpbml.org.uk.

#### I: Out of the European Union, enemy to our survival

The European Union represents the dictatorship of finance capital, foreign domination. The British working class must declare our intention to leave the EU.

#### 2: No to the breakup of Britain, defend our national sovereignty

Devolution, and now the threats of separation and regionalism, are all products of only one thing: de-industrialisation.

#### 3: Rebuild workplace trade union organisation

Unions exist as working members in real workplaces or they become something else entirely – something wholly negative. Take responsibility for your own unions.

#### 4: Fight for pay, vital class battleground

The fight for pay is central to our survival as a class, and must be central to the agenda of our trade unions.

#### 5: Regenerate industry, key to an independent future

The regeneration of industry in Britain is essential to the future of our nation. Our grand-parents, and theirs, knew this. We must now reassert it at the centre of class thinking.

#### 6: Build the Party

The task of the Party is singular: to change the ideology of the British working class in order that they make revolution here.

#### Interested in these ideas?

- Go along to meetings in your part of the country, or join in study to help push forward the thinking of our class. Get in touch to find out how to take part.
- Send an A5 sae to the address below for a list of publications, or email us.
- $\bullet$  Subscribe to Workers, our bimonthly magazine, either online at workers.org.uk or by sending £12 for a year's issues (cheques payable to Workers) to the address below.
- Sign up for our free email newsletter see the form at www.cpbml.org.uk
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#### **CPBML**

78 Seymour Avenue, London N17 9EB

email info@cpbml.org.uk twitter @cpbml www.cpbml.org.uk phone 020 8801 9543



#### Britain and the world

Leave the EU and we won't get TTIP, says Obama. Another good reason to quit...

BARACK OBAMA is not the first US president to lecture Britain about its place in the world. But he certainly chose a bizarre way to threaten the people of this country. Read his words carefully:

"I think it's fair to say that maybe at some point down the line there might be a UK-US trade agreement, but it's not going to happen any time soon because our focus is in negotiating with a big bloc, the European Union, to get a trade agreement done. And the UK is going to be in the back of the queue," he said at 10 Downing Street, with David Cameron at his shoulder.

So if we leave the EU, no TTIP for us. No TiSA either. Millions of us will have heard that "threat" and wondered whether he might be prepared to put the promise in writing.

In fact, leaving the EU might be the only way we can ditch these odious free trade agreements.

In Obama's statement we see another ugly truth for the Remain crowd: the US loves the EU. It was there at the start (see page 22) and it enables the US to bully and dictate to 28 countries in one fell swoop. A single market, neatly parcelled up and handed over to the US and the transnational corporations. The free movement of vulture capitalists.

The people of Britain will take note. The entire establishment has lined up to instruct us (see page 2). Now they are backed up by the biggest international bully of all – the US government. But we don't have to follow instructions on this one. We still have a choice.

That choice is straightforward: Do we want a country that is recognisable as Britain, one that can take its own decisions about its future, that can hold its politicians to account, that can keep what is precious to us?

Membership of the EU has already cost us

a great deal of our identity and our ability to act on our own behalf. Continued membership will finish it off.

We are told that independence will diminish Britain's influence in the world. That's a breathtaking lie, even by the miserable standards of the Remain arguments.

Here's the truth: With the EU's "exclusive competence" over trade the UK has lost its voice at the World Trade Organization, where it is represented by the European Commission. At the WTO we have at best 1/28 of a voice, dwindling with each new member state. Note: the UK is still a member, but it neither attends the WTO nor speaks there.

If we left the EU, we could take up our seat and the UK would have a full voice. Call that diminished influence? With an economy less than a seventh the size of the UK, non-EU Norway has its own seat on the WTO – and it currently chairs the body!

Even more crucially, the EU is angling for Britain – and France – to give up their seats on the UN Security Council so that Brussels can take their places. If you want evidence, see the resolution on the role of the EU within the UN passed by the European Parliament on 24 November last year, by 488 votes to 137. Then, if you wish, look at who voted for it: the list includes the whole rotten cohort of Britain's Labour and Green MEPs.

That's the topsy-turvy world of the europhiles: boost Britain's influence in the world by surrendering it to Brussels, which will then surrender the whole lot to TTIP, TiSA and the US.

On 23 June we have the opportunity to assert the independence of the UK. It's a prospect that terrifies the battered bastions of capitalism. We welcome that prospect with open arms.

#### STICKER OFFER

Show your support for leaving the EU. We have a limited number of special LEAVE stickers available at no charge – but do please either send a stamped SAE to Workers, 78 Seymour Avenue, London N17 8EB or go to cpbml.org.uk/stickers to order online (£1 to cover costs). Please say how many you'd like.

VOTE TO LEAVE THE EU

VOTETO LEAVE THE EU

VOTE TO
LEAVE
THE EU

#### **BADGES OF PRIDE**

Get your full-colour badges celebrating May Day (2 cm wide, enamelled in black, red, gold and blue) and the Red Flag (1.2 cm wide, enamelled in Red and Gold).

The badges are available now. Buy them online at cpbml.org.uk/shop or by post from Bellman Books, 78 Seymour Avenue, London N17 9EB, price £2 for the May Day badge and £1 for the Red Flag badge. Postage free up to 5 badges. For orders over 5 please add £1 for postage (make cheques payable to "WORKERS").

WEAR THEM – SHARE THEM

