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# AS THE ELECTION LOOMS...

# CHANGE BRITAIN: DEMOCRACY NOT PARLIAMENT



**JOURNAL OF THE COMMUNIST PARTY** 

BA Taking on the union-busters 06



**Gilt-edged insecurity** Quantitative easing



**Culture** A manifesto for libraries

# WORKERS

# Democracy, not parliament

TO VOTE Labour or Lib Dem or Tory is to back finance capital and the banks, public spending cuts and tax rises, continued destruction of our industry, the Lisbon and Maastricht Treaties with their theft of our sovereignty, Thatcher's anti-trade union laws, NATO and all its wars – in short, it is to back the continuation of capitalism in its absolute decline, along with its corrupt political system.

We are not a broken society, but we do have broken politics. It is the system of parliamentary representative government that has served the ruling class for so long that has broken down.

We are told the transmission belt runs from the electors to the elected; but now we can all see that it runs the other way. This system represents the ruling class not the working class; it presents the ruling class's interests as the nation's interests.

But now the political break is clear - our interests, Britain's interests, the interests of the working class majority, are totally opposed to the interests of the tiny minority

who misrule us

We cannot now even use parliament to block bad laws or actions, from wars to fortnightly rubbish collections. Parliament is a block to our wishes, not our tool. The government does whatever it wants, overriding research, pilot projects, consultations or any other evidence. No wonder we are disillusioned with parliament, with MPs and others who rip us off, like Lords Adonis, Ashcroft and Mandelson and similar parasites.

Before the last general election, every parliamentary party promised us a referendum on the EU Constitution/Lisbon Treaty. All reneged. Now we are subjects of a new would-be state, under a Constitution we have never agreed to. Where's the democracy? Are we citizens or serfs?

What we need is a referendum, not an election. Voting for others to do things on our behalf inevitably leads to betrayal and corruption. We need to assert control over our country, set our own agenda, and stop electing others to "represent" us.

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## Power in Pembroke

THE STRUGGLE for the right to work in our own country continues, this time in the southwestern corner of Wales in Pembrokeshire.

There have been three demonstrations there since the last issue of WORKERS, with varying degrees of success. There has also been the Facebook campaign, an online petition and much letter writing to those in positions of power.

The result has been that Alstom, the French multinational main contractor, has yet again (the same approach was taken at Staythorpe, Uskmouth and LOR, Lindsey Oil Refinery) gone public with some dissembling. It claimed that the vast majority of work is being carried out by British workers, the same is claimed for Pembroke.

This is not a lie, but it is dissembling. What is not said is that it is the engineering workers to whom they refer. But it is a lie when it comes to the skilled engineering construction workers, the ones who actually build the power station, not those who prepare the ground upon which it will be built.

The dissembling was oft repeated by the local Labour MP, Nick Ainger, and others, telling the campaigners that they were "misguided", that their petitions were wrong and should be removed due to their inaccuracy.

On 17 March this MP was embarrassed into a complete volte face. He finally admitted that the campaigners were right all along and had complained to the Welsh Secretary about how they were being misled. Further, he was demanding that Alstom reveal who has the sub-contracts and that they be forced to advertise in the local job centres – something hitherto they have been singularly refusing to do.

But with an election in the offing, workers are right to be sceptical. Words are cheap, promises are given, lies are told, people are elected and nothing happens — no change there then! As one close to the protests said of Labour, "They can illegally invade a country or two and break every UN law, but refuse to break EU laws in favour of their own people."

The protests will continue and it is to be hoped will grow and bear fruit, but what is really needed is for the industry to stand up for itself again. LOR showed the way and it was a lead that was followed. It is not good enough for the industry to remain silent apart from some well wishing — it won't produce the goods. Power lies in the workplace and on site. When the job currently being worked finishes, what then if Pembroke is allowed to go the same way as Staythorpe or worse Uskmouth, mainly built by foreign workers?

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

### **ICELAND**

### A people says no

ICELANDIC VOTERS have rejected a proposed deal to repay Britain and the Netherlands the £3.48 billion lost in the collapse of Icelandic internet bank Icesave. 93.2 per cent voted no, just 1.8 per cent voted yes, and 4.7 per cent turned in an empty ballot. This result sends a message that Iceland's taxpayers will not repay the debts of a private bank, and will strengthen Iceland's negotiating position.

Iceland was a nation proud to owe nothing. But then its crazed bankers funded themselves through British and Dutch internet savers chasing unrealistic interest rates, creating a giant debt.

Each Icelander now effectively owes the British people £8,000. It is an IOU that should be owed by a few Icelandic bankers to a few British bargain-hunting savers. Deposit protection and European treaties have remade this into an odious £2.3 billion debt.

Iceland's banks collapsed at the same time as half the British banking system. The Treasury calculated that the risk to financial stability of letting any British saver lose their money at that time would be too much. So the government repaid the savers, even above the deposit protection limit. It then tapped Iceland for its share, and will get the rest back from banks and our hard-up building societies. Many British building societies have had to pay out millions to fund the failure of a bank that used this same guarantee to acquire deposits at their expense.

So the pain of the Icesave folly has been shared around between Britain's financial institutions, Britain's taxpayers and Iceland's taxpayers.

### **EUROBRIEFS**

### The latest from Brussels

### **Rubbish politics**

THE EU'S Landfill Directive demands an increasing cut in the amount of waste sent to landfill. The 2010 target is a 25 per cent reduction from the 1995 levels, and 65 per cent by 2020. At the same time, the government wants to save £550 million by sacking half the refuse workers and ending weekly bin collections. The vast majority herewant to keep weekly rubbish collections, but that does not matter to the British or EU governments.

#### Subsidising forest clearance

THE USE of biofuels to meet EU and government targets could be more environmentally damaging than using fossil fuels because of the need to clear millions of acres of forest for commercial plantations. A leaked memo from the EU agriculture directorate reveals that the European biofuel industry would be in danger if these changes of land use were included in sustainability standards. The industry receives a subsidy of almost £3 billion each year.

#### **Brussels** gold

ENVIRONMENTAL groups get millions of pounds in taxpayers' money from the EU. Six bodies, including Friends of the Earth and the World Wildlife Fund, had 3.37 million euros in grants (about £3 million) – and then spent £2.69 million on lobbying the EU. Meanwhile, the EU is giving European political parties an increasing amount of support. The bill for 2010 will be 18 million euros, a total of 60 million euros since 2004. This undemocratic process has no independent control: MEPs select the auditors.

### Who needs English?

EU RULES outlaw checks on foreign doctors' language skills. France skirts the ban by inviting prospective foreign GPs for interview – to check their language skills. Following the death of David Gray, killed by a German doctor with poor English, the General Medical Council met Health Secretary Andy Burnham in March to demand an end to this ban – but were told it could mean fines from the European Commission.

### Pay, but don't watch

LONDON'S residents are paying for the 2012 Olympics, but won't get preference in the race for tickets as EU law bans "discrimination".



London, 12 March. RMT & TSSA trade union members demonstrate outside Network Rail headquarters over plans by the company to axe up to 1,500 safety-critical jobs and to tear up national agreements on working practices. Maintenance workers have voted to strike over the issue.

# Sussex fight for university

STAFF AND students at Sussex University are waging a determined campaign to save the university's academic integrity.

On 3 March, academic staff belonging to the University and College Union (UCU) voted overwhelmingly in favour of both strike action and action short of a strike in their fight to save jobs. The turnout -80.9 per cent - is the highest figure ever in a UCU ballot. Over three-quarters of staff (76 per cent) who voted supported strike action and over four-fifths (82 per cent) agreed to action short of a strike. At a packed emergency general meeting, Sussex UCU members unanimously called for strike action on Thursday 18 March in response to the university's refusal to agree to talks or remove the threat of compulsory redundancies. The action went ahead.

It will now be up to the university council, which meets as WORKERS goes to press, to decide whether or not to push ahead with the university's "proposals for change", destroying 115 jobs. Like every university, Sussex has staggered in recent years from restructuring to restructuring. Schools have been merged and merged again. Staff and students successfully fought off proposals to close down the internationally recognised chemistry department in 2006; in 2009 the linguistics degree was closed down.

Now redundancies are threatened, and the courses offered are to be reduced significantly in nearly all areas of the curriculum. In History, they intend to stop teaching any English history before 1700 and any European history before 1900. The only areas to avoid cuts are Business, Management and Media Studies, which fit with the university's strategy. Like other universities, in the face of £573 million cuts imposed by the government, that strategy is to fill courses with fee-paying international students, reduce the curriculum, bring yet more private enterprises onto campus and erode student contact time with lecturers still further.

UCU Sussex representative Paul Cecil said, "Industrial action is an absolute last resort, but the university's unwillingness to enter into meaningful negotiations, even through the conciliation service ACAS, has forced our hand. The bottom line is that serious job losses will impact massively on the quality of education and services we can offer here at Sussex."

Tom Wills, University of Sussex Students' Union (USSU) president, expressed the students' support: "We are right behind Sussex staff and the principled stand they are taking in defence of their jobs and our education. We understand that strike action by staff may be the key to winning this battle and we will do everything we can to support it. We will hold university management responsible for disruption to our education resulting from the strike – but moreover we will hold management responsible for the devastation that will be wrought on our education if they succeed in pushing through their cuts proposals."

Strike ballots are also being held at King's College London, University College London and the University of Kent. Last month, UCU members at the University of Leeds delivered a then-record turnout for strike action (see article, p5).

# Guides call for right to work

IN JUNE 2010, Unite holds its first Policy Conference since the merger between Amicus and the T&G. The tourist guides' branch, APTG, wants regulations to protect professional standards in a hostile climate of deregulation demanded by EU competition policy.

The guides are calling for the union to "redirect policy and resources into immediate support for members campaigning and taking action for the right to work where they live and to regain control of their working lives". They recognise that other workers across the whole spectrum of occupations face similar charges of "protectionism" as they struggle to defend their jobs and skills and the rights and safety of the public.

Working as Palace of Westminster guides during the summer, they also know that even if there were the will in Parliament (which there isn't) to scrutinise every law that comes from Brussels, MPs are so inundated that they are forced to rubber-stamp the directives that come their way. But what really sticks in the throat is that qualified workers can be excluded from applying for jobs in their own countries while companies bring in a cheaper, and often less skilled, workforce, as at Lindsey, Staythorpe and Pembroke.

Being unregulated, APTG members have lost work for decades to foreign tour managers operating without guiding qualifications in Britain. The pro-EU union MSF did not want to hear the truth, nor did Amicus, but now with the glaring example of the exclusion of British construction engineers from contracts and the latest European rulings bullying states into amending their own agreements on collective bargaining, Unite must recognise that its pro-EU stance is incompatible with the interests of its members.

Tourist guides know from bitter experience that lobbying the unelected Commission and mounting a legal challenge to ECJ judgements is a protracted and costly process, during which time a generation of jobs and skills may be lost. Yet this is the path chosen by Unite.

The policy conference should be a chance for the union to debate the fundamentally anti-worker and anti-democratic nature of the Lisbon Treaty and of the British parliament, which, with the connivance of Unite, is united in refusing a referendum on the matter.

### **LEEDS**

### **UCU** victory

THE ONE-DAY strikes set initially for early March at Leeds University were called off, first temporarily and now permanently following a groundbreaking agreement reached at the brink of a new strike day on 18 March.

The planned strikes had been suspended two weeks earlier when the management pulled back on the immediate threat of compulsory redundancies in the Faculty of Biological Sciences and came up with a new process for organisational change which involved talking to the unions. ACAS-mediated talks continued but then it was clear the management was dragging its feet and, at yet another packed University and College Union (UCU) meeting on 11 March, the strikes were back on.

A final breakthrough on 16 March saw the signing of the agreement, which spells out a process with new more open procedures to avoid redundancy. In Biological Sciences, in the front line of the cuts, steps aimed at avoiding compulsory redundancies will be extended to the end of January 2011. New measures to facilitate redeployment and retraining as well as the reinvigoration of research work are to be piloted in the faculty.

This all represents a sea-change in attitude of a management which for months has been trying to ride roughshod over normal agreed procedures when redundancies are threatened. The past few weeks have been described by the UCU negotiators at Leeds as a rollercoaster during which time the union was essentially derecognised.

The president of the UCU at Leeds University has reminded members that the cuts are not off — but the management has been forced to agree more appropriate procedures. There is general agreement that the threat of strike action with a large turnout in the ballot was the single factor that brought management back to the negotiating table.

The rest of the union, nationally, is now looking to the agreement at Leeds as a model in the sector as several more face similar redundancy threats, including Sussex.



### Coming soon

### **APRIL**

Saturday 10 April.

Assemble 12pm, March 1pm, Rally 2pm "Defending the welfare state and public services"

Assemble at Temple Place, Embankment and march to a rally in Trafalgar Square. The state pension is under attack, unemployment is rising, the NHS is being slowly privatised, public services are facing cuts across the board. For more information, see www.10410demo.co.uk

#### MAY

Saturday 1 May

CPBML London May Day Rally: Change Britain – Democracy not Parliament

7.30 pm, Conway Hall, Red Lion Square, Holborn, London WC1R 4R

A celebration of May Day with speeches, refreshments and plenty of good company.

Sunday 2 May

CPBML Edinburgh May Day Rally: Change Britain – Democracy not Parliament

2 pm, Word-Power Books, 43 West Nicolson Street, Edinburgh EH8 9DB

A celebration of May Day with speakers, music, discussion.

### **CIVIL SERVICE**

### **Redundancy changes fought**

MEMBERS OF the Public & Commercial Services Union, the largest in the civil service, are challenging changes to their redundancy scheme. A two-day strike at the start of March was followed up with lobbying and demonstrations, then another strike on Budget Day.

The ballot turnout was low, tempting management to claim that the action would be ineffectual. The turnout for the strikes was reasonably good, but it is not clear how the union sees the dispute developing, especially since the other five unions have accepted the government proposals.

The union campaign is headlined "No job cuts on the cheap". The fear is that these worsened terms are a prelude to a concerted attempt to reduce numbers whatever the result of the election. Civil service workers expect this and a pay freeze, but have not yet decided that the time is right for a direct challenge to their employer.



MANY WORKERS are accepting pay freezes, compulsory redundancies and even pay cuts. But the Communication Workers Union, owing to its previous well-supported dispute and adept negotiations, has formulated a proposal for Royal Mail workers. The CWU executive has endorsed a draft national agreement, "Business Transformation – 2010 and Beyond" and members will vote on whether to accept it.

Between now and 2012, some of the key elements of the agreement to be introduced are: basic pay will rise by a minimum of 6.9 per cent phased over 3 years; further guaranteed payments of £1,000 per full-time employee linked to transformation will accompany the phased introduction of change in the workplace; there will be weekly basic pay supplements; the CWU will play a full part in the introduction, deployment and review of change; the working week will reduce by one hour with no loss of pay; Royal Mail will remain a 75 per cent full-time industry; existing job security will be further enhanced and an "over-arching aim" will be to achieve transformation with no compulsory redundancies; no full-timer will be forced to move to part time and no part-time worker will be forced to move to full time; there will be improved maternity and paternity pay; and £400 when the agreement is ratified.

### Result of dispute

This agreement, covering all aspects of the modernisation of Royal Mail, has been negotiated as a direct result of last year's dispute. It will enable change to be managed via properly negotiated terms with full CWU involvement, improved job security and benefits for members. The agreement recognises the reality of automation, competition and the financial challenges facing the company – but it does so in a way that puts the interests of CWU members at its heart and also enables a future for all involved with the company. The union in its letter to members states: "There are positive aspects and there are changes that you may not like." Members are urged to see the agreement in its totality.

The new automation will reduce jobs. But to help protect employment, door-to-door delivery will become part of a measured workload aimed to promote job retention, while a shorter working week will be introduced alongside a "real commitment" to increase new products and services. Some mail centre closures and relocations will happen, but there will be joint discussions on the future strategy and, to protect the people affected, the agreement raises the cap on travel expenses. Also relocation terms will now be automatically available. Workload and performance standards are being reviewed and will be incorporated into agreed revision procedures to ensure "fair workload alongside safer working practices and modern equipment".

Here is palpable proof that collective action, even in difficult circumstances, can ensure workers retain elements of control over salaries, conditions, job prospects and the quality of an essential public service. Where there's a will, there's a way. Far from accepting daft notions that we are powerless, the postal workers have shown clearly that workers are still a force to be reckoned with.

It was one of those negotiations to gave, the more BA demanded. The airline in the interests of shareho

# Battle begins as BA st

STRENUOUS EFFORTS by Unite to avoid a cabin crew strike forced British Airways to keep talking until a few hours before the deadline at midnight Friday 19 March, but with BA's manager Willie Walsh (renegade pilot negotiator at Aer Lingus in the 1980s) taking an uncompromising union-busting approach, talks were bound to break down.

The last-minute final package he offered was designed to be unacceptable: it was inferior to the one previously withdrawn, demanding a four-year pay freeze instead of three.

Later that night, on YouTube, he wept crocodile tears for the initial thousand cancelled flights and his lost £27 million, but he didn't sound sorry. As Unite's Tony Woodley said, he wanted confrontation.

The 14,000-strong cabin crew organisation BASSA (British Airline Stewards and Stewardesses' Association of the former T&G) has run a "United We Stand" campaign and is officially supported by 18,000 non-union members of the Association of Professional Flight Attendants (APFA), and by unions around the world handling BA passengers. The APFA called for solidarity on the grounds that the union is "representing us all by extension".

### Planes grounded

Unite pulled out all the stops. As Workers went to press, there were pickets all around the periphery of Heathrow, with planes grounded everywhere. Rallies for unions and the public to show support kicked off on 20 March at Hatton Cross near Heathrow.

The British pilots' union, BALPA, has so far remained neutral, but Italian pilots have pointed out that the conditions of all pilots could be reduced if BA is seen as a success by other European airlines. BA staff in Australia and the USA likewise fear for their jobs if Walsh gets his way, and hinted that they might not cooperate with British flights.

Citing competition from low-cost flights, a global slump and volatile fuel prices, BA said it needed to save £62.5 million. This was matched last year by Unite offering the equivalent of £62 million in structural changes to working practices and a 2.6 per cent pay cut. In October 2009, following a summer of failed arbitration at ACAS, 3,000 staff switched to part-time working or took voluntary redundancy – equal to the loss of 1,700 posts – and the dispute should have been resolved at that point.

But it quickly became clear that Walsh had another agenda, which did not involve negotiation. The more the union gave, the more BA demanded, including a lengthening pay freeze and cuts to long-haul crew numbers, in addition to a 25 per cent reduction in staff on European flights. This is exactly the sort of slimming exercise usually preceding merger – in this case a possible deal with the failed Iberia airline has been suggested.

In December 2009 a union ballot of 90 per cent in favour of a strike was declared invalid due to irregularities (one of the disadvantages of a large union like Unite is the difficulty in keeping tabs on membership demographics). The ballot was re-run with 80 per cent in favour, a solid result by any standard, and particularly so in view of company pressure. BA put an offer on the table, which

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hat are becoming increasingly frequent. The more the union e underlying difference: Walsh wants to merge BA with another lders, while staff are fighting for their industry...

### aff take on the union-busters



BASSA looked likely to accept.

But Unite was running out of time. The law states that a strike may not be called more than 28 days after the close of a ballot, unless the company has agreed an extension. This was refused. Unite was forced to declare strike dates 20-22 March and 27-30 March - at which point the offer was withdrawn.

BA then resorted to intimidating and dangerous strike-breaking methods, for which it had prepared several months in advance: training staff from other areas of BA to stand in for the crew; suspending 30 staff on a spurious pretext in addition to union activists already suspended or awaiting disciplinary procedure; and withdrawing allowances and travel concessions, on which a third of the workforce depend to get to work (it was

considered that the loss of travel perks for life could be Walsh's killer blow).

Meanwhile BA shares rose, as the City backed Brown, who in turn lined up with that unelected duo, Lords Mandelson and Adonis, to condemn the strike as "unjustifiable". Presumably they would all like to see the decline of the once-loved British national airline into a vulgar twotier service with two-tier pay and conditions, like the no-frills Ryanair with its add-on charges for luggage, plans for charges for toilet visits, and even charging workers to attend job interviews.

The Tories, too, are tediously predictable as a general election looms. Surely Cameron was barely out of nappies the last time the spectre was raised of "union power"? What does he know? It remains to be seen whether the cosy

relationship between Unite and the Labour party will prove the Achilles heel of one or the other.

But we don't look to parliament to save BA from itself. Parliament has ceased to care about keeping industries British. The public appreciates that the cabin crew is the real face of the airline. They are trained to recognise emergencies and save lives, but are treated like skivvies. At Gatwick their starting wage is a mere £11,000 - so low it qualifies them for tax credit - rising to just £20,000 after 12 years service if they are lucky.

Rates are only slightly higher at Heathrow. Yet these are the only people who can be trusted to have the welfare and standards of the airline genuinely at heart; at this watershed in time, the survival of BA is in their hands.



# MAY DAY MEETINGS

# CHANGE BRITAIN: DEMOCRACY NOT PARLIAMENT

Saturday I May, 7.30 pm Speakers and refreshments Conway Hall, Red Lion Square, London WCIR 4RL (nearest tube: Holborn) Sunday 2 May, 2 pm Speakers, music and discussion Word-Power Books, 43 West Nicolson St Edinburgh EH8 9DB

### All welcome

Brown's plan is to save capitalism's bacon. He would have us all embrace the bleak future which is the grim reality for so many already. Of course he doesn't talk about capitalism. He talks about great powers, the EU and the USA, and globalisation, as if that were a thing. The EU is presented as an unstoppable force, a power above nations.

The stench of political corruption here is almost overwhelming now: the putrefaction of parliamentary democracy in decay is an assault on the senses. Workers' natural suspicion of politicians has turned to contempt.

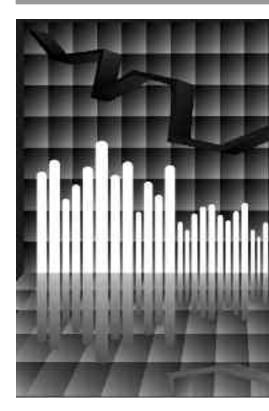
Capital will emerge from this period more damaged and certainly more vicious. Look at the preparations here and elsewhere in the world for riot control and suppression of dissent.

We've got a system that doesn't work. Workers know this. We come back time and time again to what does work. Industry, sovereignty, self-reliance, self-protection, it all comes down to control in the workplace and control of our resources. Workers who seek to control their lives recognise that nothing is insurmountable.

For some time now we have recognised that we have everything we need here to prevent Britain going backwards, notably we have skilled, educated workers, who see the euro for what it is, see the EU increasingly for what it is, see the G20 and the like for what they are, see the Labour Party for what it is – but who don't as yet see with sufficient critical mass what a seismic event it would be for British workers to say we will have a future on our terms.

# A defensive "no to the to the offensive will no borrowing scam and the state of the

# Gilt-edged inse



CLEARLY THE financial crisis is being used to rob the working class on a huge scale: of jobs, of services, of quality of life, of a future. But it is important to unravel the current financial position of Britain from a working class perspective, rather than simply adopt a defensive "no to the cuts" campaign that lacks a strategy capable of taking us on to the offensive.

One of the first things to unravel is the Bank of England's recent 12-month quantitative easing programme. Many financial technical terms are as dry as dust but, once dismantled, their impact on everyday life becomes clearer. Quantitative easing (QE) is a case in point. The term has simply been depicted in the national press as a means of allowing the government to print money. But really it has been designed to temporarily create an artificial market for the sale and purchase of government debt, known as gilts.

This in turn has allowed foreign investors over the past 12 months to sell their gilt holdings to the Bank of England on favourable terms and so avoid a

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cuts" campaign that lacks a strategy capable of taking us on ot do the job. We need to understand the government's he politics behind it...

# ecurity: workers and quantitative easing



guaranteed capital loss now that gilt yields are set to rise. It has also allowed the transfer of institutional shareholders' liabilities (in plain English, bank losses) to be switched to the government's public accounts, effectively dumping debt on to us as taxpayers.

The third strand of QE is what has been described by the debt markets as the harnessing of market inefficiencies, which basically means making large sums of money by synchronising the sale and purchase of debt with the government's

monthly gilt auctions — for example, by buying 10-year gilts yielding 4.12 per cent interest on Tuesday and selling them at 3.7 per cent on Thursday. The degree of sensitivity in, for example, the 10-year gilt yield is such that the 0.42 per cent difference between 4.12 per cent and 3.7 per cent represents a near 16 per cent return on capital over a couple of days. This is a bit more exciting than the 0.5 per cent rate of annual interest that we as a working class get from our bank savings or from cash ISA accounts.

Most people have some understanding of how the stock market operates, but the workings of the gilt market remain a bit of an unknown. (UK government debt is called gilts; overseas government debt is called bonds.) Gilt prices in the UK determine how cheaply Britain can raise cash or not, compared to their overseas Bond market equivalents. The UK Gilt and European Bond markets have helped determine the course of wars, revolutions and political struggles since 1815. It was at this date when the British Government first

introduced modern day gilts as an instrument to manage the war debt that had accrued following the defeat of Napoleonic France.

Another bond market example was where the Bolsheviks post 1917 successfully negotiated several international bonds in the markets to help finance their new economic plan that was successfully rolled out during the 1920s. Along with introducing a localised savings culture, bonds helped develop a successful Bolshevik banking system by 1936.

A contemporary example of how gilt prices touch our lives has been in occupational pensions where high gilt prices and historically low yields over the past 10 years have changed our retirement expectations. At one time many aspired to retire early at say age 55, but people now expect to work until age 70 and beyond. This is what happens when gilt yields that are temporarily at rock bottom are used today as an accounting standard to inflate future pension liabilities, thus painting a picture of huge deficits.

### Shock and awe

The shock and awe of such deficit reporting results in the working class swapping a civilised retirement age for one of dying in harness. Over the same timescale low gilt yields (determining low interest rates) have fostered the greatest northern hemisphere credit boom of all time, along with the manipulated collapse of our retirement provision.

A good example of what we can expect can be found in the credit bubble experience of South America during the 1990s. In their study The World Bank, Pensions and Income (In) Security in the Global South, the economists S. Paul and J. Paul state that "the World Bank's critique" of debt management "is worth analyzing in detail because it has been used to attack, discredit and abolish pension programmes around the world".

They go on to say that "the World Bank pension reforms redistribute staggering sums to foreign debt holders and the local upper class". This is achieved by governments at the appropriate time forcing "low-return unproductive gilt investments on to workers' pension funds", which are considered "a tidy means of transfer advocated by the World Bank and IMF — both institutions claiming to specialise in poverty reduction".

Applying this analysis to Britain, we read in the press alarmist stories of who is going to buy British government debt in the medium term. The government's answer to this problem, in line with the World Bank recipe, is to create a captive domestic market not only by using the short term QE method as outlined above but also through regulation that directs our savings towards government gilts, at a time in the financial cycle that guarantees future capital losses.

For example, since 2003 we have had the perverse government regulatory requirement of liquidity ratios, which insist that insurance companies "reduce the risk" to our insurance policy savings by increasing the holding in government gilts. This allows speculators to sell gilts to our savings and pension policies at the top of the market, having made their capital gain through falling yields during the past 15 years. Now yields are set to go the opposite way, they can dump them on us. This has now been taken a step further by the EU Solvency II directive that will force UK pension liabilities to be met only through the purchase of government gilts.

The other regulatory method currently being deployed is via the government's Pension Protection Fund and through the Pension Regulator, where the view is that a high proportion of government gilts should be bought, along with the threat of an increase in risk-related levies if pension funds fail to cooperate.

The quality of our working class response needs to be raised. Otherwise we will be trapped at the long end of the yield curve and only able to shout "no" to anything not in our interest. We need our pension funds and savings – and with a Bolshevik industrial and financial "Can Do" mentality we can rebuild our country's infrastructure and leave this government and its planned gilt scam twisting in the wind.

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# The General Assembly of the United Nations has now become an organising area against imperialism...

# The struggle against the 'Great Powers'

BEFORE DESPAIRING of international relations as represented today in the United Nations, consider how far we have come since the foundation of its predecessor, the League of Nations, set up by the victorious powers as a consequence of the Treaty of Versailles in 1919/1920.

The League was intended to protect the British Empire in particular, and to share the spoils of the Ottoman and Hapsburg Empires. In its Covenant, its objectives were to prevent war through collective security, bring about disarmament and settle international disputes by negotiation and arbitration. In other words, it would disarm Germany, parcel up the German Empire and determine the borders of Eastern Europe.

The leading light in bringing about the League of Nations was Jan Smuts, the South African leader who wanted to create a Greater South Africa as a British Dominion by gobbling up German SW Africa, all the British territories, plus Tanganyika, southern parts of Angola and Mozambique.

Smuts was also the architect of Apartheid. For his work in developing the League of Nations, South Africa was given the mandate to govern German South West Africa (now Namibia). Britain was given Tanganyika and Belgium, whose forces had advanced from the Congo into Germany's other territories of Rwanda and Burundi,

was given the mandate to govern the newly formed Rwanda-Burundi. Britain and France shared the spoils of the Ottoman Empire, with Britain getting Palestine, Iraq and Transjordan.

These arrangements were supposed to be League of Nations trusts and mandates but were effectively colonial arrangements.

The USA declined to join, as it wanted to develop its own imperial goals, and did not want to get involved in protecting the British Empire. Britain did not want other countries meddling in its Empire but preferred a capitalist partnership with the USA.

### **Powerless**

So the League of Nations was fraught with contradictions which were only resolved when it was agreed that the "Great Powers" must run the League, diminishing the role of smaller countries. It effectively collapsed after Nazi Germany withdrew from the organisation and it became obvious that it could not prevent German and Italian aggression and thwart their intentions to create a new imperial order.

During the course of World War Two, discussions were held about what form of international order would follow the victory of the Allies. The "Great Powers" – Britain, the USA and France – now had to accommodate the Soviet Union, whose Red Army was destroying the Nazi war

machine. They wanted to control whatever followed the end of the war, as they had done with the League, but would have to deal with the Soviet Union as an equal.

The result was the United Nations. The "Great Powers" planned to protect the empires of Britain, France and now the USA, so they were happy to have a Security Council in which they would have permanent seats with the power of veto. They had no option but to agree that the USSR would have the same status, and included their Kuomintang Chinese allies in the same way.

At the founding conference of the UN in San Francisco in 1945, the Ecuadorian delegate proposed to allow a vote by two-thirds of the UN members to lead a colony to independence. This was quashed, as was a proposal from the Philippines that a commitment to independence be written into the Charter. The Charter was basically designed to ratify a division of the world into power spheres.

So the UN was to have a Security Council with five permanent members having a veto, a number of non-permanent members and a General Assembly that was to be powerless.

The Soviet Union knew at the time that on the one hand this would consolidate their victory against the forces of fascism and give them a chance to rebuild, while on the other hand this formula was

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DESPITE ALL THE promises, Labour is still trying to take us into a European superstate without giving the people of Britain a chance to say what they think.

The so-called Constitutional Treaty was just the despised Constitution in another form, as even Giscard d'Estaing, author of the first attempt, has admitted.

In backtracking on the referendum promise Gordon Brown tried to wipe out a thousand years of independence and sovereignty using his tame party in Parliament. The will of the British people has been clearly expressed in opinion poll after opinion poll. Now it is time for a poll of a different kind, a referendum. The TUC has already reneged on a conference vote for a referendum. Don't let power slide over to Brussels.

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unsustainable, because as they were aware the success of the colonial liberation movements would lead to new, often revolutionary members joining the UN and altering the balance of power with the imperialists.

### Challenge

The first one of these up was India's Nehru. Once installed as Head of the Interim Government in 1946 in the run-up to independence, Nehru began to challenge the "Great Powers". India's foreign policy, he declared, would revolve around the ending of colonialism all over Asia, Africa and elsewhere, and ending the domination of one nation by another.

This marked the beginning of the battle for the soul of the UN. But Nehru was to put his money where his mouth was. In South Africa, still a British Dominion, the apartheid government was now moving against its Indian population with a law to take their land and eventually see them living in townships the same as the African population. Nehru raised this issue with the nascent UN, seeking intervention.

The British regarded this as a radical blow to the very concept of the Empire and Ernest Bevin, the Labour Foreign Secretary, warned that getting the UN involved would amount to "handing over the Empire of India to the Soviet Union".

The Cold War effectively froze the

Security Council. More and more colonies fought for their independence, joined the UN and set up the Decolonisation Committee. Many of these new nations started the Non Aligned Movement, to counter the weight of the "Great Powers".

Soon, the UN became an area of struggle between those who wanted to protect imperialism and those who fought against it. The rightful admission of People's China to the UN in 1971 and to the Security Council seat fraudulently occupied by the defeated Kuomintang was a landmark in the waning power of the imperial powers. But the collapse of the Soviet Union was a major setback to those opposed to imperialism in the UN, who had lost one of their allies with a veto on the Security Council.

### **Voting against war**

But ordinary General Assembly members are also elected onto the Security Council. In 1990, non-permanent members Cuba and Yemen voted against the USA during a crucial Security Council debate on military action in the run up to the Gulf War. A US State Department official told the Yemeni Ambassador, "That was the most expensive No vote in history!" – the US proceded to slash aid to Yemen from \$22 million to \$3 million.

And there was the arm-twisting of nonpermanent members by Blair and Bush in their unsuccessful attempt to get UN backing for their attack on Iraq. Only Bulgaria and Aznar's Spain supported military action while the other seven plus France, Russia and China were opposed.

Cuba has now picked up the gauntlet to lead this battle. Having taken the defunct Non Aligned Movement by the scruff of the neck, it has turned it into a major force in the General Assembly, representing a majority of members, to prevent the UN from once again becoming the protectors of empire.

The General Assembly has now become an organising arena. The old Human Rights Committee of the UN, continuously used as a stick to beat nations such as Cuba, has been disbanded after the USA was voted off the Committee and replaced by Sudan. The new Human Rights Commission is leading the fight for Israel to be punished for its war crimes in Gaza.

The USA and Britain can no longer claim to be acting in the name of the "International Community". Calls by the US and Britain to modernise the UN are attempts to claw back their power. And the call by former US Presidential candidate Al Gore to establish a "Union of Democracies", still supported by many politicians and military in the US, is a call for a return to Empire.

The struggle continues!

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Librarians are up against a philistine government whose tactic seems to be death by a thousand reviews. But the professionals are resisting...

# A manifesto for libraries

CILIP, THE PROFESSIONAL organisation for librarians, has launched a manifesto for libraries. It sets out how local and national government should support the public library service, insists that the provision of school libraries with skilled, qualified staff should be mandatory, and puts forward the profession's view on issues such as copyright, public health information and the preservation of digital materials.

CILIP's manifesto comes at a time when libraries are coming under increasing attack. Unison, one of the main trade unions organising public library staff, held a people's inquiry into the state of Britain's public library service in February. The inquiry heard the minister who currently holds the library portfolio hint that the government intends to erode the statutory basis for free public libraries.

The event took place as library cuts and closures reached a level not known since the period of the Thatcher government. In the Wirral, library workers and local people, with support from many authors, beat off an attempt by the local council to close eleven libraries, forcing a public inquiry into whether Wirral council was in breach of its statutory duty under the 1964 Public Libraries and Museums Act. The campaign ended in victory when the inquiry concluded last October that the closures were unacceptable and forced the council to climb down.

A similar campaign in Swindon caused disarray among the councillors who tried to close down the Old Town library, and had not bargained for the determined campaign that resulted.

Elsewhere, cuts and closures have been proposed or carried out in Belfast, Bristol, Buckinghamshire, Croydon, Denbighshire, Doncaster, Hampshire, Somerset and Southampton. As well as branch closures and cuts to book funds and opening hours, there is a concerted effort to get volunteers to take on jobs done by library workers, as communities are exhorted to take branches out of local authority control and run them themselves.

Privatisation, which library workers thought they had beaten off in the early 90s, is back and no new library building can be completed without selling it and its assets to a private partner under a PFI deal.

As public libraries develop digital services, councils take advantage of the opportunity to charge, undermining the principle of free access. The well-stocked reference library that was one of the glories of the system has been replaced by digital reference collections. Other special services, such as music libraries, offering sheet music, scores and recorded music in a variety of formats, are replaced with small racks of CDs.

### Filling the gap?

As the government makes 25 per cent cuts in adult education funding in further education colleges, public libraries are expected to fill the gap by supporting "informal learning".

In the structure of local government, libraries have been absorbed into large directorates, headed by career local government managers rather than the qualified librarians who would have been Borough or County Librarians in the past. Where such posts survive, councils have frequently appointed candidates without a professional qualification to oversee services.

### "Privatisation, which library workers thought they had beaten off in the early 90s, is back ..."

So alarmed was CILIP that it commissioned a report into whether 10 English public library authorities could continue to provide a professional level of service following their restructurings. CILIP was trying to reassert the place of professionalism in public library services.

In the capital, the London Libraries Change Programme proposes a 10 per cent cut to the staff in the libraries of the 32 boroughs, a target very precisely identified as 375 jobs.

School libraries too are under attack. Qualified librarians are sacked and the duties of running the library handed to teaching assistants. The School Library Association and CILIP recently organised a petition to make it obligatory for every school to have a library, to which the government response was that it had "no plans" to do so.

The public library system, free and open to all, was one of the outstanding achievements of the working class in the mid-19th century. Then there was no statutory duty on a council to provide a service: councils had the discretion to provide libraries, and the power to raise a penny rate if they wished, a procedure known as adopting the act. Bitter battles were fought in localities to force councils to adopt the act, against fierce opposition from those implacably opposed to culture and intellect.





Still open: the Central Library in St Peter's Square, Manchester.

The 1964 Act is one of our post-war victories, like the NHS. It was slow in gestation. Its intellectual roots lie in the McColvin Report, published in 1942, which set out a blueprint for post-war reconstruction of the library service, and the Bourdillon Standards of 1962, which set out the basic requirements for an efficient public library.

Compare that mature and slow progress towards a comprehensive system with the plethora of reviews in the past ten years, with little to show for them. Under a succession of junior ministers at the Department for Culture, Media and Sport (DCMS), some even holding the portfolio twice in their expenses-fuelled journeys through the career jungle of the modern Labour Party, initiative followed initiative as season followed season.

The latest, entitled EMPOWER, INFORM, ENRICH (by coincidence the slogan of a major credit reference agency) is a glossy document. It contains 28 "essays" about public libraries from various would-be celebrities, including some who should have known better.

The essays range in tone from the trite and obvious to the ill informed and stupid. It is light on any real detail of how the public library service could continue to develop to meet the nation's needs for a comprehensive service that supports people's educational and recreational needs, that puts every reader in touch with the documentary record of all human knowledge and imagination.

Consider this paper chase: in 1998, Annual Library Plans were launched; every public library authority had to draw one up, based on a centrally designed template. Later in 1998, devolution gave responsibility for libraries in Scotland and Wales to the Scottish Parliament and the Welsh Assembly. In 2001, Public Library Standards were launched, and the following year Public Library Position Statements replaced the Library Plans. In 2002, the Audit Commission published a report, Building Better Library Services, and the following year the DCMS published FRAMEWORK FOR THE FUTURE. In 2004 Public Library Service Standards (10) replaced both the previous standards and the position statements.

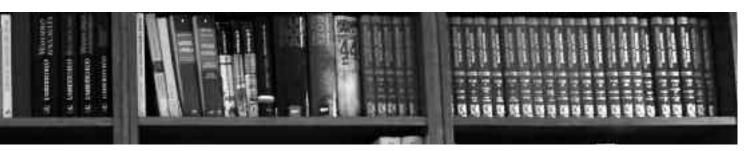
In 2009 there were two reviews running simultaneously, the so-called Burnham Review and one by the All Party Parliamentary Group on libraries.

Libraries had the distinction of being the subject of two Culture, Media and Sport Committee reports, one in 2000 and one in 2005. The second reported that the bedrock of the service was under threat and showed a better grasp of the issues than some reports produced by senior members of the profession.

Naturally a series of quangos with fancy names have come and gone: first the Library and Information Commission, later to become Resource, which then rebranded itself as Re:Source (how much did that colon cost?) and then the Museums Libraries and Archives council. That council is now withering on the vine. Its offices have been moved to Birmingham from London and its regional networks dismantled.

This is no time for diversion, such as the infantile side-swipes at library schools in Unison's response to ENRICH, EMPOWER, INFORM, or the attempts to turn a campaign for the future of the service into one about the modish non-issue of workplace bullying.

There is much to be done to reassert professionalism and maintain the service as the pioneers of the 19th century saw it, with the benefits of the wealth of electronic resources that could supplement book collections. CILIP's manifesto, if library workers and users make it a reality, could be the first step.



### Forward contracts, interest-bearing loans, assets not meeting lia Sounds familiar? Meet the credit crunch of the 13th century...

# Italian bankers and England's mediaeval c

THE DESTRUCTIVE capacity of finance capital stretches far into history, beyond capitalism, even into feudalism. For instance, in 1294 a financial crisis erupted in mediaeval Europe that shared many similarities with today's financial predicament (notably sub-prime borrowers, liquidity disappearing, the seizure of foreign-owned assets and runs on the bank).

### How it happened

A series of English monarchs (Edwards I, II and III) had credit facilities with a number of Italian merchant societies. These English monarchs' rapidly increasing governments – caused by their expansive foreign policies and large administrations – meant they faced unpredictable and unreliable cash flows, only "solved" by the introduction of new practices, including the use of forward contracts in the wool market and taking out interest-bearing sovereign loans.

Edward I had as his bankers the Ricciardi, from northern Italy. For 20 years before the financial crisis, the Ricciardi had advanced large sums to Edward, collecting in return the customs tax on wool exports from England. This allowed the king to anticipate royal revenues, overcome seasonal fluctuations in his income and undertake expensive projects (such as wars) without the trouble of maintaining a large cash reserve.

Between 1272 and 1294, the Ricciardi were involved in the collection and disbursement of around £20,000 a year, equivalent to roughly half of the king's ordinary annual income. The 1280s was a time of plentiful liquidity; Italian merchant societies administered large sums of papal taxation, which was collected across Europe in support of a proposed crusade. Just as modern banks do, the merchant societies would have made profits by loaning this money at interest or investing in trade.

Therefore, much of the Ricciardi capital was committed in various ventures. But as with today's inter-bank lending, they could look to other merchant societies for short-term



Edward I: started borrowing from Italian bankers.

infusions of liquidity, either in the form of a loan or by selling assets.

The Ricciardis' reliance on inter-bank lending to fund their loans to the king is similar to Northern Rock's erstwhile business model.

In the contemporary "credit crunch", the trigger was the sub-prime crisis in the USA, which resulted in banks being unwilling to lend to each other, removing liquidity from the market. In the same way in the 1290s, liquidity was sucked out of the system when, first, the pope called in much of his funds deposited with the merchant societies, and, second, the French king levied a heavy tax on the Italians in France. Accordingly, the Ricciardi were left vulnerable if Edward made a large withdrawal at short notice.

This was precisely the situation that arose in 1294 when war broke out

between England and France. Needing to raise a massive sum quickly to meet Edward's demands to fund his armies, the Ricciardi found much of their money was tied up. Before the crisis, the Ricciardi would have aimed to secure short-term loans from their fellow merchant societies until the assets were available once more. But the other merchant societies were short of liquidity too and were unable to advance the necessary sums. These problems were aggravated by the war, which cut communications between Italy and England.

The Ricciardi and their fellow merchants could not manage their money. Comments from Ricciardi letters of the day sound familiar: "It seems that money has disappeared" and "Where we used to have credit and could borrow 100,000 and 200,000 livres tournois [£25,000 to

### abilities, big tax rises.

## redit crunch

£50,000] and even more, we are now reduced to such a point that if we wanted 100 livres tournois [£25] we could not find them."

Though the Ricciardi argued that their difficulties were merely a short-term mismatch as their assets equalled their liabilities. Owing to the political uncertainty caused by the conflict between England and France, they were unable to gather in debts owed to them, while their own creditors sought to withdraw sums deposited with or loaned to them. Consequently, the Ricciardi were unable to furnish the English king with the financial support that he required.

In response, Edward dismissed the Ricciardi from their position as collectors of the customs on wool and seized the assets (mainly wool but also debts owed to the merchants by private individuals) held by the Ricciardi and other merchant societies to recover some of his losses. Unable to satisfy their obligations, the Ricciardi society was ruined.

### The aftermath

The fall of the Ricciardi had further consequences. Now Edward had to rely on other moneylenders, who, lacking the resources of the Italians, charged much higher rates of interest (in the region of 40 to 80 per cent). Before 1294, Edward is thought to have borrowed at rates of around 15 per cent per year. As a result, Edward levied steeper taxation and there were serious consequences across the country: the punitive fiscal measures aroused political opposition in England, contributing to a major constitutional crisis in 1297.

Rather than viewing the current credit squeeze crisis with its bank failures, government bail-outs on taxpayers' money and bankruptcies of viable firms as unique and unforeseeable, we should see that, as in this distant historical episode, economies are always prey to depredation and destruction if finance capital holds sway. With so many centuries of experience to call on, it's time to conclude that finance capital's supremacy needs to end.

# More from our series on aspects of Marxist thinking GUERRILLA STRUGGLE

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

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

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

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

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

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

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# Back to Front – Don't vote, organise

'If we want to send a message at the general election to capitalism's politicians, it can only be done by boycotting their charade...'

WE ARE witnessing the longest General Election campaign in history. Last year's Labour, Tory and Lib Dem conferences saw their spokesmen trying to outdo one another over who could cut public services the most – in other words, who could attack the working class the most. Later, Lib Dem leader Nick Clegg sang the praises of Thatcher, and the Tories are now heavily into union bashing. The EU Commission chips in by saying that no party's cuts are sufficient, yet all of them seem quite happy that the Commission is now intervening in our financial affairs, even in our election!

Meanwhile, Brown leans on Unite, which has donated £11 million to Labour since he became PM, to avoid strikes in the run-up to the election. Unite meekly complies by cancelling a strike in the engineering and construction contracting industry (arguably today's best-organised group of workers) over cheap foreign labour, after the GMB had successfully defeated the employers' attempts to outlaw the strike. The GMB intends to continue to organise for the action.

While discredited politicians poke one another in the eye and shout Yah Boo! at each other, it's clear that workers do not want Labour, but neither do they want the Tories or the Lib Dems. This capitalist "democracy" is a sham. Whoever you vote for, capitalism wins and workers lose. Brown even wants to introduce a new voting system in which we vote for parties in order of preference, as if we might prefer one over another. The only way to exercise a preference is to say "None of the above!"

But what of Unite – the union? Apart from worrying about embarrassing the Labour Party, it has set up a polling network in key marginal seats which will see its Labour activists phone other Unite activists to ask them what key issues concern their members in the run-up to the election. The idea was to introduce those issues into the campaign to win over the members. Workers can reveal that of those activists contacted, 80 per cent either refused to engage or put the phone down, and of the 20 per cent who did respond, 75 per cent said that the biggest concern of the members was immigration – even more than those who thought it was the economy. This inconvenient truth is set never to see the light of day in the election campaign.

At the same time, the Equal and Human Rights Commission issued a report claiming that 20 per cent of workers in the lucrative food industry have been subject to widespread violence and abuse at work. It went on to comment on the fact that 75 per cent of some sectors of the workforce were immigrants, mainly from Eastern Europe, working for the minimum wage.

What used to be decent jobs paying

What used to be decent jobs paying the rate for the job are now 24/7 jobs on the minimum wage and even less for agency workers, who are charged for accommodation and so on. Jack Dromey, the Deputy General Secretary of Unite, argues that the supermarkets should hang their heads in shame, but it's the union that is in denial as it slavishly tries to turn its organisation into an electoral machine for Labour.

If we want to send a message at the general election to capitalism's politicians, it can only be done by boycotting their charade. Either spoil your ballot paper by writing "None of the above" on it or don't vote at all. A low poll or high number of spoilt ballot papers would remove legitimacy from their game. Far better to follow the example of the engineering and construction contracting industry workers and organise to fight for ourselves.

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