

# BBC reveals plan by Royal Mail and Labour government to break postal strike

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17 October 2009

BBC *Newsnight* has revealed a secret document by Royal Mail setting out plans to break the upcoming strike by Britain's postal workers, with the support of the Labour government. Two days of national strikes by 120,000 postal workers have been called for next week by the Communication Workers Union (CWU).

The leaked PowerPoint presentation, of which Royal Mail denied any knowledge, confirms that the company has precipitated the strike by what postal workers allege is a campaign of bullying and intimidation. The aim is to force through the destruction of thousands of jobs and the ripping-up of pay and conditions.

It also confirms that the Labour government is intent on confrontation, so as to prepare Royal Mail for privatisation in line with the "liberalisation" of postal services across Europe.

This flatly contradicts the CWU's repeated claims to its members that Labour is an ally of postal workers, who should be courted as an ally against a belligerent management.

A national ballot returned a 76 percent majority in favour of strike action. The result came after months of rolling regional and divisional 24-hour stoppages, and a series of wildcat strikes, against the imposition of drastic revisions to terms and conditions, including cutting staffing levels by up to 40 percent. Another Royal Mail document leaked earlier this year admitted that management is looking at a minimum 10 percent reduction in costs. Some 16,000 jobs are reported to be at risk, in addition to the 65,000 job losses shed over the last five years.

The further reduction in staffing is to be offset by greater speed-up and increased workloads. Managers have already imposed shift changes and revisions to delivery routes. Many postal workers have complained at the bullying tactics used to implement these changes. New walk sequencing machines are aimed at speeding up delivery rounds. Postal workers have described hugely increased delivery loads.

Royal Mail also faces a pensions "black hole" of up to £10 billion, largely due to successive Conservative and Labour

governments taking a 13-year contributions "holiday." The deficit contributed to the government's reluctant decision to temporarily shelve its plans to privatise Royal Mail, given the refusal of private capital to take on such a liability.

In the interim, Royal Mail has sought to shift responsibility for the deficit onto postal workers themselves—raising the standard retirement age to 65 and abolishing its final salary scheme.

The leaked "Strategic Overview" makes clear this is part of strategy aimed at "streamlining" the business. Dated September 24, and marked "In strictest confidence," under the section "Our Objectives" the document refers to strikes as an "enabler" of its aims.

In addition to setting out plans to use managers and contract drivers to scab during the industrial action, it states that it hopes to use the dispute to prove "strikes don't work" by demonstrating their "commercial impact."

In the last weeks, there has been a massive campaign by the media and big business to vilify the planned strike as damaging to the long-term viability of Royal Mail. In a series of orchestrated announcements, large companies have served notice that they intend to take their business elsewhere should the strike proceed, with the potential loss of millions in income.

Given the monopoly currently held by Royal Mail, which handles 99 percent of all letters posted in the UK, and the costs involved in making alternative arrangements, there is limited scope for such a large-scale shift. That is one of the reasons why corporate Britain has been an enthusiastic supporter of privatisation. But such threats are intended as anti-strike propaganda, enabling Business Secretary Peter Mandelson to present industrial action as "suicidal" and a "death wish" by postal workers.

Mandelson denied knowledge of the document on *Newsnight*, but the presentation establishes conclusively that the government is the primary instigator of Royal Mail's provocative actions. Setting out Royal Mail "tactics," the document states, "Through a mix of pressures bring union to the point where doing a deal on our terms is preferable to the

alternative.

“But if they refuse, we have positioned things in such a way as there is *shareholder*, customer and internal support for implementation of change without agreement” (emphasis added).

The government is the only “shareholder” in Royal Mail.

The assertion of government backing exposes the claims by the CWU and a handful of Labour MPs that it is a neutral arbiter in Royal Mail affairs, who can be relied upon to respond positively to postal workers’ concerns.

The government’s stance reflects broader considerations. All the major parties are committed to major spending cuts, pay freezes and the dismantling of workers’ rights. The intention is to make an example of postal workers to this end. John Philpott, chief economist of the Chartered Institute of Personnel and Development, has warned that post workers must accept “severe pay restrictions” due to the global recession.

Mandelson has said that the postal service needs to live in the “real world” and that Royal Mail must be able to stand on its own “feet” without government assistance. This injunction is made by a government that has pumped some £1 trillion of aid into the global banking system, as part of its policy of bailing out major financial institutions.

The CWU wailed plaintively that, having helped out the banks, the government should apply the same policy to Royal Mail. But the billions handed over to the financial institutions in various “stimulus” packages has nothing to do with protecting the living standards of working people. This massive subvention of public funds to the super-rich is a continuation of Labour’s big business agenda, and is to be recouped off the backs of the working class.

The current offensive against postal workers is intended as a warning shot to every worker in Britain. It is also the means through which the government and big business serve notice on the trade unions that they must play their part in ensuring the demands of the financial oligarchy are met.

That is why Mandelson has rejected union appeals for “independent arbitration” to resolve the dispute. And why the increasingly desperate attempts by the CWU to find a resolution—including offers of a no-strike deal—have all been rejected.

The leaked Royal Mail document threatens that the “necessary” changes will be imposed “with or without union engagement,” and suggests that, unless the CWU obliges, Royal Mail will “serve notice” on existing industrial relations arrangements and replace it with the “legal minimum.”

As if to underscore the ludicrous character of his claim to know nothing about the document, Mandelson told *Newsnight* that he “believed” Royal Mail was referring to

cutting back the “£20 million worth of facilities and payment for union salaries” it currently allocated for union business.

The threat is intended to force the CWU to act more resolutely in disciplining its membership on behalf of Royal Mail, under pain of financial penalties.

During a presentation to the Business and Enterprise Committee in July, Mandelson criticised the CWU for failing to successfully enforce major efficiency changes agreed in the 2007 Pay and Modernisation Agreement, citing opposition from “some local branches.”

The 2007 deal between CWU and Royal Mail, which ended a wave of militant industrial action by postal workers across the country, was announced as a *fait accompli*. Backed up with legal threats, the CWU’s agreement sealed Royal Mail’s current offensive. But it was bitterly opposed by many rank-and-file members, and failed to stop industrial action—particularly unofficial and localised walkouts. On *Newsnight*, Neil O’Brien from the right-wing Policy Exchange think tank identified “wildcat strikes” as a specific problem.

Every worker, not only those employed in the post, must take a warning from the CWU’s response to these demands. CWU General Secretary Billy Hayes insisted on *Newsnight* that his union’s sole concern was to get “this dispute sorted out.” The CWU stood for “compromise,” he said, adding that the “Post Office is a great British institution and compromise is a great British solution.”

When Hayes was questioned as to whether his union would stop funding the Labour Party, given that it was clearly backing the attack on his members, he insisted that he hadn’t “come on [the programme] to talk about the Labour Party.”

Only last month, CWU members in London voted overwhelmingly, by 96 percent, to end union funding for Labour—a mandate that has been studiously ignored.

The struggle against privatization and job losses requires a complete organizational and political break from Labour and its partner-in-crime, the CWU, and the formation of independent rank-and-file committees to coordinate with workers in communications and other sectors facing similar attacks. Above all, a new party is required that speaks for working people internationally and fights for the socialist reorganization of society based on social need, not corporate profit.



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