

# Attack on Scottish local government workers exposes factional struggle in Labour Party

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The Labour government has instructed two Scottish local authorities to close down their Direct Labour Organisations (DLOs) and contract-out their operations to private companies. The closures in North Lanarkshire and East Ayrshire authorities will begin immediately and are to be completed by May next year with 500 and 1,600 jobs threatened respectively.

Most Local Authorities operate DLOs to maintain public amenities, housing and roads. During the years of Conservative rule, a large portion of their operations were put up for tender, i.e. contracted-out to whoever offered the lowest bid for the service, either the DLO itself or a private company. Thus DLOs only survived by cutting jobs and increasing productivity. Many trade union bureaucrats found a well-paid job administering the DLOs.

Labour's present attack shows that they regard the dismantling of the DLOs as an urgent task. This has two purposes. Firstly, to break up a large group of workers and prevent any opposition they might launch to the destruction of Local Authority services, and secondly to open these workers up as a source of profit for private capital.

The attack also reveals a vicious faction fight within the Labour Party between those allied to private contract companies and those in the party apparatus most closely tied to the Local Authority services. A media campaign has been waged to associate pay levels for council workers with local government corruption by dishonestly connecting council workers' pay and conditions with the bribery, theft, criminal connections and junketing for which Scottish councils are notorious.

Earlier this year, North Lanarkshire and East Ayrshire announced that their DLOs were running at a loss. North Lanarkshire DLO ran up a £4.6 million operating loss last year and East Ayrshire lost £3.5 million. The

press launched a frenzied attack on local government 'cronyism' and cited one plumber who allegedly earned £54,000 last year. The implication was that all DLO workers received similar wages and that this was the source of the corruption in local government.

The council leaders, Harry McGuigan of North Lanarkshire and David Snellor of East Ayrshire, offered to make good the deficit by slashing wages, sacking workers and increasing productivity. North Lanarkshire has already sacked 143 workers, cut overtime, bonus payments, postponed new projects and sworn that no work will be undertaken unless it is profitable. East Ayrshire has appointed a task force to oversee cuts, including the sacking of 100 workers.

The issue also dominated the unseemly squabble over Labour nominations for the upcoming elections to the new Scottish Parliament. Both McGuigan and Snellor sought Labour backing for the lucrative position as Member of the Scottish Parliament (MSP). Whereas the Labour Party very publicly rejected both, Glasgow Council leader Frank McAveety, who has pushed through privatisations in Glasgow, was accepted.

McGuigan and Snellor's pleas that they are not opposed to cuts or to running local services for a profit were to no avail. Under direct instruction from Labour Prime Minister Tony Blair, Scottish Secretary of State Donald Dewar, once thought to be the most likely candidate for First Minister of the new Scottish Parliament, insisted on July 23 that all DLO work had to be transferred to the private sector.

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