

WORKERS' fight



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"The emancipation of the working class will only be achieved by the working class itself" (Karl Marx)

THE PARASITISM OF BRITISH CAPITAL

Foreign multinationals Starbucks, Google and Amazon have been singled out, for having paid just 0% to 2.5% of their profits in taxes!

The issue being in the news, Osborne felt he had to re-state his "determination to fight tax evasion". But only to add that he also wanted "competitive taxes that say Britain is open for business."

Politicians have always aimed at making Britain "attractive" to foreign capital - to provide business for big British firms. This was how the City grew.

In this respect, Labour, despite condemning vocally these big tax dodgers, had exactly the same policy when it was in office. No-one can forget that the lenient tax regime enjoyed by companies today was introduced while Labour was in office!

Home-grown tax dodgers

Vince Cable joined the fray, saying: "When tens of thousands of British companies are paying their tax, to discover that leading multinationals are getting away with this, is not acceptable."

Many British companies may well pay all their taxes, but they're probably too small to afford the tax lawyers which big companies use. However, contrary to what Cable implied, not all tax dodgers are foreign and some very big ones are British.

Wasn't Barclays exposed, not so long ago, for using offshore subsidiaries to avoid paying taxes? Besides, has any government ever stopped British companies from using the very British tax havens, like Jersey and other near-by islands?

In fact, just as Cable made his statement, his Lib Dem colleague Simon Hughes, unearthed another very British - and very big - tax scandal, involving the water utilities.



Over the past years, according to Hughes, the three largest water companies - Thames Water, Anglian Water and Yorkshire Water - paid taxes at a rate comparable to Starbucks and Co, i.e. close to zilch, on hundreds of millions in annual profits!

But then comes the real twist and what brought Hughes to expose this scandal. For years, these companies have been talking about a 24-mile long "super-sewer" for London, which is now expected to cost £4bn. But instead of funding it with their huge profits, they expect the state to underwrite the project - and pick up the bill in case of trouble - the state to which they fail to pay their taxes!!

Capitalist plunder in action

Hughes also found that all these water companies were heavily indebted and had weak finances. So where had their huge profits gone?

The answer lies in one word - dividends. Altogether, since 2009, these companies paid out £3.3bn in dividends - over 3/4 of the super-sewer's cost! In short, virtually all their profits

went to their shareholders - including what they should have paid in tax. They didn't plan for the future, by setting cash aside for predictable investment, because they always expected their state to step in, if need be!

Not that such parasitism on the state is new. Weren't these companies born out of the privatisation of infrastructure which had been built entirely on state funds?

But this tells us two things about how to face up to the catastrophic situation caused by this crisis-ridden capitalist system. One is that, the capitalists will do nothing that might benefit society if it dents their profits - unless they are forced to do so, by the balance of social forces. And the other is that, no matter how much they cry poverty, the capitalist class - collectively - has accumulated so much wealth out of our labour, that there's more than enough to address the immediate problems faced by society as a whole.

The real issue for the working class is to build the right balance of social forces to get hold of this wealth so that it can be used for the benefit of all! ☐

Their crisis

At the end of October, following a much trumpeted 1% increase in GDP over the 3 months to September, the ConDems suddenly announced that the economy had come out of its "double-dip recession". Interestingly, they'd always denied, so far, that the economy had ever entered such a recession in the first place. But never mind!

The real trouble for Osborne, of

Osborne exposed

The International Monetary Fund is not known for being concerned about the impact of austerity policies on the real economy. Yet, in October, its experts accused Osborne of fiddling his figures to minimise the impact of his own austerity.

According to the IMF, for every pound's worth of public cuts - in whichever shape or form - the overall economy loses an *additional* £1

Don't believe their figures!

course, comes in the small print. What does this 1% increase really mean? The government's own expert candidly admitted that part of this increase was due to counting the proceeds of the Olympics ticket sales as "production" and adding the result to their GDP figures. Another part was due to the one-off payment of services directly linked to the Olympics; and the last part was due

to anticipating (without evidence) that companies would get their workers to make up for the work not done on the Jubilee bank holiday. Fiddles, fiddles and more fiddles!

Following these admissions, some City experts worked out that, actually, this 1% GDP increase between July and September, concealed an actual *drop* in GDP in April and September! □

Tarzan back on a screen near you

Michael Heseltine (called "Tarzan", while acting as Thatcher's deputy prime minister in the 1980s) was pulled out of his cupboard to draft the coalition's future economic course in a report entitled "No Stone Unturned". However, Tarzan carefully selected the stones he chose to turn, to ensure that everyone within the ConDem coalition would identify with some of his report.

For instance, he supports more state intervention in the economy, arguing that it is not a bad thing, especially in areas requiring large-scale investment. In other words, it's up to the state to pay for the big

to £1.70. By contrast, ConDem officials had very conveniently based their assumptions on an ultra-low 50p lost for each pound in cuts, allowing Osborne to trumpet, against all evidence, that his policies were "working".

Quite obviously, by cutting public investment, the coalition is cutting public and private sector jobs and by cutting jobs it is cutting the

overall purchasing power of the working class and therefore even more private sector jobs are bound to be cut. But these politicians are in office purely to justify policies designed to boost the bosses' profits, all-expenses-paid by the working class. Nothing new there. The only news is that, for once, they've been exposed by the likes of the IMF! □

Class Struggle n°97

Oct - Dec 2012

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Shareholders' "hard times"?

British shareholders are "unhappy" because their precious shares are not paying the dividends they'd like. According to their favourite paper, the Financial Times, a lot more London-listed companies have refrained from paying dividends over the past few years - 13.8% of them on the last count, or twice as many as in the "good old days" of the 1980s.

But that means that as many as

86% of all London-listed companies - i.e. the overwhelming majority - are in fact still paying a dividend - in these days of crisis! If there is anything for us ordinary people to be "unhappy" about, this is it! Why should shareholders - who do no work - make gains from workers' labour?

Especially as this is not just petty cash. A total £80bn in dividends will have been paid by these

companies in 2012 - 18% more than in 2011 and 37% more than in 2010! And this, when they are crying poverty to justify cuts in jobs, wages and conditions.

What if they were instead, forced to halt all dividend payments and use these billions, not only to keep all their existing workers on the payroll, on decent wages, but to create more jobs? □

Black Monday 1987:

25 years ago

Gathering clouds in the financial sphere

On Black Monday - 19 October, 1987 - the Dow Jones, Wall Street's main stock market index, lost 508.32 points - or 22.6% of its value and more than double its worst single day's fall during the Great Depression of the 1920s-30s.

The crash had actually started earlier that morning, in Hong-Kong, with share prices losing a massive 45.8%. In a matter of hours, as stock markets opened for trading, it had spread to Europe, and then it hit the world's largest stock market, in New York.

By the end of the day, the paper value of the world's listed companies was reduced by several hundred billion dollars (\$250bn in New York alone). This crash was, in most respects, unprecedented: never had the world economy been faced with such a huge and rapid contagion; never either, had the financial sphere proved to be such a massive threat for the economy as a whole.

Symptom of an on-going crisis

While 15,000 finance sector workers in New York lost their jobs, shareholders escaped fairly lightly - with most stock markets recovering within 2 years. Nonetheless, this crash was an important landmark in the ongoing capitalist crisis of which today's crisis is the latest episode.

It had all started in the first half of the 1970s, with the end of a period of growth, driven by the postwar reconstruction and the development of consumer industries. Monetary turmoil had combined with an abrupt slowdown in trade and production, with trade wars developing for saturated markets and workers being thrown onto the scrapheap.

Against this background of a stagnating world economy, capitalists turned to speculation in the hunt for high returns and easy profits - in real estate, but mostly in finance. To serve the needs of this massive speculation, new methods were introduced, to speed up financial trading and reduce its cost, by removing regulations, cutting out

intermediaries, and using computers (Brothers, RBS etc).



linked together on an international scale. This financial "Big Bang" was introduced in the City in 1986.

After Black Monday, the crash was widely blamed on computers which were programmed to trigger sales when share prices dropped below a pre-defined level. However this was only one factor in the crash and not the main one. The truth was that the uncontrollable flows of floating capital seeking a quick buck worldwide had turned into a hurricane.

First crash in a long series

In fact Black Monday was only the first in a series of such devastating hurricanes which, beyond the different forms they took, were all primarily caused by massive, unpredictable ebbs and flows of speculative capital.

Such crises occurred throughout the Nineties (1990: collapse of Japanese stock market's Nikkei index from 40,000 to 14,000; 1997: South-east Asia's financial collapse; 1998: US junk bond collapse and Russian debt crisis) and the last decade (2001: bursting of the "dot com" bubble; 2008: sub-prime mortgages unravelled, collapse of Lehmann

While the enormous development of the financial sphere has made the economy more dependent on it than ever before, increasingly sophisticated "financial products" have made financial speculation even blinder - and, therefore, a permanent threat for the socially useful economy (comprising manufacturing and services).

In the current crisis it is only massive state intervention and the role of the state as emergency "doctor", providing essential drip-feed profits to the bourgeoisie, that keeps the patient alive.

The working class has always paid for the profits of the bourgeoisie. For more than a century it has been paying a rising price for the irrationality of a system that is incapable of operating without such destructive crises. The past 25 years are just the latest stage in its era of terminal decline.

Since one can expect no improvements from such a rotten system, it is in the interest of the working class to overthrow it, in order to build a new social order free of the strait-jacket of private profit. In fact, it is its historical task to do so. □

Soaring childcare costs!

Childcare provisions in Britain have reached a crisis point. So much so, that families are spending as much as 27% of their income on childcare costs as compared to the 13% average in Europe. It costs as much as £5,000 a year in England for 25 hours of nursery care per week, for a child aged under 3.

This means that, in most low-to-middle income families, one of the parents is forced to stay home and devote significant amounts of time to childcare, regardless of work and other social constraints.

But why such sky-rocketing prices? Especially when most childcare workers earn peanuts! The real problem is that over the past two decades, most subsidised public and workplace childcare has been closed down and transferred into the hands of private profiteers. There is not enough supply relative to demand - which, of course, is creating good opportunities for profit making! It's



high time public provision of free and high quality childcare for all children

up to age of six was introduced. It's overdue!

• **Olympic hotel rates**

It transpires that the "Olympics economic boom" just didn't happen - especially not in the London hotel industry. But one hotels' group did just fine: Millennium and Copthorne, which runs 100 plus hotels around the world and several in London's Knightsbridge and Mayfair. It "enjoyed" a 20% rise in its revenues per room, thanks to the 20% increase in the "Olympic premium" rates it charged! So M&C certainly profited, even if its hotels were "slightly

emptier" (by 0.1%) than the same period last year..

• **Where'd that money go?**

Under the Bank of England's "funding for lending scheme" (FLS), launched in July, 13 banks applied for £60 billions-worth of loans at 0.5% interest. These exceptionally good terms (compared to 4-6% for credit cards or mortgages!) were meant to encourage banks to lend more at low rates to home buyers and productive companies. Lending figures published for August suggest that the

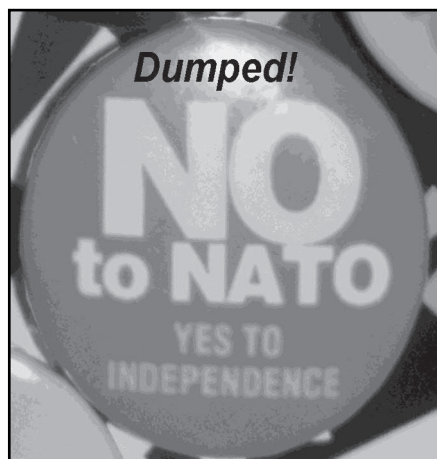
banks are not using this cheap money as intended. They even raised their interest rates for some types of mortgage, while lending to the target companies was down.

The Bank of England said August was too early to expect FLS to have an impact and that the end of 2013 is a better time to look at the figures. Yet, like all previous handouts, there is no compulsion on the banks to lend this money out, and no monitoring to check that they don't just use it in speculation!

SNP losing its clothes?

At the SNP's annual conference there was a narrow vote in favour of an independent Scotland joining (a heavily nuclearised) NATO. This reverses traditional SNP policy which has linked post-independence foreign policy to No Trident (nuclear subs and missiles in Faslane) and keeping out of NATO. Predictably, this is causing some discomfort in the party judging from the two SNP whips from the Edinburgh parliament who've resigned over the issue.

Of course, the SNP leaders want to have their cake and eat it. They can only win a constitutional referendum by creating the illusion that



an independent Scotland will be a better place than today and, in particular, that it will somehow be insulated from Britain's imperialist militarism and its nuclear weapons of mass destruction. But, at the same time, as the future heads of an independent Scottish state and representatives of the interests of its small capitalist class, the same leaders want to be fully recognised by the "international community" - that is, by the imperialist powers. And now that the referendum date has been set for 2014, the SNP's contradictions are beginning to show!

New PFI just like the old PFI

On 5 December (in the Autumn budget) George Osborne is due to announce a replacement for the "private finance initiative" (PFI) - given the discrediting of this method of funding of public infrastructure (eg., schools and hospitals) - which the Tories invented and Labour then implemented.

The Treasury says that no final decisions have been taken yet, but

promises that "the government's fundamental review of PFI aims to deliver a new, better value and more transparent model, which will ensure a fairer deal for the taxpayer now and for the long term".

Really? So far, the plans indicate that just like with the "old" PFI, the risk will still be borne mainly by the public sector - and it will still offer large profits hidden by the veil of

commercial secrecy. So Osborne's new deal is the old deal covered by a very thin mask indeed. There are 717 current PFI contracts with a total value of £54.7bn whose overall ultimate cost will reach £122bn by the time they have been paid off, over the coming 2-3 decades! More of the same will suit the private sector very well indeed. □

Sub-contracting going in a circle

Atos is the private company contracted by the DWP to do medical assessments of disabled people - in order, in effect, to disqualify them from receiving benefits and "save" the government 20% of its benefit spending over 3 years. It has been notoriously incompetent, deciding that many disabled are fit to work when they patently are not (600,000 have appealed against Atos decisions so far and many have already won their appeal!).

But now the Atos story has undergone a very strange twist! Atos just subcontracted the assessments it was meant to do in Lanarkshire, Scotland - back to the Scottish NHS's occupational health arm!! And as the local MP remarked: "It begs the question, why DWP didn't give the contract direct to the Scottish NHS? What cost is there to the public purse of government outsourcing to a private company, only for that



same company to outsource the programme back to the public sector?"

Precisely so! The best and only solution to this stupidity - not to

mention to the outrageously bad performance of Atos - is to bring everything back into the public domain! □

letter from West Yorkshire

On 1 November administration staff from Dewsbury Hospital/ Mid Yorkshire NHS Trust downed tools for 24 hours. 74 had received redundancy notices in October

£24m via cutbacks - in staff, A&E, maternity and children's services. Yet it spends £40m on repayments to a PFI consortium comprising of Balfour Beatty and HSBC bank

while paying this blood money to these private fat cats? They need to be kicked into touch!

A campaign against the cuts has been launched locally. Around 200 people protested on 27 October at Dewsbury Hospital, including service users, employees and trade unionists. Of course, the several public meetings, march and rally and even the first strike, will not suffice in themselves, although these have compelled the trust to offer to talk to us. The key demand of the campaign, apart from "no cuts or privatisation", is "open the books", so the people of Dewsbury can see for themselves what the Trust spends its money on. This is just a beginning, but if all we stick together and spread the campaign, we feel sure that we can win. □



- following which a ballot was held, with 88% voting for strike.

The Trust says it has to "save"

which keeps its money, tax-free in Jersey via a subsidiary! Indeed, how can it "afford" to maintain services,

Cuts watch

Universal credit: a disaster in the making

The Joseph Rowntree Foundation has challenged the government's boast that universal credit (UC) - to be introduced in October 2013 - "will help millions of people by making them better off in work than on benefits". Apart from encouraging people to take on low-paid "mini-jobs" of up to 16 hours, it will be an obstacle for people to take full-time work since, if they do, they will lose

free school meals and prescriptions, while facing rising childcare costs.

Then there's a good chance UC won't function properly. Claimants will have to apply online, with little provision for those who cannot. UC will be calculated by the DWP using complex IT programs and information provided by the tax office rather than the claimant. In addition, new localised council tax rebate schemes

are guaranteed to create another administrative nightmare. Finally, with UC moving from payment fortnightly to monthly in arrears, delays or shortfalls are certain to leave many families penniless or in the clutches of loan sharks.

That UC will "simplify" the benefit system, as the government claims, is unlikely. But it will certainly make claimants worse off!

• The screw tightens

Until recently, Job Centre advisors could "punish" claimants by docking their Job Seekers Allowance (JSA) for up to six months, if they were deemed to have turned down a job offer, or left a job without good reason. Now, they have the power to do this for as long as three years!

With the introduction of universal

credit next year, however, the screw will also be turned on claimants who are in work. Because they will be obliged to earn a minimum weekly wage to qualify for a top-up - the equivalent of 35 hours on the minimum wage, or £216 at current rates. What are the 5.6m non-professional workers now working part-time supposed to do? Beg their employer for

more hours, or a pay rise, or find another scarce part-time job, apparently.

So the choice for workers will be - either sink below the bread line, or take any job, no matter how badly you are paid and treated. In other words, the ConDems' policies are deliberately designed to push down wages and conditions.

• Housing costs outstrip wages, by far

The number of workers obliged to claim housing benefit because wages are too low and rents are sky-rocketing, has doubled since the recession began in 2008 - to more than 900,000. There are 10,000 new (working!) claimants every month! It's estimated by the National Housing Federation that 1.2 million workers will be in this situation by 2015 (an election year). By then, private landlords who're enriching

themselves out of the housing crisis, will have been given £35bn in housing benefit payments. It's estimated that the average weekly rent of £181/week today, will reach £245/week by 2018.

So do ministers plan to cap the rent charged by these sharks? No, they aim to cap housing benefit! Once done, "savings" will apparently be used to provide "£10bn in loan guarantees to provide up to 15,000 new homes for rent, putting

£19.5bn public and private funding into an affordable homes programme...". Yes, without a hope in hell of catching up with demand - the number of households is growing three times as fast as the number of new homes being built! Logical, isn't it? Render people homeless first, then maybe (and only maybe) start building a few (very few) homes to put them in.

• Throwing youth onto the street

The ConDem's latest restrictions on housing allowances and benefits aimed at under 25s are set to make an already dire housing situation worse and can only increase homelessness. And this will affect families on low or no income: according to the DWP's own survey, 53% of under 25s who claim housing benefit are couples or

single parents.

Cameron and Osborne claimed that £1.8bn could be saved in housing benefit if under 25s went back to live with their parents! Never mind if they don't have any or have been thrown out of their homes. And never mind that 56% of under 25s already do live with a parent, having no other choice! Said Osborne,

at the Tory party conference: "How can we justify giving flats to young people who've never worked?" This was certainly music to the ears of his reactionary audience. Of course, it's total nonsense, especially when youth unemployment is over 22%! But for people like Osborne, there's no such thing as the right to a proper home.

Haggling over what should be free!

Jeremy Hunt, the new Health Secretary, has ruled out the main recommendation of the Dilnot commission on social care funding - to cap at £35,000 the individual liability for contributing to care costs. After promising at Tory conference to introduce a cap as soon as possible, Hunt told a smaller meeting that a £35,000 cap, with an estimated cost of £1.7bn, was

"unaffordable".

So the status quo prevails: those with assets of £23,250 and above will continue to pay for their social care, without any cap on the total amount payable. Never mind that this status quo makes a mockery of the welfare system to which today's pensioners contributed all their working lives - with the guarantee of "cradle to grave"

publicly-provided care, free at the point of use! Privatisation and profiteering, introduced into the realm of social care long before it threatened the NHS, has long taken "care" of that. But if profit was to be taken out of this equation, social care could again become the necessary and free public function it once was! That is surely what we need to aim for.

A shortage of "wellbeing"

The Office of National Statistics has made a study on "wellbeing". And surprise, surprise, found that not everything (or everyone) is "well", and certainly not since the beginning of the crisis in 2008. In fact their study shows "a far greater squeeze on living standards" than during the previous two periods of crisis in the 1980's and 1990's.

According to the ONS, incomes have "held up" - that is, for people who have not lost their jobs! But the ONS notes (like everyone does!) that the cost of living (food, gas, and petrol prices) has soared over the past few years. So, in short: same income means less real income (after inflation), which is now 13% lower than at the beginning

Cuts watch

of the crisis in 2008. That's a real leap backwards! As to the level of employment, which is said to be at its highest since 1971, this is mostly due to the growing numbers of low-paid part-timers, who are the most "squeezed" of all workers.

So, no sense of being well, but instead, a sense of being well angry. ☐

• The "squeezed bottom"

A "Commission on Living Standards" has published a report detailing how wages account for a shrinking share of the national income. As a fraction of GDP, the wages of the poorest half of households have declined by a quarter, over 30 years - from 16p to 12p in every pound. So an extra 4p now goes into the pockets

of the better off - whether as salary, dividends or profits. Even in 2003-2008, when the economy grew 1.4% a year, the incomes of low-income households rose only 0.3%. The report reckons that between 2008 and 2020, the poorest 10% of households will see a real terms cut in their disposable income of 15%!

Contrary to politicians' fairy

tales about capitalism, whether in a "boom" or a crisis, in this decaying system the working class permanently gets poorer, so that the capitalist class can get richer. In other words, those who make all the wealth get robbed of it. Until they take it back.

• What's a "living wage"?

According to a recent survey by the giant private consultancy, KPMG, 5 million workers (about 20% of employed workers) do not earn the so-called "living wage" - £8.55/hr in London and £7.45/hr outside.

Many of these 5m are apparently earning the statutory minimum wage (if under 18 it's £3.68/hr(!), £4.98 for 18-20s and £6.19 for 21+). But since

the government doesn't bother to enforce minimum wage law, bosses may get away with paying even less. And then there are those workers forced into part time jobs, who, although they may even earn an hourly rate of £8.55, are still in poverty, because their employers refuse to increase their hours - often, because under 16 hours/wk, they don't have to pay national insurance contributions!

A real "living wage" would have to be something different - enough to cater for the needs of a family, including proper housing, leisure and holidays - and it would need to take into account the impact of inflation on purchasing power. Today, despite all the wealth accumulated in Britain, this is a level of income that the majority of the working class still doesn't enjoy!

• Fuelling their profits

In October, one after the other, the "Big Six" utilities announced increases in electricity and gas prices. British Gas, the largest, fired the first shot on October 12th, with an average 6% increase for 12m households. SSE followed within days, with an average 9% hike for its 5m electricity and 3.4m gas users. As did Scottish Power, with an increase of up to 8.7%, nPower with 9% and finally EDF - with a 10.8% increase, to be implemented in December.

Ironically, the last announcement in the series was made on October 26th, right at the end of a so-called "Big Energy Saving Week" designed to promote ways of cutting households' energy usage! Sure! With such price hikes many households won't have any choice but to cut their consumption! And tough if the winter is extra cold!

No less ironically, the government's been boasting of having worked "very closely with the energy companies to make it easier for people to switch to find cheaper deals". Find cheaper deals? When the utilities collude by fixing their prices to make us pay through the nose, with the government regulator's nod? This is Thatcher's "consumer-friendly competition" farce all over again!

• A cap which fits them well

David Cameron has promised a cap on rail fares to RPI + 1% (instead of the originally planned RPI+ 3%), for another 2 years. This is hailed as a U-turn even if it's only one more politician's promise.

We are told it will be a saving for passengers. Really? But it is still an increase that the majority of people can hardly afford - especially since wages

trail behind RPI, when they're not actually being cut!

Of course, the cap is not controversial for train operating companies, since they can average it out over all of their routes. And since the railways are now dominated by a few very large companies running several routes each, all they have to do is to maintain fares (or even reduce them, for good PR) on some lines and increase them as much as they like on others.

And if this was not enough gravy for their liking, they can increase other unregulated fares - like special or advance deals. Never mind that they're plundering the pockets of "captive" commuters.

Make 20th October a beginning, not an end!

On 20th October, at least 140,000 people marched in London, Belfast and Glasgow against the government's austerity policies, showing that the wedge that the government tries to drive between public and private sector workers doesn't exist when it comes to bearing the brunt of the crisis. Everywhere, and in every kind of job, workers are feeling its effects - we are "all in it together" in the face of the bosses' attacks and government's austerity - and can therefore potentially fight, all together.

For the first time in almost a year, significant numbers demonstrated their anger against the cuts, given this opportunity. So what could be achieved if those same tens of thousands took on the task of mobilising the wider ranks of the working

• Labouring the point

Labour leader, Ed Miliband, addressed the Hyde Park rally, and used the occasion to hammer home Labour's own austerity agenda. He said, "I do not promise easy times.... whoever was in government now there would still need to be some cuts".

According to him, Labour's "hard choices" would be "fairer choices". What

• Race to the bottom?

Leaked government documents reveal plans to attack the working conditions of 450,000 public sector employees. This 'modern' agreement, as officials call it, would involve cutting holidays, lengthening the working week and reducing flexible working. Benefits such as apprenticeships, work experience, advances of pay, travelling time, eye tests, legal representation, parental leave are all set to be reviewed too at "the discretion of human resources directors" in the various departments. The documents suggest that some workers may have to move, to keep their jobs, in order "to promote greater mobility". All this would be aimed at bringing the public sector in line with private companies.

These reforms would be implemented over a period of 2 years starting from April 2013, on top of the existing pay freeze, pension cuts and redundancies. Their objective is obviously to get rid of the very few advantages that the public sector workers have in return for relatively lower wages. Another way of pushing wages and conditions down across the entire working class - and therefore, a good reason for these reforms to be resisted collectively by all workers, in the public as well as the private sector!



class? The TUC, obviously, is not keen to find out. Even those trade union leaders who did make some noise about a "general strike" have not and do not intend to take any

- the same Labour which chose to bail out the banks when the crisis hit and then chose to make the working class pay for it by launching the austerity drive? And for a hint about Labour's future choices, one need look no further than brother David's comments, a few days earlier, on the need for public sector "reform" and spending cuts, giving the example of a

practical steps in that direction. But who can afford to wait another year, until union officials consider that it's safe to bring workers out on the streets again? ☐

10-year child benefit freeze.

Miliband can't have been surprised that his speech was greeted by boos and heckles from the audience of anti-cuts marchers. But then, his speech wasn't addressed to the marchers anyway, but to the masters that he really aspires to serve - in the City.

• Criminal employers

Wage councils in low-paid sectors were abolished in 1993 to suit the bosses' "flexible" requirements. The only exception was the Agricultural Wages council which had regulated farm workers' conditions since 1909 - from setting wages and sick pay to limiting rents on tied cottages. Now this Council is to be disbanded as well.

Also under attack is the Gangmasters' Licensing Authority - set up following the drowning of Chinese cockle pickers, in 2004. It faces cuts and instructions to use a "lighter touch" against agribusinesses. What this Authority is told to look at leniently was illustrated recently by Lithuanians working for "Noble" Foods, who contacted the UK Human Trafficking Centre. These workers reported being shuttled from farm to farm, working 17-hour shifts and sleeping in a van. And is "Noble" some kind of murky cow-boy? No, it's a very respectable one, whose chairman, Peter Dean, is a leading Tory party donor, apparently close to Cameron.

Yes, respectable or not, these cow-boys have a direct line to Number 10 - to a conniving prime minister who encourages the over-exploitation of migrant workers while simultaneously playing the anti-immigration card.

• Retire these parasitic "Lords"!

While sitting in a meeting about the impact on public services of demographic changes, Lord Bichard put both feet in it, by suggesting that pensioners should do community work, or lose some of their pensions.

This, of course, was for their own good, to avoid being a "negative burden on the state". Of course, he knows all about being a "negative burden on the state" since he, himself, retired at 53 with a state pension of £120,000/year!

His "fresh thinking", as he called it, is a bit stale, though.

Did he notice that 1.4m workers over 65 are still working? The majority are still struggling on, because they cannot afford to retire, given the poverty level of pensions (or no pension at all) which prevails! Plus, according to Charity UK, a third of all people between 65 and 74 are doing voluntary work and an additional 1 million are providing unpaid care to family and friends, because of failing social services.

But all that is beyond the grasp of a parasitic "lord"!

Ford Dagenham estate (Essex)

• **Record profits, record greed**

In the last week of October, Ford announced plans to cut 6,200 jobs in Europe. It would close the 4,300-strong Genk factory in Belgium by 2014 and two plants in Britain - the Southampton van plant

workers).

The pretext for these closures is that Ford's European operations "lost" £1bn in 2011. As if, in a multinational company like Ford, which spans the entire world and boasts

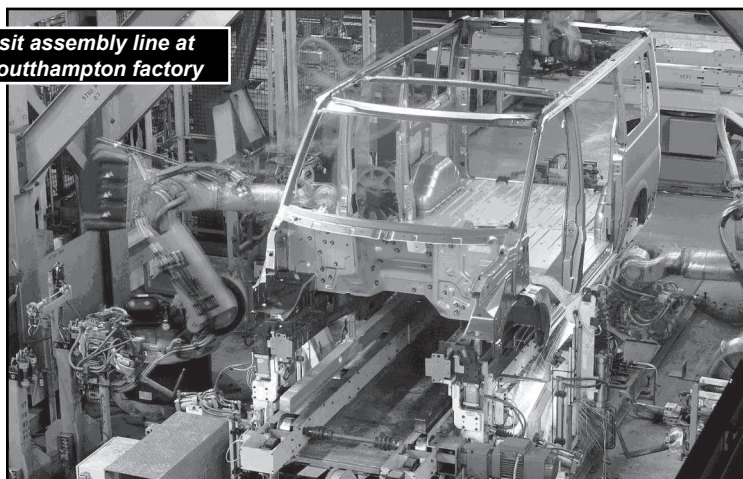


"Ford-Europe"!

In fact, this was highlighted shortly afterwards, when Ford boasted a 3rd quarter worldwide profit of almost £2bn - its highest ever - showing that its so-called European "loss" wasn't weighing much upon it after all, and providing an additional reason to stop these closures!

This was no doubt what Genk workers had in mind, on 7 November, when they blocked the gates of Ford's Cologne HQ in Germany - throwing rocks, breaking windows, and setting tyres alight. Alan Mulally, Ford CEO, who was inside threatening even more cuts in the future, got a taste of what he should - and hopefully will face - if he pushes ahead with his plans!

Transit assembly line at the Southampton factory



(500 workers) and Dagenham's Press shop/Tool Room/Sub-assembly (750

about the fact that it is "One Ford", it makes sense to talk about a separate

• **Closures which can be resisted**

In Britain, the closures are scheduled for July 2013. Ford promises there will be "generous" severance and early retirement packages and no compulsory redundancies - but there's blackmail into the bargain, in the form of a "continuity payment" of up to 26 weeks pay, if nobody disrupts production!

Unite's leader, Len McCluskey, responded with a call for more help for "manufacturing" from the government! As he wrote in the Guardian newspaper: "Ford's heading for the

door ought to be a wake-up call for this government to start pursuing an industrial strategy that supports manufacturing and promotes jobs and growth". But hasn't Osborne already met Len McCluskey's respectful request, by awarding Ford a cool £10m "donation" for its plan to invest in a new engine in Dagenham?

In any case, don't expect McCluskey to talk about opposing the plant closures, let alone forcing Ford to use its profits - past and present - to fund what's needed to keep

all workers on its payroll without loss of pay. In fact, quite the opposite, since, last year, it was McCluskey's union officials who recommended a pay deal that included a wage cut for new hires and their exclusion from the Ford occupational pension scheme!

This doesn't mean that no resistance is possible. But it does mean that Ford workers will need to find leaders from their own ranks to fight these closures. It can be done!

• **Obama was good for Ford**

No mistake, the Ford Europe closures are "shareholder-driven". Ford wants to show it can do in Europe exactly what it did in the US - drive down wages (to 50% less, via 2-tier!!) thus increasing profit margins to 6-8%!

It took 5 yrs of attacks on US auto-workers' conditions for the "record profits" to kick in. But now their shareholders are shouting: "more! more! more!". Hence the Europe closure plan. They talk about "spare capacity". But if they were selling their cars at cost price, they would sell more, wouldn't they? But never mind: Ford CEOs are paid to demand-feed their fat shareholders. The workforce, however,

can decide to starve them. After all, isn't it them, or us? [Workers' Fight Ford Dagenham 7/11/12]

• **What of current trainees?**

It was just the other day Ford put up notices (seen in DEP) for new apprentice toolmakers/mec-elecs. Right now there are dozens at different stages of training. What are they meant to think? And what's Ford going to say to them? [Workers' Fight Ford Dagenham 7/11/12]

• **A good act but not that good!**

S&TO boss Dullins was so worried about how the union reps might convey the shock-news of the closure to us that he didn't dare wait till they got back from

the Dunton meeting. Now he pretends this was perfectly fine! But he couldn't keep us from meeting with stewards forever - and we did so last Thurs. Our position on Ford's closure plan is simple: we oppose it and we're not going anywhere! [Workers' Fight Ford Dagenham 7/11/12]

• **If we all worked 4-hr a day...**

If Ford wants less production what's the problem? We can all work a lot fewer hours, night shift can be abolished and nobody need feel rushed off his/her swollen feet ever again! It's called "sharing all available work among all available hands without loss of pay". Ford has the zillions to afford it - they just gave us black-and-white evidence. [Workers' Fight Ford Dagenham 7/11/12]

BMW Mini centre (Cowley, Oxford)**• "Neither of these"**

Meetings over the next few days will propose two alternative shift patterns that we are expected to vote on. One will propose three consecutive shifts of 7½ hours, the other will rotate longer shifts including one week with nights and days for the same shift crew. Both have serious defects. Those of us facing long commutes won't want a fifth shift, but 11 hours track work is too long. The problem is that BMW's requirement to screw excessive profits out of us always comes before our needs whatever the pattern put in front of us. Reasonable working hours with no compulsory extra time or WTA - we could all vote for that! [Workers' Fight BMW Oxford 31/10/12]

• Stop the track rather than self harm?

Highly addictive Red Bull @ £1.25 a can has become a mainstay for many workmates who struggle to cope with the long shifts. Last week BMW had a fright when a young workmate appeared to have had a heart attack following too many Red Bulls. A hospital ambulance had to be called and for a day or two

Red Bull was off the menu and withdrawn from the vending machines. In fact our mate was soon back - minus the Red Bulls! If every time we reached for a can, we pressed the stop button instead, we'd not only save a fortune but force BMW to reduce their unacceptable work tempo. [Workers' Fight BMW Oxford 31/10/12]

• 1st prize for hypocrisy

According to BMW's Group News, BMW aims to have the "healthiest, best performing workforce" in the whole automobile industry. But its initiative of health checks is just window-dressing. If they want us healthier, why not reverse all the job cutting they've done through VPS and impose a maximum shift length of 8 hours? Why allow Red Bull in the vending machines? The clue, of course, is "best-performing". BMW wants to flog us till we're crocked and then get rid of us more easily. If we really want to be healthy, we can't let them. [Workers' Fight BMW Oxford 31/10/12]

• Discomfort breaks

Trackside toilets in Body-in-White have been knocked down to make way for a connecting passage with the new building. As a result we are spending most of



our break time going to the loo. If BMW think this is an acceptable way for us to spend breaks, they've got another think coming. Either provide some new loos near the track or we'll have to extend our by the amount of time lost walking around the block. [Workers' Fight BMW Oxford 16/10/12]

• Nowt wrong with 'im

How ill do we have to be to get sent home by the medical centre these days? Even to get seen we need to have a form. It seems that as long as our blood pressure is ok it's back to work, even with visible symptoms of other problems. That said, we could insist on being allowed to lie down for a while. Maybe then they'd let us go home! [Workers' Fight BMW Oxford 16/10/12]

Mount Pleasant mail centre (London)**• Saturday delivery in question**

We see that nasty supposed "regulator" of postal services, Ofcom - which somehow always seems to be headed by someone who is in favour of privatisation - has done one of its dodgy surveys again. And come up with a very convenient result: the "public" doesn't mind if Saturday deliveries go! Well that's debatable, since it's the one chance most people have of being at home to receive a signed-for letter or a package! This would require legislation anyway, as 6-day delivery is part of the Universal Service - still "enshrined" in the Postal Services Act - reaffirmed only last year! [Workers' Fight Mount Pleasant 30/10/12]

• Clutching at straws?

The "big news" story on Tuesday was that Royal Mail was creating 1,000 jobs in parcels processing and delivery... over the next 4 years! This is supposed to bolster Osborne's claims that now the recession is over and the economy is on the "right track"? But as the union pointed out - it's chickenfeed - given the 65,000 job cuts RM made over the last 10 years! There will be a new processing centre for parcels at Chorley and 2 new depots in Hampshire and Cornwall. But other depots will be cut... or "merged" as RM likes to call it!

So who says they won't just transfer in mates from other depots/offices to fill the "new" positions? [Workers' Fight Mount Pleasant 30/10/12]

• Cramping everyone's style

The Bookroom seems to have been put on this pleasant earth by management, to try us. Apart from them telling us we cannot enter here or there - when we quite plainly can - we've had to sign on in a space which is scarcely big enough to swing a mouse! [Workers' Fight Mount Pleasant 30/10/12]

• Xmas casuals to help with decorating?

Of course this is all down to the World Class construction headache which goes on and on - and will continue to, for who knows how long. But surely there are better ways of improvising space for necessary facilities in the meantime? We dread to think what will happen if and when the Xmas casuals arrive. A "pop-up" sorting area in a tent is all very well, but where would they pop it up? [Workers' Fight Mount Pleasant 30/10/12]

• Aren't we in poverty?

Romec cleaners were given the latest copy of the "Impressions" company magazine with an upbeat "message" from boss, Stewart Davies. He's improving



everything - but forgets one small but important detail - that he's totally omitted to improve our pay! [Workers' Fight Mount Pleasant 30/10/12]

• How generous can you get!

The only Xmas bonus we'll see this year is possibly a book of stamps, while those people who don't work for RM, but are also of low income - or on benefits or pensions - will be able to take that evidence to the Post office in order to claim 36x1st or 2nd class stamps at last year's prices! Such generosity from RM - it brings tears to the eyes. [Workers' Fight Mount Pleasant 30/10/12]

• Mini-bonus may come, but only next year

From next year however, we'll get the £100 Xmas bonus which is all that the CWU managed to squeeze, on our behalf, out of the remnants of "ColleagueShare"...! [Workers' Fight Mount Pleasant 30/10/12]

King's Cross railway station (London)

• Still fighting for a decent wage

ISS workers on East Coast trains and stations are taking strike action against the rock-bottom pay and conditions imposed by this huge, rich multinational. Our first strike took place on 10 September. And when ISS failed to respond, we decided to step up the action straight away. However RMT officials at Unity House took nearly two months before announcing another 2 strike

days, for 2nd and 3rd November. But if ISS thought the delay would dampen our enthusiasm, they must have been disappointed.

We came out in force for both days. Ironically, while refusing our demand for a decent increase in the £6.19/hr they pay us, ISS paid over £8/hr to strike-breakers they brought in. Still, the trains were a mess. And when it was discovered



that ISS hadn't bothered giving the basic safety briefings, the scab work was stopped altogether at King's Cross on Saturday afternoon. Mind you, the break must have been a relief for our sweating managers, who probably couldn't take much more toilet cleaning!

On the same days, there were strikes against ISS on London Midland, against Churchill's, on the Tyne-and-Wear Metro and against Carlisle, on the Transpennine Express. Security workers on the Overground, sub-contracted to STM, were also on strike. There are plenty of other workers in the same boat to fight alongside us next time - starting right here at King's Cross and up this line.



• Pay back time

It doesn't seem possible, but ISS has made us even angrier than before. They are still constantly paying us short. Some of us haven't even been paid our basic pay, never mind overtime. After we confronted her together, the manager promised to sort it out. She'd better do that pronto. Why should we be making loans to a huge multinational out of the pittance they pay us? The issue is so simple even they must understand - no pay, no work! [Workers' Platform - King's X - 16/10/12]

• ISS running scared

ISS management have not been trying

their old scare tactics about who can and can't go on strike this time, as they did before. So have they learnt their lesson? Not quite - this time they're trying to intimidate some of our reps, by bringing trumped up charges against them, just a few days before the strike. If they think they can weaken our resolve, they've got another think coming. It just makes us even more determined. [Workers' Platform - King's X - 30/10/12]

• No fit state

FCC doesn't keep a stock of spare parts at the Hornsey depot - that would cost money, after all! - so every time a unit comes in for repair, the parts have to be ordered (or the fitters have to cannibalise

other units). Nor do they want to employ enough fitters to do the job, or pay overtime to those they do have. No wonder the units are in such a bad state of repair. And someone thought this lot was fit to run the West Coast service? [Workers' Platform - King's X - 16/10/12]

• Olympic cheats

No wonder FCC didn't want to pay the bonus for the Olympics until after the Games. They don't want to cough up what they promised. They tried to tell RPIs that, for the Paralympics, we would only get paid the extra per shift if we'd been working on the gateline, not on the trains. Weren't having their nonsense. [Workers' Platform - King's X - 16/10/12]

• Shares-for-rights? No deal!

George Osborne's Tory conference speech included a scheme to undermine employment rights. He wants to let companies issue shares worth between £2,000 and £50,000 to new recruits who'd then agree to waive their rights to unfair dismissal claims, redundancy pay, flexible working and certain maternity benefits. Their only protection would be the value of their shares - which

could decrease to zero!

Osborne added that any increase in the value of such shares would be exempt from capital gains tax. But capital gains tax only kicks in if assets being sold increase in value by £10,600+ in a single year! A highly unlikely scenario for "workers' shares"!

"Owners, workers and the taxman, all in it together. Workers of

the world, unite!" said Osborne in his speech, using the final words of Marx's Communist Manifesto to sell his idea. The joke is on him though. First, because it's just not credible and second, because he so oozes class privilege that he can only inspire workers to unite with each other, against him and his share con...

USA

Four more years of Obama's pro-business policies

In the end, Barack Obama won the US presidential election on November 6th, against the predictions - and probably the wishes - of many commentators and politicians, particularly in Britain.

Far more than Obama's own political credit, it was probably the ultra-reactionary slips of his rival, Mitt Romney, which mobilised a whole section of the electorate to support the incumbent president as the lesser of two evils - ensuring both a relatively high turnout and his re-election.

Big Money wins

But this time again, the main winner in this election was Big Money. A combined record total of over \$2 billion (£1.3bn) was spent by the two candidates in their election campaigns. Voters were literally flooded with TV and mobile phone adverts, among other things. Both sides were financially supported by the country's richest companies - the traditional way for US capitalists to have their say in the outcome of US elections, by propping up the image of their favoured candidate.

From this point of view, there wasn't much difference between the two candidates. Their parties, the Democrats for Obama and the Republicans for Romney, have represented the interests of US capital for a very long time, alternating in office to provide the system with a semblance of "democratic choice". Romney may have had the support of big names in oil and banking, including the banking giant Goldman Sachs. But Obama was backed by Microsoft and Google, as well as by the giant insurance companies which have good reason to be grateful to him: hasn't his Healthcare reform made it legally compulsory for millions of Americans to buy a private health insurance cover from them?

Even here, in Britain, although the Tories were quite conspicuously



showing their support for Romney and his arch-reactionary demagoguery, the City was far more divided. To the extent that the editorial line of its two main semi-official mouthpieces - the Financial Times and The Economist - was to support Obama, as "*the devil we know*", in the words of an Economist headline.

Obama's record

The capitalist classes certainly never had to complain about Obama. Once in office, after his first election, in 2008, he proceeded to step up the US military offensive in Afghanistan and to intensify the US' drone war inside Pakistan. At the same time, he was mobilising the colossal resources of the US state machinery to bailout US banking. Subsequently, he propped up the profits of industrial giants like General Motors, while helping them to impose drastic cuts on their workers' conditions. At the same time, he combined public sector austerity cuts against the working class with populist-sounding measures, like his Social Security reform, which were supposed to favour the worse off, but were in fact Trojan horses for the profit sharks.

His Healthcare Act would still leave over 15% of the population without health cover, because it doesn't provide for free public health insurance.

So, predictably, leaving aside the occasional demagogic slips on both sides, the candidates revealed no major differences during their election campaigns - they made no promises in favour of the working class while being outspoken in their determination to serve the bosses' interests.

Today, Obama may have been elected and his Republican rival defeated. But since the Republicans retain the majority they won in 2010 in the House of Representatives (the lower house of the US Congress), there is no change at the top of the US state at all. Just as he did over the past two years, Obama will no doubt use this situation as an additional justification for all sorts of reactionary policies.

But this time, one can hope that wider layers of the American working class will have some idea of what to expect and will be better equipped to resist collectively the attacks of his administration and its capitalist masters. □

In addition to this monthly paper, we publish fortnightly bulletins in several large workplaces in the South East, a quarterly journal, "Class Struggle" and the "Internationalist Communist Forums" - a series of pamphlets on topical issues.

If you wish to find out more about our ideas, activities and publications, contact the Workers' Fight activist who sold you this issue of our paper, or write to us either by e-mail, at contact@w-fight.org, or by postal mail at:

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