WORKERS

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CAPITALISM ISN'T WORKING

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JOURNAL OF THE CPBML

TAKE CONTROL: BUILD THE NEW BRITAIN

WORKERS

Capitalism isn't working

NEVER HAS our current economic system's inability to meet our everyday needs been more evident. Workers will not be able to afford to heat their homes. Rents, mortgage payments and of course the cost of food are all rising.

This is an economic system which presides over a crumbling infrastructure. It cannot ensure sufficient water to keep food crops irrigated but – to take just one example – in July Anglian Water gave its chief executive a £337,651 bonus as part of a £1.3 million pay package and the dividend to shareholders this year was £92 million.

A day of reckoning must come. For some it will be 1 October as the new, unaffordable, energy bills land. For others, the date is less fixed, but they know that this situation cannot endure. One group is demanding a reduction in energy bills and collecting pledges from people who intend to cancel their direct debits from 1 October if the pledges reach one million by then.

We have had a summer of being told that workers asking for a pay rise are to blame. Indeed, on the very day that Andrew Bailey, governor of the Bank of England, announced the biggest squeeze on income, he suggested that workers with "muscle" such as the rail staff should cease their fight to protect workers with less muscle. Oh yes? How does that work?

Workers are fighting to survive. They know rising pay has not caused inflation: real wage levels have fallen while inflation has risen. The employing class is rushing to promote division. Here the RMT's refusal to apologise for being slightly better paid than others should be a beacon.

The government, the Bank and the wider establishment will also be the first to say that they have some solution to the crisis rather than being its cause. In fact, the only people who can address our energy, food security and other needs are the workers in the sectors concerned. So the onus is on us to remain united and to suggest and execute the solutions.

How many times have you heard workers say they don't trust politicians to solve anything? This healthy distrust is often portrayed as a negative, with workers lamentably "disengaged". It isn't. It's a logical response to seeing politicians making a dire situation worse. Workers understand that "the system" is not working.

Capitalism cannot meet even our basic survival needs. Nor can it protect the environment here in Britain or elsewhere. Workers – not the politicians – have the answers. They are the ones who know how to maintain energy supply, water quality, heath care, food production and more.

We need to say loud and clear: capitalism isn't working. We have known that for a long time, but we keep putting off the inevitable. Procrastination never solved anything – it's time to act. ■

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Far fewer buses will be in service anywhere, and not just Sheffield.

England bus services slashed

DEEP CUTS in bus services across England are under way as the government dramatically cuts financial support. And the current crisis in the bus industry is forcing smaller companies to close down. This is deliberate and avoidable government policy.

Emergency government funding, known as the Bus Recovery Grant, enabled bus services to continue through the pandemic. It will come to an end in early October. This was extended by six months after protests from the industry and unions earlier this year.

The withdrawal of the BRG, together with rocketing fuel costs, will result in hundreds of bus routes being axed. Many places will now have no bus services at all, and many others, even in urban areas, will end up with little or no service at evenings and weekends.

But bus usage across Britain has recovered strongly after the coronavirus pandemic. According to evidence from industry body, the Confederation of Passenger Transport (CPT), it had returned to around three-quarters of pre-pandemic levels by March 2022.

Government figures confirm the trend, with 109 per cent more journeys on buses in England (outside London) in the quarter ended March 2022 over the previous year and further increases since then.

On 19 August the Department for Transport announced another six-month extension to the BRG, allocating £130 million in funding, despite previous insistence there would be no more support. But there's no sign of any long-term planning. Some operators have already planned cuts from 4 October. It's not yet clear if they will be reversed. ■

WAR
Asian exercises

THE US and South Korean governments announced the start their biggest joint war games for years on 22 August. Tens of thousands of troops, plus warships, aircraft and tanks, simulated an attack on North Korea. It included a "decapitation exercise", role-playing the murder of North Korean President Kim Jong-Un.

China has announced further drills around Taiwan to be held on the same day. Chinese joint exercises with Thailand took place over the weekend of 13-14 August.

At the same time, the US and Indonesian militaries conducted live-fire joint combat exercises on Indonesia's Sumatra island. Britain did not take part, but sent observers.

On 16 August, Germany flew a squadron of 13 fighter jets to Indonesia, to show that it could move aircraft 8,000 miles to the China seas within 24 hours. This is Germany's largest peacetime air force deployment.

All these provocative actions threaten peace in the region. ■

FACTS MATTER

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

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

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

ON THE WEB

A selection of additional stories at cpbml.org.uk

Counting the cost of 'net zero carbon zero'

None of the politicians – least of all those vying for the Conservative leadership – will talk about the daily damage caused by adherence to the mantra of net zero carbon by 2050.

River pollution: challenge to water companies

Sewage pollution of rivers and canals has become a serious public health concern. It's so bad that the Environment Agency wants to jail offending water company CEOs.

Liverpool dock strikes imminent

Port workers at MDHC container services in Liverpool are preparing to start strikes for better pay. A ballot of the 500 Unite members returned a 99 per cent vote in favour of strike action.

Libraries lose purpose

A controversial series of children's story readings are only part of the underlying tale of the decline of children's library services in Britain.

Switzerland tilts towards NATO

NATO is rapidly expanding its influence in the wake of the Russian invasion of Ukraine. Switzerland, legally a neutral country, is one of those being drawn into NATO influence.

Plus: the e-newsletter

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Workers

Felixstowe docks, the busiest in Britain.

Felixstowe dock strike

FELIXSTOWE'S CONTAINER port ground to a halt on 21 August. Unite members there walked out on an eight-day strike over pay after voting by over 90 per cent in favour of action.

The port handles nearly half of the shipping containers imported to and exported from Britain. The strike by around 1,900 crane drivers, machine operators, stevedores and others will severely disrupt Britain's supply chain including the logistics and haulage sector. It will also have a huge impact on international maritime trade.

Unite members rejected an offer of 7 per cent, increased from an initial 5 per cent, plus a £500 cash bonus. That is still well short of current inflation rates. Workers received a paltry 1.4 per cent increase last year.

Unite General Secretary Sharon Graham said: "Both Felixstowe docks and its parent company CK Hutchison Holdings Ltd are both massively profitable and incredibly wealthy. They are fully able to pay the workforce a fair day's pay."

Graham commented that the company's priority had been to increase dividends rather than paying decent wages and the union was focused on securing a decent pay increase for its members.

Unite national officer for docks Bobby Morton said, "Strike action will cause huge disruption…but this dispute is entirely of the company's own making. It has had every opportunity [to] make our members a fair offer but has chosen not to do so."

Felixstowe is Britain's primary deep-water port, used on the routes from Asia operated by most of the major container lines. The dispute highlights the way in which foreign "get-rich-quick" owners have a stranglehold over Britain's ports and shipping, and the nation's trade.

Unite points to pre-tax profits of £61 million made by the Felixstowe Dock and Railway Company in 2020, when it paid shareholders £99 million in dividends. The parent company is registered in the Cayman Islands and listed on the Hong Kong Stock Exchange. It has interests in ports all over the world, including Europe's largest port, Rotterdam. But unlike Felixstowe, that port is publicly owned. ■

FERRIES

Red Funnel pay fight

FERRY WORKERS on the Red Funnel crossings from Southampton to Cowes on the Isle of Wight continued their pay fight with strikes throughout August. In July, 120 Red Funnel workers voted heavily for strikes in support of a 16 per cent pay claim. The employer offered a 4.5 per cent increase, with 6.5 per cent for the lowest paid.

The strength of feeling was evident in the ballot result – 88 per cent for strike action, with a turnout of 84 per cent. Unite said that some of its members rely on food banks to make ends meet.

The Red Funnel workers are concerned about the rising cost of living, but also have long standing concerns about their working conditions. And pay on Wightlink ferries, operating from Portsmouth and Lymington, is significantly better. Workers have to spend days away from home, yet Red Funnel does not pay stopover hours or expenses. Staff retention is poor. In July alone Unite reported cancellation of services on eight days.

In addition to the six strike days in July, which affected the Cowes Week regatta, a further six strikes took place on 15, 17, 19, 23, 26 and 29 August.

Unite regional officer Ian Woodland said: "Red Funnel have the boats and they have routes on one of the most expensive stretches of water in the world. But their operations are crumbling because the company doesn't invest in its ships and they don't pay the rate for the job." ■

• More background on this story is available on the web at www.cpbml.org.uk.

BARRISTERS

Indefinite strike vote

AFTER NEARLY two months of intermittent industrial action, criminal barristers in England and Wales have voted to escalate to uninterrupted, indefinite strikes.

The vote in favour of all-out action was approved by an overwhelming 79.5 per cent of ballots cast. Fewer than 10 per cent wanted to stop action.

The Criminal Bar Association members have been fighting over low pay, improved working conditions and improved funding for legal aid work, but after an initial derisory take it or leave it offer, government has refused even to meet them.

The strong vote shows how angry the barristers are, both over the way they have been treated and by the possible imminent collapse of the legal aid system. Many who have warned for years about the ever-worsening crisis in a process which should be helping the poorest in society to get justice. They have been ignored.

The all-out action begins on 5 September. Without barristers present to represent defendants, Crown Court trials will be unable to take place. The two months of intermittent action saw 6235 court cases disrupted. ■

Workers

Now the Covid-19 emergency has eased, the government is back to cutting the number of doctors trained here.

Medical training capped again

A MONTH after praising Guy's and St Thomas's Hospital as "amazing" for the treatment his wife had received, Education Secretary James Cleverly attempted to justify his decision to re-impose the cap on medical training places this year. He told the BBC that the courses are "technical and expensive", given that places are subsidised by government.

Restrictions on places in England were lifted in 2019 in the face of a severe shortage of NHS doctors and dentists, with a promise to expand the number of places to a limit of 7,500. In the following two years the cap was increased to 10,000. But for this year the 7,500 cap was reimposed, in spite of an ongoing and worsening crisis in doctor supply.

David Bell, vice chancellor of Sunderland University, reported to *The Times* that they had received 900 applications for 100 places this year. Many top-quality applicants have been turned away. Overall, 15.6 per cent of students have received offers this year, compared with 20.4 per cent in 2021. Universities which recruit over their quota are penalised by government.

Cleverly failed to mention that it's cheaper to recruit ready-trained doctors from overseas, which is the hope of government. Yet a £100 million international recruitment campaign to import up to 3,000 new GPs announced in 2017 had brought in a mere 155 doctors between 2018 and 2021. Just 124 are still practising, according to a Freedom of Information request reported in June this year by *Pulse* magazine.

Many British would-be doctors have been driven to apply abroad for training. Around 3,000 are currently training in Bulgaria alone. Yet when they need to complete their internship for one year, these British doctors, who are reported to be keen to return to their home country to practise, find the pathways needed to join the workforce are lacking.

It seems that successive governments here are reluctant to provide what is really needed – high-quality doctors supplied by our own education system. ■

WHAT'S ON

Coming soon

SEPTEMBER

Sunday 4 September, 10.30am

Burston, near Diss, Norfolk

Burston Strike School Rally

Celebrating the longest-running strike in British history. Back in style this year after two Covid-affected years. Speakers include Mick Lynch, RMT. Free travel for Unite members from Felixstowe, Ipswich and Stowmarket. Full details from burstonstrikeschool.wordpress.com

Tuesday 6 September, 7pm

***Online* discussion meeting (via Zoom)**

"The State of the Trade Union Movement"

Pay fights are breaking out across the country, but are our unions up to the challenges facing workers in Britain? Are they strong enough, or clear enough? And if not, what is to be done? Email info@cpbml.org.uk for an invitation.

OCTOBER

Wednesday 12 October, 7.30pm

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

***In-person* CPBML public meeting: "London: A Changing City"**

Large parts of the capital have been transformed in recent years, with changes too in political thinking. Is London still progressive, or has it become a drag on progress? Come and join the discussion. All welcome.

Thursday 13 October, 7.30pm

Central Manchester/Salford. Venue to be confirmed – email info@cpbml.org.uk for details.

***In-person* CPBML public meeting: "The Betrayal of Britain's Hi-Tech Industries"**

One by one, the jewels in Britain's hi-tech crown are being snapped up by foreign companies – threatening jobs, skills and the nation's potential for real independence. Come and join the discussion. All welcome.

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

Rising prices affect everyone – but they are endemic to ca is an act of class war directed at workers, and it requires

Inflation: a capitalist wea

Workers

Marchers on the TUC's national demonstration in London, 22 June 2022.

PRICES ARE going up, sharply – and are forecast to rise further. It's not just fuel and energy, which rack up the price of all goods. Other costs are rising too.

Politicians, bankers and economists explain inflation in many ways, but in the end their answers are nonsensical because they don't want to admit that it's an integral phenomenon of capitalism itself and not an anomaly created by the pandemic or the war in Ukraine. But their actions can make things worse, which is the threat now.

Workers resist inflation in the only way they can – through struggles for higher wages. In the past few months workers in many areas have organised and often succeeded in keeping up with rising costs, or at least limiting the damage to their standard of living.

But that's not likely to be enough. Real wages across the economy have fallen sharply, and further cost increases are on the way – not least in energy, food and interest rates. No one goes on strike without good reason and the prospect of continual pay disputes just to stand still is daunting. Tactics will have to be clever.

Pressure

Employers, aided by government, are likely to regroup to resist pressure for wage rises. The plan to use agency workers as strike breakers may come to nothing, and the transport secretary may be blustering about using emergency powers against rail unions. But don't count on that.

There is no doubt that the ruling class expects workers to bear the burden of this orchestrated financial crisis as it did before To resist that, we need to understand how inflation comes about and how capitalism works.

This year some cost increases are commercial consequences of Russia's invasion of Ukraine but the reappearance of inflation at markedly higher levels than recently was already under way before that event happened. The policy of using quantitative easing in Britain and most major capitalist countries has generated higher inflation. How did that come about?

Explanations of the cause of inflation are often circular and uninformative, "prices are going up because they are going up elsewhere" or "too much money chasing too few goods". That's as useful as saying it rains because there are clouds.

Blaming rising pay claims fools few people these days; similarly the notion that the mere expectation of inflation causes prices to increase.

The blame game

Now there is a concerted push from government and their cheerleaders to blame the inflation spike on high public spending. It isn't new – Thatcher peddled that lie in the 1980s, as did the Cameron coalition government in justifying austerity economics.

But in some ways that comes closer to the truth – monetary policy is a major factor underlying inflation. And that's carried out by central banks – the Bank of England in Britain – nominally independent but directed by government. And both are devoted to maintaining capitalism.

Bankers dressed up quantitative easing (QE) to seem like a respectable "monetary policy tool" that aimed to inject "liquidity" into the economy, and reduce interest rates, increase lending and boost investment.

It was introduced after the financial crisis of global capitalism in 2007-2008. But it's not a free ride. Eventually it leads to higher inflation. And the bankers knew it

The QE mechanism works like this: a central bank (the Bank of England, US Federal Reserve, European Central Bank etc) purchases predetermined amounts of government bonds or other financial assets

apitalism and not acts of God. The current surge in prices a working class response…

apon in the class war

‘Fundamentally, inflation is a tax on workers by other means…’

to inject money into the economy and to expand economic activity.

This is not new in principle, even if the name tag is novel. Central banks eventually did something similar in response to the 1930s depression. But crucially QE marks a departure from the past – the scale is enormous and the long-term risks are much greater.

The purchase of assets by the state – either the government directly or the central bank – from the non-bank private sector aimed to increase the quantity of money in the economy. But instead of buying small amounts of short term government debt, as happened with previous monetary policy, QE is about buying huge amounts of different financial assets.

QE not only inserts more money into the economy but also props up sectors on the verge of collapse by buying them out. In this way it stores up problems, eventually provoking a dramatic leap in inflation. And when central banks buy government debt they make it easier for governments to run deficits.

The central banks of the leading capitalist economies became addicted to QE. Once seen as experimental, it became the major economic tool. Ruling establishments don’t want to let it go.

In the latest phase since March 2020, the Bank of England has doubled the size of its QE programme. The monetary base in Britain rose five-fold between 2009 and 2013.

Between March and November 2020, the Bank of England said it would buy £450 billion of government bonds and £10 billion in non-financial investment-grade corporate bonds. By the end of 2021, the Bank owned £875 billion of government bonds and £20 billion in corporate bonds, equivalent to around 40 per cent of Britain’s gross domestic product.

Those at the top of the capitalist establishment know the risks of QE and how it has spiked inflation. It’s no accident. When they blame excessive public spending, they are stoking a crisis as an opportunity to wage war on working people.

You can bet that public funds assigned to help finance capital and monopolists will still be approved. Under assault will be the public spending that benefits the people – education, health, transport infrastructure and so on. If we allow the lie to take hold and have political sway, then we will have Austerity Mark 2 stalking the land.

Interest rates

The signs are there already, as the central banks raise interest rates “to curb inflation” – dubbed “quantitative tightening”. The aim is to reduce the money supply, but that’s not a benign reversal of QE, it’s just another policy to keep capitalism afloat – and no prizes for guessing who pays.

With inflation rising above 10 per cent in July 2020, the capitalist government and the establishment political parties have the gall to criticise trade unions and their members. Unions are doing their job when they campaign for higher pay to offset rising living costs that will worsen their standard of living and quality of life.

Increasing numbers of trade unionists are taking action, seeing through this attempt to level down our expectations. They are not causing inflation when fighting for pay, just trying to keep up.

Fundamentally, inflation is a tax on workers by other means. Wage increases reduce the value grabbed by employers but are not in themselves inflationary. It’s time to end QE, feather-bedding of finance capital and propping up indebted government.

And we need to look closely at the recent sharp increase in interest rates. On 5 August BBC News told us, “Making it more expensive for us to borrow will make us less likely to spend.” So, according to our national broadcaster, inflation is all our fault, because we dare to spend our money on buying the goods and services we need!

Economic policy should be about improving people’s prospects. Instead of quantitative easing, let us have qualitative production. Let us have economic and political policies that build and extend production in Britain.

We’ll not get any of that under capitalism, of course. If the capitalist establishment knows what it is doing, and why, then workers too need to develop the same class clarity in response. ■

Meet the Party

The Communist Party of Britain Marxist-Leninist’s series of London public meetings in Conway Hall, Red Lion Square, WC1R 4RL, continues on Wednesday 12 October with the title “London: A Changing City”. Other meetings are held around Britain. All meeting details are published on What’s On, page 5, in our eNewsletter, and at cpbml.org.uk/events.

M We’ll be out and about at the Burston School Strike rally in Norfolk on Sunday 1 September, and we would be delighted to meet subscribers and friends.

M As well as our in-person public meetings we hold regular discussion meetings on a variety of topics online via Zoom, as well as informal meetings 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 07308 979 308 or send an email to info@cpbml.org.uk

With figures showing that Britain's workers have seen the cent over the past year – the sharpest drop for decades –

RMT takes the lead in ba

WITH REAL pay slumping and inflation soaring to 12.3 per cent for the year to July, there is no doubt that RMT rail members are leading the battle for higher pay.

RMT's General Secretary Mick Lynch has self-evidently won the propaganda war with the government over pay. He has frequently appeared on television to calmly articulate the union's case in the face of often hostile and aggressive interviewers trying to undermine and ridicule the RMT's position. And the RMT's use of social media has been outstanding, getting the message over whilst politely but effectively dissecting the arguments of those who seek to attack the RMT and workers in general.

Grant Shapps, Secretary of State for Transport (as of the end of August), has been floundering in his response and has resorted increasingly to distortion, deception and lies when commenting on the rail disputes.

He began by telling the RMT not to strike but to sit down with employers and negotiate a reasonable deal, while knowing full well that he had forbidden most train operating companies from holding pay talks with rail unions.

Frozen

Those train operators have dutifully declined to make pay offers to staff, most of whom have had no pay rise for 3 years and who have consequently seen the value of their salaries reduce by around 9 per cent. Pay was frozen throughout the Covid pandemic, when rail staff were described as "heroes" by the very same government ministers and rail bosses who now regularly insult them and their unions.

Many rail industry bosses led by Network Rail's Chief Executive Andrew Haines have been only too keen to be seen to support Shapps, parroting government lines that they know to be untrue. Haines has been publicly pilloried for taking a £36,000 increase in pay (more than the salaries of many of his staff) in April 2022.

Anger

The 6.5 per cent increase on Haines's £554,000 salary didn't go down well with his staff, given that many of them have not had a pay rise since 2019. They were even more angered by one of Network Rail's Regional Heads of Communications who, attempting to defend Haines's pay increase, stated on a company social media platform that "It's a lesson to those of us who probably should have worked harder at school"!

The other rail unions – Aslef, the TSSA and Unite – have followed the RMT's lead and balloted rail industry members for strikes. Many Aslef train drivers were on strike on 13 August across the country, and few trains ran.

TSSA members in Avanti joined the RMT industrial action in July when over 40,000 rail staff employed by train operators and Network Rail were on strike. Thousands more TSSA members joined with RMT colleagues for the 18 and 20 August strikes. The small number of Unite members employed by Network Rail have also voted for strikes.

All strike ballots by the rail unions have delivered substantial majorities in favour of strikes, although a few RMT and TSSA ballots have – by a handful of votes – fallen foul of the most recent round of anti-trade union laws that require at least 50 per cent of members balloted to vote, and 40 per cent of all eligible members to support industrial action. Members in those companies have immediately been re-balloted.

The pages of the *Daily Mail* have been used by Shapps to set out his 16-point plan to, as the *Mail* so delicately puts it, "smash the unions".

'Shapps told the RMT to negotiate while knowing full well that he had forbidden most rail companies from holding pay talks…'

Workers

All lined up but no one to drive them: trains at Pad

That plan includes increasing the threshold for votes in favour of industrial action to 50 per cent of those eligible to vote, requiring unions to ballot for each occasion that they propose to take industrial action, and increasing the notice period for each strike to four weeks. Shapps also wants draconian picketing regulation and

value of their pay decline, on average, by more than 4 per RMT rail members are leading the fight for higher pay…

ttle for pay and jobs

ldington Station during the rail strike on 30 July.

the use of agency staff to break strikes.

There have at least been some negotiations with Network Rail. Indeed, the TSSA was able to reach a satisfactory deal for its manager members. But a settlement for the majority of the staff is clearly some way off, with negotiators reporting that in exchange for a pay rise, the employer is making totally unacceptable demands regarding changes to terms and conditions and job cuts.

Unions fear that the proposed massive cuts in maintenance jobs would severely compromise the industry's very good safety record.

The employers' demands are framed by both Network Rail and their government masters as "modernisation", a term so often used by employers as cover for making workers do more for less pay. The RMT, TSSA and Unite have firmly rejected those demands.

Fabrication

Grant Shapps's idea of modernisation was shown when he went onto Twitter to say, "Archaic rules from 1919 mean working on rest days is voluntary…we MUST modernise rail."

Aside from the fact that his assertion is a complete fabrication, he seems to think that rail staff should be compelled to work on their days off at the whim of their employer, without any regard for the health and wellbeing of the individuals, or the safety risks that would result.

The rail unions have made it clear that they want the government to modernise the railway by investing both in the staff and in new technology. They are entirely willing to discuss modernising contracts of employment, but only if the workers get a share of the money generated by any productivity gains made.

Pay deals are possible with rail unions where Shapps cannot prevent negotiations taking place. For example, RMT and TSSA recently agreed an April 2022 pay increase of 7.1 per cent for Merseyrail staff, and constructive negotiations have taken place with Transport for Wales Rail where agreement seems close. Neither passenger train operator comes under the Department for Transport, which Shapps is responsible for.

They can afford it

It is not as if train operating companies can't afford to pay their staff the pay rises they need.

The rail passenger franchise system that had been in operation since British Rail was privatised in 1996 was already failing badly when Covid struck, and was ended in 2020. The private companies and various foreign state-owned rail corporations were instead given management contracts which put them under tight government control – so the government can now dictate policy, including staff pay. But it also means that the employers are now guaranteed profits, which was certainly not a given under franchising.

Wealth is being transferred from the workers to the employers…'

So although passenger numbers fell dramatically during the Covid crisis, the operators continued to make healthy profits. Substantial dividends were paid to shareholders while at the same time their employees' salaries were frozen.

Boasting

Britain's largest train operator, FirstGroup, has boasted to its shareholders and potential investors that profits this year are "ahead of expectation", paying out £500 million to its shareholders in December 2021. As the RMT's Mick Lynch has identified, workers are being expected to work for less, so it is not pay increases that have caused the huge increase in inflation rates. As usual, wealth is being transferred from the workers to the employers.

The excuse for the government attacks on rail staff is the drop in passengers – and revenue – following the Covid epidemic. But with rail passenger numbers now at around 95 per cent of pre-Covid levels and rising, driven partly by the hugely increased cost of fuel, that excuse is looking increasingly lame.

After the August strikes, the unions and their members will be considering their next moves. With more ballot results expected shortly likely to show even more rail workers voting for strikes, the struggle for pay and jobs looks set to intensify. ■

Technology sovereignty is a relatively new concept, but th and British industry, not to mention national independenc

The fight to save Britain'

Art Stock Creative/shutterstock.com

THE JOHNSON government was in chaos, but in the midst of resignations and leadership bids it still managed to give its blessing to the takeover by an American venture capital company of one of Britain's most important technology companies – Ultra Electronics.

Ultra has been in business for over a century (it used to be based in the Harrow Road, in west London), and most notably provides sonar technology for Britain's Trident nuclear submarines.

It has now been bought by Cobham, a long-established British firm that itself is owned by Eaton Corporation, a US company. Cobham has a history in flight and especially refuelling technologies going back to 1934 but which has branched out. Just three years ago Cobham was sold to an American venture capital company, Advent, which promptly sold it on to Eaton.

Consultation on the takeover of Ultra was launched on 23 June 2022, and closed just six working days later, on Sunday 3 July.

The government insisted there would be no decision until the consultation had ended – and then only "after representations had been carefully considered". That decision was announced on Wednesday 6 July – just two working days after the end of the consultation. When it comes to the national interest, that's what counts as careful consideration, apparently.

Feeding frenzy

Last year the union Unite called on the government to put a stop to what it called a "feeding frenzy" by US investors on British technology companies that put at risk not only jobs but also the national interest. Some hope. The government responded to the frenzy by pouring blood into the waters.

Boris Johnson set out the ground rules while visiting British troops in Estonia in 2019: "I think it's very important that we should have an open and dynamic market economy," he said. He was telling the world's profiteers to come on in and take what they want.

Unite – which has yet to issue a statement on the Ultra takeover approval – took a different view. Steve Turner, its assistant general secretary, spoke of a feeding frenzy "with good UK companies on the menu" but with "longer-term stability and investment at risk".

Is the expression "feeding frenzy" an exaggeration? Hardly. A week before the Ultra announcement, the government said

e idea is fundamental to the future of the working class e…

s hi-tech industries

it was "minded" to accept the takeover of Meggit by the US motion and control technology company Parker Hannifin.

Meggit's brakes are in 73,000 aircraft worldwide. It also supplies ammunition systems for jet fighters and land-based artillery. It's being sold for £6.3 billion.

'Johnson was telling the world's profiteers to come on in and take what they want…'

Clearly, British technology is up for grabs. That matters for jobs and skills, but it also matters for technology sovereignty.

What is technology sovereignty? Technology entrepreneur Hermann Hauser, writing to the House of Commons Foreign Affairs Committee in 2020, called it "the defining issue of the decade".

"Countries used to perceive sovereignty mainly in terms of defending its borders," he said. "Given the importance of our IT infrastructure which is correctly compared with our water and electricity infrastructure, it [technology sovereignty] clearly relates to national security as well as the basic functioning of our society."

Unite raised precisely this point in 2020 when it said that the government had to invest in the British space programme or lose skills and put our security at risk.

"A sovereign satellite system will not only defend the UK it will defend the economy post-pandemic," said Rhys McCarthy, the union's national aerospace officer. That's because satellites not only tell cars (and jet fighters and warships, for that matter) their location, they also underpin all communications.

"Sovereign" in the satellite world means independent of the US, Russia and China, and also of the EU's Galileo system (the EU has already locked Britain out of this). And a sovereign satellite system is precisely what the government won't commit to.

Britain-based Inmarsat announced in June that it had developed a highly accurate satellite system (rivalling that sought by the EU's Galileo) that can give a position to an accuracy of a few centimetres, rather than the two metres of GPS.

That shows what could be done with sufficient government support, but it's not yet a sovereign system since it currently works by augmenting the basic GPS signal, and GPS, the Global Positioning System, is owned and operated by the US Department of Defense.

Inmarsat is a British company. At least it is for the moment. It's in the process of being taken over – for £5.4 billion – by its US rival, Viasat. That's not technology sovereignty, it's technology serfdom.

And now the government – or what there was of one in what was effectively an interregnum between Boris Johnson and his successor – has given its approval for the takeover of another satellite company, OneWeb, this time by a French rival, Eutelsat. What's particularly galling about this is that OneWeb was bailed out by the Treasury as recently as 2020, to the tune of £400 million.

No country is safe from blackmail by another state if it cannot secure its infrastructure. That goes particularly for communications, and also for energy: paying a fortune to China or France to build nuclear power stations is the opposite of technology sovereignty.

Crown jewel

Devastating as all these sales are, they are dwarfed by the threat to what the Unite union's national IT officer, Louisa Bull, called – without exaggeration – "the UK tech sector's crown jewel": Arm.

Arm's name reflects its origin in the Acorn Risc Machine, a computer spun out of the 1980s BBC computer project. It is probably the most important British company most people have never heard of.

Arm was founded by a group of people including Hermann Hauser, a major shareholder until six years ago. In 2016 the company, whose chips are crucial to new developments in electronics and communications, was bought by a Japanese investment and banking company called SoftBank, for £24.3 billion.

Hauser opposed the deal, calling it "a sad day for me and technology in Britain". The government was more than relaxed about handing over a cornerstone of technology sovereignty. Chancellor Philip Hammond said it showed that Britain had "lost none of its allure to international investors". A spokeswoman for Theresa May called it a "vote of confidence in Britain".

So the deal went through, and sure enough, eventually, like most booming investment banks, SoftBank got into financial trouble. And it then tried to sell Arm to the US video chip maker Nvidia. It was this proposed sale that prompted Hauser to write to MPs about technological

Continued on page 12

Continued from page 11

sovereignty. Separately, he described it as a "disaster".

Consider this: technologies developed by Arm – in particular its new V9 chip architecture – will be at the centre of emerging artificial intelligence, quantum computing, 5G and smart car technologies, as well as the Internet of Things.

These technologies herald a world where big data centres, which use vast amounts of energy and place a huge demand on the Internet, are replaced by billions of tiny chips in local devices doing their own machine learning and communicating with other chips as needed.

Central

Arm is central to this and more. In the year to April 2022, 29.2 billion chips based on Arm architecture were shipped – used in a quarter of all cars made, almost two-thirds of "Internet of Things" devices and, almost unbelievably, 95 per cent of all mobile phones produced.

One consequence of a sale to Nvidia, said Hauser, would be that "The decision on whether hundreds of UK companies that use Arm processors can export their products anywhere in the world will be made in the White House, not in Downing Street." That's what happens when you lose technology sovereignty.

The sale of Arm to Nvidia was only stopped by the action of the US government, when in December 202 its consumer agency, the Federal Trade Commission, filed a lawsuit to block the merger. In February 2022, Nvidia abandoned the deal. For the time being, we have been saved from the kind of cobbled-together approval studded with so-called "guarantees" – all useless in the long run – which we saw with Ultra Electronics.

Planning

"Healthcare threats are just as serious as national security and defence and should be treated with at least the same importance," said Kate Bingham speaking in Oxford last November. Bingham headed up the Vaccine Task Force that led to Britain being the first Western nation to start Covid vaccinations.

She went further, saying that the most likely threat to Britain is another pandemic – and that the government was neglecting it. Britain, she said, would need to continue to invest in the capability to design the next generation of vaccines and antivirals.

That, too, is technology sovereignty. Yet the government's actions in healthcare tech have been particularly shameful.

In her Oxford talk Bingham described the careful planning, right through the manufacturing chain, to ensure that Britain could make the vaccines it needed. But even by November 2021 the government had different priorities. It began a series of disastrous steps that asserted not the sovereignty of the nation but the sovereignty of private capital, of the free market.

Bad faith

First, against Bingham's clear advice, it drowned in a sea of red tape a proposal to bring to Britain virus-like peptide vaccines – a process that could produce effective vaccines at unparalleled speed. Then in September 2021 it dumped Valneva, a vaccine company it had encouraged to invest in a plant in Livingstone, Scotland, an act of staggering bad faith that handed a gift to the SNP, which promptly offered to step in with devolved support.

As if that weren't enough, the government then sold its stake in the much-trumped Vaccine Manufacturing and Innovation Centre at Harwell, Oxford. It's now owned by an American company, Catalent. (See *Workers*, July August.)

For 15 months or so of the pandemic the government had resorted to the planned economy to maintain sovereignty and protect the people, and, embarrassingly for it, the planned economy had worked. It was time to stop this flirtation with planned self-reliance.

'The government is abandoning sovereignty in one area after another…'

When the Arm sale was announced in 2020 Unite's Louisa Bull, commented, "The fact is that without a cohesive industrial strategy from the government, and one that supports and invests in innovation and manufacturing across the UK tech sector, we will be overtaken by other nations."

She added that an industrial strategy must include keeping Arm and steering Britain's public procurement budget "towards supporting UK manufacturing and the jobs that come with it."

Yet everywhere you look, the government is abandoning Britain's sovereignty in one area of technology after another. And don't look to the Labour Party for salvation: it finds terms like British sovereignty plain embarrassing, as do some unions.

Technology sovereignty does not mean that every single technology we use needs to originate in Britain. That's clearly impractical. But it does mean that we cannot be reliant on one or two foreign governments for the technologies we use.

Hauser put it simply in his letter to the House of Commons Foreign Affairs Committee, posing three questions: Do we have the technology here? If not, do we have several suppliers from different stable reliable countries? If still not, and the technology is only licensed by one or a handful of companies, do we have unfettered guaranteed long-term access – for at least five years?

If Britain can't say yes to at least one of these questions, he said, then we can be blackmailed and coerced by other countries – in much the same way reliance on imported natural gas allows other governments to turn the screws on us. ■

Britain is taking to the law to force the EU to admit it to the Horizon research programme…

EU science challenged

Workers

Headquarters of the European Commission in Brussels.

THE GOVERNMENT has finally moved to end the impasse over Britain's membership of the European Union's research programmes. The EU has been blocking access in response to disagreement with Britain over the Northern Ireland Protocol, which is not related to research.

The move entails formally invoking consultation under the terms of the Brexit agreement. That gives the EU ten days to respond, and 30 days to start talks. If no agreement is reached, the matter can go to international arbitration.

The EU has been blocking British membership of its multi-billion-euro Horizon research programme as well as to Copernicus, its Earth observation platform, and nuclear research as part of Euratom, as well as space surveillance and tracking.

In June, 115 British research groups lost prestigious European Research Council (ERC) grants after they refused to relocate to the EU. The government replied on 22 July with its "Plan B", setting out how it would fund research in the event that no agreement is reached with the EU.

A week before the publication of "Plan B", the ERC released analysis showing that over the period from 2014 to 2021 Britain had won more of its grants than any other country – a demonstration of the strength of British science and of how much EU universities stand to lose from being cut off from cooperation with Britain.

The EU's approach has extended to Switzerland as well, after the Swiss decided not to accept the EU's unlimited free movement and the jurisdiction of the European Court. Between them, Britain and Switzerland accounted for fully 25 per cent of grants in the ERC analysis.

'Researchers in the EU stand to lose the most…'

British strength

Researchers in the EU stand to lose the most, given the pre-eminence of British science. Switzerland, too, is a scientific powerhouse. Judged by research quality, the top 30 in the latest Times World University Rankings includes one Swiss and five British universities (with Oxford and Cambridge at 1 and =2, respectively) – and no EU-based institution.

Britain's decision to go to law was immediately welcomed by the elite Russell Group of universities. Its chief executive, Tim Bradshaw, said, "We hope the decision to enter formal consultations will help resolve the current impasse and unlock the enormous benefits that UK association to Horizon Europe and other key programmes will bring to both sides."

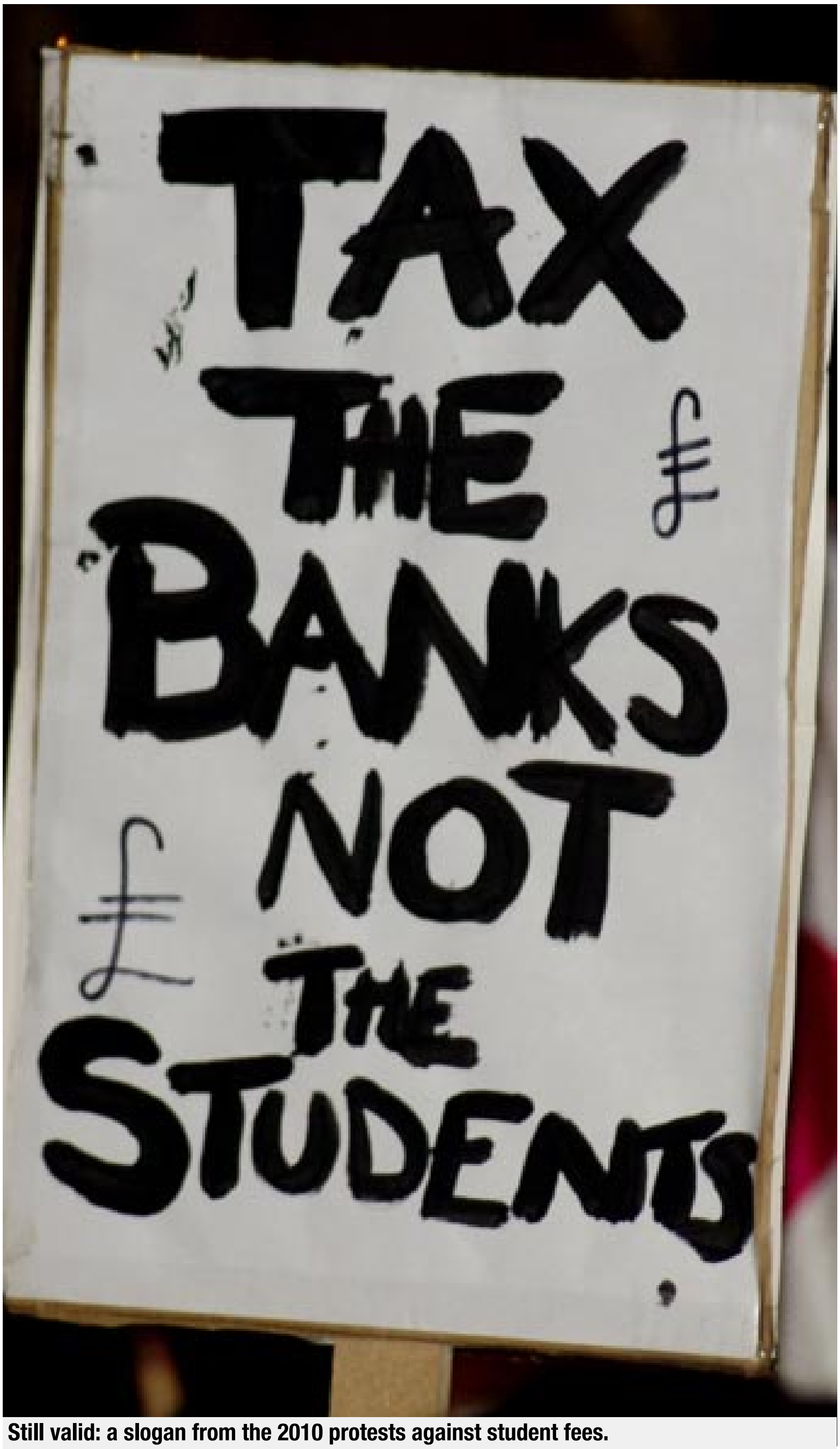
Russell Group universities won the lion's share of ERC grants going to Britain, with research income of £1.8 billion under Horizon 2020. On 21 July Bradshaw wrote to EU Commission president Ursula von der Leyen that not confirming British membership of Horizon was "a mistake".

European universities agree, including the Russell Group's EU counterpart, the League of European Research Universities. "The obsessive stubbornness of [Commission President] Ursula von der Leyen has really caused this action," its secretary-general told *Politico*. "So, well done U.K. government, whoever that may be presently, if they go ahead with this. This politicization of research policy really has to end, and fast."

That message has not got through to the Labour Party. Shadow foreign secretary David Lammy criticised the move to go to law, saying that instead the next prime minister should "sit down with all parties to ease the tensions" – which is odd, given that sitting down with Britain is precisely what the EU is refusing to do. ■

Students pay heavily for their loans. But it's still overpaid u
Meanwhile overseas students are taking places which sho

Betrayed: an entire gene



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Still valid: a slogan from the 2010 protests against student fees.

POLICY MAKERS say that a degree is an asset. But it is one that students pay dearly for. Squeezed between government penny-pinching and universities' determination to boost income which enables ludicrously high salaries for many vice-chancellors and senior administrators, they are finding that a degree costs them a lifetime of debt.

That is, if they are lucky enough to find a university place at all. Thousands are set to miss out on a university place this year, partly due to a change in marking. But there is another, underlying reason: universities prefer foreign students.

An investigation by the *Sunday Times* published at the beginning of August showed that over half the Russell Group universities reduced their tally of British undergraduates from 2008 to 2016 (the most recent year for which figures are available).

Universities outside the Russell Group also took an axe to British applicants. Lancaster reduced the number of British undergraduates by 17 per cent while more than doubling the number of overseas students.

Cynical

It's no secret why this is happening: overseas students can pay up to four times the fees charged to British applicants. Cynically, some vice-chancellors are now pushing for fees for domestic students to rise to £14,000 or more to be closer to those of overseas students.

In Scotland the squeeze on applicants domiciled there is severe, and worsening, according to a report published in August by the group Reform Scotland.

Scottish students studying in Scotland do not have to pay fees, so the system is subsidised by large fees paid by English, Welsh, Northern Irish and overseas students.The result is a vicious cap on students from Scotland. According to the report, in the past 15 years there has been a 56 per cent rise in the number of Scottish school pupils applying for Scottish universities, but an 84 per cent increase in the numbers refused entry.

The Sutton Trust found in 2016 that Britain's students borrow more than their American counterparts despite US degrees

university administrators are demanding huge fee rises. ould go to people raised here…

eration of students

taking four years. This is likely to be because of high interest rates and flat wages, which have left graduates accruing interest on their debt without paying a substantial amount back. And as an article in the *Times* newspaper added when reviewing the situation this June, "the average loan balance has only increased since then."

In total, 5.6 million graduates and students have outstanding loan balances with the Student Loans Company. The national total student debt is valued at £161 billion. Someone who graduated in 2021 earning £30,000 will repay £244 over the next year while accruing £976 in interest!

The majority of graduates with Plan 2 student loans — those taken out after fees were raised to £9,000 a year from 2012 — will never pay off their loan and instead will make repayments for 30 years until the debt is forgiven. Fees are currently capped for British students at £9,250.

The government changed the basis of student loan repayments at the end of February this year. The Institute for Fiscal Studies has calculated that the changes will help higher-paid graduates, but also that those on middling incomes will now find themselves repaying £20,000 more over a lifetime.

RPI inflation

From now on, interest will vary according to RPI inflation and graduate earnings. The move to RPI inflation – which the government refuses to use for pensions or pay settlements – alone will save the government a fortune while costing students dear.

Another big change is that new student debt will no longer be wiped clear 30 years after graduation. The Institute reckons that more than 70 per cent of today's undergraduates can expect to have to pay off their loans in full, with no write-offs.

One student has a balance with the Student Loans Company for £175,830, the biggest outstanding debt held by any graduate. Another has £169,070 of debt and there are 29 graduates with loan balances of more than £150,000.

The National Union of Students (NUS) president Larissa Kennedy responded to the Institute's research by saying: "We're in a student cost of living crisis, which is pushing us to the brink.

"We're hearing from students who are working three jobs to make ends meet, who can't even afford to travel to their university library, and who are cutting back on cooking due to spiralling energy costs.

"Our research is showing that thousands more are relying on buy now, pay later loans from companies like Klarna."

Kennedy added, "Students are not cash cows." But of course to the universities and the government cash cows (not to mention an army of slum landlords) is precisely what students are, and have been since a Labour government introduced tuition fees in 1998 and then began the process – continued by successive governments – of privatising the loan book.The last time this took was place in 2018, by then chancellor George Osborne, when a big tranche of loans was sold to the Deutsche Bank of Germany.

That privatisation process was halted by an announcement in the 2020 budget – a decision prompted by a change in Office for National Statistics accounting which meant, basically, that it would now treat the outstanding loans as debt rather than hiding them away.

In 2015, graduates' finances went from bad to worse when the government changed the terms of student loans. The Cameron administration backtracked on promises that the minimum threshold at which graduates were asked to start repaying debt would be linked to average earnings in Britain. Instead it froze the threshold at £21,000 for the next five years.

This meant that debt repayments would begin much earlier than previously expected, and the amount borrowers have to pay back in each instalment would be higher.

Meanwhile, the cap on tuition fees had been rising relentlessly (and predictably) since they were introduced in 1998. In 2016, the government announced plans to increase tuition fees from £9,000 to £9,250, where they remain today.

It's no surprise that over half of those with a student loan or a bursary do not believe it covers the costs of living.

"Just one in four students don't hold a job alongside their studies," the NUS reported in March this year. Even so, it said, "79 per cent of students are worried about their ability to get by financially. One in four have less than £50 a month to live off after rent and energy bills, and 5 per cent of students are visiting food banks."

"We're hearing from students who are working three jobs to make ends meet, who can't afford to travel to their university library…"

No wonder the NUS is arguing that the Treasury must introduce a maintenance support system which will allow all learners to live in comfort and security while studying in further and higher education. It also wants to see rent protections for students – average rents have risen 61 per cent in the past decade – and a reversal of planned cuts to the student loan repayment threshold.

Heating or eating

When you hear that students can't afford to travel to their campus library, you know there is something deeply wrong. Thousands of students are already being forced to choose between heating and eating, and with this cost-of-living crisis it can only get worse.

The government needs to act, and the people must speak out. It is time to stop applying sticking plasters on the current marketised system – the profit-driven model is broken.

Britain needs a properly educated and highly skilled workforce. There needs to be a new vision for education, one that is fully funded and accessible for all. ■

Calls for remote working to become permanent and the ne for the working class, even if they seem superficially attra

Remember, work is a coll

ladyphoto89/shutterstock.com

A dream for some, a nightmare for others: the push to work from home demands a collective not an individual response.

WHAT'S GOING on in government offices (and elsewhere)? You won't find out from politicians – nor it seems from trade unions.

During the coronavirus pandemic many office workers were able to work at home, thanks to good communications and a flexible approach to workplace issues. Of course many other workers, in hospitals, transport, factories, retail, construction and so on had no choice.

That could not last. As an urgent response to a novel virus against which there was no vaccine, it was right to adopt home working. And many of those office workers, like factory workers, had to adapt to new challenges to produce goods and deliver services.

But just as lockdowns took their toll on people's general physical and mental health, so the workplace changes came at a price. Forget the distraction of headlines about the loss of trade for sandwich bars. The real loss was of workers' control in the workplace – how and when work is done.

In many offices, especially those where workers are not unionised, formal control has been weakened or was always minimal. But work, production of goods and services, is a collaborative activity.

Workers decide all day, every day how their work is done; acquiescence to bad employers and over-demanding managers is only ever temporary. Often people work round obstacles informally and without organisation. That's both a strength, as we saw in response to the pandemic, and a weakness, as success in resisting the employer is also temporary.

It's hard to assert control of your job if you're not in the same place or don't have contact with others. A brief "hello" before another Zoom meeting isn't personal contact. And employers who resist unionisation know how important informal contact is for workplace control – which is why they limit interaction in contact centres and large warehouses for example.

'The real loss from lockdowns was of workers' control in the workplace – how and when work is done…'

Organisation

It's not impossible to organise where a workforce is peripatetic or spread over many sites. But anyone who has been in that situation will tell you that it's hard – and relies on knowing your colleagues, having mutual trust and shared experience.

People new to the job or with new responsibilities don't have the opportunity

orm for office workers are misleading and dangerous ctive…

lective activity

to learn and develop their skills alongside colleagues. Hence culture and knowledge inherent in the workplace are diluted and not sustained, and existing workers don't learn from and adapt to new recruits.

This fits a capitalist, globalist pipedream of a unitised, interchangeable workforce which can be swapped from London to Liverpool to Lowestoft – and then follow manufacturing jobs offshore to Lodz or Lucknow.

The trade union response to all of this is paradoxical and at times confused, particularly from those representing government workers. The collective nature of work and union organisation have become increasingly marginalised. All unions support individuals with problems, and offer some individual benefits. But individual rights cannot treated as central while the collective is sidelined.

Young, inexperienced workers in particular are excluded and suffer by remote working from home – as do those living in cramped housing (working on the kitchen table was a lockdown cliché for too many). And now there are rising energy costs.

Unions defending members – and trumpeting a diversity agenda – should be taking on this discrimination. Instead, they are embracing home working for at least some of the time. "Blended working is the future" they say – implying that wanting your employer to provide a decent working environment is somehow old hat.

Civil servants

The attraction of not commuting every day with worsening public transport and increased fuel costs is understandable. Travel to work takes longer for most as the government centralises work in major departments. HMRC (Revenue and Customs) for example now operates from only 13 regional centres across Britain and Northern Ireland.

Union opposition has been mostly ineffective and confined to managing redundancies and relocation. The Public and Commercial Services Union, which represents the civil servants affected, is currently trying to resist the Department of Work and Pension's latest office closure programme. But the union's strength is undermined by having spent the past two years insisting that working in offices is not safe.

Failure to secure control in the workplace has come home to roost for civil servants. Even before the pandemic the government drastically cut office space – not only through closures, but also in London headquarters buildings – 6 desks for 10 staff is now common.

Told to "go back to the office" by blustering minister Jacob Rees-Mogg, civil servants had to arrive very early or queue for somewhere to work. Some signed on from libraries, others returned home to work.

Arguing for a right to work from home, as is happening in the Netherlands, will only make this worse. The "right" will become an obligation. Work will be atomised and easily moved to another person – the eternal fate of outworkers since the start of the industrial revolution.

There was little doubt that during the pandemic there were health issues at the Driver and Vehicle Licensing Agency building near Swansea, which spilled over into long service delays, stretching to many months. Workers there tackled a complacent and unresponsive management, despite media attempts to blame them as "lazy" and "skivers".

But the DVLA action petered out last November after a series of strikes and failure to secure a high enough turnout in a ballot for another round. The union blamed government intervention, a few months earlier, but it should have been clear that another approach was needed.

Back into the workplace

There are more ways to exert control than extended strikes – getting back into the workplace on your own collective terms for example instead of hiding behind health and safety inspections.

The FDA union, which represents senior civil servants, held a "blended conference" this year, whatever that means, when they might have been thinking about a strong return to face to face debate after the pandemic restrictions. The PCS at least attempted a physical annual conference in May, though numbers were down due to the spike in Covid cases that month.

"All members can watch online" is the antithesis of democracy, reinforced by the obsession with working from home. Indeed, on the same day that the government announced 90,000 civil service job cuts, the FDA conference was calling for "flexible" or "hybrid" or "location-neutral" working – in other words continuation of working from home and making that a permanent feature.

'The "right" to work from home will become an obligation. Work will be atomised…'

One motion declared "work is not a place" in support of that policy and another called for the ability to work from abroad where that was "for personal reasons". These are foolish notions, meat and drink to ministers wanting rid of the civil service as a check on their madcap ideas.

What of those job cuts – the announcement was made without warning and the figures plucked out of the air. Most of the £3.7 billion savings are to come from front line staff – not, yet, policy advisors. The public response was generally to see through that ruse – and to ask how that action could do anything but make service delays worse.

But Rees-Mogg returned to the theme in mid-August as the two remaining candidates for the Conservative leadership were in a Dutch auction about who was going to cut the civil service the quickest and deepest. And linked to that drive, the government, in preparation for job cuts, announced "consultation" about changes (worsening, of course) to the terms for future redundancies.

That looks like a big fight ahead, with no scope for grandstanding. Civil servants will need all of their collective experience and skill to defend their jobs and conditions. And that will be easier when they are back in offices. ■

Without the minerals known as rare earths there would be way of rare earth reserves, it must become a centre for m

Rare earths and the figh

Nevit Dilmen (CC BY-SA 3.0)

Neodymium magnets: popular as toys, but crucial to swathes of hi-tech industry.

IN 2020, reacting to the US defence deal with Taiwan, China threatened to cut off its supply of rare earths to three defence manufacturers, including F-35 fighter plane producer Lockheed Martin.

China's threat was a warning to countries across the world – and an incentive for them to secure independent rare earth supplies. According to a US Congressional report in 2013 each F-35 contains 417 kilograms of rare earths.

It's not just jet fighters. Rare earths such as neodymium and praseodymium are essential to countless hi-tech industries, from batteries for electric vehicles to magnets for wind turbines. And they are vital to MRI scanners, televisions, computer screens, cameras and more.

While rare earths are not particularly rare, they are hard to find in quantities that make them economic to process. And they are unevenly distributed around the world – so unevenly as to create a mass of geopolitical problems.

By far the biggest reserves are found in China, Vietnam, Brazil and Russia, which between them hold an estimated 106,000 tonnes – compared with just 1,800 in the US and virtually none in the European Union. Worse, in the eyes of the US and the EU, almost all processing of rare earth ores is carried out in China.

Around 95 per cent of all electric vehicles use traction motors containing rare earth magnets – and China produces 90 per cent of them. Only by developing its strength in refining and separation, from the late 1970s, did China gain a stranglehold over the supply chain. Competing producers went out of business.

The British government, wedded to the myth that market forces will save everything and that state intervention is useless, has been late in formulating its own independent strategy to ensure a reliable supply of rare earth metals to industry.

In November 2021 the UK all-party parliamentary group on critical metals was advised that Britain's dependency on imported minerals leaves it strategically vulnerable. But this can be changed. There is nothing (including intermittent EU whines about a "level playing field") to prevent this government from pursuing an independent rare earth investment policy.

Strategy

It has taken time. Finally on 22 July this year, standing in a construction site in Saltend, Hull, business secretary Kwasi Kwarteng announced the government's response: the Critical Minerals Strategy.

The strategy talks a good talk about establishing a British supply chain for battery production. But hopes that the government will have the foresight to plan for the long term may be unduly optimistic, strategy or no strategy.

Workers will need to take charge of the planning for their own futures. In the field of metallurgy this means pushing for policies that will put R&D and skills in the working of both base and precious metals at the forefront.

Outsourcing to obtain cheap goods is what free-market capitalism does. The consequences can be disastrous. The shortages during the pandemic were a mere foretaste of what could happen: UK car production was the lowest for 65 years.

Renewable energy relies on rare earths. Each electric car motor needs 2 kilograms of rare earth magnets – while wind turbines can require up to 400 kilograms. No wonder a report for the US Army in 2019 described rare earth elements as "the new oil".

Towards the end of last year the EU launched its European Raw Materials Alliance (ERMA), aiming to cut its 98 per e no modern industry. And though Britain has little in the anufacturing them if it is to maintain its independence…

t for independence

cent dependency on China and increase its output of magnets fourteenfold by 2030. But there's been little progress so far.

Alena Vishina, a researcher at the University of Uppsala, reckons that it could take 10 or 20 years for the EU to significantly reduce its reliance on China. And even that seems to rely on a plant being constructed in Norway, which is not in the EU but has significant deposits of rare earths.

In the United States, the Ore Act was introduced to develop domestic rare earth capacity, and the Biden administration included rare earths among only three other industries in its supply chain review. But legislation has stalled.

Whereas China has safeguarded its own rare earth industry from the global free market, the US still takes the shortsighted path of cheap imports. Britain must not make the same mistake.

There are many instances of rare earth-bearing minerals in Britain, for example associated with lead-zinc-fluorite mineralisation in the North Pennines. To date, there has been no mine production, and limited evaluation of potential (in Scotland and Wales). The British Geological Survey considers density is too low to be of economic interest. But the BGS also says more systematic studies are needed, and rare earths are a priority for further investigation.

The union Unite has taken up the cause of Britain's "sovereign capability", calling on the government to protect critical industry and strategic security assets from the US policy of "buy it, sweat it, flog it" (a witty reference to defence company Meggit). The union wants investment to be spent in the Britain, with guarantees "that must extend to the supply of key components and materials". This is a call that should extend to all manufacturing, not only defence. Britain's metals are part of our "sovereign capability".

'The US is still taking the path of cheap imports. Britain must not make the same mistake…'

Unite's call for the government to intervene when jobs are threatened, using the Enterprise Act, was based on the bitter experience of sell-offs in electronics (see article, page 6).

Under the National Security and Investment Act 2021 the government holds extended powers to mitigate risk to Britain's intellectual property. In the context of advanced materials and components, it "pledges to maintain advantage...if UK companies...are controlled by hostile actors". Do these pledges mean anything?

To howls of protest from the EU – in July this year it complained formally to the World Trade Organization – Britain is realising the full potential of its surrounding seas. The proliferation of wind farms in areas such as Aberdeen, Swansea, and Dogger Bank off the Yorkshire coast, is proving fertile ground for the magnet magnates.

Alongside this, the recycling of so-called permanent magnets is set to be big business at Pensana's Humber plant, bringing extra jobs (see Box, above). The magnets in the turbines are not as permanent as they sound ("permanent" in this use means "always on"). But they can be recycled. Hence the Hydrogen to Humber recycling programme at Saltend.

Globalism

Pensana has globalist ambitions, shipping minerals to SE Asia and the US, later to the EU. Unions and parliament should be vigilant: lucrative exports should not leave Britain itself short of essential minerals. Free-market non-intervention can only harm Britain's prospects.

An industrial renaissance has started following Britain's departure from the EU. The main task now is to assert control over our trade and supply chains, whichever foreign power attempts to dominate, or simply happens to have developed mastery (which could be said in the case of China).

Independence means not becoming a pawn in anyone's trade war, maintaining our own regulatory standards, and opposing sell-offs. ■

New factory on the Humber

KWASI KWARTENG announced the Critical Minerals Strategy at the groundbreaking ceremony for a new rare earth refinery – the Pensana development at the Saltend Chemicals Park, Humber (Port of Hull), to be operational by 2023.

It's the first major rare earth separation facility to be built anywhere in over a decade and is unique to Britain and Europe. There are only three outside China.

Saltend is to be built in a "freeport". (Pensana pushed for the concept of duty-free ports, which benefit the employer). The company has promised 450 jobs during construction, plus 125 "high value" full time jobs. It is expected that Saltend's entire production for the next decade will be taken up with the all-electric Volkswagen ID.3 range.

As with Nissan in Sunderland, Pensana found a locally skilled workforce and existing infrastructure. The company describes the Humber as having "chemical engineering in its DNA".

The plant is expected to produce 12,500 tonnes a year of magnet metal oxides from one of the world's largest deposits at the Longonjo Mine in Angola (total production 45,000 tonnes a year), including neodymium and praseodymium (NdPr), key to the manufacture of permanent magnets.

Angola's sovereign wealth fund has invested millions in Pensana, and on 5 August announced a further investment to take its stake in the company to nearly 25 per cent. ■

A new book reveals just how corrupt Britain has become v international money laundering…

A country made for klep

Andrey Popov/shutterstock.com

Dollars are a preferred currency for money laundering.

***Butler to the world: how Britain became the servant to tycoons, tax dodgers, kleptocrats and criminals*, by Oliver Bullough, hardback, 288 pages, ISBN 978-1788165877, Profile Books, 2022, £20. Kindle and eBook editions available; paperback edition due January 2023.**

BASED ON extensive research and many interviews, this amazing book exposes the role of successive British governments in aiding and abetting a huge range of criminal acts.

Journalist Oliver Bullough has produced a worthy and readable follow up to his earlier book, *Moneyland: why thieves and crooks now rule the world and how to take it back*. That described how a global elite operate beyond the law and outside the control of nation states.

This book extends the theme, to show how Britain facilitates that world. Bullough writes, “It’s not just that Britain is not investigating the crooks, it’s helping them too.” And he notes that Britain’s clients are “some of the worst people in existence.”

Britain does not act alone in helping kleptocrats and criminals to launder money. Bullough points out that their activities naturally transcend national jurisdictions. They derive power and resilience because they do not rely on any one place.

But, he goes on, “however bad other countries are, Britain has for decades been worse. It operates as a gigantic loophole, undercutting other countries’ rules, massaging down tax rates, neutering regulations, laundering foreign criminals’ money.”

Criminality has become an integral part of global capitalism. The free movement of capital facilitates the growth of crime, not the useful, real economy. Britain facilitates this in a range of activities, not all of them illegal.

The author traces this back to the financial aftermath of the 1956 Suez crisis. City bankers, no longer able to use sterling to fund their international trade, hit upon using the large deposits of US dollars held offshore and outside the US banking system – which became known as eurodollars.

Bullough explains the attraction, “By basing themselves in London, [bankers] avoided US restrictions on how much interest they could pay; by using dollars, they avoided British restrictions on how much money they could move”.

London became the centre for this global financial market serving the needs of capital. Other roles grew around that activity – accountancy and law, and even public relations and art dealing.

The free movement of capital destroys industry which is vital to our existence. “If you have free capital flows and fixed exchange rates, you can’t have domestic autonomy, because the markets will severely punish what they deem to be excessive expenditure by making borrowing prohibitively expensive.” But free capital flows eventually destroy fixed exchange rates. Speculative capital destroys productive capital.

With free movement of capital, exploitation intensifies. The accounting giant PwC and the banking giant UBS reported that between April and July 2020, the world’s 2,189 billionaires increased their collective wealth by $2.2 trillion.

They then claimed, as Bullough recounts, that “it would not be effective to tax the billionaires, who could just move their money out of the reach of national tax authorities. Instead, governments should just allow inflation to increase, to erode what savings the rest of us have left, because that is the money that can be reached.”

This liberal, transnational approach extends beyond finance. It not only impoverishes workers by diverting the wealth they create, it can also directly damage our society.

Crime and capitalism

Successive capitalist governments have let big crime run its own affairs. For example, in 2003, the Labour government allowed the gambling “industry” to regulate itself. Its Better Regulation Task Force said, “We would urge you to consider self-regulation, such as a code of practice endorsed by the industry.”

Bullough shows how the industry promptly brought in fixed-odds betting terminals. “As with casino roulette, the machines are mathematically rigged in favour of the house. … if you play for long enough, and the machines are designed to make sure you do, the bookie always wins. They are a one-way bet. By 2007 there were 30,000 of them in Britain’s betting shops.”

The author points out, “Inevitably, the

when it comes to

ptocrats

“Financial crime… however bad other countries are, Britain is worse…’

big companies put their betting shops in places where punters could be relied upon to lose as much money as possible. This was predation on the most vulnerable members of society by huge corporations armed with ever more finely honed addictive machines. There was a direct correlation between the concentration of betting shops and the level of deprivation in a district.”

The amount of money gambled online in Britain increased from £13 billion in 2014 to £121 billion in 2019, while the bookmakers’ profits rose from £1.5 billion to £5.5 billion. YouGov research estimates 1.4 million people are now “experiencing gambling harms”. The government’s terminology – “problem gamblers” – blames the victim. The reality is problem companies, empowered by problem governments.

And what of anti-money laundering regulations and the recent Economic Crime Act? The primary responsibility to detect money laundering lies with a patchwork of self-regulating organisations, laughably called “light touch” regulation and which has failed on many other scores. And the National Crime Agency, responsible for enforcement, is underfunded and outgunned by the expensive lawyers they face.

Bullough sums up, “The government has essentially outsourced responsibility for stopping money laundering to the money launderers, and is failing to stop dirty money as a result.”

The first part is true, the second is not. Successive governments have not failed to stop this criminality because they have never tried to stop this criminality. They have enabled it because they profit from it. In capitalism, capital is king, profit alone is sovereign. ■

Given the siren calls for similar action often heard now, it'
what actually happened the last time a general strike was

1926: the General Strike

IT'S OFTEN forgotten that the General Strike was born of weakness, not strength.

In 1914, to strengthen their bargaining hand, the miners had sponsored the formation of a Triple Industrial Alliance with railway and transport workers as a tactic to press wage agreements and settle hours of work. The idea that trade unions should be revolutionary organisations – called syndicalism – was popular before the war and part of the background to this move.

At the end of March 1921 the mines, temporarily taken over by the government during World War One, were returned to private ownership. The coal owners refused to modernise the industry but immediately announced sweeping wage reductions, imposing a lockout of union members at all collieries. Again, the railway and transport unions threatened a Triple Alliance strike.

This time Lloyd George's government responded with a State of Emergency, called reservists to colours, had machine-guns posted at pitheads and sent troops in battle order to working class areas.

Last-minute negotiations petered out in confusion and the Triple Alliance strike action was withdrawn, earning the event the derogatory name Black Friday. The miners resumed work on the owners' terms.

The 1923 boom in mining allowed negotiation of higher wages, but collapse soon followed and by 1925 with a return to the Gold Standard came calls for a reduction in wages. The newly formed TUC General Council, in an attempt to displace the Alliance, supported the miners.

Realising conditions were not sufficiently in their favour, the government bought time in negotiations and brokered a deceptive peace in the mines with a nine-month coal subsidy.

The trade unions, swollen-headed by the effectiveness of their mere threat to strike, thought Prime Minister Baldwin had capitulated, and called the day Red Friday.

But the government – knowing it wasn't ready – had allowed an armistice in order to gain time for a later assault, and it took preparatory action in a strategic, class-conscious fashion. By the spring of 1926, it had built up stockpiles of food, coal and fuel.

Meanwhile after Red Friday, trade union leaders acted as if trouble could be averted. Although the trade unions had declared war and rhetoric still flourished, union leaders and most of the membership had not apparently really meant it.

No preparations for a national strike on the trade union side were made until 27 April 1926. There was unreasoning faith in the prospect of a settlement crossed with a lack of enthusiasm for action among the majority of the General Council. Most had pinned their hopes on the Samuel Commission which reported unfavourably for miners in March 1926 on the key issues of hours and wages. The miners refused to accept it.

Vain hope

Three weeks of futile negotiation followed in April. Unlike in 1925 the government, prepared for eventualities, was not interested in making concessions or obtaining a settlement.

The trade unions still remained ridiculously hopeful of a settlement. But in the very final negotiations on Friday 29 April, the mine owners offered a wage cut on worse terms than the Samuel Commission.

The government refused to interfere or continue with negotiations, and brought in an Emergency Powers Act. On 30 April – the day on which the subsidy ran out – mine owners posted notices in most pits and a million miners were locked out.

On 1 May the various unions declared they were prepared to hand over their autonomy to the General Council during the dispute (never a wise course of action) and voted to join a National Strike on 3 May. The General Council now deemed the conduct of the dispute to be completely in its hands, either to organise a strike or – increasingly from day one – to arrange a climb-down and call it off.

The "General Strike" was not quite a general, all-embracing strike. It was a partial national strike of some elements. Only sections of the labour movement were called out: railways, transport, iron and steel workers, builders, printers, dockers.

'Various unions handed autonomy over to the TUC General Council…'

Public domain

Troops mustered at Hyde Park, London, during th

The number of strikers was between 1.5 and 1.75 million. Other trades and occupations were kept back: engineers, electricians, woodworkers, shipyard workers, post office and telephone workers. More critically, the trade unions went into battle unready and with divided leadership.

Government departments sent out detailed instructions, troop movements were announced including two battalions of infantry that marched through Liverpool. All army and navy leave was cancelled. Hyde Park was closed to serve as a food depot.

Surprised

The response to the strike call was overwhelming. Its completeness surprised everyone including the TUC and the Labour Party, which feared by association of losing "bourgeois" respectability. Public transport was mightily affected, especially the trains, and the trams in London stopped running for the duration of the dispute.

Despite much publicity, volunteers on buses and elsewhere had a minimal effect, but government plans to use road haulage lorries worked as goods were transported around the country by non-unionised labour.

s vital to recognise held…

ne General Strike.

The TUC General Council called off the strike on 12 May. It had obtained no terms for the miners or for the other workers who had struck in sympathy with them. The miners continued on strike alone for six months and eventually were forced back to work on regional settlements, longer hours and lower wages, with an ever-present pool of unemployed miners to undermine their efforts.

In other trades and occupations employers sought to inflict setback and sack trade union leaders. Within a year the Trades Disputes and Trade Unions Act was introduced, forbidding sympathetic strikes and mass picketing. TUC membership fell from 5.5 million in 1925 to 3.75 million in 1930.

Tactics and strategy are the lifeblood of our class. Properly understood, a general strike is a political weapon reserved for the most propitious circumstances when a working class is ready to move forward to revolution – a measure to be deployed only when a class wants to overthrow the exploiters' system and seize the levers of power. Unless such a level of understanding is there, a general strike should not be broached. Other more irregular tactics should apply. ■

• A longer, more detailed analysis is available online at cpbml.org.uk.

Worried about the future of Britain? Join the CPBML.

ABOUT US

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

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

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

Either we live in an independent Britain deciding our own future or we become slaves to international capital. Leaving the EU was the first, indispensable step. Now begins the fight for real independence.

We have no paid employees, no millionaire donors. Everything we do, we do ourselves, collectively. That includes producing *Workers*, our free email newsletter, our website, pamphlets and social media feeds.

We distribute *Workers*, leaflets and pamphlets in a variety of ways, such as online or in our workplaces, union meetings, communities, market places, railway stations, football grounds – wherever workers are, that is where we aim to be.

We hold regular public meetings around Britain as well as online meetings, study groups and less formal discussions. Talking to people, face to face, is where we have the greatest impact and – just as importantly – learn from other workers' experience.

So why join the Communist Party? What distinguishes Party members is this: we accept that only Marxist thinking and the organised work that flows from it can transform the working class and Britain. We learn from each other. The real teacher is the fight itself, and in particular the development of ideas and confidence that comes from collective action.

Want to know more? Interested in joining or just in taking part? Get in touch by phone or email. If you just want to know more, come along to our next online or in-person discussion group, or join a study group.

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Making an honest living

> **'The tech companies being blithely handed over to foreign interests are at the core of a healthy British economy…'**

AS A NATION, there are really only two ways for Britain to make a living. It can be an honest one as a manufacturing nation making things that people need. And manufacturing still accounts for about 10 per cent of economic output – more, it should be said, than financial services.

Or it can be a parasitic existence, relying on banking and tourism, and buying in what we need. In that scenario, there's no need for an industrial working class, no need to create value – just let finance capital cream off profits from value created earlier or elsewhere. That brings no benefits to workers and society.

But we can't rely on being able to buy in what we need. Witness the disruptions to supply chains during the Covid-19 pandemic (and which continue now). Even if we could, it's a shameful way to live for a nation with Britain's capacity and potential. And it fosters the reactionary thinking that comes from relying on other people.

Look at London, once a centre of manufacture. Now the huge industrial estates such as Park Royal in west London have gone. Only 2.2 per cent of London's workforce is engaged in manufacturing, about a third of the level just 25 years ago – fewer than work in real estate and less than a third of the numbers working in financial services.

Is it any surprise that in a capital dominated (politically and architecturally) by the City, the banking and finance companies, we saw the highest votes to Remain in the EU?

If the article on page 10 about technology sovereignty talks about companies most people have never heard of, that's because by their nature these top technology firms don't sell consumer goods. They sell to companies and governments. Perhaps that's why there's been less fuss generally about their sales than, for example, Walmart taking over Asda.

But the tech companies being blithely handed over to foreign interests are at the core of a healthy British economy.

Karl Marx noted in the 19th century that what he termed the production of the means of production is central to any economy. We used to think of it in terms of iron and steel, and machine tools. But today it is equally – if not more – about technology.

These firms, their very existence, reflect the deep and persistent skill and knowledge that reside in the British working class, aided by a university system that successive governments have not managed to completely pervert.

They are hard evidence that Britain is a country with huge potential for an industrial future. We do not have to be content with assembling products from elsewhere, welcoming tourists, and bowing down before the City of London.

And with a healthy hi-tech sector, a truly independent Britain would be in a much better position to withstand hostile boycotts and embargoes.

Earlier this year the CPBML ran an online discussion meeting around the theme of "a working class needs modern industry". The second part of the title was "Can a working class without real employment create progress?".

The speaker who introduced the topic works for a big tech company. But he noted that modern hi-tech industry is typically composed of many small companies with highly focused and skilled workers feeding medium-sized factories supplying to large multinationals. Instead of the huge factories of the past we have interconnections, mutual reliance, a supply chain with energy, water supply and communications infrastructures enabling everything.

Making things means the real creation of value, and that takes skills and relationships, the speaker said, while noting than many other types of employment are also needed this to facilitate it – in water, energy, education, health, agriculture and many other areas.

The potential for collective organisation as a result of real employment is the key to creating progress, he said. But without technology sovereignty we are simply not going to keep our hi-tech industry, and if we allow that, we weaken the prospects for progress.

Technology sovereignty brings that crucial employment, and with it a highly skilled, interconnected, creative and productive working class – the kind of working class with the self-confidence and belief in the future that alone can take on capitalism and build socialism. ■

May Day badge, £2

Red Flag badge, £1