

# WORKERS

www.workers.org.uk

OCTOBER 2009 £1

LIFE & SOUL



14

MICK BRODERICK,  
WORKER AND SINGER,  
REMEMBERED



## MANDELSON, THE EU, AND THE SECRET SALE OF BRITISH JOBS



**Cuba** Fighting the blockade | 11



**Housing** The privatising continues | 12



**Marxist thinking** Guerrilla struggle | 15

# WORKERS

“ The agenda must be ours

THE TORTUOUS 2009 local government pay round is over. The final agreement was reached after a consultation exercise of stunning non-involvement – once again plummeting participation levels which are too frightening to reflect on.

Those who argued for rejection of the agreement were themselves overwhelmingly rejected in their branches on a turnout that paralleled the recent Executive Council election returns – around 6 to 7 per cent of the membership. The increase? Between 1 and 1.25 per cent. After tax and NI it might pay for a Sunday newspaper but not much else. Despite the media-inspired myth, local government workers still remain on some of the lowest wages in Britain.

Where next is the question as radical change looms in the provision of local government services. These changes range from the Total Place concept (see WORKERS, September issue, p6) of bundling all provision into one money-saving shared service provider running across all public services, to the more extreme “no frills” US public services model – privatise and outsource all and be damned, with local politicians only having to come together once every blue moon to hand out the contracts to

their mates.

A sense of fatalism seems to be settling on local government workers and their unions, Cameron the Axe on one hand and Darling the Cutter on the other? As much as a strategy of influencing and lobbying will be promoted for dealing with politicians, there is also now the need – more than ever – to promote a more radical vision of where Britain’s public services are to go.

Potential failures in energy supply, water supply, health provision, housing, failing transport infrastructure, collapsing education are all the result of the failure to renew a Victorian civic infrastructure combined with a Dickensian attachment to greed.

All these strands contribute to the quality of life and aspiration. Public services have never been successfully provided by private vested interests when profit is first and the civic interests of the people second.

Public services have always grown when the private market-led sector has failed – hence all the nationalisations of the 20th and 21st centuries. So away with fatalism and promote a new unified vision of public service provision and stop leaving the agenda setting to the failed politicians of all parliamentary parties.



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

[www.workers.org.uk](http://www.workers.org.uk)

Issue 129, October 2009



## Contents – October 2009

### News

Academy proposal defeated, p3; MG Rover: the £10 fortune, p4; Engineering construction: ballot on the new Blue Book, p5; News Analysis: MEP – small job, big bunce, p6

03

### Features

The Turner Review – capitalism indicts itself, p6; What Mandelson won't tell the British public about cheap labour and EU trade talks, p8; Cuba: she won't go away!, p11; Creeping privatisation of housing? Now it's a full gallop, p12

06

### Life and Soul

Obituary: Mick Broderick, worker and singer, remembered, p14

14

**EDUCATION**

Academy plan defeated

**WATER**

Shortages loom

**MIGRATION**

New web forum

**CAR INDUSTRY**

MG Rover: the £10 fortune

**WHISKY**

Johnnie Walker closure

**CONSTRUCTION**

Ballot on new Blue Book

**HEALTH**

Sleight of hand

**EUROBRIEFS**

The latest from Brussels

**WHAT'S ON**

Coming soon

**NEWS ANALYSIS**

MEP: small job, big bunce

## Academy plan defeated

THE ROYAL DOCKS Community School in Newham, east London, will be the first in the new breed of Co-op schools to open in the capital, under plans unveiled by the local council, after a dogged year-long campaign against an academy backed by the sponsor, ARK. (See WORKERS April 2009 and July 2009.)

Proposals to turn the school, now in what's called Special Measures, into an academy met fierce opposition, including two strikes by school staff in December 2008 and March 2009, mass leafleting campaigns, intervention in the local ward by-election and an intense publicity effort in the local papers. Eventually, even the Mayor became involved, changing his pro-academy stance and insisting on a Co-op Trust.

At the beginning of this year, Newham council named ARK, a charity backed by hedge-fund millionaires, as its preferred sponsor to turn the school into an academy.

Councillors have now discarded this option in favour of a groundbreaking Co-op College Trust. After a bitter local campaign, the council this week announced its plan for the school to become a trust with the Co-operative College and the University of East London. The co-op model is different from existing trust schools because it allows pupils, staff and the local community – rather than a business or other outside organisation – to have a direct say in how a school is run and allows it to be in partnership with other local schools. School unions and governors and the local parents are now determined to ensure the involvement of the Co-op College will bring the greater democracy it promises. It envisages a very different approach from most trusts and all academies. The new school will open by Easter 2010.

The initiative for the Co-op Trust came from the local National Union of Teachers Secretary, and the union argued for it as a positive alternative to the academy.

The announcement of the Trust has been accompanied by two other pieces of good news. In August the school (located in one of the most deprived areas of the country) broke through the government's target of 30 per cent of children achieving five good GCSEs including English and Maths, with 35 per cent of pupils compared with 25 per cent last year. And in the middle of September the school was inspected by Ofsted/HMI and received a positive assessment of its progress, which may lead to the lifting the Special Measures status next year, possibly before the inauguration of the Trust.

Staff and union morale are high as a result of this impressive struggle to assert and retain professional and democratic control of a local school. Others should take heart and contest academy proposals.

**If you have news from your industry, trade or profession we want to hear from you. Call us or fax on 020 8801 9543 or e-mail to [rebuilding@workers.org.uk](mailto:rebuilding@workers.org.uk)**

**WATER****Shortages loom**

THE ENVIRONMENT Agency and the water industry regulator Ofwat have forecast that unless a major shift occurs in water provision by 2035 then England and Wales will face water shortages of terrifying consequences. The privatised water companies agree with them. Only Northumbrian Water out of England and Wales's 11 privatised water companies will have a surplus of supply based upon present reservoir reserves.

Meanwhile the companies are driving up water prices by between 1.7 and 3 per cent above inflation for the next five years. Their refusal to genuinely address the water infrastructure – which includes the national grid plus reservoir construction – borders on criminal. If cost of construction was a meaningful argument then the electricity grid would never have been built, nor the national oil pipeline.

No water means no life. We cannot allow the water industry to remain in privatised hands: renationalise water now!

**MOVEMENT OF LABOUR****New web forum**

A NEW WEBSITE has been launched to challenge government support for structures "that allow, effectively, for an unlimited supply of labour into the UK, helping employers drive down wages and working conditions" and to provide a forum for discussion. The site, [www.employmentconcern.co.uk](http://www.employmentconcern.co.uk), notes that this cheap labour supply is also a deterrent to skills training, in effect deskilling the country.

## EUROBRIEFS

## The latest from Brussels

**Yes, we want a referendum**

RECENT POLLS show that Britons don't support the EU. Opinion Research found that 67 per cent of voters wanted a referendum on EU membership. YouGov reported that 57 per cent think a future Conservative government should hold a referendum on the Lisbon Treaty even if it is already ratified. Given a choice between accepting the Treaty as it is, and leaving the EU altogether, only 26 per cent would accept the Treaty.

**Uneven fight**

IN IRELAND, the Lisbon Treaty referendum is an uneven fight. The European Commission has spent £1.5 million on an "information campaign" to try to win a Yes vote. And the Irish broadcasting regulator ruled that commercial radio and TV stations did not have to give equal airtime to opposing sides in referendum debates, pleasing the pro-Treaty, 'Generation Yes' campaign.

The Irish government refused to impose spending limits on companies campaigning in referendums – who predominately back a Yes vote. US multinational Intel and Ryanair are among those making significant contributions.

Trade unions such as the Technical Engineering & Electrical Union and Unite are campaigning for a No vote. Unite's Irish Regional Secretary Jimmy Kelly described the declaration offered to Ireland by the EU on workers' rights as 'worthless' and called on his 60,000 members to vote No.

The Irish Fishermen's Organisation is also against the Treaty. Its south-west Chairman Ebbie Sheehan said nothing had changed in Brussels since 2008 when fishermen first rejected it.

**They want to cut off our power**

THE EU'S Large Combustion Plant Directive will enforce closure of 9 British oil- and coal-fired power plants. Taken with decommissioning of 4 nuclear power stations, 37 per cent of our energy capacity will disappear by 2015. Only now after 12 years is the government thinking about ordering replacements; they will not be operational for more than a decade. Renewable energy is unlikely to meet the expected gap of 3,000 megawatts. This could mean hour-long power cuts for 16 million people simultaneously on winter evenings.



**London, 18 September: on the picket line at the Carlisle cleaners' strike at Eurostar, St Pancras. RMT cleaners, many on the minimum wage, are on strike over pay, the announcement of compulsory redundancies, the replacement of traditional clocking in with fingerprinting machines, and what they see as the victimisation of RMT representative Mohammed Yellow (centre left, in sunglasses), bullying and harassment.**

Photo: Andrew Wiard/www.reportphotos.com

## MG Rover: the £10 fortune

THE INDEPENDENT investigation into the bankruptcy and collapse of the MG Rover car manufacturer in 2005 has been published after four years and is 830 pages long. The four directors – the Phoenix Four – got away with personally enriching themselves to the tune of £42 million in five years; their goal was £75 millions. They still own assets of £11.4 million. MG Rover collapsed with debts in excess of £1 billion and 6500 workers lost their jobs.

The Serious Fraud Office has declined to prosecute as all the actions of the directors were within company and financial law. The report details and alleges bribery, corruption, tax avoidance, rampant personal greed, deception, destruction of evidence, but concludes that whatever behaviour the Phoenix Four engaged in, with their financial advisers and bankers – Deloitte and Barclays – it was all legal.

There is no action that the government can take against the Phoenix Four other than pathetically requesting that they volunteer to bar themselves from ever running a business again. The Four responded by dismissing the £16 million investigation as "a witch hunt against them and a whitewash of government... It drips with the hallmarks of this government – spin, smear and point blank refusal to take any responsibility for their own actions." Not the words of someone going to volunteer for anything and the report has a huge glaring hole in that the government's role hardly gets a mention!

So one of the first great con tricks of the 21st century, the buying of MG Rover for £10 from BMW, the interest free loans from BMW worth hundreds of millions of pounds, the five-year plan to personally enrich themselves by £75 million, the games with China – will they won't they invest, the use of state of the art computer software to destroy records, must result in Hollywood making the film. The Phoenix Four took the money and got away with it, stuff of capitalist legend and just like MPs expenses scandal and fraud, all legal, all within the rules, all untouchable.

## WHISKY

### Johnnie Walker closure

THE DESTRUCTION of traditional industries continues: 900 jobs will go with the closure by the international drinks producer Diageo of its Johnnie Walker whisky bottling plant in Kilmarnock, which has been in the town since 1820, and its grain distillery in Port Dundas, Glasgow.

Some of the most colourful demonstrations in any campaign have been seen in Kilmarnock during the summer - with over 20,000 marching on one

occasion. Local bands and players from Kilmarnock football club led the demos accompanied by the well known Johnnie Walker character all in red.

The trade unions GMB and Unite have played a central role in the campaign. Glasgow City Chambers has also been the scene of continuing protests, which have received City Council support.

Using mega-sites and cheaper labour abroad is at the core of the company's quest for maximum sales and profits. So far over 100,000 have signed the petition opposing the closures. Updates are available on [www.keepjohnniewalkerinkilmarnock.com](http://www.keepjohnniewalkerinkilmarnock.com)

# Ballot on new Blue Book

A MEETING of shop stewards from the engineering construction industry in Manchester on 17 September voted to recommend an offer from the employers on a new national agreement (NAECI - Blue Book) covering workers in the industry.

Negotiations had taken place against the background of three major "unofficial" disputes earlier in the year, and most recently the positive "official" strike votes from seven larger, better organised sites. The official vote was able to be lawfully undertaken following the employer's opening "offer" of a pay freeze unless it was self financing (through removal of the morning break), and following the employers' refusal to negotiate. This vote also reflected the anger that exists on sites, primarily over the use of foreign labour, and this will not go away.

The recommendation must now be taken back to all the NAECI sites for members to vote on; it is unclear which way this will go. Clearly there has been significant movement on most items of the claim, but the failure to secure guarantees over employment of British workers will anger many.

It was always going to be impossible to win these guarantees within the confines of a union/employer agreement in a capitalist environment – they would fly in the face of both British and EU law. That does not make the demand wrong, but the best that could be hoped for was "equality of opportunity" and, rightly, workers do not trust employers to honour this; as ever, they will have to be forced.

The idea that any agreement is the panacea for the problems we face in any industry is utopian and must be challenged. At root it is social democratic – the idea that we can argue the evils of capitalism away. Let he who desires peace, prepare for war, class war.

## CHILDREN

### Dependent on benefits

LATEST FIGURES show that more than a third of children in the London Borough of Enfield are living on an income below the poverty line in a household dependent on benefits.

More than 21,000 children in the borough have parents living on benefits, with an extra 2,760 people having started claiming benefits in the last year. A total of more than 32,000 people in Enfield are claiming out of work benefits – almost a fifth of the borough's population over the working age of 16.

## SKILLS

### Tree apprentices appointed

IN BRITAIN we need to ensure that skills are not only preserved and developed but also handed on to the next generation so that we have a future economy as well as a past.

A good example is provided in perhaps an unexpected sector. Epping Forest, on the northeastern edges of London, has appointed an Arborist Team with three apprentices to join the current Conservation Arborist Teams.

Funding from the Heritage Lottery Fund is being used to support these apprentices through the learning and development required to become fully qualified arborists with valuable work

These figures are more significant when it is taken into account that the western half of the borough is an area of some affluence.

Eastern Enfield, site of the recent successful occupation of the Visteon motor parts plant, used to be an area of much industry, based historically on the transport links provided by the River Lea and later by railways. Edmonton, for example, was one of the centres of furniture manufacture.

Most of that industry has disappeared long before the current recession. Also an unprecedented increase of foreign immigration in the last few years has swollen the local population.

experience. College classes will complement the work based learning in the environment of Epping Forest.

Epping Forest is one of only five sites in Britain with more than 2,000 ancient trees. "Keystone" trees are to be chosen; trees which affect the survival and abundance of other key species and are fundamental to sustaining the character and biodiversity of the Epping Forest landscape.

The apprentices, starting work in late September, will aim to achieve an NVQ in Trees and Timber along with three nationally recognised chainsaw operation certificates. Epping Forest is offering three apprenticeships each year throughout the five-year life of the Branching Out project providing 15 opportunities to embark on a career in arboriculture.

## WHAT'S ON

### Coming soon

#### OCTOBER

Thursday 15 October, 7.30pm

"Stopping the parliamentary road to fascism"

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

The second in a series of three public meetings organised by the CPBML and Workers magazine (see advertisement, page 10). All welcome.

## HEALTH SERVICES

### Accountancy sleight of hand

AN INTERNATIONAL accountancy standard, inspired by the European Union and implemented by Labour – itself international standard of theft and asset stripping – is set to hit the NHS.

The impact is set out in a document released by a North London NHS Trust to the Staff Side on International Financing Reporting Standards. These EU standards will change the accountancy base of the NHS by moving Private Finance Initiative schemes onto the balance sheet (currently they are off-balance sheet).

The fixed assets of the Trust (and all other NHS Trusts) are to be re-valued as a Modern Equivalent Asset, defined as "the market value of the assets based on the assumption that they are sold as part of a continuing operation".

No one knows what this means, though the Trust estimates it may lead to an "impairment" which would cost it £3.8 million, even though the Department of Health has advised such impairments can be excluded from the Trust's financial break-even duty. Other NHS Trusts will be similarly affected.

Annual leave carried over by staff is also identified as a potential cost to the Trust as it is a "benefit". Hence great pressure will be brought to bear on staff either to take their leave during the leave year or lose it – a smash and grab proposal from the Trust. The value of leave to staff, if paid time, is around £1 million

What is really being introduced here is the recategorisation of NHS assets, estates and functioning – a sleight of hand by redefining accountancy rules, regulations and standards. It's been done before. During the major privatisations of gas, electricity, water and coal in the 1980s and 1990s fixed assets were effectively wiped out and written off so that privatisations could assume an asset base of zero.

## MEP – small job, big bounce

Photo: European Parliament



THE EUROPEAN Parliament (above, in Brussels) has re-assembled, and the snouts are back in the troughs. The salary of British MEPs has risen from £63,000 to £80,500, on top of generous pensions, expenses and other payments. MEPs can get expenses and allowances of £363,000 a year, including a £261 daily subsistence allowance for just turning up to sign in. Each MEP costs the European taxpayer £1.8 million a year, compared to £364,000 for each Westminster MP.

They can claim these expenses without producing any receipts. The new rules do not change this. Labour MEP Richard Corbett, when asked why he voted to keep MEPs' expenses secret, despite sitting on a cross-party group in the European Parliament campaigning for more transparency, said that he could not remember the vote: "I'm not sure what the vote is that you're referring to." Corbett defended the practice of signing in for their daily allowance, saying, "That can happen, but at least you have to turn up to claim any allowance."

The new Europe Minister Glenys Kinnock and her husband former EU Commissioner Neil Kinnock have received up to £8 million of taxpayers' money in pay and allowances from the EU since 1994. The couple claimed £6 million in staff and salary allowances. The Kinnocks did not dispute the figures.

During their time in Brussels, both Kinnocks claimed a housing allowance on top of their incomes, even though they lived in the same house.

Glenys can expect £67,835 a year from her pension as an MEP, and Neil's pension as a former Commissioner is worth more than £80,000 a year. These pensions would cost an ordinary taxpayer £4.4 million to buy in cash.

## The people who try to run finance capital find hindsight a lot easier than foresight...

# The Turner Review – capitalism indicts itself

LORD TURNER'S REVIEW – "A regulatory response to the global banking crisis" – makes interesting reading for those who take the trouble to go through its 126 pages. Turner, Chairman of the Financial Services Authority, starts by saying that "the world's financial system has gone through the greatest crisis for at least a century, indeed arguably the greatest crisis in the history of finance capitalism". He continues that past assumptions about the self-correcting nature of efficient and rational financial markets have been challenged.

The last decade has seen an explosion of world macroeconomic imbalances, Turner points out. Oil exporting countries, Japan, China and some other East Asian nations have accumulated large current account surpluses, while large current account deficits have emerged in the USA, Britain, Ireland, Spain and other countries. The resultant central bank reserves in countries like China were typically invested in what were considered risk-free or close to risk-free government bonds or government-guaranteed bonds. This in turn drove a reduction in real risk-free rates to historically low levels. So there was a rapid growth of credit extension in some developed countries, particularly the USA and Britain, especially for residential mortgages, together with a lowering of credit standards and a huge property price boom which for a time made those lower credit standards appear costless.

In Britain total mortgage debt soared from 50 per cent of GDP to over 80 per cent in the decade up to 2007. Governments and banks assumed that debt burdens were likely to fall with continuous property price appreciation and that there would always be a supply of new remortgage offers to allow refinancing.

### Hunt for profit

The low interest rates have also driven among investors a ferocious search for profit. This demand was met by a wave of "financial innovation", focused on the origination, packaging, trading and distribution of "securitised credit instruments" (SCIs – otherwise known as toxic debt. This was founded on the belief that by slicing, structuring and hedging it was possible to create value. The whole development was lauded as a way of cutting banking system risks and reducing the need for "unnecessary" and expensive bank capital. The IMF Global Financial Stability Report of April 2006 confidently stated:

"There is growing recognition that the dispersion of credit risk by banks to a broader and more diverse group of investors, rather than warehousing such risk on their balance sheets, has helped make the banking and overall financial system more resilient. The improved resilience may be seen in fewer bank failures and more consistent credit provision. Consequently the commercial banks may be less vulnerable today to credit or economic shocks."

Were the banks being encouraged to build up capital buffers in the good times before 2007, ahead of potential future problems? Far from it. The pressure of the market was for them to return capital in order to reduce capital ratios from what were perceived as inefficiently high levels. Then when the crisis broke, the banks did not have enough capital to absorb their losses and were helped out by being handed massive freebies by the taxpayer to bring those capital ratios back up again.

The evolution of SCIs and toxic debt was accompanied by a remarkable growth in the relative size of wholesale financial services within the overall economy. Activities internal to the banking system grew far more rapidly than end services to the real economy. It stimulated a self-reinforcing cycle of risky behaviour and irrational optimism that made it look as though assets were worth far more than they really were. But hey, the profits were massive. But this couldn't go on. The crash was waiting.

Most of these profits proved to be illusory but they were used as the basis for



Photo: Workers

**Wealth and need: the banking centre of Canary Wharf – seen through a run-down estate in London's East End**

bonus decisions, creating incentives for traders and management to take further risk. The fact that many of the bonuses were invested in their firms' own equities did not seem to result in any greater awareness or concerns about the risks the firms were running.

### Explosion of claims

There was an explosion of claims within the financial system, between banks and investment banks and hedge funds with the growth of the relative size of the financial sector increasing the potential danger of instability in the financial system bringing down the real economy.

There had been warnings from the past. In 1986 the economist Hyman Minsky argued that financial markets and systems are inherently susceptible to speculative booms, which – if long lasting – will inevitably end in crisis. In mid 2007 things went sharply into reverse with growing evidence that excessive credit extension and weak credit standards had resulted in

rapidly rising credit losses.

Several of Britain's largest banks were deeply involved in the growing and intricate web of intra-financial system assets and liabilities. They were just as exposed as US banks and investment banks to the loss of confidence, disappearance of liquidity and fall of asset prices – reality, in other words – which gradually gathered pace from summer 2007. This became catastrophic after the collapse of Lehmans in September 2008. The bubble burst.

In Britain there had been the rapid growth of a number of specific banks – mainly former building societies such as Northern Rock, Bradford & Bingley, and Alliance and Leicester, plus HBOS – that were increasingly reliant on the permanent availability of large-scale interbank funding.

The shock to the banking system has been so great that its impaired ability to extend credit to the real economy is still playing a major role in exacerbating the

economic downturn. The role of offshore centres was not central in the origins of the crisis – it was inadequate regulation of the trading activities of banks operating legally in major financial centres such as London or New York.

After such a clear and comprehensive analysis Turner goes on to suggest a series of regulatory measures to prevent another crisis. But can the system be fixed? Marx showed over 100 years ago that such crises are endemic to capitalism and a previous issue of *WORKERS* carried an account of the South Sea Bubble, with its many similarities to the present situation, which occurred at the very beginning of capitalism.

Former Federal Reserve chief Alan Greenspan has warned that the world will suffer another financial crisis, adding, "The problem is you cannot have free global trade with highly restrictive, regulated domestic markets." Wall Street is fiercely resisting the modest reforms being proposed by the Obama administration.

There's a new threat to British workers that goes under the inno to be brought from developing countries to work in Britain. It's b Mandelson when he was EU Trade Commissioner. And it's all be

## What Mandelson won't tell the British pub

TRADE AGREEMENTS do not only affect developing countries: they also affect developed ones. Yet the British public has almost no idea of what the European Commission is offering, on its behalf, in international trade negotiations. One aspect of European Union trade offers that has been kept from public attention but is set to have a significant effects here is the EU offer to open European labour markets to workers from outside the EU. This will inevitably be, for the most part, cheap labour.

This aspect of the "trade-in-services" agenda, known innocuously as Mode 4, is being included in all of the trade agreements that the EU Trade Commissioner's office is negotiating – all initiated by Peter Mandelson when he was EU Trade Commissioner. The information is being effectively kept from the workers who will be directly and negatively affected in EU member states such as Britain. The texts of these agreements, including the Mode 4 element, is confidential until after negotiations are concluded, so they are kept secret from those who will be affected and on whose behalf they are being made.

It appears that not only is Mode 4 information being kept from those who will be affected, but also it is not shared with the rest of the Commission. The Head of EU Employment Strategy, with responsibility for employment for the half billion EU population, recently admitted that he knew nothing of Mode 4. And in a January 2009 briefing on the EU/India bilateral agreement to the European Parliament's International Trade Committee, mention of Mode 4 was avoided even though it was stated in the text of the report that the agreement will not proceed without it.

### Need for awareness

With this effective secrecy at all levels, workers need to raise awareness of the irreversible commitments that the EU Trade Commission is making, particularly in relation to movement of labour. These commitments must not be included in



Photo: Confederation of Finnish Industries

Mandelson hard at work when he was EU Trade Commissioner and negotiating on movement o

trade agreements, and most certainly not behind the backs of those who will be negatively affected.

Trade-in-services is huge. It takes in broad commercialised areas such as financial services and telecommunications, both of which facilitate all other trade. But it goes further, covering all other service investment opportunities, including privatised public services, that transnational corporations have accessed or aim to access through the mechanism of trade agreements.

While trade-in-goods is mostly about action at borders, "free trade" in services means more freedom for transnational corporate service investors to operate without restriction, with a corresponding restriction of governments' rights to regulate them. This amounts to a lessening of democratic power in favour of a strengthening of private, corporate power.

Cross-border trade in services has been divided into four "modes" in the international trade agenda. Mode 1 is services bought from abroad, for instance

via the Internet. It is Mode 2 when buyers move across borders, for instance students going overseas to buy study programmes. When corporations set up in another country, this is Mode 3. Mode 4 is the temporary movement of skilled service workers to another country.

This increased freedom for transnational corporations includes the freedom to move cheaper labour, as "intra-corporate transferees", into countries where higher labour standards and wages have been established, undermining those standards, and producing a race to the bottom, with big profit potential for corporations positioned to exploit this differential.

Workers in the host country are undercut and displaced in the process, sometimes via a two-step process of outsourcing to a transnational company. Job losses follow in the parent company, after which the outsourcing company can bring in cheaper "intra-corporate transferees". The ability to bring in cheap labour teams thus encourages outsourcing.



...uous-sounding title of Mode 4. It is set to allow cheap labour being negotiated by the European Union in talks set up by Peter... ing done in secrecy...

## Public about cheap labour and EU trade talks



...f labour with India.

Bringing workers into a host country avoids many of the disadvantages associated with offshoring work, though may be in addition to rather than replacing offshoring. Profit potential is greatly increased when a transnational corporation can utilise both, in concert. For a transnational company, having the same kind of workforce in both the home and in the client country overcomes the cultural differences involved in interfacing across big geographical distances.

But workers in the host countries, such as Britain, are the losers.

### Worse in Britain

The effect on the labour market in Britain could be more severe than elsewhere in Europe, since EU Mode 4 offers are based on member states' existing labour migration policies – and British labour migration regulations are very liberal, without numerical limits. The concept of “skilled” has already been shown to be very elastic. Note, too, that labour market tests whereby jobs have to be offered to

UK (or European) workers for four weeks before being offered outside the EU do not apply to intracorporate transferees. And the length of stay for temporary labour migrants can be extended, leading to permanent residence.

Intracorporate transferees are already a major component of current labour migration into Britain. But when they become included in international trade agreements, the movement of workers becomes effectively an irreversible international legal commitment.

So how are British ministers reacting? Responses to questions asked in the UK Parliament this year about Mode 4 have established that the government is fully supportive of pushing ahead with trade in services agreements that include movement of labour, and that there are no numerical limits in EU Mode 4 offers, and that labour market tests have been eliminated.

To make matters worse, the Mode 4 specialist within the European Commission has confirmed that there is no definition of a Mode 4 temporary worker, despite the assertions of the UK Minister for Immigration to the UK parliament that there is, and that lengths

of stay are not specified in the EU offer in the current round of talks within the multilateral World Trade Organization's General Agreement on Trade in Services (GATS).

On top of the GATS talks, part of the Doha Round, the EU is negotiating significant bilateral agreements that include Mode 4 provision with a range of countries and regions (for example, with India, South Korea, and the Association of Southeast Asian Nations). It is also negotiating Economic Partnership Agreements (EPAs) between the EU and poorer regions of the world, such as the Caribbean, Africa and the Pacific (which involves Papua New Guinea and Fiji).

Under the World Trade Organization's Most Favoured Nation rule, any commitments including Mode 4 made to one country, such as India, are made to all 150 WTO member states. The EU tabled its offer on the WTO's ongoing GATS negotiations, including Mode 4, on 2 June 2005, at the same time as the French and Dutch referenda on the EU Constitution, but without any publicity.

At the last Ministerial meeting on the

*Continued on page 10*

## India's push for Mode 4 access

IT WORK IS a major target area for Mode 4, though not the only one, so it's no surprise that India has been the main country pushing for Mode 4 access into the EU in trade negotiations. Indian transnational corporations, now among the biggest corporations in the world, are well placed to move IT workers – whose skills cross cut all other industries – into EU countries: good business for the companies, but bad for the lives of EU workers.

The Indian government is arguing that having the minimum wage requirements of EU member states undermine its “comparative advantage” of cheap labour. IT workers in India earn a fraction

of wages in Britain, for example, although allowing trans-nationals to bypass the minimum wage may be a step too far – for now. Even so, skilled workers of the host country, forced into wage competition at only the minimum wage, would see severe downward pressure on labour standards here.

The European Commission has confirmed that the Indian government will not sign the bilateral agreement with it unless Mode 4 access is included. This shows the significance of Mode 4 to India, and contrasts with EU trade negotiators' attempts to play down the importance of Mode 4 when it is mentioned.

*Continued from page 9*

Doha Round, in Geneva in July 2008, despite the global media presence, the focus was kept on agriculture and manufactured goods, and away from services. The GATS meeting was held on a Saturday afternoon, with little publicity, and the report of that apparently positive meeting was only issued after the press had packed up and left.

The other set of agreements under negotiation, the EPAs, are also largely about investment into the partner countries, with Mode 4 access for workers included as the trade-off.

Although the trade-off aspect of trade negotiations appears to be country to country, or in our case, to the EU, transnational capital is lobbying hard on EU services trade policy via its Brussels-based European Services Forum ([www.esf.be](http://www.esf.be)), both for investment access into other states' services, including financial services, and for the entry of cheap labour into the EU.

The lobbying is led by Lord Vallance of Tummel, the Liberal Democrat spokesman on trade and ex-BT chief executive, who has admitted interests in an Indian company bringing cheap Indian

## **“Trade commitments hold even when governments change...”**

labour into Britain.

### **Don't mention the services**

The secrecy continues. In Britain, Peter Mandelson, EU Trade Commissioner when all of these trade agreements were initiated, is still not telling the public what the European Commission is negotiating away on its behalf, despite his current central role in the government.

WTO Doha Round negotiations, in which the GATS talks are included, will be revived in the next, ministerial meeting, to be held from 30 November to 2 December. To deter media attention WTO Director-General Pascal Lamy has already advised states not to mention “services” and to present the meeting as a bureaucratic event. The EU/India bilateral agreement is due for finalisation in 2010, and other bilateral agreements are also progressing, as are the EPAs.

There is a lot at stake. Mode 4 trade

agreements, offers and commitments, also national labour migration policy, exist alongside the free movement of labour within the EU, reinforced in the European Court of Justice by the Viking and Laval decisions on corporate rights in regard to moving workers.

Thus EU directives forcing open labour markets, with negative effects on wages and labour standards, are on a continuum with irreversible labour commitments in international trade agreements. The reserve army of labour that these structures facilitate is intended to ensure that the balance of power between workers and capital is weighted progressively on the side of capital.

The loss of democratic power through governments' reduced right to regulate, conceded in services trade commitments, exacerbates the situation. After all, trade commitments hold even when governments change.

The aim of services trade agreements, initially conceived by transnational financial services corporations such as Citicorp and American Express, is to provide what they call “investor security”. And what guarantees investor security? The loss of workers' power and of citizens' power, that's what.

## **CPBML/Workers**

# **Autumn Series of Public Meetings, London**

Thursday 10 September

**The economy – why workers should run Britain**

Thursday 15 October

**Stopping the parliamentary road to fascism**

Thursday 12 November

**Marxism – why you should be a communist**

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



## Black or white US President, change must be real. Obama must lift the 50-year-old inhuman blockade against America's tiny neighbour, Cuba...

# Cuba: she won't go away!

THE ELECTION of Barack Obama as the 44th President of the United States of America sent waves of joy around the western world as people celebrated both the ridding of George W. Bush with his "God told me to invade and kill" politics and the inauguration of a leader that looked and sounded human as well as humane. Obama had promised Americans change under the campaign slogan "The change we need" and Americans had lapped it up and voted in the first black US President.

Change means different things to different people and election promises about change are not always what they are cracked up to be. Apart from a few "reforms" around the edges which mainly benefit Cuban exiles and their families, American policy towards Cuba and the Blockade seems likely to stay as it is, even though the United Nations has voted (once again) for the US to end this immoral, spiteful and vindictive action against a small country that poses no economic or military threat. But ideas are stronger than weapons, and in that, Cuba is winning the battle!

### It's up to us

If the blockade is not going to be lifted soon then it is still up to us to reach across the globe and work in solidarity with Cuban trades unions.

The Unison London Region campaign to re-build the Havana City Ambulance Service is a great example. London Ambulance Unison is deeply involved in the appeal to raise money for the modernisation of the Havana City Ambulance Emergency Control Centre.

£45,000 plus has already been achieved! That is the largest amount ever raised by a trade union for a single project in Cuba. It took just three months and will be used to re-equip and modernise the control centre and bring it up to the standard that we take for granted here in Britain.

Because of the blockade the control centre, along with the rest of the ambulance service, has not been able bring in any new equipment or spare parts, to keep up with the demands of a



Unison London Region has been campaigning to rebuild Havana's ambulance service.

capital city's ambulance service in 2009.

The current Centre is so dilapidated and overstretched that it is nearly impossible for the public to use the emergency number (114) to call an ambulance. The centre just simply cannot cope with the demand. It is run on old one-line telephones, paper and pencils – a 1950 control room trying to cope in a 2009 world. We wouldn't do it, we couldn't do it, they shouldn't have to do it. At a time when British ambulance services are getting all-singing, all-dancing digital radios the inequalities in wealth and opportunities strike most hard.

This is not the fault of the Cuban ambulance workers, or the Service managers, or the Government, or the political system in Cuba. To paraphrase Bill Clinton: It's the Blockade, stupid!

Nations are built on trade. If that is denied them, then they will wither on the vine. Can't sell – can't buy! It is a slow, cruel and strangling grip on a people's spirit. The vast majority of American

citizens want the blockade lifted. The vast majority of countries within the United Nations want the blockade lifted. Consecutive US administrations have taken no notice and have been trying to choke the life out of Cuba for 50 years.

### Spirit of resistance

The difference with Cuba is that she refuses to die. Her spirit to resist, improvise and eventually triumph with dignity grows stronger with every day. Cuba, with a population the size of London, has stood firmly by its beliefs and sovereignty in the face of (and only 90 miles away from) the most powerful nation on earth.

The people's resourcefulness and inventiveness knows no bounds. They fix, they invent, they adapt. They have been recycling years before it became Green. They do all of this not just because they have to, but because they have taken responsibility for their future and their country.

Cuba: she won't go away!

Far from rolling back the private sector in order to rebuild a truly public housing system, Labour is now proposing to dismantle entirely the system of central subsidy that has served the working class since the 1930s.

## Creeping privatisation of housing? Now it's



Photo: Andrew Wiard/www.reportphotos.com

**Campaigners fight for the Fourth Option in June 2007. Now a victory has been won – but with hefty strings attached.**

IN JULY 2009 the long and determined campaign for direct government funding of council housing (the so-called Fourth Option) resulted in a victory of sorts when housing minister John Healey announced that all the money for housing repairs withheld under the Blair administration would be released. In future, councils could also keep money from rents and right-to-buy (RTB) sales to re-invest in social housing locally.

On the face of it, £12.3 billion over 30 years plus a promise of capital grants to meet the backlog of repairs is a generous package and a real breakthrough for tenants, allowing the Decent Homes programme to be carried out at last.

But the complete picture reveals another story. In fact, over that period

£68 billion was siphoned off to the Treasury from rents and RTB. According to the February 2007 Hills Report into social housing, this income subsidised homeownership to the tune of £18.4 billion in the period 2004-2005, compared with only £15.4 billion spent on social housing including housing benefit.

There are, moreover, some hefty capitalist strings attached to the Healey package. True to form, the Brown government, like those of Blair and Thatcher before him, provides for the privateers to rake off the profits.

Far from rolling back the private sector in order to rebuild a truly public national housing system based on need, Labour is proposing to dismantle entirely the traditional method of central subsidy,

which has served the working class since the 1930s.

This means that council homes and housing associations are to be brought under one new regulatory body, the Tenant Services Authority, part of whose remit will be to encourage reliance on discredited private finance initiatives and partnerships (PFIs and PPPs) and ensure – in the government's words – that social housing does not “undermine the overall government fiscal position” (significantly including the EU-imposed restrictions on borrowing).

What was merely creeping privatisation of social housing since the 1980s is now going full gallop. The current crisis of capitalism (self-inflicted) has exacerbated the problem for the

# ... public national housing system based on need, Labour is ... that served the working class since the 1930s....

## ... a full gallop

Treasury, which wants to devolve most of the responsibility for funding as well as management on to self-financing local councils. These councils will have to go it alone.

In a twist to the campaign's success, the councils' newly acquired right to retain the revenue from sales will probably give impetus to the practice of sell-offs, which have contributed to the huge deficit in housing stock today, with 2 million households (5 million people) on waiting lists nationwide, swelled by recent repossessions.

### Failure

Housing associations have failed to build enough houses to plug the gap. Written evidence to Parliament reveals them dropping out of schemes because of risk. Multi-billion pound local housing companies with a regeneration remit across local authority boundaries are being set up to address this problem. But they will be allowed to build for private sale, while eating up public money.

It is now generally known that private companies have a poor record of delivering the goods for society. PFIs are expensive (high interest rates, minimum 15 per cent profits, lawyers and consultants, costs of monitoring the contract). Targets are inevitably scaled back as they seek to maximise profits while minimising investment and risk.

Previous experience has shown that money to subsidise profits will be taken from rents unless these are carefully ring fenced. The National Audit Office in 2003 pointed out that councils are cheaper for the same work. The government admitted in January this year that regeneration relying on PPPs has run into the buffers because of recession.

Distinctions between private and public have long been blurred, as the business model has been adopted. Since the 1980s public subsidies were diverted from democratically elected councils to so-called "not-for-profit" housing associations (though only the tenants and workers are not for profit). It is now commonplace for tenants and residents to

be described as "customers" in a social housing "market".

Customer "choice" masks the reality of desperate need. Under the old system, families who got to the top of the council waiting list were then matched to available vacancies. Now, under the misleadingly named 2002 Homelessness Act, they are encouraged to "bid" for "choice-based lettings" advertised in local papers or on the web. All local authorities are to adopt this method by 2010, extending to low-cost ownership and private rents being rolled out regionally across borough boundaries.

Already there are examples of professional single people obtaining family-sized flats, particularly in housing associations, which operate a private market alongside social housing and without the same accountability as councils. These commercial arms are in fact private developers subsidised through the rents of existing tenants. Private occupants of social housing also pay market rents, contributing to a general rise in rents to an unaffordable level.

### Trapped

The thinking behind housing associations was partly to provide a mixed community with "key workers" such as teachers or nurses earning reasonable wages alongside unskilled or unemployed workers. It was thought that this would offset the problems of council estates with their ghettos of people trapped in poverty (what Radio 4's ANALYSIS programme in February this year called "unsocial housing"). It was only recently that housing association tenants were given the "right to acquire" their homes through various schemes – for the most part unworkable, as pay has not kept pace with property values. So-called "affordable" homes are no longer affordable; as of March 2009, over 10,000 stand empty.

As housing associations restructure and form mergers to avoid breaking covenants on their loans, banks are able to increase repayment costs (nationally

### "Customer 'choice' masks the reality of desperate need..."

there is a £46 billion loan book). The collapse of Lehman Bros caused banks to call in tens of millions of pounds.

Active banks in the social housing sector have dropped from ten to just two over the past two years and lending costs have not decreased in line with cuts in interest rates. The former regulator, the Housing Corporation, said perhaps six to ten associations were in danger of going under.

Government debate around "mobility" (buying one's way out of sink estates, or being forced to give up secure council tenancies) has likewise gone quiet with the recession. As David Orr from the National Federation of Tenants said: "The market has collapsed around us, the model does not work in this market." He could simply have said, "Capitalism does not work."

Capitalism does not provide homes for families to live in and put down roots. It treats housing like a lottery, with buy-to-let and mortgage fraud inflating house prices and preventing first-time buyers. It thrives on credit card debt and unaffordable sub-prime mortgages.

Its corrosive spirit infects those who snap up and fraudulently sub-let social housing. It prefers short-hold to secure tenancies, it strips away all protection and working-class organisation, it reduces standards to the meanest level in the name of efficiency and economy. It proclaims "tenant involvement", while leaving landlords free to exploit.

Above all, councils must be properly funded. Under the new arrangements they will be able to apply for a Social Housing Grant and tenants must see that they do. But in this new devolved situation tenants will need their eyes wide open and all their powers of unity intact to mount the next stage of the struggle to keep local authority housing public.

A working life in the shipyards combined with folk singing, monophony and drumming...

## Mick Broderick, worker and singer, remembered

MICK BRODERICK, who has died recently aged 68, will be familiar to WORKERS readers for his appearances over the years at the Conway Hall in London singing and drumming with The Whistlebinkies. These started with the Music for Industry concerts in the late 1980s and culminated in what was to be his final stage performance – on May Day last year celebrating the 40th anniversary of the founding of the CPB(ML).

He made a great effort to travel down from Glasgow to participate and was pleased to be able to present the new folk group he had formed with the singer and guitarist, Jimmy Watret and the fiddler and flute player who still perform with The Whistlebinkies. He had parted from them in 1995, but a reunion brought them together in 2004 for a concert on The Tall Ship which is berthed at Glasgow Harbour.

### Shanties

A lasting memory that night was his rendition of the old sea shanties that his seafaring father had passed on to him. These were the songs of choice whenever he met Rod Shearman, the late London-based sea shanty exponent (who sang a couple at one of the Conway Hall concerts).

Readers with even longer memories may recall him pictured singing with the workers who were occupying McLaren's ITT Engineering factory in an issue of THE WORKER (the predecessor of WORKERS) in early 1974. The workforce had been given redundancy notices following a strike for equal pay in December 1973. He had no hesitation in using his musical skills and wit in class conflicts, which he felt passionate about.

Looking back over his life it is not difficult to see where the groundswell of anger in his outlook came from. His comment about his birth that he "had been bombarding audiences ever since" stemmed from the devastation of his hometown, Clydebank, just a few weeks before he was born. The songs and stories he developed were fermented by all the tales of war.



Mick Broderick plays drum standing at right with the Whistlebinkies, which he formed ten years earlier, as they perform at lunchtime in his workplace, John Brown Engineering Ltd, Clydebank, 24 March 1978.

The experiences of childhood in the midst of bleak ruins that were all too slowly rebuilt were ones he never forgot. By the age of 16 he was part of a "skiffle and comedy" group that performed in hospitals and community centres. Yet the same year, 1957, he started to serve his time as an apprentice plater – until 1962 – in Upper Clyde Shipbuilders in Clydebank. He played a part in organising the apprentices – including their strike action in 1961.

### Fearless

It was in this hothouse of work and camaraderie that his future skills as a storyteller, raconteur and singer were finely honed. The now famous comedian Billy Connolly – who also worked in the yards for a time – acknowledges the inspiration he gained from Mick in those days. Mick came to folk song through an unexpected route.

In 1961 he started frequenting the jazz clubs that had grown out of several years of a revival of traditional jazz. Regular short spots were given to folk singers influenced by Guthrie, Seeger, Scots songs – and songs of protest against the American missile bases in the Clyde estuary. This enthralled Mick and together with Billy Connolly, Tam Harvey and others he became part of quite a hive of folk singing and music in Glasgow's east end centred around the Scotia Bar – still going today.

Around 1968, Mick started to form a band of singers and players. At the suggestion of the poet Freddy Anderson, he named it The Whistlebinkies after an 1832 poetry and songbook, which had grown out of industrial Glasgow. Eight instrumentalists eventually joined and Mick made several LPs and CDs with them.

Mick had a fearless stage presence

ologues and

bered

and the unusual ability to bring to silence and hold the attention of the rowdiest pub. He took his bold approach abroad too; on the group's unique tour of China in 1991, he insisted on suddenly performing, on landing, in Beijing airport, causing a sensation. He always recounted that in Shanghai, children in the street would point and shout "Karl Marx!", no doubt puzzled by his beard which by that time was large and greying.

He put in a memorably vigorous performance at the 1976 Festival of Political Song in the German Democratic Republic, where he recorded an LP with the group and the Irish singer Ted McKenna.

His creative side included the song March on Maggie, composed for the 1983 Glasgow to London March for Jobs, and Girl on the Island, dedicated to his late wife Irene. He was generous in his appearances at fund raising concerts such as those for solidarity with Chile and Argentina in the 1970s and 1980s, for the UCS occupation in 1971, and for the Caterpillar occupation and the miners' strike in the 1980s.

### Commitment

Mick maintained his commitment to the trade union movement to the end – as a plater in the General and Municipal Workers' Union and joining both the Musicians' Union and Equity as a performer.

He kept working in industry, including John Brown Engineering Ltd in Clydebank. It was while at Yarrow's shipyard in Glasgow that he received a head injury in 1983. This and his fear of the danger of hearing damage, led him to work only sporadically in the yards thereafter, devoting more time to performing. Not many of his monologues were recorded, but some of his stories and songs have been archived on the Raretunes website.

He is survived by his sister, Anne, his step-children Mandy and Robin, by his companion Bertha and his nephew John, who was with him at the end.

Continuing our series on aspects of Marxist thinking

# GUERRILLA STRUGGLE

Guerrilla struggle, irregular warfare, or as the US now calls it "asymmetrical warfare", was developed as a successful strategy to win power, by Chinese communists, Cuban revolutionaries and Vietnamese national liberation fighters. In 1973, a time of intense working class action in Britain, our Party wrote a pamphlet that sought to apply the tactics of guerrilla war to civil political action, civil strife and industrial action in Britain.

Classic tactics include "hit and run", avoiding full frontal warfare, maximising your strengths and knowing your enemy's weakness; maximising the damage to your enemy whilst minimising your losses. "When the enemy attacks, we retreat; when the enemy retreats, we harry them; lure the enemy in deep so we can surround them or attack their supply lines," were all famous tactical quotes from the Chinese revolution.

Guerrilla struggle is a strategy developed by Communists and successfully used by resistance and liberation movements.

A well-known use of guerrilla struggle applied to industrial struggle in Britain was the flying pickets of the striking miners in 1972 and 1974 that closed other strategic sites such as the Saltley coke works in the West Midlands when engineers joined the miners. The remainder of the seventies saw guerrilla action by engineers playing off one employer against another, with rail workers, teachers and white collar workers joining the fray, and concluded with the Winter of Discontent that brought down the Callaghan government.

The key was to hit the powerful employer where he was weakest and where workers were strongest, to take the employer by surprise but not to be adventurous, to avoid all-out confrontations that might lead to casualties, to know when to withdraw and strike the employer somewhere else, to spread solidarity, but most importantly to ensure control of the struggle was in the hands of local organised workers. The Governments of the seventies could not control these struggles and consequently organised workers brought down two governments.

This is why Thatcher, after her election in 1979, made her priority destroying trade unions and outlawing anything that smelt of guerrilla struggle such as solidarity action, local strikes based on a show of hands or instantaneous walkouts. In the eighties, workers had to use their heads to avoid the Government stealing their unions' assets.

Today, with those laws still in place, guerrilla struggle is even more the key to victory. The construction workers at Lindsey Oil Refinery who walked out this year over the use of foreign labour and who organised phenomenal solidarity strikes across the country are a good example. It's time to use our heads again because only workers who know their employer well can determine these tactics.

### 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.
- Get a list of our publications by sending an A5 sae to the address below, or by email.
- Subscribe to WORKERS, our monthly magazine, by going to [www.workers.org.uk](http://www.workers.org.uk) or by sending £12 for a year's issues (cheques payable to WORKERS) to the address below.
- You can ask to be put in touch by writing or sending a fax to the address below.

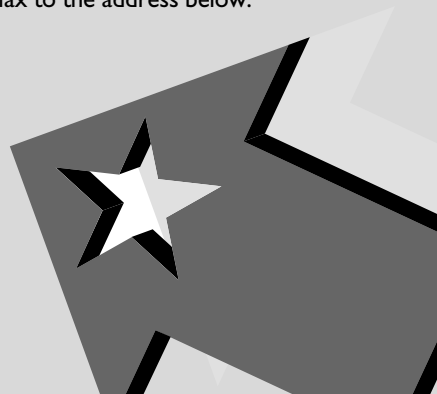
### WORKERS

78 Seymour Avenue, London N17 9EB

e-mail [info@workers.org.uk](mailto:info@workers.org.uk)

[www.workers.org.uk](http://www.workers.org.uk)

phone/fax 020 8801 9543



# Back to Front – The winds of profit

**‘There’s another secret the government is not so anxious to see brought into the light of day. It’s that the rush for wind turbines is being driven from Brussels...’**

THERE IS much talk about “greening the environment”. No doubt the way our economy is organised now ferociously wastes finite natural resources. To hear the Greens talk one would think that everything can be solved by things such as wind power. An interesting set of facts recently became public to do with who is pressing for the introduction of wind power, and who is going to make a mint out of it.

There are a number of private companies – Scottish Power Renewable is one of them – which pay farmers to place wind turbines on their land. This particular company will pay £10,500 a year for 25 years to a farmer, so for example having a 10-turbine wind farm could work out at £2.6 million for nothing more than putting their signature on a contract. Elsewhere land owners have been offered as much as £17,000 a year; big money.

Although a 2 megawatt turbine up to 350 feet high generates on average a quarter of its capacity (due to the variability of the wind), it generates a great deal of cash: thanks to the government’s subsidy system it can earn its owner some £450,000 a year.

At current prices, £230,000 will come from selling the electricity to the National Grid. The developer also receives a further £218,000 from the government’s renewable obligation which compels our electricity suppliers to buy all the energy generated from wind – the suppliers pay that much on top of its normal price, and it is all then passed on to the rest of us when we pay our electricity bills.

This is the secret which the wind

companies are anxious not to reveal to the farmers whose land their machines stand on. It means for each turbine, the developer will be making considerably more money each year than the land owner can hope to make in a quarter of a century. By the time a farmer has a 2 megawatt turbine in his fields the developer is making around £450,000 a year; so over 25 years a wind turbine company would be able to put some £11 million in the bank in return for a small (and tax deductible) initial outlay.

There’s another secret that the government is not so anxious to see brought into the light of day. It’s that the rush for wind turbines is being driven from Brussels. A European Directive issued at the end of last year obliges Britain – along with all countries in the EU – to generate 20 per cent of its energy from renewables by 2020.

Last year the 2,000 wind turbines already built in Britain generated between them less electricity than a single gas-fired power plant, and much less than a nuclear power station. Even the 700 additional turbines Gordon Brown boasts of building (including those off shore) will produce less electricity than the Drax coal-fired power station in Yorkshire.

The price of meeting the EU Directive is becoming clear. We’ll pay a lot more for our electricity, we’ll blight our landscape, and we’ll waste natural resources building the turbines in the first place. But so long as someone’s out there making that kind of money, presumably we should all be green with envy.

## Subscriptions

Take a regular copy of WORKERS. The cost for a year’s issues (no issue in August) delivered direct to you every month, including postage, is £12.

Name

Address

Postcode

Cheques payable to “WORKERS”. Send along with completed subscriptions form (or photocopy) to WORKERS 78 Seymour Avenue, London N17 9EB

## Publications

WHERE’S THE PARTY?

“If you have preconceived ideas of what a communist is, forget them and read this booklet. You may find yourself agreeing with our views.” Free of jargon and instructions on how to think, this entertaining and thought-provoking pamphlet is an ideal introduction to communist politics. (Send an A5 sae.)

BRITAIN AND THE EU

Refutes some of the main arguments in favour of Britain’s membership of the EU and proposes an independent future for our country. (50p plus an A5 sae.)

## To order...

Copies of these pamphlets and a fuller list of material can be obtained from CPBML PUBLICATIONS, 78 Seymour Avenue, London N17 9EB. Prices include postage. Please make all cheques payable to “WORKERS”.

## Workers on the Web

• Highlights from this and other issues of WORKERS can be found on our website, [www.workers.org.uk](http://www.workers.org.uk), as well as information about the CPBML, its policies, and how to contact us.