

Labour Affairs

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Steel – A Tale of Two Countries

On April 11th *Community*, the British steel workers' union, welcomed the possibility that Greybull Capital might take over the Scunthorpe steel plant currently being sold by Tata Steel. Roy Rickhuss the General Secretary stated

“We welcome this major step forward towards a deal which will continue steel making in Scunthorpe and secure the future of the Long Products business across the UK. Greybull's interest in the business is testament to the skills, experience and commitment of UK steelworkers.....Our members are still voting on temporary changes to terms and conditions that are the result of negotiations in difficult circumstances but, should our members vote to accept the changes, they will represent a significant contribution by the workforce towards turning the business around and giving it the best possible chance of success under new ownership.”

Actually the Scunthorpe workers were voting on a temporary 3% reduction in their wages and a change to their pension arrangements.

The same day, April 11th, Reuters reported that the German steel workers' union IG Metall had led massive opposition rallies to an offer from the German steel employers to a wage increase of 1.2% when the union was looking for an increase of 5%. Talking about the employers' 1.2% offer Knut Giesler, the union's regional director, said “This is not an offer, this is a provocation for all of IG Metall!”

How can it be that the workers in the steel industry in one EC country are grateful for the chance to vote for a 3% reduction in wages while those in another EC country are outraged that their demand for a 5% wage increase has not been met? Therein lies a tale.

When Tata bought into the UK steel industry in 2007 through their purchase of the company Corus which had steel plants in both the UK and Holland their intentions were serious. The purchase cost of Tata Steel was £ 8 billion. But this was a world before the great recession. As the recession progressed the demand for steel dropped and by 2016 the excess of supply over demand was huge. China which had invested heavily in steel plants is now dumping steel on the world markets at prices below production costs.

Other factors have also undermined Britain's competitive

position. The UK's energy costs are much higher than those of Germany and Holland because of a different treatment of energy costs for energy intensive industries. The UK's business rate structure penalizes firms that are capital intensive. The UK's exchange rate could sometimes make competing difficult. These difficulties have been carefully and comprehensively documented by the UK Steel industry's division of the Engineering Employers Federation (EEF) and also by *Community*, the Steel workers' union on their respective websites. At a meeting on 16th October 2015 chaired by Business Secretary Sajid Javid representation was made on all these issues and UK Steel and the unions set out a list of 5 emergency actions requiring full and immediate action. According to UK Steel “the Government took some steps - most notably it granted the Energy Intensive Industries Compensation scheme and has now changed procurement rules to ensure social issues are taken into account when procuring for major projects. But, of the five emergency steps, only one has been actioned fully, three partially and one not at all.”

The Labour party shadow Business Secretary, Angela Eagle, demanded a debate in parliament on the state of the UK steel industry. On April 12th there was a 3 hour debate on the issue starting with an introduction by Angela Eagle and a response from Sajid Javid.

In her opening remarks in the debate Eagle stated: “The complete absence of either a manufacturing strategy or an industrial strategy has hampered the Government's ability to think strategically about what is needed, and never has it been more urgent that the Business Secretary does so.”

This is accurate. One can talk about the individual policy changes that will help British steel producers survive the current difficulties. But the need for these policy changes has been evident for some time and argued for by the industry and the unions. The government under the tutelage of the Business Secretary Sajid Javid has dragged its feet in making the required changes. The evidence suggests Javid would have happily let the existing market conditions decide whether a UK steel industry survived. However under pressure of public opinion the government has been forced to step in and agree to finance up to 25% of the cost of any

rescue of the steel industry. However one wonders would this have happened if the Brexit referendum had not been on the immediate horizon. But is the current Conservative government behaving differently from previous Labour governments?

Angela Eagle may demand that the government has an industrial strategy but under the first Blair administration crude steel production dropped from 18.3 million tonnes (MT) to 11.5 MT, a drop of 37% in 5 years, before recovering in 2008 to 13.5 MT - still a drop of some 25%. This does not suggest that Labour had a particularly coherent industrial strategy around the steel industry. Once the Great Recession took effect production dropped to 11MT by 2010. It's now less than 10MT.

In the same period from 1997- 2016 what has happened in Germany? The picture that emerges in the statistics is one of continuous crude steel production of the order of 42-45 million tonnes per annum. Only in one year, 2009, does production drop below 40 MT to 32.7 MT but it immediately recovers in 2010 to 43.8 MT and continues at that level throughout the Great Recession.

It is interesting to compare the websites of the German steel industry and the UK steel industry. What comes across in the German website is supreme self-confidence. The German Steel Federation see their industry as critical to the German economy and here to stay. In contrast the UK Steel Industry website contains detailed useful information but is much more downbeat in tone. The annual reports have the air of an industry fighting an uphill struggle to survive and having to continuously argue that they should be supported by central government. Because of this lack of support from government Tata Steel UK eventually decided to abandon production in the UK and concentrate on production in Holland where they knew they would have state support.

A similar difference in tenor imbues the voices of the trades unions involved in the steel industry in the UK and Germany. In Germany 45,000 workers participated in the rally organized

by IG Metall in support of their industry and wage claims on April 11th - the same day that the workers at Scunthorpe voted to accept a temporary 3% cut in wages. In the period from 1980 to 2016 although German steel production has remained constant at 43 MT the workforce has declined from 256,000 to 85,000. Further job losses (euphemistically referred to as consolidations) are expected. But the attitude of IG Metall to what happens is forceful and authoritative. At the largest rally of some 16,000 workers outside the gates of the ThyssenKrupp plant in Duisburg the chairman of the employee representative council at ThyssenKrupp declared "In the consolidation of the steel industry, let's not sit at the children's table." At the same meeting Jorg Hofmann, Chairman of IG Metall stated "We have seen a lot of restructuring in the steel industry and that will continue. But it is only possible together with the workforce." At the same meeting the German finance minister Sigmar Gabriel talked of how he had represented IG Metall for a long time on the supervisory board of the Salzgitter AG steel company. "At that time [1998] we worked to prevent the sale of Salzgitter AG and temporarily place it under state control in order to secure jobs," said Gabriel.

This hardly sounds like what happens on the British Industrial scene. British trade unions do not sit on the supervisory boards of the firms for which their members work and they learn, after the event, what the future holds for them. Until this changes they will always be in the position of fighting rear-guard actions to defend the interests of their members. Angela Eagle is one of Labour's best parliamentary speakers and it's excellent that she got the 3 hour debate in parliament but it's too easy for her to simply demand 'an industrial strategy' in the current environment. Let's hear her demand something seriously radical like workers on the boards of a re-organised steel industry and we may begin to believe that Labour is thinking seriously about an industrial strategy.

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Parliament And World War One

by Dick Barry

MOTION FOR ADJOURNMENT 14
November 1916

Mr. J. H. THOMAS:

I fully recognise that it is a delicate and a difficult task to deal with a question where one is personally involved, but I desire to make it perfectly clear that in taking the stand which I am this evening, I am guided not by any personal interest, because whatever my personal views were I am quite satisfied that this House ought to deal with the issue as one of principle and not one of persons. There are two important principles involved in the incident to which I am about to refer. The first is freedom of speech, and the second is the protection of the law of this country against any threats of violence or riot. With regard to the first we are being told, and I myself have supported the idea, that unless the Allied cause is triumphant in this great world conflict, liberty will seriously be in jeopardy. But I submit that, so far as this country is concerned, we have won the liberty we enjoy today by very many years both of agitation and sacrifice, and this House ought to be the very last to do anything or encourage any proceeding that would destroy absolute liberty of speech in this country.

With regard to the second point, speaking as a trade union leader, I can conceive of nothing more dangerous, nothing more disastrous to the best interests of this country, than for this House of Commons, by voice or vote, to give any encouragement whatsoever to mob law or rioting in this country, because we must not look at the issue involved in the mere incident of a difference of opinion, and we must not examine the question merely because of a difference in connection with this War, but we have got to keep it clearly in mind that there have in the past been occasions when hundreds of thousands of men have been engaged in industrial disputes, and in which we have seen thousands of men fighting for what they believed to be their rights, and where we have seen men struggling against oppressive conditions and knew that their wives and children were starving. If we are going to allow mob law to rule, if we are going to encourage direct incitement to riot, then there is absolutely no safeguard either for law and order or even property in this country. It is because I believe that Saturday's proceedings will encourage that and because I believe it will make it more difficult for responsible trade union leaders who may be engaged in industrial disputes to conduct those disputes in a peaceful way that I submit to the House that they should give no countenance or

tolerate for a moment the incident that occurred last Saturday at Cardiff.

There was a conference called under the auspices of the National County Council for Civil Liberty, and in spite of what may be said to the contrary, I am going to submit that, whether we agree with the objects or not of this body, it is a body composed of some of the best citizens in this country. It is a body composed of men who disagree with the War, and composed of men who not only agree with the War, but who have rendered yeoman service to the country in her hour of trial. No one would challenge the patriotism of Dr. Clifford, Dr. Horton, and the Bishop of Hereford. No one would suggest that any of those three men were entitled to be called traitors, and no one would suggest that those three men would say anything that would give countenance or support to our enemies at this moment. But whilst they are men who disagree as to the objects of the War for and against, they are all united in saying that, whilst they are prepared to crush German militarism, they are not prepared in that process to substitute English militarism in its place. The conference was called, as I say, by this particular body by a summons to each branch meeting. Let it be observed that there was a circular issued to the whole of the trade unions. They were invited to elect delegates at their stated branch meetings, and those delegates were elected on the specific instructions of the members. There was at that conference 220 delegates representing trade union branches, thirty-seven delegates representing trades councils and labour parties, 100 representing Socialists and peace societies, and thirteen representing religious organisations, sixteen representing co-operative societies, and twenty-nine representing women's societies or a total of 415 delegates, representative of 196,843 members

Mr. W. THORNE

Will you say what trade unions received circulars?

Mr. THOMAS:

Yes, I will; and if my hon. Friend the Member for West Ham will not be quite so impulsive, he will have the opportunity of replying to anything I say without interrupting.

Mr. THORNE:

You made the statement that a circular was sent to trade unions, and I want to know what trade unions.

Mr. THOMAS:

Then I will answer. The circular was sent to every trade union in Wales, including your branches, if you had any, and out of the composition of those there were sixty-two branches of the railwaymen's union, and eighty-seven of the miners', and numerous ones of the transport workers', and there were various labourers' unions, and there was the seamen and firemen, and Captain Tupper. Therefore, I repeat again that the constitution of the conference was as representative, was as democratic, and was selected in precisely the same way as conferences that have elected my hon. Friend and others to positions that they hold in the movement from time to time.

Mr. THORNE:

Including yourself.

Mr. THOMAS:

Exactly, and, therefore, because it includes myself and you, I thought there would be mutual agreement. At all events, having explained the constitution of the conference, and the body that called the conference, I am now going to submit the resolution that I myself was to move, because I am going to deal for the moment with my connection with the conference, and any other resolution is here and can be quoted. The resolution that I was down to move, and, incidentally, in spite of what has been said to the contrary, did move, reads as follows:—that this conference holds that military compulsion has already involved industrial compulsion, and endangered industrial conditions, and demands that this invasion of the rights of labour at once cease, and that guarantees be given for its non-recurrence. There is no Member of this House who would challenge my right to move that resolution, and especially at Cardiff, because, curiously enough, last Tuesday, a day in which, as I shall be able to show, there was organised opposition, and mob law being preached, I had to settle a threatened strike in Cardiff which dealt with this: Five men were released for military service, one of them being

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a married man with five children, while twenty-seven single men were kept. No one would object to the release of a married man if he were a junior man in the service, but there was a suspicion as to the reason for releasing him and the four others. On investigation it was shown that the reason he was released was because his name was given as that of the leader of a strike that took place three weeks before, and the men who knew this, and suspected it, said that, "If this is what we are fighting for, and if this is how men are to be driven into the Army, we will make a fight right away against it," and I prevented at Cardiff the dispute taking place, and got the man's card released. Therefore, I repeat, if anyone was entitled to move the resolution I have named, it was I. When, in addition, I remind the House that, in spite of all the guarantees that we were given during the Debate on the Conscription Act that no industrial compulsion was intended, 152 cases in the railway systems alone have been sent to be dealt with by the tribunal, again I am entitled to say that there is no apology needed for making a stand to stop this kind of thing.

At all events, that being the resolution that I was called upon to move, the *bonâ fides* of the conference never being challenged, I submit to the House that we were at least entitled to have had an opportunity of presenting our case. What happened? Immediately it became known that this conference was to be held, the "Daily Express"—and I mention the "Daily Express" because I shall have something else to say about it in a moment—devoted a column to show why this meeting should not be allowed to take place. A gentleman by the name of Captain Atherley Jones led the opposition. He announced that he came up to London, and whilst in London made efforts to persuade the authorities that the meeting should be abandoned. Apparently he failed, and, therefore, he organised a counter-demonstration on the night before the meeting. He announced in support, in addition to the lord lieutenant of the county, my hon. Friend the Member for South Monmouth, Lord Rhondda, and various other members with whom I will deal in a moment, but so anxious were they to ensure its success that the aid of a private secretary to a Cabinet Minister was invoked, and on Thursday night there was touting round this House to get speakers for Friday's demonstration, all, of course, with a view of ensuring a great reception at Cardiff. The "South Wales Daily Press" was very anxious that no one who could attend that meeting should be denied the privilege, and arrangements were made for an overflow meeting. I do not know whether it was the names, or whether it was bad organisation, but there was no need of the overflow meeting, and, indeed,

I am assured, half the hall where the meeting was held was empty. The meeting, however, was held, and at that meeting, I am going to submit, there was a direct incitement to violence. My right hon. and learned Friend the Member for Anglesey (Mr. Ellis Griffith) did what everyone who knows him would expect him to do. He is a very able lawyer and knows the Defence of the Realm Act, and I should say that he gave the benefit of his legal advice without fee to the other speakers by clearly indicating to them what they ought to do. At all events, he took what I think was the fair and constitutional course of saying that if there was disagreement, at least these people were entitled to be heard without interruption. But he was followed by the hon. Member for Merthyr (Mr. Stanton), who declared that he would do all in his power to prevent the conference being held, and invited the audience to join him. He was supported by a gentleman of the name of Captain Tupper.

Major NEWMAN:

A trade unionist.

Mr. THOMAS:

I am sure my hon. Friend and member will be delighted to find himself in company with this excellent trade unionist before I am done. At all events, Captain Tupper, referring to the conference to be field at that day, said: They want free speech well. I will give them free speech and with this he created much amusement by taking off his coat and continuing his speech in his shirtsleeves. I do not know whether the object of taking off his coat was to convince the chairman that he had his shirt on. At all events, at least, he thought that it would be necessary to lay emphasis on the position. Then at that meeting the hon. Member for Merthyr (Mr. Stanton) went on to say: If I have my way they will never hold the meeting in the Cory Hall. If the police are there to interfere, let them. If I have a following, I am prepared to prevent these people getting inside the doors by all means short of murder. [HON. MEMBERS: "Why?"] I know there are differences of opinion as to why he should have drawn the line at murder. At all events one can only conclude that he is not so violent as some people. These statements were made on Friday night. This deliberate and clear attempt was made and indicated on Friday night, and I am entitled to ask whether the character of individuals must be taken into consideration by the police authorities. For instance, I can quite conceive that the police may say if certain individuals make a statement that there will be no danger, that there will be no need to interfere and they may say something in the heat of the moment that cannot be entirely ignored. In order to show whether there is any substance in that point of view I want to examine for a moment

exactly what happened previously. Captain Tupper some few years ago brought the whole of Cardiff out on strike. Wales was almost paralysed, and I was asked to go down from London to see if I could effect a settlement. When I arrived there I found Cardiff at a standstill, mob law ruling, and shipowners and coalowners, who were so prominent on Friday night, were calling upon the Home Secretary for protection. Against whom? Against Captain Tupper and Lord Rhondda, who was then Mr. D. A. Thomas, and incidentally who lent his support to Friday night's meeting by a very interesting letter, and who was made chairman of the owner's side. I was made chairman of the men's side, and Lord Rhondda, notwithstanding that Wales was paralysed, women and children starving, and all the works at a standstill, said: It can go on rather than I will allow Captain Tupper to be in my presence. Lord Rhondda's signature with mine is borne on the document that settled that strike, and I was howled at because I ordered the men back. Does that not indicate changed circumstances? [HON. MEMBERS: "Hear, hear!"]

Captain BURGOYNE:

You were not a pro-German then.

Mr. THOMAS:

Is the inference that I am a pro-German now?

An HON. MEMBER:

Let us hear the rest of your speech.

Mr. THOMAS:

I have addressed one hundred recruiting meetings, and Sir William Robertson seven weeks ago last Saturday personally asked me to go to Wales. And why? Because he said: We are on the eve of an offensive. I am persuaded that Wales is going to strike to-morrow night and you are the man that can stop it. Will you go? And I went. I went without police protection, and I faced the hostility of thousands of my own men in Cardiff and prevented the strike. That is the best answer to the jeer of the hon. Member opposite. Let me develop it a moment. When this incident which I have mentioned was taking place, the "Daily-Express" was dealing with it, and they were dealing with Captain Tupper, and this is what they said: Captain [...]ward Tupper, the Socialist agitator, now stands before the country branded as a fraudulent impostor. The action for libel which he brought against the 'Express' last February claiming a £[...]000 damages in the vain hope that he might prevent the unmasking of his career of deceit and duplicity has now, after nine months, been dismissed by order of the High Court of Justice for want of prosecution." Then the right hon. and learned Gentleman who is now the Attorney-General found it necessary to deal with him himself, and on going into Court he said: What I have to say as

representing—

Mr. DEPUTY-SPEAKER (Mr. Whitley):

I think I must point out that any Motion for the Adjournment of the House must be connected with some administrative act of the Government, something the Government has either done or left undone. Of course, anything relevant to show why they should have acted is in order.

Mr. THOMAS:

I am showing the character of the man whom they allowed to break up this meeting, and surely I can only prove that by the records, and I am now attempting to do that by quoting what the Attorney-General, who is a Minister of the Crown, said in dealing with this man. He was not then a Minister of the Crown, but he is now and is therefore a member of the Cabinet.

Major HAMILTON:

He was not a member at that time.

Mr. THOMAS:

I have repeated that five or six times. This was his description:— Our whole case is that this man is a vile, dangerous, and fraudulent impostor, and that whilst pretending to be an enemy of capital he is really a bankrupt company promoter. Mr. Justice Phillimore, in dismissing the application, said: “His speech was most dangerous, wicked, and inflammatory. He also emphasised how much it was to the public advantage that a man like him should be exposed.” There you have the patriot who saved the country on Saturday last.

Major HAMILTON:

We are at war.

Mr. THOMAS:

I will deal with that point. There you have the man whom the “Daily Express” lauds on Saturday morning as the hero who saved the Empire. Let us see whether there is any justification for the suggestion that he has changed since we are at war. Less than six weeks ago he himself wrote to the National Transport Workers and asked them to send their secretary to Cardiff to threaten a strike against the shipowners for the employment of Chinese labour.

Mr. THORNE:

Perfectly justified.

Mr. THOMAS “Perfectly justified,” my hon. Friend the Member for West Ham says. What becomes, then, of this claim of his burning patriotism to save the country?

Mr. THORNE:

Chinese labour.

Mr. THOMAS:

He is a member of the Seamen and Firemen’s Union. How he became so the “Daily Express” cannot even tell. The seamen and firemen had a dispute with the Lancashire and Yorkshire Railway a few weeks ago. Their men went on strike, and the Lancashire and Yorkshire Railway

Company, instead of conceding terms or responding to my request that arbitration should be appointed, employed blacklegs, and gave them exemption cards from the military. Captain Tupper met me in the Lobby with his president, Mr. Havelock Wilson, and asked, to use his own phrase, that “Hell should be raised on this issue.” I am not going to make any great reference to the speech of the hon. Member for Merthyr Tydvil (Mr. Stanton), except to say that I prefer the hon. Member for Rhondda, “Mabon” (Mr. Abraham), who could give us some illustrations of how, when Wales on scores of occasions has been threatened with industrial disruption, people who have contributed nothing towards a settlement in the board room have come outside and tried to hound out those who have effected a settlement with the employers. Someone says it is not quite true!

Mr. STANTON:

It is not true at all!

Mr. THOMAS:

Very well, you will be able to deny it. The records of the South Wales Press and of the men on that bench now will substantiate and prove everything that I have said. Here you have two statements made by people who had no regard for law and order, but who were most concerned in what appeared for the moment a little cheap popularity and notoriety. Whatever opinions there may be with regard to the War, there can be no justification and no excuse for what took place at the meeting. When I arrived at the Cory Hall it was full, and I challenge contradiction when I say that there were not two people in that hall who dissented in any way from the meeting.

Mr. STANTON:

You would not let the others in.

Mr. THOMAS:

If my hon. Friend were an accredited delegate of any trade union now like he used to be, he might have been a delegate at that meeting, but now no one will have him.

Mr. STANTON:

Not likely!

Mr. DEPUTY-SPEAKER:

I think it right to make an appeal at an early stage. This is a serious matter. It can be discussed without any personal reference, and I hope it will be.

Mr. THOMAS:

You will observe that I never made any personal reference until I was interrupted. When I got to the hall it was full, and it looked as if there would be no disturbance at all because the Press at that time indicated that so far as the counter procession was concerned the police had made arrangements for it to be diverted so as not to come into conflict with the meeting. The stewards went to shut the

door, but the police told them immediately that they would not allow the doors to be closed. That is reported in the Press and admitted. I submit, if there were a genuine desire to see the meeting carried on and conducted properly, that the police at least when they knew the hall was full ought to have allowed the stewards to shut the door. [An HON. MEMBER: “Was admission by ticket?”] Yes, admission was by ticket. With the exception of the delegates everyone was admitted by ticket. I submit therefore that there can be no justification for the police refusing to allow the doors to be shut. They not only refused to allow the doors to be shut. I myself, in spite of what has been said to the contrary as to bolting from the platform, was the last man, practically, who left the platform and the hall.

I went to the steps outside to address those who were there. The police even then, instead of preventing anyone getting to the hall, actually opened the way, and allowed the procession, headed by various individuals and plenty of flacons, to reach the door of the hall. I submit that the police ought to have taken action. I believe that they grossly failed in their duty, and I regret to say that I believe, also, that the crowd were directly encouraged, and that they wanted to see the meeting broken up. But I go beyond that, and I submit that if that is to be the action of the police in Cardiff they will be faced with a very serious situation in the future. I am not going down to Wales to help the police. [HON. MEMBERS: “Hear, hear!”] Yes; it is all very well for hon. Members to say “Hear, hear!” but only last week, you may not be aware—because we asked the Press to keep it out—there were two disputes in London in which 3,000 men were concerned, and, if law and order are to rule, how can you hope to control these men if such proceedings as these are allowed? How can you expect leaders of great trade unions to say to the men, “You must be peaceable and quiet”? The police in Cardiff directly encouraged and incited them on. It is because I believe that this thing must be stopped, because I hold that last Saturday’s proceedings were a disgrace, that I submit to the Home Office that they themselves ought to have given instructions.

I know something will be said to the effect that there was at the meeting those who are opposed to the War. It is quite true; but have we reached the stage when we are to deny liberty of conscience to the people of this country? I profoundly disagree with some of my friends who were there. I disagree with my Friend the Member for Leicester on the War, but is there any man who dare ever say that he is actuated by any other motive than the dictates of his conscience? Will anyone dare

suggest that he makes any advantage or profit out of his attitude? Everyone knows perfectly well that it is easy for a man to swim with the stream, but it is difficult to go against it. Whether we agree with the Member for Leicester or not, he is at least entitled to respect for having the courage of his convictions, and, if our cause is a good one, as I believe it is a good one, we ought not to deny him or anyone else the right of free expression of opinion. It is because this has been done, because I believe it to be contrary to the public interest, because I believe, if it is allowed to continue, you are going to have trouble with your food-price meetings when they are held during the coming winter, and when you will be dealing with these problems, that I submit to the House that, much as one may regret what has occurred, there is no shame upon those of us who took part in Saturday's proceedings, but there is grave reflection not only upon those who are responsible for inciting to riot, but, unfortunately, upon those who so far forgot that they were Members of the House of Commons.

Mr. R. LAMBERT:
I beg to second the Motion.

PEACE PROPOSALS. 15 November 1916

Mr. D. MASON I desire to make a few observations in reference to a Motion which I had on the Paper, "That in the opinion of this House, and in view of the repeated statements of the Imperial German Chancellor that Germany has been, and is, prepared to discuss the termination of the War, a Commission should be appointed for the purpose of carrying out that object."

I addressed a question to the Prime Minister as to whether the Government could see their way to give a day to discuss the matter. The right hon. Gentleman the Secretary of State for the Colonies said that he could not accede to that request. As I am very much in a minority on this question my only alternative in order to draw attention to the very remarkable speech of the German Chancellor was to move the Adjournment of the House or to raise the matter, as I am now doing on the Motion for Adjournment. The right hon. Gentleman the Secretary for the Colonies said that there were no proposals from the German Imperial Chancellor which were not based upon an acknowledged victory on the part of Germany. I wish to refer to that and briefly to survey the position as it presents itself to me. I desire to be as conciliatory as may be, and therefore do not propose to enter into any recriminations, or to attack the Foreign Office or any representative of the Foreign Office. My sole object is to offer a few observations in the hope that they may serve a useful

purpose. I think that we must all regret that so far no notice has been taken of the very remarkable speech of the German Chancellor, and what I regard as the remarkable proposal which it contained, by any member of the Government. I do not ask for any reply to my observations.

Note: David Marshall Mason (7/12/1865-19/3/1945) was a Scottish Liberal elected in December 1910 as MP for Coventry, a seat he held until 1918. Mason opposed the Bill introducing conscription in 1916. On matters relating to the War and foreign policy he was an opponent of the government.

PEACE TERMS. 30 November 1916

Mr. KING asked the Under-Secretary of State for Foreign Affairs whether, in view of the cablegrams sent by Viscount Grey and Monsieur Briand to the League to Enforce Peace meeting, held in New York on 25th November, it is to be understood that the general methods and proposals of that league, and not merely its ultimate object, have the approval of the Government and the Allies?

Lord R. CECIL:

In reply to a telegram from Mr. Taft to Viscount Grey the following telegram was sent by him: I think public utterances must have already made it clear that I sincerely desire to see a League of Nations formed and made effective to secure the future peace of the world after this War is over. I regard this as the best, if not the only, prospect of preserving treaties and of saving the world from aggressive wars in years to come, and if there is any doubt about my sentiments in the matter I hope this telegram in reply to your own will remove it. This and his previous utterances on the subject need no further explanation or qualification. I have not got the text of the telegram sent by M. Briand. According to reports in the Press some speeches were made at the meeting of the League that were inconsistent with its own declaration of its objects, but I have no other knowledge of these speeches than what has appeared in the Press, and the message sent was on the assumption that the League and its objects were as originally constituted.

Sir W. BYLES:

Does Germany agree to the same policy?

Lord R. CECIL:

I do not know, and I do not very much care.

Mr. SNOWDEN:

Shame, shame; it is disgraceful!

Mr. OUTHWAITE:

You do not care how many men are killed!

Mr. SNOWDEN:

asked the Prime Minister if he has received a copy of a resolution passed by the Blackburn and District Trades

and Labour Council, representing nearly 30,000 organised workers, affirming its unshaken conviction that a lasting peace cannot be secured by a policy of conquest followed by a commercial war, but only by a policy which lays the foundation of a real international partnership, condemning a prolonged war of attrition, which it considers would involve the victors as well as the vanquished in social and economic ruin, and strongly urging that an attempt be made to ascertain whether we can now get by negotiation everything that the War was started to secure or defend, and demanding that the people of this country shall not be committed, without their knowledge or consent, to the support of schemes of territorial aggrandisement which have not hitherto been regarded as germane to the interests of this nation and which Parliament has neither debated nor sanctioned; and if it is his intention to adopt the policy outlined in this resolution?

The SECRETARY of STATE for the COLONIES (Mr. Bonar Law)

The answer to the first part of the question is in the affirmative. With regard to the second, I have nothing to add to my public utterances on this subject.

Note: Joseph King (31/3/1860-25/8/1943) was Liberal MP for North Somerset from 1910 to 1918. He then joined the Labour Party and contested Ilford in a by-election in 1920. Following the outbreak of the War in 1914 he joined the Union of Democratic Control, a group of Liberal and Labour politicians who were critical of the secret diplomacy that they blamed for the cause of the conflict.

When information is cheap,
attention becomes expensive.
James Gleick

When I tell the truth, it is not for
the sake of convincing those who
do not know it, but for the sake of
defending those that do.
William Blake

When I am right, I get angry.
Churchill gets angry when he is
wrong. We are angry at each other
much of the time
Charles de Gaulle on
Winston Churchill

When any organizational entity
expands beyond 21 members, the
real power will be in some smaller
body.
Cyril Northcote Parkinson

Statement on**“Labour’s problem with antisemitism”****From the Jewish Socialists’ Group**

Antisemitism exists and must be exposed and fought against in the same way as other forms of racism by all who are concerned with combating racism and fascism.

Antisemitism and anti-Zionism are not the same. Zionism is a political ideology which has always been contested within Jewish life since it emerged in 1897, and it is entirely legitimate for non-Jews as well as Jews to express opinions about it, whether positive or negative. Not all Jews are Zionists. Not all Zionists are Jews.

Criticism of Israeli government policy and Israeli state actions against the Palestinians is not antisemitism. Those who conflate criticism of Israeli policy with antisemitism, whether they are supporters or opponents of Israeli policy, are actually helping the antisemites. We reject any attempt, from whichever quarter, to place legitimate criticism of Israeli policy out of bounds.

Accusations of antisemitism are currently being weaponised to attack the Jeremy Corbyn-led Labour party with claims that Labour has a “problem” of antisemitism. This is despite Corbyn’s longstanding record of actively opposing fascism and all forms of racism, and being a firm a supporter of the rights of refugees and of human rights globally.

A very small number of such cases seem to be real instances of antisemitism. Others represent genuine criticism of Israeli policy and support for Palestinian rights, but expressed in clumsy and ambiguous language, which may unknowingly cross a line into antisemitism. Further cases are simply forthright expressions of support for Palestinian rights, which condemn Israeli government policy and aspects of Zionist ideology, and have nothing whatsoever to do with antisemitism.

The accusations do not refer to antisemitic actions but usually to comments, often made on social media, long before Jeremy Corbyn won the Labour leadership. Those making the charges now, did not see fit to bring them up at the time, under previous Labour leaders, but are using them now, just before mayoral and local elections, when they believe they can inflict most damage on the Labour Party led by Jeremy Corbyn.

The attack is coming from four main sources, who share agendas: to

undermine Jeremy Corbyn as leader of Labour; to defend Israeli government policy from attack, however unjust, racist and harmful towards the Palestinian people; and to discredit those who make legitimate criticisms of Israeli policy or Zionism as a political ideology. As anti-racist and anti-fascist Jews who are also campaigning for peace with justice between Israelis and Palestinians, we entirely reject these cynical agendas that are being expressed by:

- The Conservative Party
- Conservative-supporting media in Britain and pro-Zionist Israeli media sources
- Right-wing and pro-Zionist elements claiming to speak on behalf of the Jewish community
- Opponents of Jeremy Corbyn within the Labour party.

The Jewish Socialists’ Group recognises that ordinary Jewish people are rightly concerned and fearful about instances of antisemitism. We share their concerns and have a proud and consistent record of challenging and campaigning against antisemitism. But we will not support those making false accusations for cynical political motives, including the Conservative Party, who are running a racist campaign against Sadiq Khan, and whose leader David Cameron has referred to desperate refugees, as “a swarm” and “a bunch of migrants”. The Conservative Party demonstrated their contempt for Lord Dubs, a Jewish refugee from Nazism, when they voted down en masse an amendment a few days ago to allow 3,000 child refugees into Britain while Labour, led by Jeremy Corbyn, gave total support to Lord Dubs and his amendment.

The Jewish Socialists’ Group sees the current fearmongering about antisemitism in the Labour Party for what it is – a conscious and concerted effort by right-wing political forces to undermine the growing support among Jews and non-Jews alike for the Labour Party leadership of Jeremy Corbyn, and a measure of the desperation of his opponents.

We stand against antisemitism, against racism and fascism and in support of refugees. We stand for free speech and open debate on Israel, Palestine and Zionism.

<http://www.jewishsocialist.org.uk>

COLD WAR HEATING

It was to be a bulwark
against
the US
then the watch-dogs of the nation
awoke
and barked
bad cess to this domination
what had
happened
happened as more of
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aberration
and what was that about the
power
of
a European trade union
with
our
brothers and sisters
in
permanent
universal communion
a dispute in
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being a dispute
in Paris
in Berlin
worker’s healing balm
were we
dreaming
as they became interwoven
with NATO
aggression
Russia again threatened by
the Hessian
the Ukraine
their former Nazi ally
the truth
belied
Obama invited over to protect
the American
stake
given permission to decide
Westminster’s
fate
crime scene crime scene
says
the tape.

Wilson John Haire.

Notes on the News

By Gwydion M. Williams

Killed Coal:

Now Kill Public Health Care?

Thatcher could sound like an authentic conservative. She was actually radical-right, an ideology that did vast damage to many British traditions, some of them worth preserving. But after the confusion of the 1970s she *sounded* reassuring, even as she did immense damage to core British values.

In the 1984–85 miners' strike, Arthur Scargill destroyed his own power-base. This paved the way for the total destruction of Britain's coal-mining industry. Had Thatcher been an authentic conservative, she would have cherished the Nottingham miners who had helped her defeat Scargill. As things were, Thatcher was happy to see coal mining in Nottingham evaporate like the rest of the industry. The 'Union of Democratic Mineworkers' went into ignominious decline, with one of its leaders convicted for fraud.¹ The resultant social vacuum is just what the radical-right wanted.

Thatcher was always cautious about touching the National Health Service, aware of how it was cherished by her voters. It was Tony Blair and New Labour who started the nonsensical and ineffective marketisation of the NHS. Now the Tories are trying to complete the process, happy to wreck something that the Tory elite have no need of.

"The government has fatally damaged its case with a flat refusal to consider a sensible cross-party compromise, supported even by the *Daily Mail* and *Sunday Times*, to set up pilot schemes to test if the contract does reduce weekend death rates.

"Dismissing the plan with a rude tweet, Hunt and David Cameron expect to beat the doctors into submission – treating this as their 'miners' strike moment'. Give in now, they reckon, and the whole public sector will follow. But if the government does impose this contract, they may find it a very pyrrhic victory: winning a battle but igniting a public sector war.

"Consultants are hugely supportive of their juniors, with presidents of 10 royal colleges sending a last-minute plea to Cameron to return to the table, for fear of 'demoralising a group of staff on whom the future of the NHS depends'. They and the nurses now fear conflict over Cameron's seven-day NHS manifesto pledge, promised without a penny extra to implement

it. As with all public employees, after long years of a freeze any pay rise is capped at just 1%, while national average pay rose over 3% last year. The NHS and local government have only survived austere cuts by this unprecedented real cut in public sector pay. The lid can't stay on that pressure cooker for 10 years."²

But the world is now different. People did see Scargill as a threat, part of a looming 'Soviet Menace' that was taken very seriously right up to its ignominious collapse in 1989-91. Nowadays there is increasing distrust of the Radical Right. (Though sadly it often boosts something equally nasty, a narrow nationalist and sometimes racist right.)

The positive side is that New Labour is discredited everywhere except among Labour MPs, and those MPs have their future to think about. Resistance is far from futile.

BHS legally burglarised

British Home Stores,³ though started by Americans in 1928, represents another chunk of British tradition being lost. Authentic conservatives might have protected it – but authentic conservatives are now marginal.

There are real problems, with on-line shopping and newer brands. But what's raising outrage are signs that huge amounts of money have been taken out of what is now presented as an entity with no net value.

"When Sir Philip Green bought BHS in May 2000, he insisted it would not be rocket science to revive the ailing high street retailer. After paying £200m, he was convinced he had the skills to secure its future and make it the foundation of a sprawling retail empire.

"But last year, after failing in his mission, Green sold BHS for £1 to a little known group of investors who have steered it into collapse in just over 12 months. His dreams for the chain may have come to nothing, but Green's family have still been big winners from BHS, taking out more than £580m in dividends, rental payments and interest on loans to help fund a lavish lifestyle.

"As the pensions regulator considers whether to pursue Green for between £200m and £300m – to help fill the black hole in BHS's pension schemes that had developed since 2000 – he is awaiting

delivery of his latest toy: a \$150m (£100m) superyacht named *Lionheart*. The 90-metre vessel will join Green's two other yachts, speedboat, helicopter and Gulfstream jet, which comes in handy for his weekly trips to and from Monaco to visit his family."⁴

The Radical Right justifies its policies by saying that 'market discipline' will improve any business. Reality has been something else. In the real world, 'loot and bail out' has been a very viable strategy.

Submissive Socialism?

The Tories have been backing down on a number of issues, faced with internal protests and a vigorous opposition from Jeremy Corbyn. Which happened almost by accident. The other Labour leadership candidates would have been scared of being seen as leftist. Would have capitulated on almost everything.

Having lost three elections to Thatcher and then a fourth to John Major, the former student radicals who had taken over the Labour Party might have concluded that they'd been a bit naïve. That they should have had more respect for the traditional Labour Right, which had achieved many substantial socialist measures over the years.

What they actually did was to decide that 'capitalism' was irresistible, but that they might freely indulge themselves on social radicalism, openly gay ministers etc. This was very compatible with the way the Radical Rightists within the Tory Party wished to go. And Blair also went along with the half-baked doctrine of Fukuyama: that Liberal Capitalism was now the global victor and could be easily imposed on everyone.

Ed Miliband had a vague wish to be something else, but not the guts to carry through. When the Tories claimed that the 2008 crisis was caused by excessive spending by the Labour government, he should have roundly denounced it. Called the Tories either liars or fools, because nothing that any British government could have done could have caused a global crisis caused by decades of uncontrolled speculation. But the heritage of 1960s radicalism made him reluctant to credit the state with anything good. His father, the non-Leninist Marxist Ralph Miliband, fed into this 1960s mood with *The State in Capitalist Society*, which completely misses the usefulness of state power for

socialist causes.

Now we have Jeremy Corbyn as leader. He was strongly influenced by Tony Benn: and Benn was at least a state-orientated socialist, whatever else he got wrong. That's a new hope.

The remnants of New Labour are appalled by Corbyn's serious militancy, treating Radical-Right policies as malignant nonsense rather than a grim necessity. And now we have a lot of the Labour Party apparatus hoping to unseat him by sitting on their hands and hoping Labour will do badly in the May 5th local government elections.

It won't work. Even if there is an electoral disaster, I'd expect the bulk of the membership to stick with Corbyn, regardless. I doubt I'm alone in reckoning it would be far more productive to lose on a principled basis than strengthen the enemy the way that Blair and New Labour did.

In Praise of State Socialism

It's not ideal, but it has a solid record of useful achievement. Labour radicals in the 1970s should have built on past achievements, rather than treating them as failures and betrayals.

The theory was that if you could discredit rival versions of socialism, your own would win out. The reality was that anti-socialist ideologies had a strong revival.

But the New Right or Libertarian creed has worked a lot worse than state socialism. Call it 'corporatism' if you like: it was a massive success and was an optimum for the USA, Britain and the rest of Western Europe.

The emphasis on profit from the 1980s has led to an absurd mix of overwork and unemployment. Some people get pressurised into working absurd hours, and staying constantly in touch with e-mail. Others with decent talents and a will to work can get no job at all.

The claim was that market forces would solve it all. But Britain has never got back to the levels of growth it managed in the 1950s or 1960s. Or even the crisis-hit 1970s. Most people have been cheated: less income than they might have expected had Thatcher been an authentic conservative. 90% have lost out: 9% have broken even. Enormous gains go to the richest 1%, who also dominate the media and politics in general.

The richest 1% can raise up aspiring politicians to be part of their number, as with Tony Blair. It used to be that you needed to be dishonest to enter politics ordinary and leave it rich. Now it can all be done openly, legally and even be considered decent.

Now I must get heretical – a fix has to be done using state power. This is the

point at which I'll lose a lot of centrist and left-wing readers who agreed with condemnations of Thatcherism. This is the holdover from 1960s radicals, who successfully undermined state-enforced rules about gender and marriage that had held good since the neolithic. On that matter, the withdrawal of state power on some matters produced results that most people see as better than the Old Order. But it wasn't a blanket rejection of state power: the shift also included stronger action regarding domestic abuse. Also stronger enforcement of existing laws regarding rape and underage sex. But the need for enforcement on such matters is seen in isolation. They retain an instinctive aversion to state power on most matters.

I'm anarchic myself: but I've looked long and hard at the possibility of actual anarchism. I've decided it just won't work. Humans live either as tribes or within a state that can enforce its will – sometimes though not always the collective will of the state's inhabitants. Tribes are much more intrusive on individual rights, invariably having very strict rules on what you can and can't do. This can seem fine if nothing you feel like doing is on the list of prohibitions: but no two tribes have the same rules. That, I assume, is why state power evolved in the first place.

State power mostly stayed out of the matter of food production, which is indeed best decided at a local and usually a family level. But both markets and larger-scale production always were regulated, sometimes by the state but more often by an unofficial monopoly that maybe got state endorsement. Yet when society shifted to large-scale and industrial production, it became possible for the few to grossly exploit the many and put the whole society at risk. In Britain, it was the Tory Party that introduced the first Factory Acts, limiting child labour to a maximum of 12 hours a day. Market forces had created the problem and only state power fixed it.

The problem nowadays is partly overwork, but much more importantly the regular destruction of jobs. The drive for profits means that employment is cut back to the minimum unavoidable, often doing long-term damage but boosting share prices in the short term. And increasingly dehumanising our lives.

Does anyone prefer pressing buttons to get through a long maze of options when making a simple phone call to some corporation or state body? It's much nicer to talk directly to some friendly receptionist who might be able to answer the query, or else can put one right through to the right person. This tends to be the case still when you could easily take your business elsewhere. When it would take considerable hassle to move to another corporation that might be just as bad, they make you

jump through hoops and minimise the number of people they need. Meantime new jobs are created in telesales, to hassle people with stuff they mostly don't need. To waste your time at minimal cost to whoever hired them.

The people want sensible working hours and a job for anyone with basic talents and an ordinary willingness to work. This was delivered in the 1950s and 1960s, even though there was talk of a looming 'age of automation'. At the time, the assumption was for fair shares, not the current polarisation between overwork and unemployment, with the sick and disabled harassed into looking for jobs that mostly are not there. Or not there while profit is the goal: in a different system there might be all sorts of light work that anyone might be glad to do.

Automation does not compel us to inflict misery on ourselves. But it would need a wholly improbable improvement in human nature for a better system to be created without some sort of enforcement by laws and regulation. I see this as the road ahead, to a future that definitely can be bright if we'll allow it.

Losing the War on Terror

As I said earlier, Tony Blair and many others accepted the half-arsed doctrine of Fukuyama: that Liberal Capitalism was now the global victor and should be imposed on everyone. This included 'normalising' the Arab world, where it was supposed that nasty dictatorships could easily be replaced by nice democracies that would happily co-exist with Israel. This was the basis for squeezing many existing dictatorships – though not Saudi Arabia or the Gulf States, which were much too useful to Western interests.

The result was a series of disasters. Brutality against Iraq in the hope of getting rid of Saddam Hussein, and then invasion when that failed after vast Iraqi suffering. More and more meddling in the name of the War on Terror.

The War on Terror is a war against something that was marginal in 1991. The secular terrorism of the Palestinians was long extinct. Islamic terrorism was small and mostly directed against Russia, or against the pro-Russian regime they had left behind in Afghanistan.

Everything done since has made the problem worse.

Supposing pest exterminators demanded extra measures against rats. But after 20 years, the rats are fiercer, more aggressive and vastly more numerous. Would you still be rallying behind them?

China's Irresponsible Dissidents

The Chinese Revolution of 1911-12 produced a Republic that tried to be a simple copy of existing Western systems.

And was a total disaster, fragmenting into warlordism. A limited unity was imposed in 1927 by Chiang Kai-shek's branch of the Kuomintang. But it was a weak and timid regime that never dared take on Western imperialism. That did very little to oppose Japanese annexation of Chinese territory in the north. Chiang had to be held at gunpoint in the Xian Incident before he would start a proper national resistance.

Chiang's regime was half-effective by being an autocracy that allowed no effective challenges. Mao was vastly more effective with an autocracy that allowed no challenges at all, and tried to impose ideological uniformity. Deng relaxed this: people could mostly believe what they liked, but must not challenge the right of the Communist Party to make all of the important decisions. And this remains the norm.

And the dissidents? None of them show any sign of understanding the issues. This has been shown very clearly by their reaction to an anonymous threatening letter issued against President Xi:

"The letter calling for Xi's resignation included a point-by-point critique of his leadership failures. It was also written in a style – signed by 'loyal Communist party members' – that have left many wondering who authored it.

"Comrade Xi Jinping, we feel that you do not possess the capabilities to lead the party and the nation into the future, and we believe that you are no longer suitable for the post of general secretary," the letter stated. "For the party cause, for the long-term peace and stability of the country, **and for your own personal safety and that of your family**, we ask you to resign from all positions ..."

"Willy Lam, a professor at the Chinese University of Hong Kong who specialises in the party's politics, said he did not think the letter originated from a party official. The style and word choice, he said, suggested it was written by a Chinese national abroad."⁵

Here in Britain, anyone is quite free to call on our Prime Minister to resign. But if they said 'for your own personal safety and that of your family, we ask you to resign from all positions', they'd be arrested and everyone would repudiate them. Because such talk is very obviously a threat, and unacceptable in democracy.

Whether the threat was serious is moot. Shanghai's Green Gang were world-class gangsters, and had huge influence in Chiang Kai-shek's regime. He was close to them, may have been an actual member. But also gangsters have no idea of how to run a state – fascist regimes may make use of gangsters as foot-soldiers, but leaders are always something else. All of the Nazi leaders came from impeccably law-abiding backgrounds. Things were a bit more mixed in Fascist Italy and also Baathist Iraq, and probably contributed to those regimes never being very solid or embedded in the bulk of the population in the way Nazism undoubtedly was during its years of success. And of course the entire Shanghai Green Gang were among those who fled Shanghai when the Peoples Liberation Army closed in. Some Kuomintang officials talked of making it another Stalingrad: it resembled Stalingrad only in being a major Communist victory. Unlike Nazis, the Kuomintang had little solidity in defeat.

My guess would be that the exiled Green Gang and similar bodies have more sense than to take on the Chinese state. The letter was probably crackpot. But the dissidents showed their complete unfitness by not instantly distancing themselves from it.

Websites

Previous *Newsnotes* can be found at the Labour Affairs website, <http://labouraffairsmagazine.com/past-issues/>. And at my own website, <https://longrevolution.wordpress.com/newsnotes-historic/>.

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Hillsborough: They Never Walked Alone

The families of the 96 Liverpool fans who lost their lives at Hillsborough on 15 April 1989 have finally received the justice they deserve. The verdict of 'unlawful killing' on 26 April 2016 was the culmination of 27 years of struggle. That it has taken 27 years is an damning indictment primarily of the police who from the beginning cast the blame on Liverpool fans to cover up their criminal behaviour. They were supported in this in particular by the SUN newspaper which within days published a tissue of lies about the causes of the tragedy. The families of the 96 and indeed the whole of Liverpool have shown that if working class people stick together they will win. Their lesson in solidarity is one from which we should all learn and apply in other areas of our lives.

What is now proved was once
only imagined.

William Blake

What by a straight path cannot
be reached by crooked ways is
never won.

Johann

Wolfgang von Goethe

What a culture we live in, we
are swimming in an ocean of
information, and drowning in
ignorance.

Richard Paul Evans

We're trying to run a 21st
century society and economy
with 19th century Darwinian,
competitive, crude ideas.

Susan George

Froggy

News From Across The Channel



The *Nuit Debout* Movement

The French government is struggling to make the labour force more 'flexible' with the new Labour law, the so-called El Khomri law, named after the Minister for 'Work, Employment, Vocational Education and Social Dialogue'.

A million strong petition and numerous demonstrations resulted in a withdrawal of some of the measures envisaged by the law, enough to make the employers association MEDEF call the law useless, and enough to make the union CFDT accept it, but not enough to satisfy everyone. The main sticking point is making local level employer/employee negotiations possibly disregard national level standards, while up to now the minimum industry-wide standard for wages and working conditions could not be watered down.

Since a demonstration on 31 March, all night occupations of various town and city squares are taking place, notably in Paris in the Place de la République, in a movement called *Nuit Debout* [meaning 'up all night'. The phrase has no sexual connotation in French].

One of the names behind the occupation in Paris is that of François Ruffin as

the starting point for the occupation was the showing of Ruffin's film '*Merci Patron*'.

'*Merci Patron!*' [Thanks Boss] tells the true story of a couple made redundant by a Louis Vuitton firm in northern France. During the film the couple got 40,000 euros compensation four years later, and more besides, thanks to a series of coups by the film maker, François Ruffin. *Le Monde's* review quoted Michael Moore, Frank Capra and other famous film makers in the same breath as '*Merci Patron*'.

Along the way, we learn that a Kenzo (a Louis Vuitton brand) suit, sold for 1,000 euros but cost 90 euros to make in the French northern town

of Poix du Nord; the profit margin being too small, the plant was delocated to Poland, leaving behind a mass of unemployed. This is not inevitable, it's a political decision, is Ruffin's demonstration.

This film provokes enthusiasm and a desire to 'do something', hence the nightly meetings in Paris and other cities.

So far Ruffin's line seems to be prevailing, and that is, to connect with the trade unions and make a series of demands, such as the withdrawal of the El Khomri law, and the rejection of TTIP.

Ruffin is particularly sensitive to the gap that exists between the *Nuit debout*, who are of middle class origin, who see their future becoming more and more precarious, and the working class, who don't feel they have any-thing in common with these middle class demonstrators, and, for example, don't go and see the film '*Merci Patron*' even if its main characters are working class people.

The case of Marseille

The *Nuit Debout* group in Marseille attempted to spread to a largely immigrant and unemployed district in the North of the city; they contacted associations there but in the end had to give up showing the film, and the locals showed no interest in turning up for discussions.

There is police presence around the meetings, but the movement is being conspicuously allowed to continue, in contrast to the implementation of the state of emergency in other places. Videos of the Place de la République show a mass of well dressed young people; they are students. The very fact of being there means that you are in a position where you don't have to go to get up in the morning, so no job and no children (and you have money to pay for drinks in a café every time you need the toilet). Various 'commissions' are

springing up, feminists groups organise women only meetings, on 17 April a commission 'drugs and liberty' was founded. It is not surprising that the link with trade unions is not happening. On 28th April two texts were adopted to outline the way forward, one by the *Nuit Debout* General Assembly, one by the unions. François Ruffin, still trying to make the junction between the two, supports both. He would like the demonstrations called by the unions to end Place de la République, to mix the two groups of opponents to the El Khomri law.

The aims of the movement

François Ruffin says his aim is for the movement to 'frighten' the government. He has a point. But it takes something like the existence of the Soviet Union to really frighten a capitalist government into making concessions, as the anthropologist David Graeber, who came to visit the Place de la République said (in 2014):

"Back in the 90s, I used to get into arguments with Russian friends about capitalism. This was a time when most young eastern European intellectuals were avidly embracing everything associated with that particular economic system, even as the proletarian masses of their countries remained deeply suspicious. Whenever I'd remark on some criminal excess of the oligarchs and crooked politicians who were privatising their countries into their own pockets, they would simply shrug.

"If you look at America, there were all sorts of scams like that back in the 19th century with railroads and the like." I remember one cheerful, bespectacled Russian twentysomething explaining to me. "We are still in the savage stage. It always takes a generation or two for capitalism to civilise itself."

"And you actually think capitalism will do that all by itself?"

"Look at history! In America you

had your robber barons, then – 50 years later – the New Deal. In Europe, you had the social welfare state ... “

“But, Sergei,” I protested (I forget his actual name), “that didn’t happen because capitalists just decided to be nice. That happened because they were all afraid of you.”

(Guardian May 2014 <http://www.theguardian.com/commentisfree/2014/may/30/savage-capitalism-back-radical-challenge>)

Graeber concludes:

“No doubt many factors were involved [in neo-liberalism], but almost everyone seems to be ignoring the most obvious. The period when capitalism seemed capable of providing broad and spreading prosperity was also, precisely, the period when capitalists felt they were not the only game in town: when they faced a global rival in the Soviet bloc, revolutionary anti-capitalist movements from Uruguay to China, and at least the possibility of workers’ uprisings at home. In other words, rather than high rates of growth allowing greater wealth for capitalists to spread around, the fact that capitalists felt the need to buy off at least some portion of the working classes placed more money in ordinary people’s hands, creating increasing consumer demand that was itself largely responsible for the remarkable rates of economic growth that marked capitalism’s “golden age”.”

This analysis is convincing, and explains why the *Nuit Debout* movement, like any other movement for change, is finding it very difficult to formulate a political way forward.

The immediate aim is to make a link with trade unions to have a large first of May demonstration. Another aim is the fight against TTIP.

TTIP

France is making slight noises against the Transatlantic Treaty. For example

Matthias Fekl, Secretary of State in charge of ‘international trade, promotion of tourism and the French abroad’, was discussing the Transatlantic Treaty on France Inter in a Sunday morning political programme on 24 April.

Fekl said (in summary):

“I have great doubts about this treaty, it’s an old type treaty from the 90s, when people thought trade was the answer to every problem. In fact trade must be placed at the service of mankind; we are at the end of 30 years of deregulation and things must change; the market does not spontaneously work well. The deindustrialisation that has taken place throughout Western Europe is the result of governments not doing their work of regulation properly.

One opinion poll says 50% of French favour TTIP, 32% against. But it is natural

to think that negotiations with an ally is a good thing; however the level of regulation proposed by the treaty is too low. Emmanuel Valls and François Hollande are of the same opinion.

The TTIP negotiations are taking place behind closed doors, this is scandalous. The EU Commission is not allowed to publish texts. From the start of the negotiations in 2013 to January 2016, information was only available at US embassies, even though negotiations concern matters of everyday life, to do with food, energy, health.”

All this sounds good, but will it translate into action? A partisan of TTIP interviewed on the same programme showed up Fekl as ready to say anything to please the public. The decisions taken at the 2015 Paris Climate Conference were all made public in detail, in contrast to TTIP. Why? Because these decisions don’t bind anyone to anything, unlike trade agreements. Fekl weakly tried to contradict this statement, thus showing that he will say anything that sounds good to a public worried about the environment and globalisation.

One consequence of the mobilisation against the El Khomri Labour Law is a slight marginalisation of the National Front, and a slight slowing down in the growth of the number of supporters. Marine Le Pen has cancelled the traditional 1st May march to the statue of Jeanne d’Arc, and replaced it with a 2,000 strong banquet with speeches. Her father will be

carrying bouquets of lily of the valley to Jeanne d’Arc at the usual spot in Place de la Concorde.

The unions will be demonstrating against the Labour Law. We will have to see if the movement wins this cause.

France lifting sanctions against Russia?

A first step was taken in this direction on 28th April.

Thierry Mariani, member of the center-right Republicans party, initiated the parliamentary debate on sanctions against Russia; his resolution “*calls on the French government not to extend the restrictive measures and economic sanctions imposed on Russia by the European Union.*”

55 voted for the motion, 44 against. Since there are 577 MPs, most MPs let this happen rather than directly approved it.

The *Russia Today* report quotes Mariani: “*Useless and ineffective sanctions against Russia have today become a heavy burden for French agriculture. That’s why I urge members of the parliamentary majority to show responsibility and independence in this issue.*” Earlier this year, France’s Minister of Economy, Industry and Digital Affairs Emmanuel Macron said that by this summer France will assist in lifting Western-imposed sanctions on Russia. In December last year, the European Union prolonged its sanctions against Russia – originally initiated in August of 2014 – for another six months.

LIVE AND LET DIE

What a sight I saw the other day
where financiers come to pray
I was cycling through the City of London
that square mile of everything abundant
there was this billionaire crying beside the
horn of plenty
yes, a blue-chip cognoscenti
there there I said dry your eyes
everybody dies
but no one in his life was dead
as far as he had read
or the TV screen had said
instead
twas the living-wage hourly rate
up fifty pence without his dictate
that brought the tears
as the mob jeered
it would now be seven pounds
twenty
an hour
being under twenty-five years old
a bar

still a wage much too far
what would Tesco and Whitbread
do now
poor things
it was cull-time even for those
who
cringe and cling
now one person would have to do
three jobs
it was either that or agree to be
robbed
I did see his point of view
as I joined the food-bank queue
and he called for his chauffeur
and his limousine to bear
him to a the Guildhall dinner
I know
we can’t all be winners
now my bike’s got a flat tyre
but I still aspire
to get a job before I retire
or expire.

Wilson John Haire

The European Union Referendum Revisited.

by Mark Cowling

Labour Affairs has had singularly little to say about the referendum, except for the strangely depressed editorial in the March edition. This took the view that it was a matter of indifference as to which side won in the referendum. The reasoning there was that Britain has played such a negative role in Europe that our departure would benefit the rest of the EU. Thus, the benefit to the rest of the EU of Brexit was argued to be about equal to any detrimental effects here. The editorial had a strangely detached and sorrowful tone. In what follows I want to pursue the argument that, instead, it would be worth reminding readers of the political importance of the European Union, and of the social benefits of remaining part of it.

It is worth remembering that most of us still have to live here after June. What sort of society do we stand for? The answer to be found in other Labour Affairs editorials and articles is a more equal society, based on good quality education and jobs for young people, a decent welfare state, ensuring that wealthy people pay their taxes, and an end to British meddling in the affairs of other countries. On the face of it, countries such as Germany, Sweden and Denmark are closer to realising these aims than the UK. Closer association with them is likely to encourage British people to adopt similar policies.

The level of public debate on the issue has been very poor. David Cameron's re-negotiations were intended to resolve the split in the Conservative Party over the EU rather than make any major difference. The concessions which he negotiated are cosmetic rather than real.

Depriving Poles of child benefit at British levels is not likely to deter them from coming here, and will cost so much to administer that no money will be saved.

The ability to curtail in work benefits as an emergency measure looks similar. Both are likely to impress people from Eastern Europe as unwelcoming, whilst doing far too little to convince UKIP supporters.

The concessions on the Eurozone also do little to alter the status quo. We may be formally exempted from

bailing out the Euro, but its collapse would be so detrimental that Britain would be in a similar position to that of finance ministers faced with the 2008 banking crisis: the behaviour of the bankers may have been highly irresponsible, but allowing banks to fail was not a realistic option. And no-one is forcing the UK to join the Euro, so being allowed to keep the pound is hardly a major concession.

The explicit commitment that Britain will not be forced to be part of an 'ever closer union' does not change Britain's situation – it does not of itself carry any provisions to implement this. On the other hand the provision that 55% of EU governments can block unwanted legislation is a change. However, although the role of qualified majority voting under the Lisbon Treaty is a somewhat arcane subject, the provisions to enable it are mainly used to encourage unanimity.

In the words of the BBC website, the next concession is as follows: Competitiveness - The settlement calls on all EU institutions and member states to "make all efforts to fully implement and strengthen the internal market" and to take "concrete steps towards better regulation", including by cutting red tape. What this means concretely depends on what is actually done, and will be discussed further below.

Finally, there are some very minor changes to rules about free movement.

Overall, then, the renegotiation amounts to very little – it is basically part of a smoke and mirrors exercise so that David Cameron can say that he has secured major concessions, the electorate can vote to remain part of the European Union and Conservative disunity over Europe can be much reduced for the foreseeable future.

The argument which is being pursued in the press and the media generally is largely a narrowly economic one, to the extent that one recent poll found that voting for or against Brexit was so narrowly tied to economic considerations that a majority either way could be procured by offering an extra £20 per year in one direction or the other. This is completely pathetic, and demands the careful and thoughtful

analysis which Labour Affairs editorials very frequently produce.

The positive case.

The really important issues are largely going by default, given the way in which the media are presenting things to the British public. If you are making a decision for at least a generation you need to see the big picture and think about the long term. This really does not seem to be discussed at all.

The European Union is actually a wonderful achievement which should be celebrated. Wars have disfigured the European continent over the centuries. The two world wars of the 20th century were particularly devastating. In the First World War Britain lost about 2% of her population, whilst France and Germany lost around 4% each. In the Second World War, Germany lost about 8% of her population, whilst Britain and France lost around 1% each. Losses obviously extended across Europe and worldwide, and there was massive economic destruction and terrible dislocation to the lives of many millions of people. It is widely accepted that the Versailles Treaty at the end of the First World War implemented a settlement which was so humiliating to Germany that it laid the foundations for the Second World War. A very important part of the reasoning behind the foundation of the European Economic Community was that a framework of peaceful cooperation was vastly better than the national rivalries which had historically led to armed conflict.

In contrast to the increasingly tense situation which followed the First World War, the countries of the European Union have in essence cooperated harmoniously together. Disputes have typically involved French farmers blocking the roads with with tractors, or diplomats involved in overnight negotiation rather than blitzkrieg. Prosperity has increased enormously. Countries outside the original six members have found the benefits of the European Union extremely attractive. Dictatorships in Greece, Spain and Portugal collapsed, at least partly because democracy and the benefits of the European Union were so much

more appealing. Whilst the disintegration of Soviet style communism in Russia and Eastern Europe was largely the product of its own internal problems, the much greater success of the managed capitalism of Western Europe must have been a factor. Looked at this way, an institution which costs about 1.4% of current British public expenditure is an extraordinarily good bargain.

A second major reason for remaining is mentioned above but needs to be spelt out. The European Union was basically constructed by social democratic parties and Christian Democratic parties. Christian Democrats attract many of the voters and groups who would support the Conservatives in Britain, but have a rather different ideology. They see society as a collection of families, for example the catholic family, the Protestant family with its subdivisions, the secular family, the trade union family, the big business family and so forth. All of these families need to be considered and cared for. So although overall Christian Democrats are more the party of business, they are less aggressive advocates of free enterprise than are the British Conservatives. They are definitely less keen on the new right form of liberalism which came to dominate the Conservatives under Mrs Thatcher, and which has remained a central feature of the Conservative Party and been very influential across British society. It is thanks to this Christian Democratic – Social Democratic consensus that the European Union's Social Chapter includes such provisions as a maximum 48-hour week and an assortment of rights for people such as part-time workers. The pledge which Cameron secured to cut down red tape is therefore alarming: quite a large proportion of the "red tape" actually concerns the rights of working people. It is a fair bet that, if politicians such as Nigel Farage come to dominate British politics following Brexit, this red tape will be considerably cut down, and the tedious rights currently assigned to part-time workers and so forth will cease to trouble British employers.

The institutions of "ever closer union" are also highly desirable in their own right. Being able to freely go and work in another European country expands people's opportunities, and increases the pool of talent available to British employers. The Schengen agreement allowing people to go from one European country to another without passport or customs checks makes life very much easier. The euro as a common currency helps this as well. For people living near national borders this can be really important: a journey of a couple of hours can take you from France into Belgium and Holland and then into Germany, and if you happen to fancy a cup of coffee or a snack as

you go along it is really helpful not have to carry four different currencies. Thus a number of things which are presented to us as threatening in one way or another are actually highly practical solutions to everyday problems.

The issue of free movement links to that of asylum seekers and immigration. This requires lengthy and careful discussion, much of which concerns economic development in poor countries, the origin of civil wars, the benefits of immigration matched with some strains in parts of the country, etc. However, it is almost certainly better addressed in the framework of the European Union than outside it.

More needs to be said on the subject of red tape. A market needs to be constructed and fostered rather than simply found. So specifying that things should be sold by the kilogram or laying down regulations about food hygiene or permissible additives may be irritating red tape in one sense, but if it permits consumers to compare products and to be confident that they are not being slowly poisoned, it facilitates a market across national boundaries. If you are going to be bound by regulations of this sort, it seems to make good sense to be able to play a part in designing them.

Not all of the above is a socialist case, but much of it is really important for ordinary working people.

A final comment on what might be called Labour Affairs depression. The British advocacy of neoliberal ideas which so distressed the writers of the March editorial looks, on the strength of the above commentary on David Cameron's reform package, to be highly ineffective in changing European Union. On the other hand, the German model for industrial cooperation which allows working people a degree of control over the running of industry, or schemes on those lines such as that proposed in the Bullock Report of 1974, are a highly desirable way forward. Proposals on these lines have been consistently advocated by people associated with Labour Affairs for many years. It is a strange position to think that it does not matter whether or not we are part of the European Union, when membership brings us closer to the Germans, who manage a strong, low-unemployment economy in this way.

CHARITY BEGINS AT HOME?

Feed the machine
tap a tenner
into your mobile
after this scene
adjust your antenna
children cry
these pictures are vile
children with flies
children with malnutrition
children about to die
this is your opportunity
for contrition
watch the TV screen
they are orphans of Ebola
of Aids
this could damage your
immunity
you are the well-fed
so don't be mean
it's fade-out for these
black babes-
we interrupt this programme
with some breaking-news
it's a six-nation bombing
raid
on Libya
no children with flies
no children with malnutrition
no children about to die
no orphans of Ebola
of Aids
what children
I don't see any children
I don't hear any children
cry.

Wilson John Hairer

We must question the story logic of having an all-knowing all-powerful God, who creates faulty Humans, and then blames them for his own mistakes.
Gene Roddenberry

We know what happens to people who stay in the middle of the road. They get run down.
Aneurin Bevan

We hear the Secretary of State boasting of his brinkmanship, the art of bringing us to the edge of the abyss
Adlai Stevenson on John Dulles

Diary of a Corbyn foot soldier

by Michael Murray

A dictionary definition of “foot soldier” “...a dedicated low level follower... one who performs necessary, mundane tasks...”

We are watching history in the making, or, at the very least, a substantial footnote in the story of the British Labour movement is in the process of being written.

And that is what has inspired me to start this diary just six months into the Corbyn-led Labour Party. I rejoined the party during the joyously cathartic political summer of 2015, in response to Jeremy Corbyn’s campaign for reclaiming the Labour Party as the change agent it was intended to be by its founders. But, more than that: what really changed my mind about the Labour Party was following on the social media the response of the hundreds of thousands up and down the country to the Corbyn message. The wonderful, celebratory, pageant staged by the north of England city of Newcastle in what looked like a sumptuous late Victorian music hall, or theatre, especially grabbed me, ending, as it did, in a mass rendition of Labour’s old anthem, the Red Flag. At that moment, I thought, if the Corbynist Labour Party is good enough for those people, it ought to be good enough for me.

I had left London at an historic moment in Labour’s history, to take up a post in the Irish Congress of Trades Unions: that was the emergence of the “Gang of Four” who at the end of 1981 had split away from the Labour Party to found the Social Democratic Party (the SDP).

Forgotten now, perhaps, all three sitting Islington MPs came out in support of the SDP. One of them, John Grant, was our MP in Islington Central. Indeed, I was one of his 10 Statutory Sponsors – not that he came to me, the other Sponsors, or the local Party, to tell us about his change of heart. We had to read that in the papers. But, what’s new? Most MPs (or Irish TDs) see the members, yes, as “foot soldiers,” a mixture of electioneering fodder and admiration society. But I know Jeremy Corbyn is better than that.

My last political action in the Labour Party before returning to Ireland was helping to distribute a leaflet explaining the Party’s reaction to the SDP and John Grant’s defection. Grant is mentioned here, because, after a redrawing of constituency boundaries in 1983 which dissolved Islington Central constituency, he stood in the newly constituted Islington North for the SDP and was soundly beaten. Also well beaten was the Tory candidate – and

the original Islington North Labour MP, London’s own “Tammany Hall” operator, Michael O’Halloran, who stood in the 1983 election as Independent Labour. And the poll-topper in that bitterly fought three-way contest was – Jeremy Corbyn. And the rest, as they say, is history. (1)

Harriet Harman sent me a letter welcoming me as a returning member, which came as a surprise given that I had been out of the party since 1982, though having been an active member in the Islington Central Canonbury Branch for a number of years before that. Of course, tens of thousands of those letters were sent out to people who had exited the party in the previous decades, increasingly disillusioned with Blairite neo-liberal politics “lite” and Labour’s role in the Iraq war.

I returned to London less than three years ago, after 27 years as a trade union official, having lived through the sometimes frustrating, mostly exhilarating, always fulfilling roller coaster ride that was the history of modern Ireland from 1982 to 2009, when I retired.

I never saw myself rejoining the Labour Party – because I believe the party, after Iraq especially, has blood on its hands. And since returning to London, I’m like a child in a sweetshop, frankly. The scale of London offers so much to meet my interests in theatre, photography, music – and languages, including Irish, the more indulgent pleasures of cooking and eating out offered by a multi-ethnic city – not forgetting England’s crowning glory a revived brewing tradition offering a limitless range of great beers.

But there was a hole in my life, a vacuum, after the intense experience of living through the rise and fall of the Celtic Tiger as part of the Irish trade union movement that was central to it. Two ICTU officials, Paul Sweeney and David Beggs, both majorly involved, have written about that period. (2a,2b) So, I joined the “Stop the War” movement. (3) And the Cooperative Party. (4)

In “Stop the War” I crossed paths with Jeremy Corbyn, then Chairman. At a distance I admired his combination of work rate, dedication, leadership style – and modesty.

The word “trust” is the one that comes to mind when I’m asked my opinion of him. And I do trust him to do the best job he can, or that he’s allowed to. I can see people around him in the party that may be more clever or experienced, but not many

I’d invest my trust in as confidently.

I had my first one-to-one conversation with Jeremy since rejoining the Labour Party at a fund raising breakfast in a local Kurdish restaurant. It was a purely social chat, a bit of banter around his curiosity at coming across a Paddy in the middle of all the Kurds, many in traditional costume. I explained I had been invited by a long term Kurdish friend and Labour Party activist, the event organizer. For the crack (and attention seeking, I suppose) I hit him with some colloquial Mexican Spanish, knowing he was married to a Mexican woman. My Spanish, the “cupla focail,” as we say in Irish, “the few words” to pass yourself off in a language, comes from having a son living in Mexico and three Irish-Mexican grandchildren.

The next time we met he’d taken over as Labour Party Leader. We discovered our paths had crossed before – in the Institute for Workers’ Control (5) in the 1970s. We were immediately involved in talking about people from the IWC we both knew. We talked about the demise of the movement for industrial democracy after the rejection of the Bullock Report (6), about Coates and Topham, the IWC founders. And we talked about Mike Cooley, another prominent IWC member, a recent reprint of whose book “The Architect and the Bee,” with foreword by TUC’s Frances O’Grady (7) I was carrying at the time.

I had it with me because I’d just attended a “Stop the War” meeting earlier preparing for an anti-Trident demonstration and wanted people to be aware of the book and its author. Mike Cooley, a world renowned pioneering Software Engineer, was the Convenor at arms manufacturers Lucas Aerospace and fought for skilled workers to put their talents to use making socially useful products and services, not death-dealing weaponry. The book’s importance, I felt, was that certain union leaders had been arguing against Jeremy’s anti-Trident stand on the grounds that it would reduce employment and they ought to be reminded there was an alternative. Of course, I’d met Mike Cooley in England but meeting him in Dublin, in the company of two former fellow apprentices from the Tuam-based semi-state Irish Sugar Co was special. (8)

To go back to Jeremy: those brief encounters with him mentioned above reassure me my trust in him will not be abused and my modest contribution as a willing foot-soldier not wasted. I am not the only one who thinks like that.

Within four months of Jeremy's election and after sustained Labour MPs' unpreparedness to accept the democratic mandate over that time, making life difficult for the leader and seriously threatening a split, The Guardian published the results of an extensive survey of Labour's grass roots membership. (9)

It found: "overwhelming support for him (Corbyn), a decisive shift to the left and unhappiness with squabbling amongst MPs. Almost every constituency party... reported a doubling, trebling, quadrupling or even quintupling membership, and a revival of branches that had been moribund for years and close to folding."

According to Labour Party head office figures, the total full membership almost doubled between May 2015 and January 2016 – the period covering Jeremy's election campaign and his fraught early days in office. And, in the light of accusations that Jeremy does not appeal to the wider society, and is "unelectable" for the job of PM, the Guardian survey showed the burgeoning of membership to have also occurred in the more traditional non-Labour constituencies.

To my mind the most significant stat of all is that between the 12th September election of Jeremy and Christmas Eve, 87,158 had joined and 8,567 left (including 'natural turnover' with only 3,875 recorded resignations). If that isn't a ringing endorsement of Corbyn's leadership, what is? The increased revenue from new member subscriptions is also something for which Corbyn should get the credit.

The Guardian notes an up to now commonplace assessment of Corbyn in his new role: "He's a wonderful individual but not a potential Prime Minister." We've all heard that one, inside and outside the Labour Party. I can't help feeling there's an element of recidivist deference in that attitude. He's not a potential PM because the main line media and its rich backers say so. But that has the potential to change as he grows into the job of Labour Party Leader – as he seems to be doing.

The Guardian concludes: "Overall... support for Corbyn at grass roots level suggests he will eventually prevail in his battle with the Parliamentary Labour Party or if there was to be an attempted coup." How does that tally with my experience of the "Corbyn factor" at local Labour Party level?

My branch is in Hackney and Stoke Newington. It's a neighbouring constituency to Jeremy's Islington North with a Jeremy supporter, Diane Abbott, as the MP. The branch grew by about 300 members in the period under discussion. There have been some resignations

directly attributable to Jeremy's electoral success. Others are clearly staying on in the hope that Jeremy comes a cropper and things can revert to "normal," whatever that might be. Only a handful of the new membership have appeared at the branch or taken an active interest in the canvassing and leafleting that's taken place over the time I've been a member. The branch see this as a challenge and accept it may be a reflection on how much we need to change to hold on to these new members and fully engage with them.

Though the Branch is caught up at the moment in the London Mayoral and Assembly elections, thought is being put into better use of social media for organizational purposes. The branch's ongoing political educational programme is, likewise, suspended until after the elections.

This was initiated separate from, but is in line with, the Labour Party's "New Economics" educational programme launched last January by John McDonnell with left-leading economists, like Nobel Prizewinner, Joseph Stiglitz, kicking off. Details of this ground-breaking initiative, and how to access it free via YouTube is at note(10). Of course, the work of the councillors, in consultation with the branch, goes on too.

Taking on board the "attitudinal," or qualitative aspect of The Guardian survey as well as my own gut feeling, I'd say the Branch level activism I've described is generally true for Labour Party branch life elsewhere.

We have to see ourselves as at the beginning of a long learning curve if we are to get beyond Labour's identity crisis, post-Blairism and develop a socialist alternative that is relevant, viable and electable.

In the meantime, a branch colleague, neighbour and local Labour councillor has just dropped off another box of London Mayoral election leaflets to distribute. Ah, the life of the put-upon foot soldier. I suppose I could get excused boots. But then I'd only be depriving myself of access to a free exercise machine. And participating in history.

Facebook address: Michael Murray (London)

References:

(1) 1983 Islington North election results: Corbyn, Labour 14,951. Coleman, Conservative 9,344. Grant SDP 8,268. O'Halloran, Ind Labour 4,091 (two other candidates only scraped 300 odd votes between them)

(2a) Paul Sweeney (SIPTU/ICTU official): "The Celtic Tiger: Irish Economic Miracle Explained," 1999.

(2b) David Begg (Irish Congress of

Trade Unions General Secretary, former GS of (Irish) Communication Workers' Union: "Small Open Economies and European Integration," 2016.

(3) For more information/events/publications: www.stopwar.org.uk

(4) The Cooperative Party works in partnership with the Labour Party. There are 25 Labour & Coop MPs and other reps operating at local government level: www.party.coop

(5) Ken Coates and Tony Topham founded the Institute for Workers' Control in 1968 to promote the idea of industrial democracy in the trade union movement. They published lots of stuff and in 2005 an earlier encyclopedic work was reprinted: "Readings and Witnesses for Workers' Control," Spokesman Books.

(6) *Report of the Committee of Inquiry on Industrial Democracy, 1977*

(7) "Architect or Bee?" *The human Price of Technology*, 1980, 2016. This book has been translated into 5 languages and is currently being translated in Chinese.

"A bee puts to shame many an architect in the construction of its cells; but what distinguishes the worst of architects from the best of bees is namely this.

"The architect will construct in his imagination that which he will ultimately erect in reality. At the end of every labour process, we get that which existed in the consciousness of the labourer at its commencement." Marx, *Capital*.

(8) Mike Cooley began his working life as an apprentice in the Irish Sugar Company, Tuam plant, Galway. Two of his fellow apprentices were Mick Brennan, General Secretary of the Plumbers' Union, and later the TEEU, the world renowned playwright, Tom Murphy was another colleague in Irish Sugar. The three met on a regular basis in Dublin and it was my privilege and pleasure to be present at one of those get-togethers. And what mighty crack they were together. Like characters from one of Tom Murphy's own plays - but not the dark "Whistle in the Dark," his best known play.

(8) The Guardian: "Revealed: How Jeremy Corbyn has reshaped the Labour Party" 13th January, 2016.

(9) "The New Economics," www.labour.org.uk a full set of videos varying in length from around 25 minutes to an hour and half. Ideal for individual or labour local branch viewing and discussion. They were taped at public, Labour sponsored meetings, around the country from January of this year.

Parliament Notes



Dick Barry

Tax Avoidance and Evasion

On 13 April, Labour Shadow Chancellor John McDonnell moved a motion on tax avoidance and evasion. He was constantly interrupted by Conservative Members. Only the Guardian and the Law Society carried a report of his speech.

John McDonnell (Hayes and Harlington) (Lab):

I beg to move, That this House notes with concern the revelations contained within the Panama Papers and recognises the widespread public view that individuals and companies should pay their fair share of tax; and calls upon the Government to implement Labour's Tax Transparency Enforcement Programme which includes: an immediate public inquiry into the revelations in the Panama Papers, HMRC being properly resourced to investigate tax avoidance and evasion, greater public sector transparency to ensure foreign companies wanting to tender for public sector contracts publicly list their beneficial owners, consultation on proposals for foreign companies wanting to own UK property to have their beneficial owners listed publicly, working with banks to provide further information over beneficial ownership for all companies and whom they work for, the swift implementation of full public country-by-country reporting with a fair turnover threshold as well as ensuring robust protection for whistle blowers in this area, ensuring stricter minimum standards of transparency of company and trust ownership for Crown Dependencies and Overseas Territories, consideration of the development of the Ramsey Principle by courts, implementation of an immediate review into the registry of trusts, and the strengthening and extension of the General Anti-Avoidance Rule to cover offshore abuses.

I see that the Chancellor is absent again today. Much as I look forward to seeing the various members of his Treasury team, is there a specific reason why he is not here for this

important debate? I am happy to give way. [Interruption.] Is it critical? In respect of his attendance at the International Monetary Fund, he might look at yesterday's IMF report that downgraded the growth expectations for our economy and think again about the policies he is pursuing, which fail to invest in the infrastructure, skills and new technology that our economy needs to compete in the world market. Perhaps we will send him a letter and he can say hello to the Chamber some time when he happens to be passing through.

We need to move the debate about tax avoidance and evasion on to the issue of the fairness and effectiveness of our tax system, and we need to do so as constructively as we can. The leak of documents from Panama lawyers Mossack Fonseca has provoked an extraordinary public discussion, and an entire hidden world has been brought into the light. What it reveals is profoundly unsettling.

We now know that Mossack Fonseca sat at the centre of a vast web of tax evasion and tax avoidance. The world's super-rich commissioned its services to hide their income and wealth from the public gaze. Some of them had plainly criminal intentions. Money from the Brink's-Mat robbery was allegedly laundered through a shell company set up by Mossack Fonseca, while the Mexican drug baron Rafael Caro Quintero held his property through a shell company established by Mossack Fonseca.

James Cartlidge (South Suffolk) (Con):

Disturbing points have been raised about Putin and the Russian regime. Will the hon. Gentleman confirm whether the shadow Treasury spokesman, his hon. Friend the Member for Leeds East (Richard Burgon), raised any of those points about the Russian Administration when on "Russia Today"?

John McDonnell:

That certainly will happen in future.

Even if they were not criminals, many of Mossack Fonseca's clients, if not all, had the strong intention of evading or avoiding the taxes that would otherwise have been due from them.

Catherine West (Hornsey and Wood Green) (Lab):

I thank my hon. Friend for his excellent speech and for bringing this debate to the House. Does he agree that this is a real issue for people in London, particularly in respect of the impact that these shady characters have on our London property market? It is a tragedy that Londoners, who want to remain in London, have to move outside it because these criminal elements are messing up the international finance system.

John McDonnell:

That confirms the need for open and public disclosure of beneficiary ownership and beneficiary interests. As my hon. Friend and every London MP knows, speculation with property in this capital city denies many of our constituents a decent roof over their heads.

Mossack Fonseca exploited the presence of loopholes and entire jurisdictions that favour secrecy and minimal taxation. We can expect further news over the next few weeks and months, as the investigative work continues. Yesterday the Panama headquarters of Mossack Fonseca was raided, but 10 days on since the initial leak, I believe that its UK offices in Hitchin—not far away—have not been, despite the raising of concerns by the firm's founder about the lack of due diligence performed by the UK office in relation to a company in its charge, and a clear legal precedent for the UK authorities to intervene.

There may be more revelations to come, set to tarnish individual reputations. I put this mildly: the Prime Minister has done himself no favours over the last 10 days. A lesson for the future is that, when asked a straight question, one should answer straightforwardly and straight away. The Prime Minister

could and should have come clean about his relationship with Blairmore Holdings far earlier.

Sammy Wilson (East Antrim) (DUP):

Perhaps the hon. Gentleman will give a straight answer to a straight question. Does he regret the support that he gave to the

IRA? They are still laundering money and still avoiding taxes in Northern Ireland, and he supported their activities in the past.

John McDonnell:

I have never given the IRA support in relation to money laundering or any other activity. Let me make absolutely clear that wherever laundering takes place, it is illegal and should be tackled, and I shall welcome the hon. Gentleman's future contribution to the establishment of procedures to ensure that that happens.

Jo Cox:

Having spent 10 years as an aid worker, I am acutely aware of the millions of pounds that are lost to development in poor countries as a result of these tax havens. Does my hon. Friend agree that, before the anti-corruption summit that will take place in London in May, the Prime Minister needs to do far more to reassure the House that he will accelerate his efforts to persuade British overseas territories to mirror the United Kingdom's welcome move, and establish a transparent public register of beneficial ownership?

John McDonnell:

The issue of a public register is critical to any measures that are taken in the future, because such a register will enable these kleptocrats to be held to account—particularly in the developing world, where they have denied development resources to the economies of their countries.

Andrew Gwynne (Denton and Reddish) (Lab):

Transparency throughout the Crown dependencies and the overseas territories is, of course, crucial. Does not the lack of such transparency further reinforce the message to our constituents that there is one tax rule for the rich and powerful, and another for everyone else?

John McDonnell:

One of the key things that I think the whole House must do in the coming period is re-establish the credibility and fairness of our taxation system, which

has been so badly damaged.

Christopher Pincher:

The shadow Chancellor has called for greater transparency on the part of the Crown dependencies. Can he explain why this is the first time he has made such a call? Why he did not make such calls during the 13 years of the last Labour Government?

John McDonnell:

May I ask the hon. Gentleman—[Hon. Members: "Answer!"] I am. Calm down.

If the hon. Gentleman looks at my parliamentary record over the last 18 years, he will see that I was one of the first MPs to set up the tax justice meetings in the House that brought the Tax Justice Network here, and to do the necessary research. He will also see that, as shadow Chancellor, I have commissioned a review of HMRC's activities in terms of the tax base, including those relating to avoidance and evasion. However, I understand his concern. I have worked on this issue on a cross-party basis for a number of years, and have criticised successive Governments for not doing enough.

Albert Owen (Ynys Môn) (Lab):

My hon. Friend has spoken of tax fairness. Does he agree that the Panama papers have revealed a channelling of moneys to the very rich while the poor have to pay their taxes, and that that comes on top of a Budget in which capital gains tax was cut for the top 3% through changes in personal independence payments for the disabled? Does that not show that we are not "all in it together"?

John McDonnell:

I think that what people found extremely disappointing in the Budget debate was that, as my hon. Friend says, the cut in capital gains tax was being paid for by cuts in benefits for people with disabilities. That did indeed demonstrate very starkly that we were not all in it together. Perhaps these revelations will enable us to take steps towards the establishment of a fair taxation system that will fund our public services effectively.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC):

I thank the shadow Chancellor for being so generous with his time. Last night, an all-party parliamentary group to which I belong held an excellent meeting with a journalist from The

Guardian and the campaigners who exposed the scandal. They informed us that openness and transparency in the overseas territories could be achieved quite simply through an Order in Council from the United Kingdom Government. The achievement of those aims is a matter of will on the UK Government's part.

John McDonnell:

My hon. Friend the shadow Leader of the House made that point last week, giving example after example of cases in which Orders in Council had been issued. They have been used very effectively by successive Governments, and it bewilders me that this Government are not taking that opportunity now.

Even today, we have not seen the Prime Minister's full tax return or that of the Chancellor, and it is important that that should happen. The Prime Minister established the principle, which I advocated three months ago, that the Prime Minister, the Chancellor, the Leader of the Opposition and the shadow Chancellor should publish their tax returns—not summaries; their full tax returns—but that has not happened.

However, what confronts us today is an issue far bigger than any individual. At the centre of the allegations is a single issue. The fundamental problem is not tax avoidance by this individual or that company; those are symptoms of the disease. The fundamental issue is the corruption of democracy itself. At the core of our parliamentary system is the idea that those who levy taxes on the people are accountable to the people. If those who make decisions about our taxation system are believed to be avoiding paying their own taxes, that undermines the whole credibility of our system.

John McDonnell:

I had better give way to the hon. Member for Newark (Robert Jenrick) first, because otherwise he will be disappointed.

Robert Jenrick:

I am grateful to the shadow Chancellor. May I hark back to the point about Orders in Council? Was the shadow Chancellor surprised to learn that his friend and leader, the right hon. Member for Islington North (Jeremy Corbyn), once described the use of Orders in Council by the last Labour Government as "extremely

undemocratic” and, in fact, “medieval? Does he think that the Leader of the Opposition is a johnny-come-lately on this issue?

John McDonnell:

It depends on the issue that is being addressed. Sometimes harking back to the medieval period may be the most effective way of dealing with these problems. The common understanding is also that those who live here and benefit from public services will make a proportionate contribution towards them. The level of taxation may vary—sometimes it is higher, sometimes lower—but because we have a shared sense of fairness, we expect those with the broadest shoulders to carry the greatest burden in taxes. Over the last 30 years, however, we have witnessed the growth of wealth inequality on such a scale that it has undermined that basic principle of democracy. Figures from Oxfam suggest that the richest 1% own more than the rest of the world combined.

Great hoards of assets, in property and in financial wealth, have been built up. According to the best available measures, the levels of income inequality in Britain today are climbing as high as they were at the time of the first world war. The share of income going to the super-rich has risen almost inexorably for three decades. We are returning to the levels of inequality that were experienced before universal suffrage—before women had the vote, and before the development of universal free education and healthcare—in a world that existed before the gains of democracy brought obscene levels of wealth inequality under control, and created a more humane society for the majority.

The world of the Rockefellers and the robber barons is the one to which we are returning: a world in which there is immense, almost unimaginable wealth for a gilded elite, but insecurity for growing numbers. Much of that wealth is now held offshore in secretive, unaccountable tax havens. According to the most recent estimate, \$21 trillion dollars, equivalent to a third of global GDP, is hidden from taxation systems in global tax havens. It is estimated that, if taxed fairly, that wealth would raise \$188 billion a year in extra taxation.

This is not about a few families seeking to “minimise their tax bill”,

as was claimed by the hon. Member for Gainsborough (Sir Edward Leigh). It is systematic. An offshore world is operating parallel with the world in which the rest of us live. This is not an accident. The offshore world is being constructed, piece by piece, by multinational corporations and the super-rich, aided by shady offshore operations such as Mossack Fonseca, and—we must be honest about this—supposedly reputable accountancy firms here in London are also playing their part. According to the Public Accounts Committee, PwC has aided tax avoidance “on an industrial scale”. Deloitte has advised big businesses on avoiding tax in African countries. Ernst and Young act as tax advisers to Facebook, Apple and Google and just last month KPMG had one of its tax-avoidance schemes declared illegal by the High Court. Together, the big four accountancy firms in this country earn at least £2 billion annually from their tax operations.

But it is not just them. Banks headquartered and operating in London have been particularly proficient in directing their funds through Mossack Fonseca shell companies. HSBC and its affiliates created more offshore companies through Mossack Fonseca—over 2,300 in total—than any other bank. Coutts, a subsidiary of RBS, created over 500 offshore companies through its subsidiary in Jersey. Supposedly reputable companies are aiding and abetting the systematic abuse of our tax system.

We should be clear: the City of London is being viewed by many as a tax haven in the middle of a dense network of havens created for the super-rich to avoid the taxes the rest of us must pay.

James Cartlidge:

Does the hon. Gentleman accept that in 2010 the richest 1% contributed 25% of all tax, and does he welcome the fact that the Chancellor revealed in the Budget that that has now increased to 28%?

John McDonnell:

It is not just a matter of tax, is it? It is not just a matter of income tax, either. Of course I recognise those figures, but distributional analysis has been undertaken independently of the Government. Conservative party policy since 2010 has seen some of the biggest losses for the poorest, not

the wealthiest. The Women’s Budget Group put together the tax gains, the tax paid, the services cut and the benefit cuts. The poorest 10% will lose 21% of their income annually as a result of this Government’s policy—five times more than the top 10%. The analysis of the Institute for Fiscal Studies clearly shows that this year’s Budget hits the poorest 80% harder than the richest. Eighty per cent. of those cuts fall on whom? It is on women.

Huw Merriman (Bexhill and Battle) (Con):

I am grateful to the hon. Gentleman for giving way—he is always generous with his time. As well as appreciating the fact that 1% of the highest-income earners pay 28%, would he consider that since 2010 this Government have taken millions out of tax altogether by increasing the tax allowance—it is now £11,500?

John McDonnell:

Let me deal with the tax threshold issue. The IFS has said that the biggest gains from the shift in the lower tax thresholds come for the higher earners. They are the ones who get the most and they benefit from the tax threshold moves. It describes the shifting of the tax thresholds as

“very much a giveaway to the better off”. This is a world that the super-rich inhabit. They live by different rules and it is an alien world for the majority of the rest of us.

Maria Caulfield (Lewes) (Con):

Does the hon. Gentleman agree that his party’s opposition to the removal of the family home from the income tax threshold affects those on the lowest incomes in London and the south-east because it will mean that only the wealthy can afford to stay in London when the family home is sold and they have to pay inheritance tax?

John McDonnell:

The hon. Lady makes an important point. We have supported the increase in tax thresholds to try to take people out of tax altogether, but the benefits overall have actually accrued to the highest earners rather than the lowest and we need a more sophisticated system than that. With regard to inheritance tax, the cut that was made this time around by the Government benefited the top 5% of the population. There must be a better way of ensuring that people can pass on their wealth to their children, rather than just

benefiting the super-rich. We have to look at that again. I am happy to do that and meet her to discuss it.

Maria Caulfield:

I thank the hon. Gentleman for being extremely generous in giving way, but there are low-income families in London and the south-east whose home's value has increased beyond recognition. They are now asset rich but income poor. How will the Labour party help them if it does not take them out of inheritance tax?

John McDonnell:

The important thing now, as my hon. Friend the Member for Bolsover (Mr Skinner) has said, is that we build more homes to house those people. That will be an effective way of reducing prices, too. That will give access to home ownership to thousands more in the capital.

Mr David Anderson (Blaydon) (Lab):

Can we put this discussion on thresholds to bed once and for all? The people who are paying 28% income tax will get a small rise. Every one of us standing here will get a 10% pay rise next year and we will get a much bigger tax threshold rise than the ordinary men and women of this country. That is what they cannot understand. We and the super-rich are getting richer. They keep getting poorer. That is what this debate is about—it is about fairness.

John McDonnell:

We have to find a better way in our taxation system to benefit those at the lower end of the scale. At the moment, although we are happy with the rise in tax thresholds, there needs to be a way to compensate for that more equitably. Again, it is not us saying this; it is the IFS and many other independent assessors. They are saying that this is not the most effective way of redistributing wealth in this country.

May I go back to my speech? I do not want to try your patience, Mr Speaker.

It is an alien world for the majority of us. It is a world of offshore trusts and legal trickery that would put Byzantium to shame; a world in which it is perfectly normal to buy property in London through a company registered in the British Virgin Islands, managed by lawyers in Panama with offices in Bermuda; a world in which citizenship and attachment to a country are something to pick and to choose

depending on price. The scandal of the “non-doms” continues, in which a few super-rich can pay a notional fee instead of the taxes that would otherwise be due from them as residents.

Tucked away in this year's Budget was an extraordinary clause that wrote off selected non-doms' entire capital gains tax bill on any gains made before April 2017—a giveaway to the wealthy. This is not the world that most of us live in. Most of us pay our taxes. Contrary to the shocking opinion of the right hon. Member for Rutland and Melton (Sir Alan Duncan), that is not because we live in a country of “low achievers”, as he described them. We do so because we understand that a decent society depends on the contributions all of us make. Without the payment of taxes, we cannot run the public services that are essential to a decent society.

We do not have access to the specialist services that Mossack Fonseca and other companies provide. We cannot negotiate with HMRC about when and how much to pay in tax. However, for the global elite, tax avoidance is as much a part of their world as the yachts and the mansions. This world is a corrosive influence on our democracy. The more the super-rich can escape the burden of taxation, the more it falls on the rest of us in society.

It is morally wrong that a billionaire oligarch should be paying proportionately less in taxes than the migrant cleaner of his mansion. It is a disgrace that an immense global corporation such as Google should pay no corporation tax for nearly a decade, while small businesses are chased for tiny amounts. It is an affront to the basic principles of our democracy that large corporations should be able to negotiate sweetheart deals with HMRC. [Interruption.] It is also a corrosion of democracy when a revolving door apparently exists between HMRC, charged with collecting taxes—[Interruption.]

It is a disgrace that an immense global corporation such as Google should pay no corporation tax for a decade, while small businesses are chased for tiny amounts. It is an affront to the basic principles of our democracy that large corporations should be able to negotiate sweetheart deals with HMRC. It is also a corrosion of democracy when a revolving door apparently exists between HMRC,

which is charged with collecting taxes, and major accountancy firms whose business depends on minimising taxes. HMRC's last director went to work for Deloitte, and now we find that the executive director appointed by HMRC to oversee its inquiry into the Panama leaks is a former adviser to tax havens who believes that tax is a form of “legalised extortion”. The structures of Government are being bent out of shape by tax avoidance. Decisions are warped around the need to protect the interests and wealth of the super-rich and of giant corporations. Democracy becomes corroded.

On party donations, the Conservatives receive more than half their election campaign funding from hedge funds. In public view, here in London, its party leadership has made loud and repeated noises about tax avoidance, yet its MEPs in Brussels have voted six times, on instructions from the Treasury, to block the EU-wide measures against tax avoidance. As we have heard in evidence this week, the Prime Minister lobbied the EU Commission in 2013 to remove offshore trusts from new tighter EU regulations on avoidance. The Conservatives' own record reveals that people no longer trust them on this issue. Not only have they impeded efforts to clamp down on tax avoidance, but these schemes directly implicate senior figures in the Conservative party. Several Conservative party donors, three former Conservative MPs and six Members of the House of Lords are among those with connections to companies on the books of the offshore law firm Mossack Fonseca.

As the super-rich flee their obligations to society, the burden of taxation is pushed elsewhere. As I have said, independent assessments of the tax and benefit changes introduced since May 2015 show that the poorest 10% are forecast to see their incomes fall by more than 20% by 2020, with 80% of the burden falling on women. It is the poorest and those least able to carry the burden who will suffer the most under this Government. An economic system that allows tax avoidance on this scale is one in which the inventor and the entrepreneur come second to the owner of wealth, the worker comes second to the plutocrat and the taxpayer come second to the tax dodger. It is a system in which inherited wealth and

privilege, rather than talent and effort, are rewarded.

There has been criticism of the last Labour Government, and I was not enamoured of all their economic policies, but they did take measures against avoidance. Their measures on corporation tax avoidance are forecast—not by me, but by the Financial Times—to raise 10 times as much revenue as the present Chancellor’s schemes.

The Panama leaks must act as a spur to decisive action. In response to the leaks, the Government have stepped up their rhetoric on tax evasion but much of what has been announced falls short of what is needed or repeats existing announcements. I remind Ministers that page 223 of the Office for Budget Responsibility report that accompanied this year’s Budget outlined a disclosure scheme for companies operating in Jersey, Guernsey and the Isle of Man. The report said that owing to HMRC’s consistent underfunding, it did not have the resources to follow up on the links of the scheme. I again offer some words of advice to those on the Government Front Bench: fewer press releases and more action. It is time to move on and to close down tax havens and clean up this muck of avoidance.

Let us take this step by step. We need an immediate and full public inquiry into the Panama leaks. The Government’s proposed taskforce will report to members of the Government, the Chancellor and the Home Secretary, who are members of a party funded by donors featured in the Panama papers. To have any credibility, the inquiry must be fully independent. We must shine a light on, and start to prise apart, the corrupt networks that operate through tax havens. Part of that will involve creating a proper register of MPs’ interests. Members of this House should not be able to hide behind spurious claims of privacy. We want HMRC to be properly resourced to chase down the tax avoiders, with a new specialist unit dedicated to the task. Foreign firms bidding for Government contracts here should be required to name their owners. Full, public, country-by-country reporting of earnings and ownership by companies and trusts is a necessity if fair amounts of taxation are to be charged.

The measures announced by the EU this week do not go nearly far enough,

requiring only partial reporting by companies. The turnover threshold is far too high, and Labour MEPs in Europe will be pushing to get that figure reduced much lower to make it more difficult for large corporations to dodge paying their fair share of tax. Banks need to reveal the beneficial ownership of companies and trusts they work with. That means creating a public register of ownership of companies and trusts, and not only of companies, as the Government are currently enforcing. The Prime Minister has a role to play in this, as it was he who lobbied for the exclusion of trusts from the proposed EU measures. Labour will work alongside leading tax experts to lead a review into publishing a public register of the trusts too often used to avoid paying tax and reduce transparency in our tax system.

We must ensure that Crown dependencies and overseas territories enforce far stricter minimum standards of transparency for company and trust ownership. The Government’s current programme for reform is being laughed at by the tax havens. As my right hon. Friend the Leader of the Opposition said today, it was only this week, after signing a new deal on beneficial ownership, that the Cayman Islands Premier Alden McLaughlin celebrated a victory over the UK, saying: “This is what we wanted, this is what we have been pushing for three years”. The truth is that the Government are playing into the hands of those who want to abuse the tax system.

We need serious action on enforcement. We need not central registers but, as Christian Aid and others are calling for, full public registers accessible to all, including journalists and other businesses, if we are going to curb the activities exposed in the Panama papers. This package of measures is Labour’s tax transparency and enforcement programme. We believe that it offers a sound basis to take the first necessary steps against avoidance and towards openness and transparency. We are presenting it today as we want to see immediate effective action.

This is a test of leadership. The leadership of the Conservative party could take this opportunity to correct the series of errors that it has made. It could join us today in taking effective steps towards dealing seriously with avoidance. People want to see the

Conservatives take these steps. Otherwise, they will rightly stand accused of siding with the wrong people and of being the party of the tax avoiders. Incidentally, it was not long ago that the Chancellor of the Exchequer appeared on television to give advice on the “pretty clever financial products”, as he described them, that would allow the wealthy to dodge inheritance tax.

Mr Dennis Skinner (Bolsover) (Lab):

Dodge? Can you use that word?

John McDonnell:

Don’t tempt me, Mr Speaker.

Some of the Conservative party’s Back Benchers believe that tax avoidance is a sign of success. The party’s donors are named in the Panama papers, and the Prime Minister himself is a direct beneficiary of a scheme set up in an offshore tax haven through his prior ownership of Blairmore Holdings shares.

The Panama leaks have presented a stark political choice. Do we continue to allow a system of corruption and avoidance, or do we now take the action necessary to restore fairness to our taxation system and to correct the abuse of democracy? That is the challenge, and the choice, ahead of us. I urge the Government and all Members of this House to join us in a serious programme of work to tackle the abuse of our tax system. The Government can make a start by supporting our motion today and adopting Labour’s tax transparency enforcement programme. I commend this motion to the House.

We have the best government that money can buy.
Mark Twain

We are buried beneath the weight of information, which is being confused with knowledge; quantity is being confused with abundance and wealth with happiness. We are monkeys with money and guns.

Tom Waits

Charles Clarke and Corbyn's "tacit support" for bin Laden

by Dick Barry

According to an editorial in the London Evening Standard of 30 March, Charles Clarke, Labour Home Secretary (December 2004-March 2006) in Blair's government, launched a 'scathing attack today on the failure of Jeremy Corbyn and some of his most senior allies to vote in favour of outlawing al Qaeda six months before 9/11....' (It was also reported in the anti-Corbyn Daily Mail, The Sun and Daily Telegraph). The editorial goes on to say 'But Mr Clarke's accusation that Mr Corbyn--along with John McDonnell and Diane Abbott--gave "tacit support" to bin Laden's fanatics at a time when all three politicians should have known better is significant because it echoes charges about the Labour leader's judgement and attitudes which have resonated throughout his political career and continue to be levelled against him today.'

Clarke's accusation is based on Corbyn's refusal to support the draft Terrorism Act 2000 (Proscribed Organisations) (Amendment) Order 2001, which was laid before the House of Commons on 28 February 2001. This added 21 organisations to an existing list, including al Qaeda. The new list of proscribed organisations was supported by 396 MPs and opposed by 17. The 17 MPs (12 Labour, 4 Plaid Cymru and 1 Conservative) were: Diane Abbott, Tony Benn, Michael Clapham, Jeremy Corbyn, Denzil Davies, Neil Gerrard, Ieuan Wyn Jones (Plaid Cymru), Jenny Jones, Sir Peter Lloyd (Conservative), Elfyn Llwyd (Plaid Cymru), John McDonnell, Jim Marshall, Alan Simpson, Dennis Skinner, Simon Thomas (Plaid Cymru), Robert N Wareing, and Dafydd Wigley (Plaid Cymru). Only Abbott, Corbyn, McDonnell and Skinner are

currently MPs.

The interesting question is, would Corbyn's support for the inclusion of al Qaeda on the list of proscribed organisations have prevented the 9/11 attack on the twin towers in the USA? In other words, does a proscribed list greatly reduce, or prevent, the risk of attack by any of the organisations on it? Al Qaeda was added to the proscribed list after 9/11 but that didn't prevent the 7/7 (7 July 2005) attacks in London which the London Evening Standard (and Clarke) failed to mention. Could it be because Clarke was Home Secretary at the time?

According to Statewatch News (see below) Home Secretary Jack Straw, used the powers to ensure that "the United Kingdom does not become a base for international terrorists and their supporters." However, in spite of Straw's efforts and Clarke's faith in proscribed lists, that has happened. ISIS/ISIL/Islamic State is now on the list but it hasn't prevented it operating as a recruiting agency in the UK.

Clarke knows this but has to pretend that proscribing an organisation makes a significant difference. Politicians have to be seen to be doing "something" about the perceived threat from terrorism. Just as the security services have to claim that the threat is real and imminent so that politicians can introduce legislation like that referred to by Clarke. But the really interesting question about Clarke's attack on Corbyn is, what was his motive? A cynic would suggest that as a former Home Secretary he was put up to it by one of Corbyn's opponents in the Parliamentary Labour Party. But I couldn't possibly comment.

The website of **Statewatch News** has the following information about the addition of the 21 new

proscribed organisations:

The Terrorism Act 2000 (see Statewatch vol 10 no 5) came into force on 28 February 2001 and widens the definition of "terrorism". It also as makes anti-terrorist legislation permanent and gives the Home Secretary powers to proscribe organisations "concerned with terrorism" in the UK or abroad. Jack Straw, the Home Secretary, used the powers to prepare a list of 21 organisations to be proscribed, none of them British, to ensure that "the United Kingdom does not become a base for international terrorists and their supporters". Republican and loyalist organisations in Northern Ireland were previously the only ones to be proscribed. The Terrorism Act 2000 (Proscribed Organisations) (Amendment) Order 2001 came into force on 29 March, after debate and approval in the parliament, where the order could only be approved or rejected wholesale. There was criticism over the inclusion of groups from countries where repressive regimes prevent the exercise of democratic rights and criminalise dissent. It is likely to result in the criminalisation of people granted political asylum in the UK because of the persecution which their membership of one of the newly-proscribed organisations entailed.

Definition

A terrorist organisation is defined as "any association or combination of persons" which "commits or participates in acts of terrorism, prepares for terrorism or encourages terrorism or is otherwise concerned in terrorism". Offences related to proscription include a) membership of a proscribed organisation, b) inviting support, including fund-raising, for a proscribed organisation, c) managing

or assisting in the arranging of meetings to support or further the activities, or to be addressed by a member of a proscribed organisation and d) addressing a meeting where the address encourages support for a proscribed organisation. Those found guilty are liable, on conviction, “to imprisonment for a term not exceeding ten years, to a fine or both” or “on summary conviction”, to imprisonment for no more than six months, a fine, or both. Persons wearing an item of clothing or wearing, carrying or displaying “an article, in such a way or in such circumstances as to arouse reasonable suspicion that he is a member or supporter of a proscribed organisation” in a public place, will be liable to imprisonment for up to six months, to a fine or both.

An open list

Twenty-one groups chosen by Jack Straw were proscribed based on information including classified material from UK and foreign intelligence services, along with police, security and legal advice. They are: Al-Qa’ida, the Egyptian Islamic Jihad, Al-Gama’at al-Islamiya, the Armed Islamic Group (GIA), the Salafist Group for Call and Combat (GSPC), Babbar Khalsa, the International Sikh Youth Federation, Harakat Mujahideen, Jaish e Mohammed, Lashkar e Tayyaba, Liberation Tigers of Tamil Eelam (LTTE), the Hitzballah External Security Organisation, Hamas-Izz al-Din al-Qassem Brigades, the Palestinian Islamic Jihad -Shaqaqi, the Abu Nidal Organisation, the Islamic Army of Aden, Mujaheddin e Khalq, the Kurdistan Workers’ Party (PKK), the Revolutionary Peoples’ Liberation Party (DHKC-P), ETA and the November 17 Revolutionary Organisation. This is an open list to which groups can be added in the future or removed using a procedure which allows applicants to appeal against their inclusion, first to the Home Secretary, and if refused, to the newly-established Proscribed Organisations Appeal Commission (POAC), chaired by Sir Murray Stuart-Smith, appointed by the Lord

Chancellor, Lord Irving. In the case of a refusal to un-proscribe by the POAC, the applicant(s) may lodge a further appeal with the Court of Appeal.

In cases where proscription was based on confidential information available to the Home Secretary, it will be difficult for organisations to mount effective appeals without access to such information. In the House of Lords debate on 27 March, Lord Archer of Sandwell was critical of the fact that Parliament’s lack of information stifled debate, reducing its chance of exercising any “control over the executive”. He added criticism of the Home Secretary’s failure to consult human rights bodies in making his decision, and of the retrospective nature of the appeals procedure: “there is something distasteful about a process which begins by convicting someone and then proceeds to inquire whether there is a case against them”.

Selection criteria

The Home Secretary has to take into account, when making a decision, factors including:

“a) the nature and scale of an organisation’s activities; b) the specific threat that it poses to the UK; c) the specific threat that it poses to British nationals overseas; d) the extent of the organisation’s presence in the UK; and e) the need to support other members of the international community in the global fight against terrorism”.

Lord Avebury took exception to the fact that “any armed opposition group or anybody who supports an armed opposition group in whatever country”, including repressive regimes, “in the world is ipso facto a terrorist”. He reminded the House of US support for UNITA in Angola, the mujaheddin in Afghanistan and attempts to persuade the Shi’a in Iraq to rise against Saddam Hussein. On the other hand he said that under the Terrorism Act Nelson Mandela and the Zimbabwean (post-1980) and East Timorese (post-1975) resistance movements would have been considered terrorist.

Selection criteria inadequate?

Lord Avebury highlighted contradictions in the Home Secretary’s selections, with reference to the selection criteria. “11 of the 21 organisations have no overt presence in the UK, or only one or two members who are already being held on extradition warrants”, he said. In these cases proscription would therefore amount to no more than an official “badge of disapproval”. Some of the newly-proscribed groups are from countries where repressive regimes prevent them from exercising democratic rights. Lord Rea claimed he was puzzled by the inclusion of the PKK when it has been keeping a cease-fire for two and a half years in spite of continued attacks from the Turkish army which “is illegally and relentlessly pursuing members or supporters of the PKK who are sheltering in Iraq”. He spoke of the UK and US “connivance”, in allowing “Turkey to send helicopter gunships and other aircraft across the no-fly zones”. The PKK was not proscribed when it was engaged in terrorist activity, but it is when it has committed to pursuing “its aims by political means”. Lord Avebury added that the Home Secretary failed to consider whether “the [proscribed] organisation could have sought its objectives peacefully through the political system”. He pointed to the Kurds, who are not recognised as a minority in Turkey, and the People’s Mujaheddin of Iran (Mujaheddin e Khalq) to illustrate his point. In the first case, where Kurds are not recognised as a minority, and “advocacy of internal self-government ... is prosecuted under ... terrorism law”; in the second, anyone questioning “the supremacy of the religious leader ... is a criminal”, and widespread executions and murders by the Iranian authorities against its members have been documented.

Listening to Italy

by Orecchiette

WHO DIED?

On 12 April a strong political earthquake reverberated across Italy when Italians heard about the unexpected death of Gianroberto Casaleggio. The British press appeared not to notice. Only the on-line Independent and Mail announced his death in a short passage. The assumption following this omission is that the man was of no significance. Far from it. Nigel Farage called him a genius. Who was he?

This was the leader of the party that received the highest number of votes in the last, 2013 Italian General Election. It was not the everlasting Silvio Berlusconi, whose Forza Italia (Fi) won 21.56% of the vote, nor the premier Matteo Renzi whose Partito Democratico (Pd) netted 25.42%, but Gianroberto Casaleggio, whose Movimento Cinque Stelle, The Five Star Movement (M5S), received 44,981 more votes with a total of 8,689,168 or 25.55% of the poll. The Pd went on to be the governing party because of political alliances that made it the largest group. The winning group receives a premium of additional seats to boost its parliamentary stability. In any event Casaleggio's position was that M5S would be compromised if it collaborated with other Italian politicians and parties (who he considered corrupt) to run the country. One of his powerful selling points was that Italian voters strongly agreed with his views on the endemic corruption.

Somewhat oddly, for two people with such a political following and power, neither Casaleggio nor his co-leader Beppe Grillo have ever put themselves up for election. Actually that's not strictly true. Casaleggio was a candidate for Berlusconi's Fi party in a 2004 local election. He was last of three candidates with seven votes. However he came across then, certainly during the political life of M5S, he was never a man feted for his charisma. Someone who worked closely with him, another IT specialist, said that they had in common the need to work in silence. Interestingly, no M5S candidates for any elected post, be it lower or upper house or mayor, can have previously stood for election for any of, what he considered to be tainted political parties. Casaleggio also believed that politics was not a career and "his" candidates could only stand for two terms.

The British press wrongly referred to M5S as Beppe Grillo's party. Comedian Beppe Grillo is called the co-founder, but

he worked as the mouthpiece of Casaleggio, who preferred to work quietly in the background. Shortly before his death Casaleggio entered a Milan clinic under the anonymity of an assumed name, so his demise seemed sudden. Not a dapper figure, he was very pale, thin, with voluminous long grey hair and a cap balanced incongruously on top. In retrospect the pallor and greatcoats did indicate someone either shy, ill or both.

M5S is not a party. It does not have party conferences as the UK or other European countries know them. But then neither does Berlusconi's Fi; they have in common that both men work, or worked, as dictators. M5S can best be described as a brand, owned by Casaleggio Associates, run by Casaleggio himself as Managing Director. Perhaps he can be compared to the other dead IT innovator, Steve Jobs.

M5S formed itself around five star points: public water, sustainable transport, sustainable development, right of internet access and environmentalism. Its business mechanism is the internet, which Casaleggio believed would give direct democracy, which he saw as the development of representative democracy. He failed to see the contradiction behind this and his often criticised dictatorial methods. Casaleggio believed that within 40 or so years there would be a world-wide government or forum where all global decisions would be made by citizens over the internet.

The day to day business of the movement was disseminated by what was called "Beppe Grillo's Blog" www.beppegrillo.it. Many decisions, from the choice of candidates to whether a parliamentarian was overstepping the mark, were subject to an internet vote of members. This seemingly democratic device was controlled by Casaleggio. He actually wrote the blog with, it appears now, the help of his son Davide.

The Italian political earthquake reverberated until the funeral a week later. Beppe Grillo was uncharacteristically speechless for days. Unable to cope with the loss of his leader it seemed as if he had not anticipated and planned for this inevitable day. That he was only the puppet became completely clear. Casaleggio had tried to promote his son to be a key player within M5S and recently had made a weak attempt to "abdicate" in favour of son Davide. One of the oddities of the Casaleggio brand is that elected members are not permitted to give press conferences

and must only parrot the official line. Elected members have been voted out for giving their personal opinions in public. So obvious successors, Davide apart, were neither promoted or tolerated.

The stark truth of M5S's position as a rudderless ship was articulated as soon as the initial shock had allowed members and of course, the political establishment, to take stock. There was talk of civil war within the Movement. The executive of the M5S includes three young men who hold positions, even though they were limited in extent by Casaleggio. But as they also hold office as members of the parliament they can, (and have), advertise their presence by speaking in their parliamentary roles. This trio of Luigi De Maio (aged 29), Roberto Fico (41) and Alessandro Di Battista (37) were seen together, like the three monkeys, in press photos during the mourning period. Luigi de Maio, thought by Casaleggio senior to be pushy, has been capitalising on his parliamentary position as Deputy Speaker of the Lower House to publicise himself as the future leader. He quickly visited three capital cities, including London. *La Stampa* reported that both Boris Johnson and Nigel Farage snubbed him. UKIP is in the same Euro group, EFDD, Europe of Freedom & Direct Democracy as M5S. *La Stampa* pictured him with a rather uncomfortable looking Jeremy Corbyn.

On 25 April *Corriere della Sera* ran a long positive article about Davide Casaleggio. Briefly, his mother is British, he graduated in business economics followed by an MA in London. *Corriere's* staff writer, Marco Imariso, believes that Davide considers himself to be a manager, not a politician. But it is obvious that he is also tactician. He has capitalised swiftly on two points. Importantly in a digitally-managed brand he holds all the passwords. He also lives in Milan, rather than Rome, where the trio are centred. Significantly he registered the domain name www.ilblogdellestelle.it (literally: the blog of the M5S) back in November 2015. He has now transferred the official business from www.beppegrillo.it to this new domain. The implications are clear. He is in control. And he is not immediately sharing it with either Beppe Grillo or the executive trio. The way ahead is not at all clear and will have wider implications for Italian politics.