

London bus workers fight cuts

THE LONDON Bus Campaign will stage a rally outside City Hall on 15 September to oppose cuts in services, fare increases and reductions in contract prices. The London bus industry, which receives significant public subsidy, will not escape the Con-Dem government's full frontal assault.

A London bus driver

The London bus industry has seen big improvements in recent years. We see fleets of new buses and improved infrastructure. Even bus workers until recently have seen a significant reversal of the massive pay cuts that took place before the privatisation of London buses in 1994-5.

This good news is far from universal. Passengers still face long and unpredictable waits at the bus stop. Many still endure the misery of overcrowded and slow journeys to work. Within the garages, where canteens still exist they are more expensive and inferior and the canteen workers are on poor pay and conditions.

Bus privatisation took place in London a decade after the rest of Britain. Margaret Thatcher's Tory

government feared chaos on the capital's public transport system - and what that might do to the wider economy. A higher proportion of Londoners rely on public transport than elsewhere.

Workers' leaders were "persuaded" to accept a one-third pay cut and to smash the militancy of a generation of bus workers. These developments coincided with other changes, like the expansion of one-person operated routes to make the industry profitable to private business.

A massive public subsidy and strict regulation made expansion possible. Big private companies now make considerable profits from this public service.

Transport for London (TfL), the state-owned regulator, not only handed out the routes to firms at attractive and profitable rates. Bus lanes and congestion charging freed up the routes to the great advantage of those operators.

London buses are under threat as never before. Planned cuts in all areas of government spending will severely affect TfL and London buses in particular. Cuts will bring the battles even Thatcher in the 1980s knew she had to avoid.



Lobbying City Hall in 2008.

photo Paul Mattsson

London: Unite members to strike against NHS privatisation

THREE HUNDRED Unite members in the labs at Kings College Hospital, London, are to be balloted against privatisation. The hospital, a Foundation Trust, has decided it wants to farm out the labs to a joint venture with multinational out-sourcing company, Serco.

Andy Ford,
Unite NHS steward

Serco also run the Docklands Light Railway, helicopter maintenance for the Ministry of Defence, and privatised prisons including the notorious Yarl's Wood detention centre. In the NHS Serco have contracts in building maintenance, portering and cleaning.

It has been described as "the

biggest company you've never heard of".

Pathology in the NHS represents a new and lucrative market to these people - lucrative because 70% of clinical decisions in the NHS are based on lab tests carried out in pathology labs. This "market" is worth millions of pounds a year.

In particular the labs at Kings have received many millions of pounds of public investment over recent years, and the analysers, instruments and sample handling technology are state of the art. No wonder Serco would like to get their hands on them.

When foundation trusts were introduced The Socialist described them as an attack on the heart of the NHS. They are an open gate-

way for the privateers. This latest attack on a service which is at the heart of every major hospital shows how they now want to take things to the next level - and build millions of pounds of profit at the expense of NHS workers' pay, conditions and pensions.

The draft contract for new starters in the King's 'joint venture' is nothing like an NHS contract. Using these Wal-Mart style contracts Serco will undercut other NHS providers on lab tests.

The joint venture is a threat to every NHS scientific worker in London and the south-east.

Unite, and the local Unite reps, are to be applauded for the firm stand they are taking in defence of the NHS and they must be supported.

Corus Redcar - the real story

LES BAYLISS, right-wing candidate for Unite general secretary, is claiming in an email circular that the sale of Corus' Teesside plant to the Thai steel maker SSI is proof that quiet lobbying by union officials, not militant trade unionism, is the way to protect jobs in manufacturing. Nothing could be further from the truth.

Socialist members of Unite

In fact industrial action was threatened on three occasions during the campaign to save Teesside. There was a huge march through Redcar, with calls for the government to step in, and for Corus to sit down with a prospective buyer.

Now, in the sale to SSI, the

Thai company have got not just the steel works, which produces slab steel, but in all likelihood the highly profitable South Bank coke ovens, which produce coke for Teesside and for export. They will also have co-ownership of a deep water wharf in Redcar. Access to a deep water facility will be very profitable as the world demand for steel and coke picks up again.

In short, the forces behind the deal are firstly a determined and militant campaign by steel workers across the country, not just in Redcar; secondly the upturn in the world economy; and thirdly the quality of the assets in Teesside, which will be picked up by SSI for a mere £320 million. Lobbying by union officials comes a very distant fourth.

More on Redcar next week

New Royal Mail boss sharpens her axe

THE PROPAGANDA war over the privatisation of Royal Mail (RM) was stepped up last week when managers at my office briefed us on the intention of our new chief executive to suspend repayment of its government loan.

A Coventry postal worker

Moya Greene, former CEO of Canada Post, has been in the job less than three months but has hit the ground running in implementing the Con-Dem government's aim to sell us off. She says that if revenues continue to fall away, RM will be insolvent by Christmas. Quite how she came to that conclusion eludes me but then I'm a postie and she, and her predecessor Adam Crozier, are business wizards who can do no wrong - even when they are wrong!

In 2009 RM announced profits of £321 million. This year profits were up by 26% to £408 million. Not bad during the worst recession for 80 years.

There is an additional payment into the pension fund (because of the deficit) of £280 million each year. And on top of this, private 'downstream access companies' (dsa's) such as TNT, UK Mail etc,

are subsidised by RM to the tune of £100 million each year because our board agreed a price to deliver their mail for less than cost.

So over the last two years, RM made £729 million profit. Add to this the £200 million subsidy we gave to our rivals, plus the £560 million cost of paying for a pension deficit which resulted from the suspension of employer contributions for nearly 15 years. Therefore our total profit could have been just under £1.5 billion - over just two years.

The problem lies not in a lazy, workshy workforce, or indeed in declining mail volumes but in complete incompetence at board level, not to mention the lopsided competition rules laid down by the regulator.

The pension fund deficit was £10.3 billion on 31 March 2009, it was reduced to £8.4 billion at 31 March 2010. Still a colossal sum but moving in the right direction.

Another thing about the deficit I must have missed, is why RM were allowed to take a 'payment holiday' for nearly 15 years. Surely someone would have realised that not paying into it would create a deficit?

Maybe the pension money was spent on the disastrous global expansion plan the RM board under-



Postal workers must be ready for more battles.

photo Paul Mattsson

took in the late 1990s. They went round the world buying up second, third and even fifth rate parcel carriers at premium prices in an effort to increase revenue and open up new 'opportunities'. Right around the time the domestic monopoly in the letters market was being removed.

So instead of looking to consolidate and expand products and services at home, RM changed its

name to Consignia and went global. But then the dotcom bubble burst, stockmarkets crashed and the parcel firms bought at a premium were now virtually worthless. Maybe I'm wrong but I'd still like to know where RM's pension contributions went because us workers carried on paying ours.

Let's assume that Moya Greene is right. We will be broke by Christmas if the government doesn't allow us

to take a 'debt payment holiday'. If things really are so dire then how come Adam Crozier walked away with £3.5 million in pay, pension and bonuses? Why did his two lieutenants Mark Higson and Ian Duncan receive £3.1 million last year, compared to £1.2 million the year before? Doesn't sound like they did a very good job.

Us workers had a pay freeze last year to go with our extra duties. And the new agreement covering the next three years delivered a pay cut - and more work. It is also subject to 'economic circumstances', ie can be ignored at will.

Greene was at Canada Post for four years. Compared to the previous four years, during her tenure injuries at work rose 15.4%, grievances rose 59.3%, strike days went up from three to 36 and there was a shift away from the customer service ethos.

Greene also has experience of privatisation having previously sold off Canada National Railway (resulting in an increased number of derailments each year) and deregulating the airline industry. She also worked as a banker and has said: "There is a general belief in the private sector that public sector managers do not know anything." Oh dear.