

WORKERS

www.workers.org.uk

OCTOBER 2002 £1

HISTORIC NOTES

WHO REALLY
WON THE WAR?

14



Unions give Brown an extra test | 06



The other half of the PFI argument | 08



Change (and decay) in the NHS | 09

INSIDE THE PENSIONS CRISIS

JOURNAL OF THE COMMUNIST PARTY



IF YOU WANT TO REBUILD BRITAIN, READ ON

WORKERS

First thoughts

SOME PEOPLE just won't take yes for an answer. When Iraq said it would admit the UN weapons inspectors, Blair said he did not believe it, and the British press has been assiduous in inventing "stories" about alleged restrictions.

Bush (faithfully followed by Blair) seems to reject all negotiation. The new US doctrine is that it can act in any way, in any place, at any time. This is the world order we are supposed to accept following the fall of the Soviet Union — and which we must reject. No to war!

The brief 1991 war to expel Iraqi forces from Kuwait killed tens of thousands and cost £50 billion, raising oil prices and pushing the US economy into recession. An invasion of Iraq is likely to be far lengthier, far bloodier, and far more costly.

By threatening international peace and security, Blair declares himself as an enemy of the British people, sacrificing our peace and independence to Bush's vendetta.

Was 1991 not bad enough for Blair? Does he think that Britain can only survive by being the most faithful (and cheapest) lapdog that the US can find? And why does he avoid

debate?

Let the British people decide whether to believe the International Atomic Energy Authority, which says that Iraq has no nuclear weapons capabilities, or Bush, who says Iraq is "six months" away from nuclear weapons.

A White House adviser has warned that a new war would cost up to £128 billion. Oil prices would skyrocket — Brent crude has already risen by 45% since January. The present worldwide slump would deepen.

Thousands would lose their lives. Millions would lose their livelihoods. And for what? Everyone knows that at the root of this imperialist adventure is one three-letter word, oil. Quite simply, Iraq has 11% of the world's known reserves, and the US wants to control it.

After lengthy protests, we have been promised a debate in parliament. Little hope there, with the huge ministerial payroll vote and the guaranteed support of the Conservatives. But why not a debate in the country? Come to think of it, why not a referendum on a war?

Let the British people speak, and reject war being waged in our name.



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

www.workers.org.uk
Issue 54, October 2002

WORKERS is published monthly.



Contents – October 2002

News

Steel workers fight for pensions, p3; Fresh assault on postal workers, p4;
Financial meltdown at BE, p5; News Analysis: Nuclear bankruptcy, p6

03

Features

Unions add a new test to Brown's list, p6; PFI and the euro, p9; Change and decay
in the NHS, p9; Pensions: how the government and the EU created a crisis, p12

06

Historic Notes

The defeat of fascism, p14

14

**STEEL**

Pension strike victory

CHILE

Remembering 1973

EU

Institutionalised fraud

CONSIGNIA

New threat to jobs

UNITED STATES

Failed gambles

ENERGY

Looming disaster at BE

UNDERGROUND

Industrial action starts

DRUGS

Notts inquiry call

WHAT'S ON

Coming soon

NEWS ANALYSIS

Nuclear bankruptcy

Pensions strike victory

AFTER FIVE WEEKS of strike action — one day a week — the Caparo Steel Group (once part of British Steel) has withdrawn its intention to scrap the final salary pensions scheme. The strike action by Iron and Steel Trades Confederation (ISTC) members, which was to have escalated to two days per week from mid-September, was the first industrial action to defend pension schemes. Workers have struck at all Caparo's works — Scunthorpe, Wrexham and Tredegar in South Wales.

Though an agreement stopping the scrapping of final salary pensions is apparently on offer, there are still weasel words to be wary of. The agreement includes terms like "shareholder" pensions and suggests new final salary schemes for "recent employees". The Labour peer who owns Caparo can see nothing wrong with his company's actions, but then he belongs to the party which perpetuates discrimination against millions of retired working women!

The first move by the new owners after every privatisation, whether gas, electricity, water, local government or steel, is to attack the pension schemes. Billions of pounds of workers' wages are seen as fair game for asset stripping. The actuaries do the sums and spin the roulette-wheel, playing the funds on the Stock Exchange and gambling on how many workers will live to collect.

The threat to pensions from a combination of fund mismanagement, employers' "holidays" from paying contributions and changes in EU directives which impact on British government policy, is fast becoming a priority issue for many workers. Industrial action is expected across numerous industrial sections with Caparo's workforce taking a lead.

In addition, the scandal surrounding the opt-out married women's pension scheme, which dates back to the late 1960s, is about to erupt. Millions of retired working women are going to find themselves condemned to poverty and discriminatory pensions due to this scam, which threatens to be greater than the 1980s "private pensions" fiddle.

The current pension disputes show that no one can feel their pensions are truly safe. In particular the elderly and vulnerable are clearly targeted — exploitation from cradle to grave is now the norm not the exception.

CHILE**Remembering 1973**

WORKERS THROUGHOUT Chile remembered last month the anniversary of the coup by General Pinochet. The US-sponsored coup against Salvador Allende's parliamentary social democratic party and government resulted in thousands of trade unionists, workers, peasants, communists and socialists being murdered.

Pinochet, a great friend of Thatcher, unleashed a military dictatorship of great brutality coupled with the economic doctrines of Milton Friedman, Thatcher's economics guru, which left Chile economically ruined and steeped in murder.

The signal for the start of the coup was the Air Force bombing of the Presidential palace. Twenty years after the coup Pinochet commented that he realised his objective of cleansing Chile of Marxism had failed when he heard children as young as eight years old chanting the long-dead President Allende's name.

EUROPEAN UNION**'Stability' straitjacket**

THE EUROPEAN Commission has warned France that their new rearmament strategy must be within the EU's Stability and Growth Pact. Their intention to build a new aircraft carrier and naval battle group, two nuclear submarines and fighter squadrons will breach the 3% ceiling of GDP associated with the stability pact.

The European Commission has ridiculed French claims that rearmament strategies are exempt from the 3%. Throughout Europe, in France, Portugal, Italy and Germany the pact is buckling at the seams.

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

EUROPEAN UNION

Institutionalised fraud

THE EUROPEAN COMMISSION is unable to account for £17 billion spent on 'structural projects', and fraud accounts for at least £6 billion a year, about 10% of the EU budget, according to the House of Lords Select Committee on the European Communities. EU rules banned its civil servants from reporting to the European Parliament any alleged corruption, irregularities or fraud.

Paul van Buitenen, an assistant auditor in the Financial Control Directorate, alleged that the Leonardo programme, with its £400 million budget for 1995-2000 rising to £2 billion for 2000-04, was riddled with favouritism, nepotism and corruption. The EU suspended him on half pay, banned him from auditing and reprimanded him.

Pauline Green, the Labour MEP and leader of the Socialist Group, urged the European Parliament to sack him. The accused Commissioners kept their full £130,000 a year salaries and their pensions. Van Buitenen still faces disciplinary proceedings. The EU was more concerned to stop the report than the fraud. The EU's proposed Corpus Juris would make van Buitenen's brave action illegal: its Article 6 banned disclosing secrets pertaining to one's office.

The Committee of Independent Experts reported in March 1999 that fraud, irregularities, cronyism, mismanagement, cover-ups, collusion and evasion of responsibilities ran throughout the Commission.

Commissioner Neil Kinnock was given the job of putting forward a package of reforms to deal with the problems of fraud and nepotism. He was the obvious choice: his wife, son and daughter all held positions in the EU. Unsurprisingly, his reforms targeted the administrative staff, not the Commissioners responsible. A report on the effects of his reforms concluded, "little or nothing has changed...the new Commission is just like the old".

Then, this August, the European Commission's former chief accountant, Marta Andreasen, claimed that the EU's £62 billion budget was "massively open to fraud". She stated, "Unlike the issues surrounding Enron and WorldCom, where you can at least trace transactions and accounts, you cannot do so within the EU accounts as there is no system in place for tracing adjustments and changes to figures presented." Characteristically, the Commission responded by attacking Andreasen's character and qualifications, not by responding to her criticisms.



April, Northampton: communications workers demonstrate against privatisation

Battle over post maintenance

THE COMMUNICATION WORKERS Union (CWU), under attack over mail privatisation, is fighting a new threat to its members' jobs. Consignia wants to sell a 49% stake in RoMEC, the cleaning and maintenance arm of the business, to Balfour Beatty. Four thousand workers in RoMEC were told that they either go into the new company or leave without compensation.

Two years ago the CWU was told that Consignia was looking into the sale of all "non-core" services, but some of those, such as Vehicle Services, have been put on hold at present. However, the Consignia Board seems determined to push this sale through. It has refused to give the union any details of the financial case for the sale, but the engineering side is one of the few areas making a profit at present.

Although the law in the form of TUPE legislation appears to protect the terms and conditions of existing staff who are transferred, pensions are not included and new workers can be employed on different contracts.

The union recently began a ballot for action against the sell-off and it appears that Balfour Beatty has now offered a package which protects workers' terms and conditions. It remains to be seen whether CWU members will agree to this, or see the sale as the thin end of the wedge, particularly in the light of the second threat.

Consignia has now announced that it plans to sell its cash handling operation to Securicor. More than 3000 members based in depots across the country will be affected.

The union's assistant secretary called the move "industrial vandalism". He added that Cash Handling and Distribution (CHD) workers "handle the financial lifeblood of the nation, day in day out. It's much too important to just hand over to the privateers."

The Post Office Ltd Chief Executive has claimed that CHD is not financially viable, but Securicor appears to be convinced that the contract will generate a turnover of £1 billion during its 10-year life.

UNITED STATES

Failed gambles

RELYING ON the stock market doesn't work: it has been revealed that the average investing household in the USA, forced into Wall Street gambling to fund their pensions, education for their children and health care, lost \$45,000 after the 2000 crash wiped \$2.2 billion off the Nasdaq (new technology) stock market. Before the recent Wall Street crash, 86% of its gains went to the richest 10% of the US population.

California, the 'model' new technology state, has frequent power cuts, thanks to privatised utilities, and dreadful public education, housing, transport,

environmental conditions and a high rate of exploitation: value added per worker is \$200,000, while average pay is less than a third of this — \$60,000.

US workers have lower real wages than 20 years ago, record levels of debt, long hours (averaging 50 a week) and fewer holidays. Yet US chief executives get on average 475 times what their blue-collar workers get.

Waves of mergers have supposedly 'rationalised' capital, but in fact have just stripped vital assets. Mergers don't work: a survey of 700 mergers showed that only 119 added value.

And this is the country that is supposed to be the economic powerhouse of modern global capital, which we can rely on to drag us out of the slump!

LONDON UNDERGROUND

Industrial action

THE INDUSTRIAL ACTION by London Underground RMT and ASLEF members in pursuit of increased wages shows considerable tactical ingenuity. Starting the dispute at 8.00pm ensures that a one-day stoppage really becomes two, with knock-on effects into day three.

The unity between the two rail unions

has overcome past disunity and rivalry. There are three key issues which are focusing the minds of rail workers. These are: to be paid high enough wages to live in London, to improve safety in the light of public worries about privatisation, and to develop a new infrastructure for the 21st century.

The action will see London come to an effective standstill — not that it takes much to achieve that, with London traffic now moving more slowly than 100 years

Looming disaster at BE

BRITISH ENERGY (BE), Britain's privatised nuclear generator, continues with its financial meltdown (see News Analysis, p6) with two further looming disasters. Firstly the Canadian government may enact default clauses in the Bruce Power Company, effectively expropriating assets of over £525 millions. This would wipe out the recent government loan to keep BE in the black.

Secondly, the genius of the Tory Party in their privatisation of nuclear power is revealed with the endowment policy, bought to cover decommissioning costs. Endowments, which will leave millions of mortgage payers in debt, have been identified for nearly ten years as a con trick. Yet in 1996 the Tory government allowed BE to take up an endowment policy, which required the annual investment of an agreed sum each year on the Stock Exchange, in order to fund decommissioning costs at the end of its term.

The collapse of interest rates and share options means that BE's endowment policy is not going to come in with the millions needed for decommissioning, unless you gamble on the markets coming up trumps during the next 100 years. So if the company cannot pay and the markets cannot pay and the investors are screaming because they are bankrupt, that leaves the public, who owned Britain's nuclear industry before it was sold off, to pick up the mega-bills.

EDUCATION

Paying the price

TEACHERS IN ENGLAND and Wales are facing hard bargaining from the government on pay. Promises of improvement to pay levels are tied to structural reform and a 3-year deal. Similar deals are proposed for public service workers.

Teachers' unions are sceptical. They are not opposed in principle to the idea. But they do not trust performance measures underpinning these proposals. Nor do they believe that new pay scales will do anything for the twin evils of teacher shortages and excessive workloads. They want to see additional funding to meet the problems of the profession.

The education secretary, Estelle Morris, has a different agenda. Her department gave evidence to the advisory review which claimed that current pay levels are satisfactory in most parts of the country. The proposed deal, to begin next April, is one of several that the government want to tie up as part of its economic

strategy for the next election. It is not related to the specific problems of education.

The proposals include greater scope for individual schools to set pay and linkage to performance. This attempt to destroy national pay rates for teacher is likely to meet with fierce opposition.

BNP

Off the strip

The decision by the Tipton Boilers, a pub football team, to get rid of their shirts advertising the British National Party has humiliated the BNP. The team have accepted a new strip sponsored by a local Asian jeweller.

Wearing of the BNP strip would have resulted in the expulsion of the team from the football league for breaking the rules banning political adverts and for giving football a bad name. The decision by the team to have a new strip robs the BNP of the opportunity for confrontation and publicity. It has been welcomed by the community, weary of BNP stunts.

WHAT'S ON

Coming soon

OCTOBER

Saturday 26 October, 1.00 – 4.30pm
Conference: No privatisation, No euro!
 Friends House, Euston Road, London NW1

In the wake of the TUC Congress — which effectively added a sixth test to Gordon Brown's famous five — unions opposed to the euro and anti-EU organisations will join to plan resistance to the euro. For more information, call 0151 691 1746.

DRUGS

Notts inquiry call

JOHN MANN, Labour MP for Bassetlaw, Nottinghamshire, has opened his own public enquiry into drug abuse in former pit villages. Describing heroin as the "modern plague", John Mann has been taking evidence from drug users, police, schools and GPs about the destruction wrought on former mining villages.

Once hard-working and proud mining villages are now the epicentre of Britain's hard drugs trade. The devastation of pit closures and subsequent total lack of hope for the future has raised this tidal wave of drug abuse that will obliterate working class communities.

John Mann has evidence of similar problems across all former coal mining areas in Scotland, Wales, Yorkshire and Lancashire.

HEALTH AND SAFETY

Beyond the law

IN JUNE last year a tragic incident occurred, when a worker was crushed to death after a furnace fell on him at the Welsh Royal Mint. This occurred only a few weeks after a report by the Health and Safety Executive had highlighted the dangerously unsafe state of the furnaces.

The case has only recently come to court, when to add to the grief and anguish of the family, the judge ruled that the executive of the Royal Mint could not be prosecuted for manslaughter or any other crime as the Mint was crown property and therefore beyond the law.

As a result, the dead man's family receive no compensation whatsoever. Indeed, all crown property such as the MoD is beyond the law when it comes to Health and Safety legislation.

The fallout from nuclear bankruptcy

IN LESS THAN six weeks, British Energy, the privatised nuclear generator, has gone from “a robust financial” outlook to near bankruptcy. A £410-million government loan — which runs out on 27 September — has kept the company and its 14 nuclear power stations alive, but for how much longer? Will British Energy be the Railtrack of 2002 or a further example of the failure of privatisation like the National Air Traffic System (NATS)?

Put to one side the 220,000 investors and the corporate whinging about the 30% collapse in share returns. The strategic issue for Britain is that BE produces 25% of Britain’s electricity and what happens if BE goes bust? The government has been tinkering with the pricing of electricity (New Electricity Trading Arrangements — NETA).

This was supposedly to stop the privatised companies continuing to print money from the flawed pricing system inherent from the 1990s’ privatisation. It was supposed to benefit the consumer with reduced prices.

Have you noticed your bills reducing? The privatisation and the pool pricing of electricity was flawed from day one. No matter what tinkering, it was never going to work.

Driven by the EU

What is ignored is that the privatisation and further “liberalisation” of electricity generation is an EU-driven project. Britain is the only EU province that has enthusiastically, to a point of religious fervour, embraced this dogma. What is occurring is that “market forces” are to be let loose without any restraint. The prospect of BE going bankrupt is real. Other electricity generators are desperate to absorb BE’s market share to stave off similar impending bankruptcies amongst their own ranks. This is more than dog-eat-dog, these are wolves.

The crisis may be BE’s today, but in reality it is the government’s crisis. BE has over £14 billion in liabilities. BE’s assets at the time of privatisation were £4 billion — now zero-rated. Decommissioning of a nuclear station takes an estimated 135 years and no one has decommissioned one yet.

Overproduction

Electricity generation faces a crisis of overproduction because the Tories and Labour encouraged the building of gas fired power stations in the 1990s. This philosophy of “get rich quick” has destroyed the British coal industry and has all but exhausted the North Sea Gas reserves. It has also made Britain dependent on gas imports from the Middle East, Russia, North Africa and is now exacerbating BE’s financial crisis.

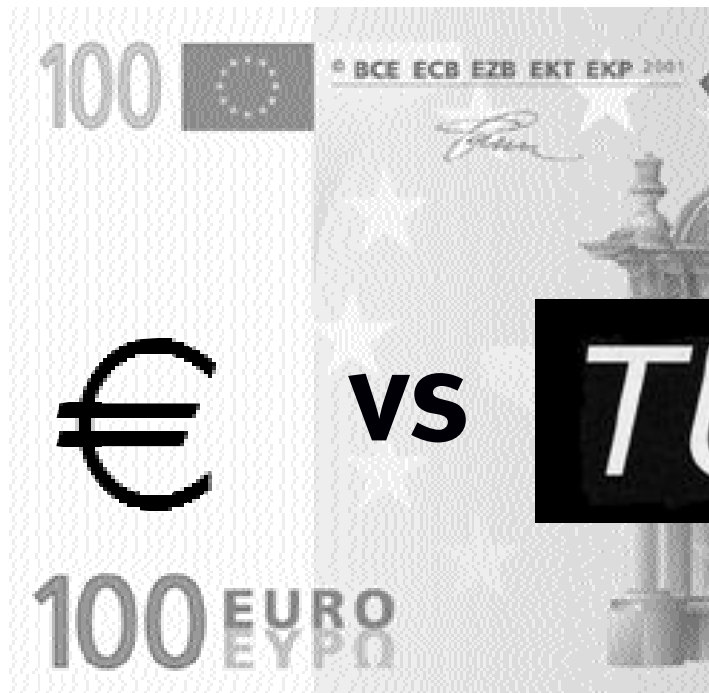
Renationalisation is such a dirty word in Downing Street. “Administration”, re-allocation of debt, future loans, whatever you call it, the taxpayer will have to pay to bail out yet another example of the absolute failure of market forces.

Privatisation was capitalism devouring itself in the 1980s and 1990s in an attempt to appear healthy and with a future. This social experiment practised on millions of people is on a par with a form of self-cannibalism.

As an economic system it is suicidal and doomed to fail, hence the present potential bankruptcy.

This year’s debate at the TUC halt to the General Council’s g

The sixth test: union



THE SIGNIFICANCE of the tone and decisions in the euro debate at this year’s TUC should not be lost. The gung-ho suicidal rush for the euro favoured by the General Secretary and a few leading General Council members like John Edmonds has been stopped. The TUC has adopted a more critical negotiating position.

In effect the British trade union movement has added a new test for the nation that must be passed before the referendum is held: Are we as a trade union movement absolutely sure that the euro will be in our best interests?

Debates on the euro over the last few years have been preceded by tedious speeches by European Commissioners or European TUC (ETUC) leaders seeking to influence our debates. The same this year— though it had to be pointed out that the President of the ETUC, Emilio Gabaglio, had omitted one small fact from his appeal to us to join up with the euro, which was that not one of the 301 million people in the eurozone has ever had a vote on whether they should join or not.

Danger

The composite motion passed on the euro enabled previously very pro euro unions to at last reveal the extent of their underlying caution and the conditions that they want to see met before they will support entry. Rather than seeing the euro as a potential solution, they recognise it as a potential danger.

The motion (above, right) calls for the TUC to present

revealed how much there is to be done — but brought a sharp hung-ho rush for the euro...

...add a new point to Brown's list



The final composite on the euro

“Congress does not believe that the interests of manufacturing industry, public services and the trade union movement will be best served by a referendum on the European Single Currency unless a sustainable exchange rate between the pound and the euro is achieved; greater government support for the consolidation and expansion of the European Social Model is demonstrated; and assurances regarding any repercussions of entry on public expenditure are received.

“Congress supports the policy of the Government that the five tests set by the Chancellor of the Exchequer will define whether a clear and unambiguous case for joining the euro can be made. The high pound is damaging British industry. Congress calls on the Government to give priority attention to bolstering British manufacturing, and to ensuring that our public service provision and workers’ rights are enhanced to the level of our EU partners. Congress therefore calls on the Government to bring forward its assessment of the five economic tests.

“In preparation for a referendum Congress calls on the General Council to place before each Congress prior to any such referendum factual information concerning prices, unemployment, growth, public expenditure, the Stability and Growth Pact and industrial relations in each of the eurozone countries.”

information to Congress concerning prices, unemployment, public spending, industrial relations and manufacturing throughout the eurozone countries so that delegates can see how trade unionists in other countries have been affected.

The absence of such objective information-gathering by the General Council nearly led to the reference back of the General Council’s report on its work over the last year. Only 52% of delegates voted for this underwhelming report, which was no more than a mask to enable the TUC General Secretary to campaign strongly for the euro regardless of circumstances and its real effect on workers.

Much reporting of the debate inaccurately said that a General Council statement on the euro had been passed. Not so. Statements from the General Council take precedence over motions, but there was no such statement on this occasion. The motion alone guides the General Council’s work over the coming year.

Apart from gathering information the

General Council has to take note of the mood of Congress which was keen to ensure that there was a recall of Congress before any such referendum. Speakers from all parts of the spectrum called for this and the General Secretary committed himself to convening a “conference” on the matter. However, a conference is not good enough. Nothing less than a full Congress should be recalled and this should be preceded by accurate and objective information on the position of trade unionists in the euro countries.

Undertaker

This year’s TUC debate revealed also how much there is to be done. Just over a third of TUC affiliates do not have policy on the matter. Worse still, most of the manufacturing unions still believe that the euro will solve their problems and rebuild industry. This is a bit like turning your assassin into your undertaker.

Furthermore, the opposition to the euro on the basis that it will damage public services is shallow and will not in itself be enough to sustain the argument throughout the referendum period. One

positive aspect of the debate was that there is a growing recognition that manufacturing and public service spending are linked and attempts to split manufacturing and public service unions were rejected.

The Public and Commercial Services Union (PCS) appears to believe that the euro combined with high levels of public spending will create a permanent workers’ revolution in Europe and enable us all to harmonise wage negotiations. An illusion indeed, mistaken in all respects.

Others still believe that the meagre benefits of the Social Chapter are worth the price of the euro. And there is still more to be done to demonstrate that the drive to the euro is the cause of Private Public Partnerships and the hated PFI.

But the important thing is that the basis for the debate has changed. We need to ensure that it is debated as a priority in every single union. Unions, anti-EU campaigners and international guests will get together on October 26th at 1.00pm in Friends Meeting House, Euston Road, London, to rally against the euro and plan the next steps.

Why is the Private Finance Initiative “the only show in town”? Because behind it stands the European Union...

PFI: the other half of the argument

ON THE EVE of the Labour Party conference, UNISON hosted a major conference on PFI, the government’s Private Finance Initiative. The meeting was an attempt by the social democratic industrial wing of the working class to convince the so-called political social democratic wing (a contradiction in terms) to place a moratorium on PFI schemes.

The conference was headlined: PFI — Failing our Future, the name of a UNISON audit of current and future schemes. This audit shows, should proof be needed, that PFI is “A Bad Thing”. Risk is not, as the government insists, transferred to the private sector. Quality is not, as the government insists, enhanced by the introduction of private sector managers. Additional finance is not, as the government insists, forthcoming from the private sector.

The risks stay in-house. Failures of PFI remain blamed on either the staff, or ultimately the government. Political risk is certainly not transferred, and the Secretary of State will still be vilified when problems occur in the new privately financed NHS.

And, economically, money is transferred, from us to them. But financial failure will rebound on us, taxpayers and workers. In fact, companies running PFI schemes expect to make, and do make, between 20% and 30% profit. This compares with an average rate of profit of 6%. You can see why it’s so popular with capitalists.

Failures

Quality failures have increased, says the audit, since the introduction of PFI. Neither has new, private, money come in. Any additional resources have gone straight into the profit columns of the PFI company’s balance sheets.

But surely all this was known before? Yes, it was. Maybe there’s no harm in reiterating that architectural and design skills are being eroded in Britain by the use of standardised, cheap and therefore more profitable buildings which PFI favour. Maybe it’s also useful to prove that better buildings result from public

‘The use of PFI to help Britain meet EU convergence criteria is well documented, but little heeded...’

service — rather than profit-oriented design teams and private funding (PFI schemes are, after all, publicly funded too!).

But this is only half the argument. It’s as though the unions only want to argue with one hand voluntarily tied behind their backs. Why really is PFI now “the only show in town”, to quote the government? For two reasons.

Artificial resuscitation

Firstly, new life is breathed into capitalism by means of PFI. Companies which would otherwise have collapsed have been resuscitated by PFI. Any government sponsored building scheme is profitable because its sponsor is not going away, like a private company might.

Any such scheme is doubly — actually trebly — profitable if the rate of profit seems to start at 20%.

Secondly, the use of PFI to help Britain meet EU convergence criteria is well documented, but little heeded. Indeed, it is an argument that many of the well-meaning opponents of PFI are none too keen to use. Some even claim that the link is tenuous. This, though, is merely a reflection of the fact that these people may be opposed to PFI, but they are not opposed to the European Union. And therein lies the rub. The opposition which dare not speak its name — opposition to the EU.

Not only is “Private Finance” not counted as public expenditure, thereby not counting under the Maastricht Treaty in the crucial attempts of government to

meet the EU convergence criteria. It is also that PFI and its ill-begotten sister PPP are an integral part of the EU’s attempts to place all public services in the hands of capital.

Those services which never would have been created if left to capital — a healthcare system, schools, council housing, transport — are now to be handed over to capital because our labour can make them profitable.

The EU’s over-arching objective is to buttress capital, and removing what were effectively no-go zones for capital and turning them into free-fire zones where profit can be made out of anything — illness, illiteracy, homelessness.

Ultimately, we are all being threatened. When the UNISON, GMB and TGWU resolutions to the Labour Party Conference were published, Gordon Brown threatened the British people.

Brown said in effect that if we were successful in preventing the use of PFI, then that will be an end to the hospital and school building programmes. Or, more accurately, he will stop those building programmes. Either we drop our opposition or we get no new hospitals and schools.

Challenge

This, then, is the challenge. The government will not heed Labour Party resolutions, so that route cannot work. Workers in unions and where they live can and must use all means to resist this blackmail. We can and will move beyond the belief that we have to rely on capital, and capitalism, to survive. We can thrive without it.

It is we who should be threatening Gordon Brown, not he who is able to threaten us. We put him where he is, and we should tell him that this building programme is ours, not his, and that we will finance it ourselves, not give a third of the cost to capitalists in profits.

Private capital, and a government in hock to it, will not rebuild Britain. Workers can, and workers will. But to do so we must think again; dependence on others must be a thing of the past.

Not short of buzzwords, the government is out to convince us that things are changing for the better. But are they?

Change (and decay) in the NHS



LITTLE KNOWN outside of the health sector, there is a body charged with overseeing all developments in the NHS. Called the NHS Modernisation Agency, it has 10 taskforces overseeing change in priority areas. Members of the task force include frontline practitioners in a variety of disciplines and each task force has quite an array of expertise. But what is being achieved?

Modernising the NHS seems an attractive prospect to anyone who has been an inpatient or worked in one of the many NHS hospitals which occupy

19th-century buildings or anyone who attends a GP practice which is housed in a lock-up shop or converted domestic dwelling.

But many NHS staff who agree with the overall aim of modernising the NHS are looking very critically at what this means in practice.

Buzzwords

The buzzwords of the Modernisation Agency are “Renewal”, “Redesign” and “Respect” — all words designed to summon up positive thoughts and all

beginning with the same letter (often a requirement of a current Labour initiative!). NHS workers are reviewing each of these buzzwords and examining what lies behind the rhetoric.

Renewal

“Renewal” is about increased investment, and who could be against that? But what the Modernisation Agency does not fully explain when it broadcasts its top 10 facts from its first

Continued on page 10

Continued from page 9

year (see Box 1, below) is that most of the new facilities are achieved as the result of Private Finance deals.

Take Barnet Hospital in North London, where a second phase of new building has begun, but as the hospital is part of a Private Finance Initiative led by Siemens, this hospital in 35 years' time will not be NHS property but will belong to the PFI consortium.

Just as importantly, the profit that the private companies are able to extract from running hospital services has been famously described as "paying a mortgage with a Barclaycard".

Many people who have had cause to utilise health facilities elsewhere in Europe have commented that their facilities seem superior to the NHS. There is no mystery in this — despite the buzz word "renewal", NHS investment is still significantly below that of France or Germany.

The inclusion of "free nursing care" in the top 10 facts will likewise not impress many as evidence of "investment". As all the healthcare trade unions, Age Concern and pensioners' organisations have pointed out, the

'Despite the buzz word "renewal", NHS investment is still significantly below that of France or Germany...'

definition of nursing care chosen by the government is so limited (being focused exclusively on technical care tasks) and the reimbursement levels so low, that this government's version of free nursing care has done little to help nursing home residents or care home owners.

Redesign

"Redesign" is about new ways of working and about increased flexibility of staff to cross professional boundaries. New ways of working are nothing new to NHS staff, and care responsibilities of each profession have always changed

over time. At one time only doctors took blood pressures or blood samples — to insist that these were exclusively the doctors' professional tasks in 2002 would be absurd.

Professionalism

Another example would be the vital role of the paramedic in today's NHS. The formal role of the paramedic has a relatively short history, but those carrying it out have insisted on only assuming tasks for which they were adequately prepared, and thereby earned themselves a reputation for professionalism.

All NHS staff acknowledge that roles evolve over time but feel that control over the process is the crucial question for them and their patients. Hence in some instances nurses have been very reluctant to take on the roles previously given to junior doctors, because in a world of staff shortages the consequence may be that there is no one left to do the nursing.

Whenever delegating aspects of their role NHS staff are concerned that those who are accepting new responsibility have adequate training and supervision.

Reshaping

Some of health secretary Alan Milburn's redesigned projects are more than additions to roles or blurring of roles. Take his latest plan to radically reshape public health provision, for example.

Interestingly in this case he is proposing to bring in agencies from outside the NHS, and it is already clear that this is not a process supported, let alone controlled, by the staff in those agencies.

The Department of Health is proposing to break up the Public Health Laboratory Service (PHLS), the National Radiological Protection Board, the Porton Down Biological Research Centre and the National Focus for Chemical Incidents, and merge them all together into a new centralised agency. It has already given the PHLS six months to transfer its staff and premises to the

Box 1: Top 10 Facts from the First Year (the NHS Modernisation Agency version)

- 1 25% more critical care beds**
- 2 714 more general and acute beds (0.5% increase)**
- 3 52 new or replacement CT scanners (30% increase)**
- 4 91% of suspected cancer patients seen within 2 weeks of referral by their GP**
- 5 150 new rapid access chest pain clinics opened**
- 6 797 GP surgeries modernised**
- 7 10,000 more nurses working in the NHS**
- 8 10 new major hospitals opened**
- 9 Free nursing care now available to all older people in nursing homes**
- 10 An end to 'dirty' hospitals**

Box 2: The threat to the Public Health Laboratory Service

THE THOUGHT of losing any expertise in infectious disease seems alarming after a summer with two outbreaks of Legionnaires Disease, a number of episodes of contamination of water supplies and a rise in the number of drug resistant cases of TB.

But it is not just the occasional dramatic outbreak that should be of concern, but rather the sheer scale of work that is involved in monitoring infectious disease. Many sexually transmitted diseases are on the increase, with chlamydia (which can cause infertility), non-specific urethritis and wart virus infections among the most common.

PHLS have reported that the diagnosed cases of chlamydia in England and Wales rose by 20% for males and 17% for females between 1999 and 2000. Figures from PHLS show that since records began in the UK a cumulative total of 49,715 HIV cases have been reported and the trend is again upwards.

The NHS now recognises that the monetary value of preventing a single onward transmission of HIV in the UK is estimated to be between £0.5 and £1 million in terms of individual health benefits and treatment costs.

NHS.

“Vandalism”

The government has described this as modernisation, but scientists at the PHLS headquarters in Colindale in North London call it vandalism. The concerns of the scientists are that the forced merger and the short time scale will inevitably lead to high staff turnover and the loss of expertise built up over more than 50 years.

NHS infectious disease specialists would be the first to acknowledge their reliance on the PHLS service (see Box 2, above).

The final buzzword of the Modernisation Agency is “Respect”, by which they mean that NHS workers should have a sense of respect and pride in achievement.

Initiatives

Staff and patients are only too well aware that any development in the NHS is reliant on having the right staff to do the job. The Modernisation Agency talks grandly of work-life balance and various initiatives for improving working lives. But in the wards, departments and health centres, staff talk about their frustration of trying to reconcile their sense of how things should be done with how they end up being done due to staffing shortage.

The “Top 10 Facts” of the

‘Piloting of the new approach has been accompanied by a government proposal of three-year pay deals, which has enraged staff...’

Modernisation Agency records 10,000 more nurses working in the NHS but does not say how many are from the Philippines or Zimbabwe.

Yet a very detailed research project conducted by the Kings Fund has just exposed the fact that 50% of student nurses either do not complete their programme or do not work in healthcare on completion.

The government has responded that the report was based on figures up to the year 2000 and claims that the situation is now “much improved”, but it has not provided data to support its claim.

Shortage of staff is a common theme across the NHS with some of the smaller professional groups such as occupational therapy and psychology

showing the most acute shortages. Vacancy rates continue to be highest in metropolitan areas, but as a recent report on nursing shortages in Scotland has demonstrated, the problem is widespread.

After three years of negotiation with all the NHS unions, the major overhaul of NHS pay and conditions for health workers known as “Agenda for Change” is about to be piloted in 15 NHS trusts in England. The idea of rationalising a multitude of pay and conditions arrangements, and the promise of pay which recognises staff competencies, are generally welcomed.

Enraged

But the piloting of the new approach has been accompanied by a government proposal of three-year pay deals, which has enraged staff. Shop stewards in the London area have pointed out that housing costs in the capital seem to rise every three weeks and predicting the actual costs of living for three years is laughable.

The rhetoric of work-life balance is all about flexibility, but this is the very factor that the government is seeking to eradicate from pay negotiations.

The determination of trade unions to fight for proper recognition and reward of staff skills will continue to be the single most important factor in any modernisation of the service.

The combination of EU convergence criteria and the government's pensions chaos. Yet pensions contributions could fund renewal.

How to create a pensions crisis



Pensioners on the march at the annual Tolpuddle rally in Dorset this summer.

IN STARK CONTRAST to the euro countries, Britain has a potential source of finance, which if utilised in a prudent manner, could act as a springboard to rebuild the country. It has 75% of the EU's total occupational pension scheme assets, amounting to approximately £750 billion.

This occupational wealth, created by past and present generations of British workers, has been put aside to pay present and future pensions, and represents the equivalent of 81% of Britain's Gross Domestic Product (GDP). By comparison, occupational pension provision in Germany represents 16.3% of its GDP, with equivalent figures for France at 6.6%, Italy at 2.6% and Belgium at 5.9%.

This perspective has so far not been part of the discussion surrounding pensions, which, over the past few months, has largely consisted of articles appearing in the British press panicking about pensions in crisis, without any context. At the same time, nothing at all has been said in the press about the Occupational Pension Funds Directive, discussed in May this year by EU finance ministers.

Threat

In the words of European commissioner Frits Bolkestein, the directive will "mobilise capital in the order of trillions of euros and this will save companies millions in the cost of running employee pension schemes". It is apparent from

this statement that the whole of Britain's pensions capital is under threat. The idea is that our pension assets could be shifted by international companies and placed elsewhere in Europe.

Already, Britain's pension funds hold record levels of overseas stocks and shares. The average fund now has 28% of its assets invested elsewhere with some funds having as much as 50%. In the meantime, our country is in desperate need of investment. Now the EU wants to grab the rest by further liberalising national investment rules for pension funds and enabling multinationals to provide unified pension plans for their staff, reducing costs by millions per year.

The directive, by enabling a financial

...s eagerness to meet them has brought

institution in one member state to manage company pension schemes in other member states, will simply result in the exit of more capital from this country.

The EU directive is now expected to return to the European Parliament in the autumn for its second reading. The euro quislings will make out that by adopting this directive, Britain will have an opportunity to develop its pension fund investment expertise. In contrast, the view from the remaining British owned investment houses is that the directive constitutes a huge step in favour of European countries to our detriment. This view is not alarmist, bearing in mind the rate at which our pension funds are already investing elsewhere.

The mask slips

The EU mask slips again when you look at why the cost of occupational pensions has increased by some 50% over the past eight years. This has not come about by accident or because workers are living a couple of years longer during retirement but instead has been planned by the Treasury.

In 1995, the Treasury, then run by the Tories, decided that to help meet the EU convergence criteria, the issue of Government debt through the UK financial gilt market should cease. A gilt is a promise by the Government to pay interest on a loan, which it has raised from the capital markets, with the loan becoming fully repayable at the end of an agreed period i.e. gilt-edged security.

At the time, the Government said that it was reducing the National Debt. What it really meant was that the Government was no longer able to help finance its revenues through the issue of new gilts because it would contravene the parameters laid down by the EU on borrowing.

The result was that the supply of new gilts ceased, whilst the financial demand for gilts increased, especially for 15 year and 20 year Government gilts, which have always been ideal financial instruments to underpin occupational

‘This has not come about by accident or because workers are living a couple of years longer during retirement but instead has been planned by the Treasury...’

pensions whilst in payment. This is because people retiring at age 65 tend to go on living for a further 15 to 20 years.

So gilts with a 15 or 20 year term are ideal security to underpin the financial liability of an occupational pension becoming payable over the same period. Unsurprisingly (supply and demand) the price of the remaining gilts issued in the market prior to 1995 have since rocketed, to the extent that the cost of, for example, a subsistence level of pension of £7500 per annum payable to a male aged 65, now requires at least £100,000 of capital to match the financial liability whilst in payment.

The policy of no longer issuing new Government gilts has continued since 1997 and so it is small wonder that the cost of pension final salary guarantees has increased in the manner they have.

Guarantees

By the same token, the Equitable Life insurance company problems also originate from the same shortage of available gilts whereby they cannot now meet the cost of matching the 4% annualised guarantees under their insured policies because gilt prices have rocketed.

This has led to the same insolvency problems as experienced by our pension funds. Who would have thought in the

1970s and 1980s when the Equitable Life sold these policies that an underlying 4% capital guarantee would render it insolvent in 2002? This is not a pensions crisis; it has been planned since 1995 as part of the drive to Europe.

Further evidence of this comes from what is known as the Minimum Funding Requirement (MFR to the Treasury wonks) introduced by the Tories in April 1997 but conceived in 1995 at the time the Treasury decided to dry up the gilt market.

Creating a crisis

The MFR is a Government prescribed method of measuring the solvency margins of an occupational final salary pension fund. It was put in place to gauge the impact that the Government's reduced borrowing requirement would have on our pension funds. In other words: create a problem, measure it and then call it a crisis.

Since 1997 the MFR has identified huge deficits in occupational pension provision. Once identified, the employer then has to make good the deficit by paying in large amounts of capital to make up the shortfall.

Hiding place

In practice, what happens is that the MFR acts as an excuse for the employers to wind up their final salary pension commitment. This makes the MFR a convenient hiding place for the employer.

It is also a distraction away from the government's failure to issue gilts, and shifts attention from the fact that throughout the 1980s and early 1990s employers were boosting their profits by taking surpluses from our pension funds. The result now is insolvency as measured by the MFR.

It is obvious what British workers need to do — let us assert ourselves and not get caught up by silly 19th-century Malthusian sophistry that suggests that today's pensions problems are due to us living longer. What utter tosh!

With the fall of the Soviet Union war is in the air again — time for the Red Army saved the world from fascism...

Who won the war? Not the capitalists

IN 1939 the British government had no intention of defeating Nazi Germany. It wanted Hitler to go east not west, and even after declaring war it did not wage war. In this phony war, the government “can always fulfil the letter of the declaration without going all out”, as Samuel Hoare, foreign secretary in 1935 and one of the architects of appeasement, explained. Britain and France did nothing when Hitler went east and attacked their ally Poland.

Prime Minister Chamberlain and

foreign secretary Halifax begged Hitler not to attack France. They wanted to hide behind the Maginot Line while they egged Hitler on to look further east and attack the Soviet Union. When Finland refused Soviet requests for a more defensible frontier, the British government was quick to support Finland. This was designed to lead to “a sort of glorified Crimean war brought up to date”, as Leo Amery MP put it — a united European attack on the Soviet Union.

In May 1941, Hitler deputy Hess flew

to Britain. The British government rejected his proposals for peace in the west, war on the east, but did so only after Hitler had invaded the Soviet Union on 22 June 1941. This delay was contrived to allow Hitler to believe that Hess’s mission had succeeded. Hitler believed he could attack the Soviet Union without fearing a war on two fronts.

Both the British and US general staffs believed that the Nazi attack would defeat the Soviet Union within weeks. But the Soviet Union did not yield. Alone, they stemmed the Nazi tide and then began to roll it back.

As President Roosevelt wrote to General MacArthur on 6 May 1942, “The Russian armies are killing more Axis personnel and destroying more Axis material than all other 25 United Nations put together.”

Now that it was clear that Hitler was not going to win a quick victory, the US and Britain switched to a new tactic: promising a second front while in fact refusing to organise it. They promised second fronts for 1942 and 1943; they organised the North Africa campaign — Torch — in order to avoid the landing in Europe. In Churchill’s words, “Round-up in 1943 is excluded by acceptance of Torch. While Russia tore the guts out of the German army.”

Second Front

Churchill’s government was preoccupied with getting out of his promise to Stalin to establish a Western Front in 1943. Only when Britain and the US saw that the Red Army was rolling back the Nazis did they organise the Second Front, to meet the Red Army as far east as possible.

In late 1942, Germany and its satellites had 240 divisions on the Second Front and only 15 on the Egyptian–Libyan Front. Torch, far from easing the pressure on the Soviet Union, had enabled Hitler to shift 27 divisions from western Europe to the eastern Front. From 1941 to 1944



Victory: the Soviet flag is raised above the ruined Reichstag, Berlin 1945.

to remember when

British Empire forces faced from two to eight German divisions; the Soviet Union never faced less than 180 — three-quarters of the German army.

The British strategy was to let the Soviet Union do the fighting, while Britain helped to put a defensive ring around Germany in the west and south. Britain built bombers rather than landing craft, preferring an air to a land offensive.

The great Soviet victory at Kursk in August 1943 made the US and Britain at last agree, at the Quebec Conference that month, to organise a second front. Churchill agreed to abandon his Mediterranean strategy to join with the US in a common goal of retaining as much of Europe as possible in their sphere of influence.

Promised

As a crucial part of the preparations for D-Day, the Soviet Union had agreed to step up the Red Army's attacks on the Nazi forces in Eastern Europe. At the Teheran Conference in November 1943, Stalin had promised Soviet offensives time to assist the opening of the Second Front.

In a large offensive from April to May, the Red Army drove the Nazi armies out of the Crimea. In June, Stalin launched a huge offensive which freed Belorussia by mid-July, destroying the Germany Army Group Centre, which lost over 200,000 men. These efforts stopped Hitler reinforcing Normandy and thus decisively helped the US and British forces to complete successfully one of the greatest amphibious operations in history. As the BBC said: "But for the Russians, D-Day would have been impossible."

The British and US forces went on to liberate France and the Low Countries, and then began their assault on Germany itself. But even at the height of their effort they were engaging only a third of total Nazi forces. They destroyed 176 Axis divisions, the Red Army destroyed 607.

WHAT'S THE PARTY?

We in the Communist Party of Britain (Marxist-Leninist), and others who want to see a change in the social system we live under, aspire to a society run in such a way as to provide for the needs, and the desires, of working people, not the needs and desires of those who live by the work of others. These latter people we call capitalists and the system they have created we call capitalism. We don't just aspire to change it, we work to achieve that change.

We object to capitalism not because it is unfair and unkind, although it has taken those vices and made virtues out of them. We object because it does not work. It cannot feed everyone, or house them, or provide work for them. We need, and will work to create a system that can.

We object to capitalism not because it is opposed to terrorism; in fact it helped create it. We object because it cannot, or will not, get rid of it. To destroy terrorism you'd have to destroy capitalism, the supporter of the anti-progress forces which lean on terror to survive. We'd have to wait a long time for that.

We object to capitalism not because it says it opposes division in society; it creates both. We object because it has assiduously created immigration to divide workers here, and now wants to take that a dangerous step further, by institutionalising religious difference into division via 'faith' schools (actually a contradiction in terms).

Capitalism may be all the nasty things well-meaning citizens say it is. But that's not why we workers must destroy it. We must destroy it because it cannot provide for our futures, our children's futures. We must build our own future, and stop complaining about the mess created in our name.

Time will pass, and just as certainly, change will come. The only constant thing in life is change. Just as new growth replaces decay in the natural world, this foreign body in our lives, the foreign body we call capitalism, will have to be replaced by the new, by the forces of the future, building for themselves and theirs, and not for the few. We can work together to make the time for that oh-so-overdue change come all the closer, all the quicker.

Step aside capital. It's our turn now.

How to get in touch

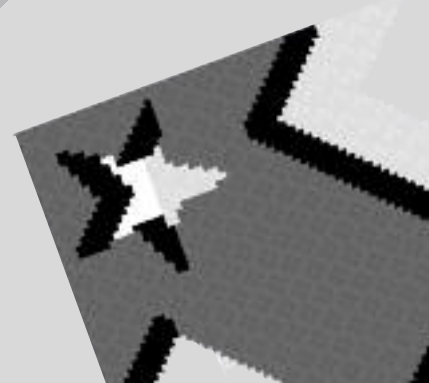
* You can get list of our publications by sending an A5 s.a.e. to the address below.

- Subscribe to *WORKERS*, our monthly magazine, by sending £12 for a year's issues (cheques payable to *WORKERS*) to the address below.
- Go along to meetings in your part of the country, or join in study to help push forward the thinking of our class.
- You can ask to be put in touch by writing or sending a fax to the address below.

WORKERS

78 Seymour Avenue
London N17 9EB

www.workers.org.uk
phone/fax 020 8801 9543
e-mail info@workers.org.uk



Back to Front – Energy for Britain

‘It is not a question of one versus another form of generation but how these components are put together and by whom...’

THE GEOLOGICAL MAP of Britain indicates extensive coal reserves across much of the country. It is estimated that we have up to the equivalent of 1,000 years burn. The difficulties are how to extract it safely and burn it cleanly. Both difficulties can be resolved by ingenuity, inventiveness, skill and planning.

Extracting and using coal for electricity generation implies a distribution network capable of delivering to every home and workplace in Britain. Renewal of the grid is never ending. It requires planning and investment beyond the lifespan of any man or woman.

Britain’s gas reserves must be protected. Exhaustion will occur in the next 10 years if the present gas burn for electricity generation is continued. Massive imports are planned, making the UK dependent on sources located in areas of political instability such as Russia and the Middle East.

Mothballed oil-fired power stations, some hardly used for the best part of 30 years, litter Britain’s coast. Our exploitation of the North Sea reserves has been short-sighted and wasteful. However, further extensive reserves have been identified in the North Sea. These require a commitment to new investment and extended delivery systems, far preferable to extending our dependency on easier existing developments in the Middle East.

Britain’s nuclear generation needs a radical re-think. Power stations built in

the 1970s were essentially test rigs. Except for the ageing Magnox stations, the 14 nuclear stations vary greatly in design. A single integrated structure to deal with production and recycling is needed. Closure is not an option but research and development for the future should replace nuclear competition. You cannot switch a nuclear station “off” overnight like a conventional generator.

Power from wind, tides and the recycling of waste, are all other options, but at present cannot meet the energy requirements for a modern industrial nation wanting to keep the lights on come what may.

So Britain is energy rich with a variety of differing strands. It is not a question of one versus another form of generation but how these components are put together and by whom. Should we plan an integrated, multi-faceted infrastructure or leave development to market forces?

In just over 100 years of electricity generation, there have been many forms of ownership: private, municipal, piecemeal, integrated, national, private again and foreign-owned. Private and foreign ownership now present the greatest threat to energy production that Britain has faced in over 60 years.

It is the responsibility of workers employed in the energy industries to determine a radical, integrated, planned and achievable strategy to meet the requirements of the British people above and beyond mere shareholding.

Subscriptions

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

Name

Address

Postcode

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

Publications

WHERE’S THE PARTY?

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

BRITAIN AND THE EU

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

To order...

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

Workers on the Web

• Highlights from this and other issues of Workers can be found on our website, www.workers.org.uk, as well as information about the CPBML, its policies, and how to contact us.