

# The threatened closure of carmakers MG Rover in Britain

A modest proposal...

Anarcho

April 12, 2005

MG Rover's management have brought Britain's remaining large-scale car manufacturer to the brink of collapse. Five years ago, the "Phoenix Four," four Midlands businessmen, bought Rover from BMW for a token £10 five years ago. BMW gave them £427 million soft loan while they themselves invested a mere £60,000 each. Phoenix inherited a stock of unsold cars worth £350 million

Over those five years, they have been busy. For one, they paid themselves £30 million while their firm lost hundreds of millions of pounds. They also set up a pension fund to benefit themselves and their families. This is worth £16.5 million while the workers' pension fund is £67 million in deficit. Separately the four men took control of MG Rover's lucrative car financing operation, which currently has £10.3 million of retained profits on its books. The bosses sold assets worth roughly £1 billion in cash and re-usable assets all told, which were all apparently consumed by Rover's loss-making manufacturing operations. They also transferred valuable assets from Rover to the parent Phoenix. Meanwhile six thousand workers have their jobs and pensions on the line after talks with the Shanghai Automotive Industry Corporation collapsed. Even the **Financial Times** felt urged to denounce this as "*capitalism at its ugliest.*"

Five years ago, the Blair apparatchiks praised the Phoenix Four to the skies. In May 2000, then trade secretary Stephen Byers praised Mr Towers's "*personal strengths.*" The current Trade and Industry Secretary, Patricia Hewitt, is repeating this nonsense, stating that "*company directors who take big risks and achieve big successes deserve big rewards.*" This is the neo-Thatcherism of Blairism at its stupidest.

Meanwhile Brown and Blair pledged to do everything possible to save the company. Given their track record on this, we can expect them to pick another bunch of crooks. While they always talk of "making hard decisions" and not being bound by ideology, they seem to have no problem picking private sector solutions to all and every problem they face. We can expect the same here — with the customary opening of the public purse marked corporate welfare. No matter what, we can trust the government to ensure that the standard capitalist way of organising production is protected.

Perhaps we can make a suggestion. How about letting the workers at the company take it over as a co-operative? They could then directly and democratically elect their managers and hold them to account for their actions. This would, at least, get rid of one set of parasites and show a positive example of libertarian socialist ways of organising. Who knows, the creativity such methods would encourage may even see the workers deciding to stop producing planet killers (cars) and turn their talents to producing more socially and environmentally useful products!

We are sure that the government and private sector would dismiss this outright. Unsurprisingly, as it would create the threat of a good example. That is why a factory occupation would be an essential first step. If the workers, their families and those in the local community interested in the struggle should form an assembly, seize the workplace and simply declare it under workers' self-management. That should focus the attention of the politicians no end and place them under real pressure to give in to the workers' demands.

This is, of course, a short term solution and in no way suggests that capitalism can be reformed away. Nor is it to ignore the problems which will face any island of co-operation within the sea of capitalism. However, looking at the situation realistically, it is clear that a revolution is not on the cards for the time being. That suggests we need to look at ways of applying our ideas in a positive manner so that we can help bring it nearer. That is why we support self-managed struggle and organisation. So why not suggest a practical solution which, if successful, it could show that workers do not need bosses and give a positive example to a labour movement caught between the evils of privatisation and nationalisation? It is not perfect, but it is far more libertarian than the alternatives of closure, a government bailout to a new set of capitalists or nationalisation.

Ultimately, if our "solution" is any issue or problem is always "world-wide social revolution" then we deserve to be ignored.

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