

Labour Affairs

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Labour, the Unions and Workers on the Board: A Defining Moment

The election of Jeremy Corbyn has pushed the centre ground of British politics to the left. Teresa May, ever the eagle-eyed opportunist, was quick to spot this and is occupying the space she believes will bring electoral rewards to the Tories. With the latest Tory slogan 'A country that works for everyone' and warm words about looking after the working class, she is clearly appealing to UKIP and Labour voters who feel that they were neglected by previous governments, both Labour and Tory. Most of this is mere rhetoric. We have yet to see concrete proposals before we can be convinced that she means what she says. However, her promise to protect employment rights, once Britain leaves the EU, and to put workers on the boards of companies, ought to be a cause of concern for Corbyn and Labour. It is now up to Corbyn and Labour to flesh out policies on these which would be more in workers' interests.

Thirty nine years ago the Bullock Inquiry on Industrial Democracy published its findings. It proposed a scheme for employee representation on the boards of companies with at least 2,000 employees. Bullock proposed a formula whereby equal proportions of shareholder and employee representatives would be elected and a third element with more than one member from outside these two groups should be co-opted. This was the '2x + y' formula.

Bullock arose from a need to accommodate the industrial strength of the trade unions in ways that were not merely disruptive. It foundered on the fact that the unions were blind to the consequences of the exercise of untrammelled collective bargaining. They were comfortable with 'management's right to manage'. Labour's support was at best lukewarm and 'left wing' politicians like Neil Kinnock denounced the Bullock proposals as an invitation to class collaboration. A year before, the German social democrats had radically extended industrial democracy in German firms, introducing the structure that has worked so well for Germany until the present day. But Labour and the unions were not interested in what Johnny Foreigner was up to, even if it worked.

The failure of Bullock led, within two years, to Thatcherism

and the long decline of the trade union movement and a transition from irresponsible trade unionism to thoroughly irresponsible capitalism, to such an extent that an incoming Tory Prime Minister has felt obliged to revive the spirit of Bullock and to propose putting workers on the board.

The TUC has been ably and courageously led for several years by its General Secretary, Frances O'Grady. She has consistently campaigned in the teeth of an apathetic, if not hostile trade unions movement for workers on the board of British firms. Labour Affairs interviewed her just two years ago and it was clear then that she was serious about pushing the agenda for industrial democracy. Since then, the TUC has developed its plans for industrial democracy in Britain into a coherent and radical proposal. In this issue of Labour Affairs we publish a summary of these proposals. The time has now come for industrial democracy in this country after a bleak 39 years of trade union decline. Can the trade unions and the Labour Party avoid repeating this dismal history?

It cannot be stressed too much that what Theresa May is proposing, for all its vagueness, is way to the left of anything that 'Red Ed' Miliband, let alone Blair and Brown, would have dared to contemplate. The idea that workers could have a say in how their companies should be run would, in their view, have enraged the right wing press and was thus inadmissible. As with the new training levy, the Tories have now outflanked Labour on the left on economic issues. They have positioned the Blairites in the Parliamentary Labour Party looking utterly irrelevant to contemporary British politics.

So-called 'Red Toryism', which had some brief publicity after the Coalition government took office, seems to have actually put down roots in a way that Maurice Glasman's 'Blue Labourism' never did in the Labour Party. Consequently the Blairites appear to have nothing coherent to say about the Tory proposals. The TUC and Jeremy Corbyn on the other hand have welcomed them. This makes them relevant to Britain's problems and its politics in a way that the 'realistic' parliamentary party cannot be.

There is no doubt that most capitalists and a good section of the Tories will fight to emasculate May's proposals. They are used to being irresponsible capitalists and would like to remain that way. If the trade unions and Labour are apathetic, the current move to industrial democracy will surely fail. Jeremy Corbyn needs to realise that industrial democracy is not just 'nice but not necessary' It is the key to making both Labour and the trade unions relevant to British politics once again.

The TUC's proposals are realistic and well thought out. They propose that one third of directors on company boards should be elected by employees for firms of 250 employees and above. This would cover approximately half the British economy by GDP. For firms with between 250 and 100 employees, an employee ballot would trigger provision for worker representation in the same proportion as in larger firms, thus bringing a large proportion of the British economy into industrial democracy. The TUC argues that not only should worker representation be a matter of natural justice given the stake that workers have in their firms in terms of their livelihoods, but worker representation would discourage groupthink, a short term approach to profitability and share price, and would encourage investment.

The report could have gone further and pointed out that workers on the board will be able to promote measures to increase productivity through investment in worker know-how, pushing the company's products up the value chain and making them more competitive internationally, as well as improving the wages of workers currently languishing in low-skill low quality employment. This is why the TUC's intention to push workers on the board deep into the small and medium size enterprise (SME) sector of the economy is so important. The TUC has carefully researched the European experience of industrial democracy and is able to show how successful it has been in other parts of Europe. The UK is currently one of the most backward countries in

Europe on economic issues. As far as possible, it excludes ordinary workers from decision making.

These are the issues that need to be stressed. Corbyn should work closely with Frances O'Grady on this. Both need to do the necessary work to bring the rest of the trade union movement around to push for this opportunity. Unfortunately this in itself is no mean challenge. Much of the trade union movement has failed to learn the lessons of the Bullock fiasco. The Tories need to be confronted with the TUC's radical but realistic proposals and to concede as much as possible.

In one sense the TUC's proposals are more radical than Bullock, who confined his proposals to large companies. However, both Labour and the unions ought to revisit the Bullock $2x + y$ formula for board representation. This would give workers numerical parity with shareholders on the board and the 'y' component could involve other stakeholders such as consumers. Theresa May has said that she wishes to have a wider range of interests represented on company boards and the Bullock formula could be put to her as a challenge.

In 1977, workers on the board appeared to the Wilson and Callaghan governments as a way of accommodating trade unions strength. In 2016 it appears as a way of restraining irresponsible capitalism. The sad truth is that organised labour has had little or nothing to do with the way in which the climate of opinion has changed, apart possibly from the persuasive work of the TUC, which may or may not have had an effect beyond the labour movement. It has had everything to do with the way in which unrestrained capitalism has made the lives of many British citizens almost unbearable. It is a measure of the Tories' political skill that they have seen this and responded to it while leaving Labour standing. This is make or break time for the Corbyn leadership. He has a golden opportunity to prove he is a leader determined to show that Labour is the party that looks after the interests of working people.

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Parliament And World War One

by Dick Barry

INDUSTRIAL CONSCRIPTION.

On 22 February 1917 MPs debated an amendment to a Bill providing for compulsory industrial conscription. The amendment was moved by Percy Alport Molteno, Liberal member for Dumfriesshire and seconded by Thomas Edmund Harvey, Liberal member for Leeds West.

Percy Alport Molteno (12 September 1861-19 September 1937) was a Cape Colony-born lawyer, director of companies, politician and philanthropist. As a Liberal, he was on the radical wing of the party. His brother James was briefly leader of the opposition in the South African parliament (Cape House of Assembly) before becoming speaker. Percy Alport was a staunch anti-imperialist.

For five years before the War, Thomas Edmund Harvey (4 January 1875-3 May 1955) was warden of Toynbee Hall, the social reform centre in east London. He came to prominence, however, during the War as the MP who was largely responsible for ensuring that the so-called 'conscience clause' was enacted in the Military Service Act 1916.

Mr. MOLTENO:

I beg to move to leave out from the word "That" to the end of the Question, in order to add the words, "this House declines to agree to a Bill conferring upon the Director-General of National Service an authority which may include without further legislation powers to impose industrial conscription upon the country."

I regret that I am not quite so easily satisfied as the right hon. Gentleman and the hon. Member who have preceded me with regard

to the contents of this Bill and the pledge given by the Home Secretary. I do not at all doubt that the right hon. Gentleman would at any time carry out his pledges, but the matter appears to me to be one of immense importance. I am not one of those who think it possible to go through with the War without taking measures of a very exceptional character, and I am not averse to the House giving to the Government powers of an exceptional character, but I do feel that in a matter of this immense importance it should be the House of Commons and not any autocratic body whatever that gives the power. The terms of the Bill raise the whole question of Parliamentary Government. The right hon. Gentleman has told us that there is not an industry in this country which is not going to be affected by the Bill. Consequently, the whole existence of this country is going to be affected. It cannot, therefore, be denied that the matter is one of supreme importance. There is no limit in the application of this Bill to the industries of this country.

I want to put a question to the Home Secretary. He said there was no compulsion in this Bill. He said it would be for the employer to help the employee to volunteer, and it would be for the employee to volunteer, and that, in this way, the Bill was going to be the means

of limiting labour. He also told us there was to be power under the Bill to limit industries, and, if necessary, to suppress them. I want to know, is that a voluntary power or is it a compulsory power?

Sir G. CAVE:

The power is not in the Bill, but any limitations in respect of labour in non-essential industries will be imposed by Orders in Council.

Mr. MOLTENO:

An industry may be on the point of stoppage already, and if many more men are taken away it must go under. Is the Director of National Service to have power to take these men.

Sir G. CAVE:

There is no power in this Bill which would enable the Director of National Service to take compulsorily any men from any industry.

Mr. MOLTENO:

Do I understand that he will have power under Regulations made under the Defence of the Realm Act?

Sir G. CAVE:

There is no power to compel anybody to leave any industry under the Act, and there is no Regulation, under which it can be done.

Mr. PRINGLE But you can make Regulations.

Sir G. CAVE:

The only Regulation is to prevent men being taken into certain, existing non-essential trades. It does

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not compel any men to go in or come out, but in respect of new labour, it will prevent it going into certain non essential industries.

Mr. MOLTENO:

I want to draw attention to the fact that this Bill is enormously important and that under it very wide powers may be exercised by the Director of National Service. What I complain of is that the Bill is a mere skeleton to be filled in not by this House, but by Orders in Council and by Regulations made under the Defence of the Realm Act or otherwise. I should like to direct attention to the Clauses in which these powers are to be taken. The Bill consists of only three Clauses, and the third merely recites the title, in the other two Clauses there are powers taken for ousting the authority of this House and that is the point to which I wish now to direct attention. If we look at Section 2 of Clause 1 we find it provided that—The Director-General of National Service shall, for that purpose, have such powers and duties of any Government Department or authority, whether conferred by Statute or otherwise, as His Majesty may by Order in Council transfer to him or authorise him to exercise or perform concurrently with or in consultation with the Government Department or authority concerned.

This deals with powers already in existence, but now I come to the words to which I take strong objection: And also such further powers as may be conferred on him by Regulations under the Defence of the Realm Consolidation Act, 1914, and Regulations may be made under that Act accordingly. Here authority is taken to confer new powers upon a Minister under the Defence of the Realm Act; we know already the extent to which the Defence of the Realm Act has been stretched. Indeed, there is a question before the House whether that Act has power to override an Act of Parliament, and the Food Controller is to give us an answer on that point. I do not believe there is any such power, but however that may be, there is power taken under the Defence of the Realm Act to confer new power on the Director of

National Service. What has been the usual custom of this House up to the present time? The custom has been, when establishing any authority, to define under the Act the power which that authority is to exercise. You may make certain Regulations as to how he is to exercise his power, but in regard to further powers this House has always retained in its own hands any power which it is going to give and it has laid them down in the Statute establishing the authority. Here is a matter of supreme importance. It may have been done in other cases. I do not know, and if it has, I do not like it. But I do submit that, in a matter of such importance as this is to the people of this country, it is essential, if this House is to retain its authority in the country, that it should define these powers and settle them by Act of Parliament.

Unless you do that, you will be destroying Parliamentary government. What is Parliamentary government? We have the King, the Lords and Commons, and it is essential, in any vital matter, that the concurrence of these constitutional authorities should be secured for the granting of any power over the people of this country. I maintain, therefore, this proposal is constitutionally wrong, and any action taken under this Bill will be upset by the highest Courts of the realm if we proceed by Order in Council to confer these powers. The utmost power of imagination possessed by any human being will not enable him to tell us what can be done under an Act of this kind. It is absolutely impossible—it is a case absolutely of blindfold legislation. It is really giving to the Executive power to legislate by decree. This proposal was made in almost similar terms to the French Chamber. What did that body do? They had a discussion on it; they referred it to a Committee; the Committee brought up a unanimous report against it, and the Chamber absolutely refused to give the Government the power. I ask that this Parliament should remain as free as any other Parliament in the world, and I contend, therefore, that the powers to which I am referring should be set out in and defined by the Statute.

Why is this matter one of such urgent and immediate importance? We have given immense powers to the Executive, which they have been exercising all this time. The difficulty is this, that indispensable men have been taken away from the industries of the country, and in that way industry has been disorganised. Now an attempt is being made to bring back to those essential industries the men taken away, or others to fill their places. I should like to give an illustration, from a speech delivered by a distinguished Member of this House, to whom we were all listening yesterday with pleasure during his exposition of the naval position—I refer to the First Lord of the Admiralty (Sir E. Carson). The right hon. Gentleman's attitude in regard to taking away men from industry is really the key to what has occurred in connection with many of our industries.

In December, 1915, we were discussing the Military Service Act, and the then Prime Minister laid down the principle that indispensable industries were not to be destroyed, and that indispensable men were not to be taken away from them. The right hon. Gentleman the present First Lord of the Admiralty was then in opposition, and he laid down his principle in this way: What my hon. Friend the Member for Hexham is trying to do is to make his own measure of what is necessary to carry on what he believes to be the economic industries of this country. What he wants to do is to give the surplus to the Army. I say they ought all to be given to the Army, and the surplus ought to be given to the hon. Gentleman's business and other businesses. That is the principle he laid down. But listen to the same right hon. Gentleman a year later. On the 15th of November last year what did he tell us? Speaking on the question of the difficulties in connection with our industries, he said: I am not going in detail into all the many points upon which the right hon. Gentleman touched. He told us of the depiction of agricultural labour; he told us of the absence of mechanics and of various other matters of that kind. It really does shake one's confidence in the power of

organisation of this country—I am not saying it by way of casting any slur, as the right hon. Gentleman knows, upon himself or his Department or any other Department—but it does seem to be a great pity and to shake one's confidence in the power of organisation of this country that after two years' experience of war we are only now beginning to find out that we have sent away men who are essential for the industries which go to the very root of the support of our Armies in the field and of our people at home.

That was last year's advice of the right hon. Gentleman, and we have had similar advice given us in this House time after time. Here we can see how we have got into this trouble. Are we going to get out of it by taking more indispensable men from industries? Yet that is what is being done at the present moment. There are men indispensable for agriculture being taken away from the land at this very moment—men indispensable not merely in the opinion of irresponsible gentlemen, but indispensable in the opinion of the highest authorities in this country. There are people in my Constituency who send me up certificates from the Board of Agriculture to the effect that their men are indispensable, and yet those men are now being taken away. The Minister for Agriculture himself tells us he is staggered when men indispensable to industry are sent away, and only yesterday he informed us that he could do nothing unless the Government conferred upon him the power of deciding that men were indispensable to agriculture. Yet these men are being taken away, and now it is proposed to set up vast and complicated machinery in order to try and get somebody incompetent to take their places. In this way you are destroying the resources of this country.

Things get worse and worse. Look at the steel industry; you are putting up steel furnaces, but by the time they are completed you will have other steel furnaces shut down because of your labour difficulty. We have been told by the First Lord of the Admiralty that, while we are building more ships, there are vessels which are lying idle

because hands cannot be got to discharge them, and the result is there is a serious shortage of steel. I think the Minister of Munitions will not deny that last autumn we had a 50 per cent shortage of steel. You have your munition factories unable to go on because there is no material. An enormous amount of time is lost, and an enormous amount of energy wasted. Then there is shipbuilding. We are all wanting ships built, but we cannot build ships without steel. I wish that something were really done in regard to new ships, but I do not believe there is anything being done, because there is not the steel with which to build them.

For the moment I should like to return to the position in which we find ourselves. The process of ousting the authority of this House has been getting more and more extreme. I do not pretend that this House can conduct a war. No one thinks it can, because it would be absurd. No one but the Executive can conduct the War, but the House is responsible for the Executive and also for any authority which the Executive exercises. It has been so in every other war, and it ought to be so in this War. The Executive ought to get its authority from this House and from nowhere else. This is a skeleton Bill. Who, then, is going to exercise these great powers? The House of Commons is in a position that it does not really know who is going to exercise them. We have had two changes of Ministries, but we have never been informed in the House how those changes came about or what the new Government is. There are two short passages, one in the speech of the present Prime Minister and one in a speech of the late Prime Minister, upon that subject, in which they both said that they did not propose to give any information upon that subject. The House is getting very much in the position of a board of directors who one fine morning find that their manager has been dismissed, no reason being given for it, and they have no knowledge of why he is dismissed. Then the new manager, eighteen months afterwards, is also dismissed without any reason given, and the new manager tells the board

or this House—

Mr. SPEAKER:

I do not think that the matters which the hon. Member is now opening up are at all relevant to this Bill.

Mr. MOLTON:

I am very anxious not to contravene the Rules of Order. I was coming to the point as to who was to exercise the powers, and who was to give the authority to exercise them. The difficulty we are in is that we do not know. I understand that where there is a question of a conflict between Departments—there must be a conflict between Departments—the eventual authority lies with the War Cabinet. We have not been informed in the House that that is so. If it be so, it appears that we are, by Bills of this kind, establishing a bureaucracy or an autocracy which is going to decide the matter. I object to both these processes, because while we are supposed to be doing, and I hope we are, everything to fight Prussian militarism, we are really introducing Prussian ideas. It is the Prussian idea that the bureaucracy should issue orders conferring powers upon an authority. I contend this House is the only body that ought to be able to confer them. The principles upon which that autocracy acts are extremely difficult to ascertain. As the Government is now formed on a principle unknown to the Constitution, we cannot rely upon that. We have to look at the individuals who are going to exercise and establish these authorities and look at them to ascertain what view as individuals they are likely to take. If we look at the body which will eventually decide these powers, we find it is the War Cabinet. So far as I can see, the War Cabinet consists of the Prime Minister, whom we hope to see here to-morrow, the right hon. Gentleman the Member for the Barnard Castle Division (Mr. Arthur Henderson), to whom we can put questions in this House, and the right hon. Gentleman the Leader of the House, who can be here, whom we can see and to whom we can put questions as to what process he is going to follow in giving these directions. As to the other members of the autocracy, we do not know about

them. They are not here, and we cannot get at them; we can only look at their views.

With regard to the ousting of Parliament, the question was asked last week as to where the House came in. We had Estimates before us in regard to which the House knew nothing. Now we have but Token Estimates, and in many ways the authority of this House is being set aside in favour of bureaucratic authority. Upon what policy is that bureaucratic authority going to act? We can only look at the statements of the members of that autocracy, and, when I examine them, I am very much concerned and alarmed. I find that one of the Noble Lords, who is a member of that autocracy, intends to proceed on Prussian principles. He is the greatest exponent in this country of the military principles of Prussia, and he was anxious to apply them to this country. If they are going to act on those principles it is a very serious matter, and we ought to know. This country does not want to be committed to Prussian principles while fighting Prussian militarism, and using all its forces against it.

Again to-day we have had another pledge. What are we to say about pledges given in this House? We have had pledge after pledge given to us and broken. I need not enumerate them, but a very large number of pledges have been given to this House, and it is well within its recollection that they have been broken from time to time. What did the right hon. Gentleman the Member for Barnard Castle Division tell us when he was speaking on this question? He said that he had given a pledge against industrial compulsion—the very question with which we are dealing—and he said that if he had given pledges, and the circumstances changed, he was going to get rid of his pledges. How was he going to do that? This is what he said: Whereas what I said I would do—and surely my hon. Friend will give me credit for speaking sincerely—was that I would take every means open to me to get release from my pledges, and if I made my pledges, first of all, to the representatives of the great Labour

movement with which I have been so long connected I will go to them; If I made my pledges to my Constituents I will go to my Constituency and ask them for release.”— [OFFICIAL REPORT, 15th February, 1917. col. 935.]

I want to ask the right hon. Gentleman if, when he speaks in this House as a Minister, he is merely speaking for labour organisations and his Constituents? He is speaking to this House and the country. I want to know from the Home Secretary, was he speaking to his constituents from whom he could get a release if he gave a pledge he was going to break, or was he speaking to this House; was he giving the assurance as a Minister of the Crown or in his personal capacity? The right hon. Gentleman the Member for the Barnard Castle Division considers that he is quite free to break pledges given to this House if he can get the consent of his labour organisations and his constituents. I deny that. I say that when he spoke he spoke as a Minister. He spoke in this House to the representatives of this country and, through them, to the country. He cannot get a release in that way. I hope the House will not in any way be satisfied with assurances given in that spirit and on these conditions. Any pledges given in this House ought to be embodied—we have surely had warning enough now—in the very clearest terms in the words of the Statute. Nothing less ought to satisfy any of us than the most clear and explicit declaration on that point. I object to this autocratic and bureaucratic principle that is ousting the House of Commons from its proper, legitimate and essential duty to the people of this country—that is, to preserve their rights by exercising its own.

Mr. EDMUND HARVEY:

I beg to second the Amendment.

I wish to associate myself with the arguments that my hon. Friend (Mr. Molteno) has placed before the House as to why it should hesitate before giving its sanction to a Bill fraught with consequences which may be very dangerous to the whole structure of our industries. I fully appreciate the

spirit in which the Home Secretary introduced this measure. I am quite sure he has no intention that it shall be used in a way which would bring about the dangers which some of us foresee; but as my hon. Friend has made quite clear to the House, it is the duty of this House not to look to speeches of Ministers, or even to their intentions as expressed in those speeches, but to have regard also to the legislative forms their proposals take, and to safeguard the country in regard to the way in which measures may be used not only by the present Ministry, but by any future Ministry.

When we look at this Bill, in spite of the explanation of the Home Secretary, the more closely we examine it, the more we shall feel that there is reason to be dissatisfied with it, both for “what it does contain and for what it does not contain. The provision to which most of us who object to the Bill take most exception is contained in Sub-section (2) of Clause 1. I am sorry that the Home Secretary in his explanation did not make clearer to the House all that that Sub-section implies. To an ordinary man reading it, it certainly gives the impression that it gives to the Director-General of National Service a blank cheque upon the vast bank of the Defence of the Realm Act, which he can fill in subject to Orders in Council framed under that Act, and not in any other way subject to the control of this House.

During the speech of the Home Secretary he alluded to the schedule of essential trades about to be issued by the Director-General of National Service. I ventured to ask whether it would be laid upon the Table of the House, and the Home Secretary at once said that of course it would be laid upon the Table of the House. There is, however, no provision in the Bill that the Regulations framed by the Director-General shall be laid upon the Table of the House, or that the House shall have any opportunity of expressing an opinion upon them. The rights of Parliament should be safeguarded explicitly in the Bill. Every provision under the Regulations framed by the Director-General of National Service

should be laid upon the Table of the House, and the usual interval should follow in which the question may be raised. If some procedure such as that were adopted it would go a long way to mitigate the anxiety many feel as to the way in which these powers might be used. I do not want to say a word against the distinguished citizen who has taken the most onerous office of Director-General of National Service. He has done very great service already to his city and to his country, and he is a man of the highest ability and character; but if we were to get an angel from Heaven to take this post it would still be one which could never properly be filled by any one personality if you entrusted to it all the powers which are given in this Bill. There is no provision in it whatever for the association either of industry or labour with the Director-General of National Service, and that is an essential fault. His province will be to control and shape industry and to mould and modify the lives of thousands—it may be millions—of our fellow citizens; and there is no provision at all in the Bill either that Parliament should be associated with his work by any Committee or, still more important, that industry and labour should be associated with it. If this work is to be made acceptable to the great mass of feeling in the country, it is essential that the direct co-operation of the working classes should be sought and obtained to the work of the Director-General of National Service, and I believe the proper way to obtain that is to make provision for it in the very framework of the Bill which gives the Director-General of National Service his power.

It is very well for the Home Secretary to speak of the desirability of having labour mobile and giving power to the Director-General to transfer labour from one place to another, but it is an entirely different thing when you come to turn those fine-sounding phrases into what they mean in human relation to poor men and women. Your labour being made mobile means tearing and rooting up people from all their associations and all their work, transferring them as though they were

pegs or cards and not men or women. I do not mean that we ought not to have any better system than we have at present. I admit that it may be desirable to have very great changes, but if we are to make those changes in the right way, it ought to be done with the fullest spirit of co-operation with the workers concerned. They ought to feel that it is not something imposed upon them from without and from above by a great autocrat of industry, a sort of Napoleon of our economic life, shifting and transferring mobile labour where he will, but they should feel that through their association, their own trade union, their own organisation, they have an essential voice in it and a right to express themselves, and that that right is safeguarded in the Act of Parliament itself which gives these powers to the Director-General of National Service. I appeal to the Government to take into co-operation with them in this great task which they have set themselves the people of the country, through their own organisations, and not leave that co-operation out of the framework of their Bill.

My hon. Friend has said very well that a similar measure some time ago was brought into the French Chamber, and he has told the House of the way in which it was treated. I prefer in this matter that we should take France as our example rather than Germany. The Government has framed its measure confessedly on the analogy of a German measure, yet even in Germany we read yesterday in the papers of a semi-official announcement that the German Government had thought it not necessary hitherto to go beyond the voluntary system. I am very glad the Government want to maintain the voluntary system, but after what

we have seen some of us cannot help having our doubts about the hopes which are expressed in this way, more especially when the whole Bill is so framed that, under the Defence of the Realm Act, compulsory powers may at any time be taken, and may enable the Director-General of National Service to transfer and move men and women under penalties from one place to another. The Defence of the Realm Act contains far more, I am sure, than its framers ever anticipated when it was passed, and far more than this House ever realised it was giving to the Government. I think we ought to take warning now and see that in the framework of the Bill we do not give such absolutely unlimited powers to the Director of the machinery that is set up, that we associate this power expressly in the Bill itself with the decision of Parliament, that we keep the ultimate control of Parliament over those decisions and that we associate with the details of his work the expression of the life of the working classes of this country through their own organisations. Unless we can get those two essential changes in the Bill I am sure many of us must feel that it marks a further step in the wrong direction, away from the true genius of our people, in the direction which we dread, of the domination of the lives of the citizens of the nation by the iron autocracy of a centralised State. As a Liberal, I must protest against this measure. I believe unless it be modified in the way I have indicated, it must do harm and it must strike at the roots of national life and of civic liberty, and I feel it my duty, believing that, to second the Amendment.

The whole aim of practical politics is to keep the populace alarmed, and hence clamorous to be led to safety, by menacing it with an endless series of hobgoblins, all of them imaginary

Henry Mencken

The voice we heard was that of Mr Churchill, but the mind was that of Lord Beaverbrook

Clement Atlee on Winston Churchill

Immigration, the labour market and family policy: Labour's big challenge

by Christopher Winch

Immigration is one of the most important issues in British politics today. It was one of the drivers of the Brexit vote, is likely to be a major factor in Brexit negotiations and will continue to be a major issue in British politics post Brexit. It's an issue which is much misunderstood. It is intimately connected with labour market and family policy and anyone who wants to make sense of it will have to grapple with labour market and family issues. These are areas which Labour has found it difficult to deal with in the past, but will have to if it is to appeal to voters who have felt abandoned by Labour over the past twenty years or so.

First of all, a word about Corbyn's conference speech and the way he has dealt with the issue. Predictably, his opponents have lambasted him for being out of touch with popular feeling because he has not directly blamed immigrants for the woes suffered by the indigenous population. Yet these are the same people who for years denied that immigration was a problem for the indigenous population and, indeed, who encouraged as much immigration as possible, particularly from the EU. Corbyn was absolutely right not to blame the ills resulting from immigration on immigrants themselves. Apart from a few criminals and spongers, the vast majority come here to work hard and to provide for their families, whether those families live here or in their native country. Corbyn drew attention to the strains on public services caused by austerity and the dreadful conditions of work in many parts of the economy. He also suggested that fewer people would want to come to Britain if poor employment conditions were clamped down on. He is to be praised for not indulging in cheap demagoguery.

Nevertheless, if Labour does not address the underlying issues, immigration is likely to remain a running

sore in British politics for decades to come, and steps to mitigate it need to be taken now, even if it is going to take a long time for them to come into full effect. One point that the Brexiteers were not so keen to emphasise was the fact that net immigration from non-EU countries is greater than that from the EU, an estimated 282,000 as opposed to 268,000 as of March 2016 (source Migration Watch). Brexit, even if it resulted in a complete ban on EU immigration would deal with less than half of the flow of immigrants coming to the UK. In addition, it is conservatively estimated that there are over 1 million illegal immigrants in the UK, by definition originating in non-EU countries. Because they exist under the radar, Education, Health, Social Security budgets do not account for them, putting further strain on resources and increasing indigenous resentment.

So we know that there is a big supply of immigrants. Now the question is, why would they want to come here? The obvious answer, which the anti-immigrant lobby are not so keen to draw attention to, is that there is a demand for them. This demand comes from successive governments who are not prepared to invest in an adequate supply of doctors, nurses, teachers and other professionals to provide our public services. There is also a demand for highly skilled workers in the private sector. Some, but not all of these are here because of the poor state of British vocational and professional education, about which more later. Finally, they are tacitly tolerated because the indigenous population is not terribly good at reproducing itself, thus feeding into the demand that employers have for more labour.

There is a huge amount of low-skill work available in Britain. To a certain extent, Britain has been deskilling itself, relying increasingly on low specification, low pay work. This is one

of the reasons for the very low levels of productivity that were already in evidence before the recession of 2008, but which have increased since. Some, perhaps a lot, of this work is carried out in illegal or semi-legal conditions. Occasionally the stone is overturned and the creepy crawlies are seen. Such was the case with the tragic death of Chinese cockle-pickers in Morecambe Bay in 2004. A report by the BBC in 2014 suggested that the problem had got worse since then. In July five Gambian agency workers were crushed to death by a collapsing wall in a Birmingham scrapyards. None of the media or the political class seem to be interested in whether this is a one-off or the tip of the iceberg of a very nasty unregulated labour market.

EMPLOYER DEMAND

These cases illustrate an important point. There are plenty of desperate people who want to come to the UK to do badly paid jobs in often illegal or semi-legal conditions and, obviously, there are employers who are only too happy to take them on. These are jobs that local people do not want to do and which British people are not prepared to travel from their homes to do. They are one aspect of a 'flexible' labour market which depends on low skill labour to produce low spec products and services. The flexible labour market is a source of great pride to economic liberals of all kinds, ranging from UKIP to New Labour. Not surprisingly, none of them have been all that keen on making the connection between this flexibility and the 'pull' factor that it exerts on immigrants from all corners of the world.

So one issue that Labour could begin by dealing with would be to actually make the labour market less flexible, by increasing expenditure on the Factory Inspectorate to stamp out such practices (as the Germans are currently

doing). That could be done relatively quickly, but the bigger challenge is to make various kinds of work more attractive to British people and thus reduce the pull factor for workers from overseas. This is more tricky and will take more time.

Merely cracking down on illegal working conditions and upping the minimum wage may not be enough, although it may help. The biggest problem is that employers have in the last ten years gone on a 'training strike'. Gordon Brown seems to have convinced them that it is not their responsibility to train their workers by getting the government to subsidise low level training and by encouraging the take up of largely worthless qualifications subsidised by government. They have also had a 'free lunch' of both skilled and unskilled labour from the EU and beyond. Most, with a few honourable exceptions, no longer see it as their business to train their workers and some are preferring self-employed labour to having an actual workforce. This tendency has been evident for some time in the construction industry but is spreading elsewhere.

The Tories are introducing an apprenticeship levy on large businesses (with over £3 million per annum payroll). In a future article we will return to how this is going to work. It will thus start to take effect on firms within the 200-250 employee and above range. Even if successful (and there are reasons for being sceptical), it will not affect a vast swathe of British business, much of which operates on a no-training, low-skill product strategy. This is also true, it should be said, of many of the larger employers, for instance in retail. Small employers (SMEs in the economic jargon) employ over 14.5 million out of a total workforce of over 24 million. They contributed 48% of turnover in the economy in 2013 (source ONS). It is reasonable to assume that a very large proportion of these do not train their employees and are also locked into a low spec, low skill business model that relies on low paid work, just the kind of work that will repel many locals and attract desperate

immigrants. Labour faces a huge challenge in tackling this sector, making it more ambitious and persuading more British people to work in it. Given the localised nature of much SME employment, any strategy that it adopts will need to involve good knowledge of the local economy and labour market together with specialised help for firms who need to be persuaded to change their business model without too much bureaucracy and disruption. There are signs that Labour has cottoned on to this after the bleak Brown years. . Labour Shadow Brexit Secretary, Keir Starmer, said "I think it (immigration) should be reduced and it should be reduced by making sure we have the skills in this country that are needed for the jobs that need to be done." He could have added that we need to create the skilled jobs that British people will want to take and that we need to help them acquire the ability to do those jobs.

The government can use investment to incentivise firms to move up the 'value chain' and it can provide specialised help. This ideally would involve the unions, local authorities and employer associations (although there are not many of these and they would need to be encouraged to form). This is a long-term tough project, but if Labour wants to do something for its working class supporters it will need to get stuck into this sooner or later and a good start would be to try and engage the trade union movement to support it. A hard Brexit might bring home to employers the need for a change of attitude, although one suspects that the deficit in low skilled workers will merely be made up from outside the EU, unless further measures are taken to reduce the demand for low skill work.

There probably does need to be more regulation of the labour market. As well as heightened policing of health, safety and wages, over time the entry requirements into work need to be toughened up by making wage levels dependent on appropriate qualifications (which can be paid for by links to productivity), by a renewed emphasis on collective bargaining and the spread

of an occupational licence to practise via mandatory qualifications in higher skilled occupations. This will be another way of squeezing the demand for unskilled labour over time.

FAMILY POLICY.

UKIP, the Tories and New Labour were no friends of the family. Like many Western European countries, Britain has seen the non-immigrant birthrate fall below the replacement rate. This is another 'pull' factor for immigration, as employers (including the government) need to replace that part of the workforce that is retiring. One reason is that it is not a very attractive prospect for a young woman to leave employment to raise a family. A lack of financial support and sky-high nursery fees, together with the absence of family support networks makes this inevitable. Germany, Russia and Austria are trying to tackle this issue by introducing a basic income for parents who wish to stay at home with their children for the first years of their lives. Austria is the most generous, with the income in some cases extending for three years and for most for two and a half years. Rather than thinking about a universal basic income, Labour could consider a basic income for child care. Apart from anything else, this would prove to be very popular with many families and young women. Over time, it will decrease the immigrant pull factor in the labour market.

The other area in which Labour could make a short term impact will be to increase the low cost rented sector of housing through a programme of building in areas of shortage. It may be that legislation is necessary for some of this to work, but that should be an early priority of an incoming labour government. Reviving local economies outside the South East will alleviate the pressure on housing in the South East and bring more existing housing stock back into use.

Increasing the demand for skilled labour and increasing the home supply

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THE BATTLE OF CABLE ST

80th ANNIVERSARY COMMEMORATION:

AN ADDRESS BY MANUS O'RIORDAN, IRELAND SECRETARY,

INTERNATIONAL BRIGADE MEMORIAL TRUST,

ST. GEORGE'S PARK, CABLE STREET, LONDON E1, OCTOBER 6, 2016.

Manus O'Riordan's speech published below highlights the key role played by individual Jews in the fight against antisemitism and fascism in east London in 1936. It is an eloquent tribute to their courage and a spur to all of us to continue their work.

In recent months Labour's leader Jeremy Corbyn has been heavily criticised both within and without the Labour party for his "failure" to tackle the alleged antisemitism in Labour. (Labour Affairs has referred to this in previous issues).

The latest criticism of Corbyn and Labour can be found in the House of Commons Home Affairs Committee Report on 'Antisemitism in the UK', presented on 13 October. The Report

was agreed unanimously by the following Committee members present on the day: James Berry, Conservative, David Burrowes, Conservative, Nasrat Ghani, Conservative, Ranil Jayawardena, Conservative, Tim Loughton, Conservative, Chuka Umunna, Labour, David Winnick, Labour.

Other members of the Committee present when the Report was agreed are: Stuart C. McDonald, SNP, Naz Shah, Labour. The Report also includes the following as 'members of the Committee during the Parliament': Keir Starmer, Labour, Anna Turley, Labour, Keith Vaz, Labour.

Comrades and friends,

I am deeply honoured, as the son of

Irish International Brigader Michael O'Riordan, to be speaking here today. (I was also privileged to be sharing the platform with my comrade and friend, and fellow-Dubliners, 101-year-old Max Levitas, and the British Labour Party leader, Jeremy Corbyn MP.) It is important that we draw on the lessons of the struggles of the past, in order to fight all the more effectively against all forms of racism, anti-immigrant bigotry, Islamophobia and anti-Semitism; and remember also the era of "No Irish need apply", and that more recent appalling vista – no, not the one of Lord Denning's nightmares, but the exact opposite - when "racial profiling", in other words, blatant racism, led to such miscarriages of justice as the criminal

Continued From Page 9

will go some way to reducing the pressures of immigration. But this needs to be done without making the British labour market even more attractive to immigrant labour. Some measure to restrict immigrant labour, by for example, not allowing immigrants to substitute for an equally qualified indigenous worker, would seem to be unavoidable. This is a nettle that Labour will need to grasp if it is to have a credible policy on migration.

EDUCATION.

One way of staunching the flow of skilled labour into Britain is by producing more of it ourselves. The government can simply train more doctors and nurses instead of bleating about shortages. It seems to have recognised this in the case of doctors, but it was simply foolish to suggest that some foreign doctors in the NHS would lose their jobs as a result. The bigger challenge is developing a workforce that can cope with more highly skilled work. When children fail to learn to read and do arithmetic at the age of eleven, it is usually too late for them to pick it up later. They become disaffected at secondary school and never get the opportunity to develop their talents in a useful way. There is still

much work to be done here and Labour needs to address this. Once secondary school becomes more meaningful then young people can think about what kind of career they wish to have. The British Labour and qualifications market is complex, localised and ever-shifting, so searching for a job requires specialist help, as well as advice on what is the best course for an individual young person. Michael Gove destroyed the career service and Labour should build it up again, not just within schools but also with a labour market intelligence capacity which could be linked with its attempts to revive local economies. It is worth noting that countries like Germany which have stable, well-understood vocational qualification systems and routes into the labour market take great care to provide comprehensive careers advice to young people from the age of 14. Parents are also closely involved. These countries have the lowest rates of youth unemployment in Europe.

Immigration will never be staunching through coercive measures. But Labour could do a great deal to make Britain a more attractive place to live and work for British people and, almost as a by-product, make desperate people less likely to want to come and work here, by reducing employer demand for them.

imprisonment of the Maguire Seven, the Guildford Four, and the Birmingham Six.

There were, of course, many International Brigaders and their families who ensured the defeat of the British Union of Fascists. I will name but two from Ireland. The first is that Dublin brigadista, my late comrade and friend, Maurice Levitas, who, 80 years ago, manned the barricades on these very streets, along with his older brother Max, and his younger brother Sol. The targets of anti-immigrant bigotry can sometimes be set up for a double whammy. As Maurice once told me: *"I recall an incident in school in Glasgow when one teacher remarked to the class on the improbability of such a phenomenon as an Irish Jew. He even went so far as to invite any Irish Jew in the class to stand up and make himself known. I stood up. What happened, or what he said, I cannot now remember. And I have no inkling at all as to what his motivations were."* But we can very well guess. And here today, it is also only right to acknowledge another aspect of his brother Max's century of struggle, his steadfast commitment to the retention of his Dublin Yiddish accent!

In February 1937, the County Tyrone International Brigader Charlie Donnelly would be killed in action at the battle of Jarama. A talented poet, he had been active in the Republican Congress in Dublin, and was a close personal and political friend of fellow poet Leslie Daiken, a member of Dublin's Jewish community. In 1935 Daiken emigrated to London and began editing *The Irish Front*, the voice of the Republican Congress among the Irish Diaspora. Donnelly joined him shortly afterwards as its co-editor. In October 1936, they wrote an *Irish Front* editorial entitled **"They Did Not Pass"**, where they rejoiced: *"On Sunday, October 4th, the London working class dealt a blow to the aspirations of Fascism. Thousands of Jewish, Irish and English workers in the East End of London came together and, by their united efforts, prevented Sir Oswald Mosley and his Fascist army from staging a provocative march through the Jewish quarters."* Indeed, in his autobiography, *Our Flag Stays Red*, Phil Piratin - elected Communist MP for Stepney in 1945 - described a scene where bearded Orthodox Jews linked arms with Irish Catholic dockers, in order to prevent Fascism from marching through these London East End streets.

Charlie Donnelly would be remembered in verse by Leslie Daiken:

*I too have heard companion voices die -
O Splendid fledglings they, in fiery fettle,
Caudwell and Cornford and Cathal Donnelly
Stormcocks atune with Lorca, shot down in battle!
Young Charlie's cenotaph - Jarama's olive trees.*

A fellow-poet from Dublin, Ewart Milne, served as an ambulance driver for the Spanish Republic, and he linked the death of Donnelly with that of another close friend and fellow-ambulance driver - a German Jewish refugee by the name of Isaac Kupchik:

*Sirs and Señoras, let me end my story -
I show you earth, earth formally,
And Two on guard with the junipers.
Two, Gael and Jew, side by side in a trench...
Two who came from prisonment, Gael because of Wolfe Tone,
Jew because of human love, the same for Jew as German...
I set them together, Izzy Kupchik and Charlie Donnelly;
And of that date with death among the junipers
I say only, they kept it.*

Thirty years ago, Maurice Levitas told me of the political choices that had faced him as a teenager here in Whitechapel: *"I could choose to be either a Communist or a Zionist. I chose to become a Communist."* Now, comrades and friends, I myself am not a Communist. I have not been one for 35 years. But, as an ex-Communist, I am also immensely proud of having been one! And in the wake of month after month of the most bigoted and hysterical Red-baiting in the British media, there is one historical fact that all of us should publicly acknowledge today. We would not be here celebrating the 80th anniversary of the defeat of Mosley's Fascists, were it not for the leadership given on that day by Britain's Communist Party, and the likes of Max Levitas, Secretary of the Young Communist League's Stepney Branch, and Maurice Levitas, Secretary of its Bethnal Green Branch. Nor should we forget that the Communist Party's first Member of Parliament, elected for Battersea in 1922, was an immigrant from Mumbai - Shapurji Saklatvala - whose name was honoured by the International Brigade's British Battalion, upon its formation in Spain in January 1937.

In conclusion, might I also question the universal application of that mantra adopted by Marx, that history repeats itself, the second time as farce. Sometimes history can repeat itself as even sweeter victory. So, for the second time, congratulations to you, Jeremy Corbyn! And may you also carry forward the spirit of Cable Street, when you become the next British Labour Prime Minister!

No pasarán! They did not pass!

Notes on the News

By Gwydion M. Williams

Labour Guilty Even If Found Innocent

“Although the committee heard evidence that 75% of anti-Semitic incidents come from far-right sources, and the report states there is no reliable evidence to suggest anti-Semitism is greater in Labour than other parties, much of the report focuses on the Labour Party,” said Mr Corbyn.”¹

The Home Affairs Select Committee, with a strong anti-Corbyn majority, must think that the public can be fooled by slurs and vague accusations. Their findings were:

- 1) Hostility to Jews is no worse in Labour than in other mainstream parties.
- 2) Jeremy Corbyn is to blame for this.

Sadly, past experience suggests that the public may indeed swallow this. Had they just blamed Labour, they could have been easily refuted. The lying campaign of Donald Trump could still win: but British politics is not yet so degraded. The Tories don't want it to be. UKIP now shows signs of self-destruction: it is possible that there are infiltrators placed first to help Brexit and now to discard UKIP. Regardless, Tory and New Right untruths are subtler. You find someone correctly listing the facts and then reaching an unjustified conclusion. This creature quacks, has feathers and webbed feet: therefore it is a panda!

By contrast, Labour tends to be idealistic. The previous Labour leadership campaign had a final round between two Jewish sons of an immigrant refugee. From the 19th century, the Tories have had an attitude of ‘*some Jews – but not too many*’. Disraeli remained Deputy Leader for most of his political career. Michael Howard became Leader of the Opposition only after William Hague and Iain Duncan Smith had proved hopeless. Replacing

him with the bland smooth David Cameron must have helped them get re-elected.

Labour idealism also means that they recognise that Jews have been largely accepted into the Anglo elite, with more top jobs than if there were ethnic quotas for such jobs. That Israel has a bad case of racism and injustice towards the Palestinians. That the entire Islamic world was offended by the failure of the deal made with Arafat and the PLO. Despite Arafat's foolishness on many matters, they are right to be offended, even if they then choose unjustified extremism. Israel continues to take Arab lands, and will not let a proper Palestinian state emerge.

Unjustified bias against Jews does exist, and not just because of Israel. But Labour has been the main force against this. Tories are pragmatic: give something to the Jews because they have wealth and power and political talents. Tories have never been keen to tackle prejudice: the votes of the prejudiced mostly go to Tories. It was Labour who viewed Nazi Germany as an enemy right from the start. Labour who first dared give government jobs to people who were openly gay or lesbian. Labour who brought in large numbers of woman to senior posts.

The Tories have had more female leaders. But maybe because they know the advantages of having a woman fronting cold and callous politics.

Fear of Labour

Surveys have repeatedly shown that a majority of voters prefer Labour policies to Tory policies:

“Nearly half (45%) of people surveyed by YouGov said they want the government to increase public spending and raise taxes for the wealthiest people - both of which are policies called for by Labour.

“Only 13% supported the current levels of cuts taking place under the Conservative Government, and 22% thought the cuts should continue but be scaled back.

“Yet, when asked directly which party they think has the best policies on spending and taxation, 30% said the Tories while 16% said Labour.”²

The media are mostly owned by a more-than-millionaire class that the Tories favour, and whose interests Tony Blair never dared oppose. They try to turn ordinary people against their own interests. When this fails, they pretend that left-wing parties have dangerous radical policies that only their Far Left actually support.

The bulk of the Parliamentary Labour Party played into their hands by panicking when Jeremy Corbyn was elected. He tried to compromise with them. But they let a biased media convince them he was unelectable, even though Labour did quite well in local government elections. Brexit was mostly a right-wing protest; but Brexit's victory was due to many natural Labour supporters losing faith in Labour. Corbyn felt they needed to be won back by decent politics. His rivals wanted to abase themselves before a media dominated by right-wing owners who are *always* going to be against them.

“Now the economic mainsprings of neoliberalism are broken, social democracy's task is to speed the invention of something else... it is ill-equipped for doing that. Most socialist elites and bureaucracies in Europe – including Britain, as the backlash against Jeremy Corbyn shows – are attuned to running a capitalism that does not work, and seem incapable of imagining any other future.”³

Labour members revolted against the Labour establishment, because it had failed. Had lost an election that should

have been won. Ed Miliband was too timid to denounce as nonsense the Tory claim that the economic crisis was caused by overspending. He *should* have been saying that it was global and caused by financial deregulation. He *should* have been saying that the 1980s was socially liberating, but included a massive economic wrong turn. That the Thatcherite obsession with returning to the small-state system of the Victorian Era was a folly, and has also proved phoney. The state machine remains as large as ever: only its benefits to ordinary people have shrunk.

The 'Coolheart' era that the New Right dominated did allow a thorough demolition of 'bourgeois values' by cynical and ignorant commercial forces. But it did so with an attitude of '*I just play and I don't make the rules*'. Actually each individual plays a small but definite role in making the rules, or changing them. British social life has always been fluid: how you play makes an *enormous* difference.

Challenge social evils and they get eroded. Ignore them and they persist.

Blair's Wrong Turn

At the deepest level, Tony Blair was a weak man. He lacked the guts to break from the bad example set by Thatcher. Thatcher had been hailed as vastly successful. He wanted to be as much like her as he could get away with.

But Thatcher actually failed in most of her purposes. She did not regenerate Britain. Her only solid achievement was in creating an Economic Miracle for a greedy more-than-millionaire class. A class that Blair has now joined: but I'll be generous and believe that he was originally sincere.

Libertarianism did a useful job in undermining social rules that we are now glad to be rid of. That the left generally wanted to be rid of. Libertarians operating within a broader Neo-Liberal framework were brilliantly successful in fooling the traditional right. I'd see Thatcher as honest and fooled. Reagan was shallow, but may have been consciously deceiving.

Blair was ready to be tolerant on

racial and sexual matters in a way that Thatcher and Major were not. This meant he had an easy ride, for as long as he cringed on the matter of growing inequality.

You gain nothing by cringing in the face of an enemy. If they choose to be an enemy, then take the blighters on. Including explaining why their hostility is foolish and based on false beliefs. It is also good to avoid extremes and leave a path open for compromise; but a compromise rather than a surrender.

The more-than-millionaire class were rattled in 1997, when they were visibly failing in their attempts to remake Russia. They should have been repeatedly denounced for it, rather than getting away with calling Putin an unexpected and unexplained evil. I've never liked Putin, but Russia's income per head went down by more than 40 percent between 1989 and 1998,⁴ thanks to Western advice. We are lucky not to have something much worse. Something rather worse is what we have in both Poland and Hungary: governments that might well start a world war if they had the sort of strong military that Russia still possesses.

It does not help that the Left has a habit of praising all the losers. Of not accepting that imperfect types of radicalism and socialism had huge achievements. Not recognising that imperfect socialists had gained useful reforms that were by no means certain to happen. Or that an imperfect World Communism was a major force scaring the ruling class into accepting reforms.

It would also help to make the point that the working mainstream (whether labelled working class or middle class) are not as well off as they would have been if Thatcher had been a genuine conservative rather than a demented Neo-Liberal. Even the 9% just below the richest 1% have broken even rather than gained under Neo-Liberalism.

What do the 1% have that this 9% lack? *The power to set their own wages!* The privileged 9% get two or three times the average wage in return for their talents and hard work, or maybe just luck and social connections. But with certainty, the 1% don't

have talents or hard work superior to this 9%. What they have is *power*. A power that needs state controls to stop it running wild and wrecking the whole society.

China's Pragmatic Communism

"Chinese President Xi Jinping has called for renewed faith in orthodox Marxism and a revived revolutionary spirit, saying they were crucial for national rejuvenation..."

"Xi's enthusiasm to embrace revolutionary myths is an effort to consolidate his power and promote his position as an orthodox successor to inherit the party's course," said David Tsui, an Oxford-educated party historian.

"Tsui said Xi wanted to rally party leaders around him ahead of next year's crucial power reshuffle.

"The four-day meeting starting on Monday will set the agenda for next year's 19th party congress, which will see five of the seven members of the innermost Politburo Standing Committee – all except Xi and Premier Li Keqiang – step down after reaching the compulsory retirement age of 68."⁵

After the death of Mao, Chinese Communists took a look at what the West had achieved. Particularly Japan: in the late 1970s the Japanese economy was larger than the Chinese economy, for the first and last time in history. So they decided to relax – but *not* to surrender to Neo-Liberal values, as was later disastrously done in Russia.

This didn't reject their past. Mao's original 'New Democracy' policy had been for a long period of capitalism tolerated by a Marxist party, to modernise a very poor country. He went for more radical measures when the USA refused to recognise People's China: treated it as an illegal regime for more than two decades, with an invasion always possible. Until Nixon made peace in the early 1970s, it was understandable that Mao would treat everyone with Western connections as a potential traitor. And had good reason to want to abolish anything capitalist, moving to a version of total collectivism way ahead of what orthodox Marxists would have seen as

possible.

The Cultural Revolution was a real attempt to empower the people, in the way we are always being told is good. It didn't work well, but perhaps deserved better than the total rejection that happened under Deng. But Deng also had no reason to discard the wider Marxist and Leninist framework. He did let corruption flourish. But Xi as his heir isn't breaking with Deng's legacy in re-emphasising that China is still Marxist:

"Following the Long March, the CPC realized that the fundamental principles of Marxism-Leninism must be combined with the real conditions of China's revolution, enabling the Party to solve major problems in the revolution independently, and lead the revolutionary cause to victory, Xi said."...

"During the Long March, the Red Army not only transcended the barriers of 'thousands of mountains and waters,' but also climbed over the barriers of the mind, Xi said, referring to overcoming the dogmatic belief that Marxism is immutable.

"The most important message from the Long March is that China must combine the fundamental principles of Marxism with the real conditions of China, and march along the path of revolution, construction and reform as suitable to China's conditions."⁶

This includes limiting the role of the market:

"Financial juggernaut China Development Bank is spearheading a government-backed drive by the country's three policy lenders to stimulate economic growth through stealth.

"The government is deploying the lenders to make low-profile, targeted cash infusions into specific areas, rather than adjusting monetary and fiscal levers in headline-grabbing manoeuvres that affect the whole economy.

"And unlike listed state-owned commercial banks that have to keep an eye on the bottom line and answer to investors and auditors, policy lenders can put their full loan weight behind state or local government goals.

"In theory the three lenders – including the Export-Import Bank of China and the Agricultural Development Bank of China – need to turn a profit to stay in business but in practice they undertake a lot of responsibility for public spending.

"The days when Beijing called on the policy banks to become more market-oriented are gone,' said Guo Tianyong, a banking professor at the Central University

of Finance and Economics in Beijing. 'By shifting quasi-fiscal functions to the banks and allowing the banks to boost leverage, the government can keep its own account book looking healthy.'"⁷

We keep getting told that China is at risk, because its economy includes a lot of debt. But almost all of this is owed by Chinese to other Chinese. Chinese savers get much less than Neo-Liberals would view as a proper return: but the vast majority of Chinese work for a living. Average Chinese incomes in 2012 are nearly three times what they were in 2000,⁸ and the trend continues. And China's Gini coefficient (measure of inequality), while high, has been stable since about 2002. Stable since the leader before Xi made it a matter of policy to stop growing inequality.

The proper response would be, 'you know nothing, Neo-Liberals'.

Bankers as a Protected Species.

If someone goes gambling in a casino, they may wreck their own life, but not mine and not those of the vulnerable (except maybe their own dependents). That's the big difference between a casino and the sort of financial gambling legitimised by Bank Deregulation

They ought to pay if they break the rules. In some countries, they do:

"There are many reasons to admire Iceland, but here is another one: it has just sentenced five senior bankers and one prominent investor to prison for crimes relating to the economic meltdown in 2008. And with these two separate rulings made last month in the Supreme Court and Reykjavik district court, the nation that gambled so heavily on the markets and lost so disastrously in the consequent crash has sent 26 financiers to jail for combined sentences of 74 years.

"The authorities pursued bank bosses, chief executives, civil servants and corporate raiders for crimes ranging from insider trading to fraud, money laundering, misleading markets, breach of duties and lying to the authorities."⁹

In Ireland also, three former senior Irish bankers have been jailed for their role in the collapse of a bank during the 2008 financial crisis.¹⁰ But in Britain and the USA? 'Quantitative easing' is a fancy name for the government giving cheap loans to banks that maybe deserved to collapse. The New Right want to continue the Economic Miracle for the Rich in a stalled economy. Maybe also they believe that wealth is something that appears mysteriously by money breeding with money in a

mystery overseen by expert bankers.

To bail out the rich, and to avoid inflation, there had to be austerity for normal people. They expect the public to put up with it. And so far they have been quite successful.

"Average wages for self-employed workers are lower than in 1994-95, researchers say.

"The Resolution Foundation said that while the UK's self-employed workforce had grown by 45% since 2001-02, their weekly earnings had fallen by £60."¹¹

But most of them still vote Tory.

Snippets

Aberfan

Fifty years after the Aberfan disaster, people need to be reminded about the irresponsible attitude of Lord Robens. He did nothing bad, but he was in charge and was guilty for having done nothing. And showed massive insensitivity by being installed as Chancellor of the University of Surrey at the time, showing no concern for having failed to do his main job.

His main achievement was to cut a lot of the coal mining industry: one step in its annihilation.

The BBC had a good documentary about Aberfan. There was a known problem with water flooding from the coal-tip that later slid down the mountain and killed children. Warnings were ignored. And a relief fund for the victims was made to pay part of the cost of removing the dangerous tips.¹²

Seeing life as a burden on money applied even to nationalised industries in the 1960s.

Fined Heavily For Being II

With all of the justified concern over overstretched hospitals, a quiet buy-out of parts of General Practice is being overlooked.

Doctors traditionally ran their own small businesses. They made money, but also had a genuine belief in public service. When it becomes commercial, who knows?

"Healthcare provider Virgin Care has been forcing patients to attend extra appointments to boost profits, says former employee and the Labour MP for Dewsbury, Paula Sherriff.

"Speaking in the House of Commons, where she was protected from possible legal action by parliamentary privilege, Sherriff accused Virgin Care of insisting on 'extra consultations before surgery,

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Diary of a Corbyn foot soldier (No 6)

A dictionary definition of “foot soldier”: “...a dedicated low level follower...”

By Michael Murray

In this month's Diary :

Business as usual....

I wound up last month's diary with this: “*My next local party meeting is in the coming week; we haven't met since last June – because of the “atmosphere” of intimidation in the party membership, as the NEC perceived it. There are motions in on behalf of one expelled and one suspended member. They are asking for re-admission. Will “the slate be wiped clean” {as Jeremy had pleaded for in his re-election acceptance speech at Conference} ?*”

A month into Jeremy's second elected leadership round, has anything changed, has a process of reconciliation between former pro and anti-Corbynites begun? Have things changed within the much vaunted 600,000-odd “largest Democratic Socialist Party

in Europe” - now led by Corbyn who gained an enhanced mandate despite all the obstacles raised internally within the party against his second leadership bid? From the perspective of this footsoldier: No...and yes.

The monthly October meeting of my local branch, acrimoniously debated the motion to ask the Constituency Labour Party to seek the reinstatement of one of our most active and long serving members, expelled from the Party without due process, including the refusal of his right to appeal. The vote followed the predictable pre-Corbyn 2nd leadership election victory left-right split. No change there. But, what was different was that the movers of the re-instatement motion had brought along enough support from the otherwise dormant new members

to swing the vote. So the motion went through to the end of October Constituency Labour Party's monthly meeting.

And there things were much the same as in the past. The Party right at CLP level is more organized in filling Party positions with “their” people, more tactical in voting than the left, even though, in the leadership election campaign a quorum of CLP delegates voted 2 to 1 in favour of Corbyn. So, the oldest trick in the book was played : the most controversial motion, on the expulsions and suspensions – which by the night of the meeting had been, rightly, composited with similar motions from other branches, did not get discussed because of the weight of accumulated “other business” filling the time, including the extra time allowed

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boosting their profits at the expense of the taxpayer and patient safety’.”¹³

Protect Our Military Thugs

Mrs May thinks it outrageous that British troops should be prosecuted merely because they are guilty.

“The change in policy, announced at the Conservative conference, would mean parts of the European Convention on Human Rights (ECHR) could be suspended during future conflicts.”¹⁴

The army itself has punished some of the more extreme cases. But probably not enough.

Meantime former soldiers no longer useful to the ruling class get discarded.

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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under the traditional mechanism of “suspending standing orders,” and going on beyond the 10pm closure of the meeting stipulated in those Standing Orders.”

The less experienced left don’t know how to nail down the order of business and the fair allocation of time to process a meetings agenda, so that the important motions get dealt with before time runs out. Am I out of order, saying it was a trick, a manoeuvre? Well, maybe I am mistaken about that. But whether it was a case of “conspiracy” or “cock-up” theory in action, the result was the same. People will remain disenfranchised for the foreseeable future. And: “Justice delayed, is justice refused.” Another breach of Natural Justice.

By the way, here is an extract from the Composite Motion put together for the Hackney North Labour Party:

We express our concern at the suspension of party meetings over the summer, and the suspension of particular branches and CLPs followed by allegations of inappropriate behaviour – all of which had the effect of stifling internal debate at a crucial time (ref. to Leadership election. mjm.)

We believe the aims and values of the Labour Party, should inform and be reflected in its internal processes, and that those comrades who share its aims and values should be welcomed back so that we can unite to defeat the Tories.

We therefore call on the NEC (National Executive Committee) for:

A full investigation into all recent cases of expulsions and suspensions of individuals and sections of the Party such as Brighton.

All those who have been suspended or expelled have the right to a hearing and an appeal.

The reinstatement of all those who have been unfairly or wrongly excluded from the Party.

The immediate reinstatement of suspended branches.

The establishment of a procedure for suspensions and expulsions, based on the principles of natural justice, allowing the right to be informed of allegations, and the right of defence

before judgement, and, if necessary, the right of appeal.

I’ve written a piece on the Principles of Natural Justice and the Labour Party Rule Book (2016) in a previous issue of this magazine, and elsewhere. (**Labour Review (4) September, 2016**) and had prepared a contribution to the CLP debate to support the Composite Motion above, drawing from that diary entry, and other background historical material. Ah, well. Tomorrow is another day.

A lingering after-taste of this first CLP meeting since the suspension of meetings was caused by a large clique of CLP delegates sneering their way through the scheduled MP’s Report. A couple of delegates even turned their backs on the top table, to talk to their obviously like-minded friends, showing their disrespect and outright contempt for Shadow Home Affairs Minister, Diane Abbott as she reported on her role in Parliament, and in the Shadow Cabinet.

I’m not naming names here, but I can. And I made sure to draw the attention of others near me to what was going on. The only thing that made me hesitate to make an issue of it was, as a new delegate, unknown to most, I couldn’t be sure what the reaction would be to an intervention, no matter how I made it. To see one or two of them get elected to key positions at the higher levels in the party structure was no great consolation either.

Walking home after the meeting I caught up with a despondent fellow-branch member who has decided to call it a day with the Labour Party after what he had witnessed at the CLP meeting. And that is on top of the suspended member of the Branch, mentioned in the opening paragraph, of whom I’d learned before the meeting, he was no longer interested in the Labour Party either, but would continue being active on “single issue” social and political campaigns instead. “They” are winning, at least in my neck of the woods. And I daren’t say who “they” are without incurring the attention of “The Compliance Unit.”

Meanwhile, there’s a council by-

election going on in one of our constituency wards and a bit of door knocking to be done.

WHITE COTTON

West Aleppo
 they want it forgotten
 spy so many bodies wrapped in
 white cotton
 wrapped in white cotton
 instant burial that day
 wail till you drop
 curse very lowly
 no music plays
 slowly
 as they’re carried along
 to no green valley
 but to earth that grows
 a shrapnel crop
 listen out for the
 mortar’s song
 the young girl
 dreads
 Allahu Akba
 God’s in a bad mood
 today
 the world crazily
 whirls
 a foot gone a foot gone
 dress the wound in
 white cotton
 there’s plenty of
 white cotton
 no more dancing
 for this young fawn
 hope mocking life
 cries out
 it will grow again
 it will grow again
 don’t make me a wreck
 but only tears grow
 only tears grow
 dear, God, if you can send
 bombs
 this far
 can’t you give me my foot
 back
 the damaged building
 shudders
 throws down concrete debris
 and dust
 white cotton white cotton
 growing red as rust

Wilson John Haire.

Biting the state that feeds it: the Apple corporation

by Mark Langhammer

The Apple tax row in Ireland raises more questions about the predatory instincts of modern day global corporations. Apple was ordered to pay €13bn after the European Commission ruled that Apple received preferential and illegal help through tax breaks with Ireland in breach of EU state-aid rules to facilitate the global corporation. The tax rationale behind the Irish state's orientation is long-standing and examined by Labour Affairs sister publication, the Irish Political Review (IPR, October 2016). This article focuses less on the EU or Ireland, but on the Apple corporation and its parasitical approach to tax, outsourcing and R&D (research and development).

The Guardian of 30th August 2016, reported:

“Apple has warned that future investment by multinationals in Europe could be hit after it was ordered to pay a record-breaking €13bn (£11bn) in back taxes to Ireland. The world's largest company was presented with the huge bill after the European commission ruled that a sweetheart tax deal between Apple and the Irish tax authorities amounted to illegal state aid. The commission said the deal allowed Apple to pay a maximum tax rate of just 1%. In 2014, the tech firm paid tax at just 0.005%. The usual rate of corporation tax in Ireland is 12.5%.

“Member states cannot give tax benefits to selected companies – this is illegal under EU state aid rules,” said the European competition commissioner, Margrethe Vestager, whose investigation of Apple's complex tax dealings has taken three years. Vestager's ruling prompted an angry response from Apple and from Ireland and is likely to spark a political row between the US and the EU. The US Treasury said the ruling threatened to damage “the important spirit of economic partnership between the US and the EU.”

In a letter to customers, Apple's chief executive, Tim Cook, claimed the ruling could deal a blow to big companies investing in Europe: “Beyond the obvious targeting of Apple, the most profound and harmful effect of this ruling will be on investment and job creation in Europe. Using the commission's theory, every company in Ireland and across Europe is suddenly at risk of being subjected to

taxes under laws that never existed.”

The commission said Ireland's tax arrangements with Apple between 1991 and 2015 had allowed the US company to attribute sales to a “head office” that only existed on paper and could not have generated such profits. The result was that Apple avoided tax on almost all the profit generated from its multi-billion euro sales of iPhones and other products across the EU's single market. It booked the profits in Ireland rather than the country in which the product was sold.

Apple and Ireland said they intend to appeal against the ruling. The figure of €13bn plus interest is 40 times the previous record for such a case and the equivalent of the annual budget for Ireland's health service. Irish campaigners called for the windfall to be invested in public housing.

The taxable profits of Apple Sales International and Apple Operations Europe did not correspond to economic reality, the commission said. Vestager said: “The commission's investigation concluded that Ireland granted illegal tax benefits to Apple, which enabled it to pay substantially less tax than other businesses over many years.” Vestager suggested other countries, including the US, might now examine how Apple did business within their borders. These other jurisdictions might then claim a share of the unpaid tax from Apple for the same period. This would reduce the bill owed to Ireland.”

The EU decision follows on the move by Apple, last year, to create a thousand jobs in Cork. Apple argue that a thousand jobs means a thousand more local incomes – created externally but spent internally. Increased income tax and social insurance assists the Irish Exchequer, which also benefits from VAT paid on goods and services. Local retailers, restaurateurs and others will benefit, with a multiplier effect in jobs to follow, a boost to the construction trade in increased housebuilding for local and migrant labour taking up employment with Apple. But, the deal is this: Apple won't pay any tax in Ireland. The Irish Government appears determined that Apple pay no tax. If it were obliged to do so, it may trigger the age-old corporate threat to ‘up sticks’ and move operations

elsewhere.

In an article in the Washington Post titled “**Apple may owe Ireland \$19 billion, but Ireland doesn't want the money. Here's why**” Henry Farrell sets out the case¹

Depending on the outcome of an official investigation, Apple may face a bill that is estimated at between \$8 billion and \$19 billion for underpaid taxes to the Irish government. The Irish government really doesn't want to get this money and is fighting as hard as it can to avoid receiving it. That may sound weird to ordinary people, who assume that governments want to squeeze individuals and businesses for as much taxes as they can get. But if you understand the politics of international corporation tax, it all makes sense.

As Gabriel Zucman argues in his book on international tax evasion and avoidance, “*The Hidden Wealth of Nations*,” many U.S. firms locate as much of their activities as possible in low-tax jurisdictions like Ireland to minimize their tax bills. This is often easier for sophisticated technology firms, since so much of their profit is tied up in intangible activities and assets such as design. Hence, they can structure their operations so that much of the profits go to subsidiaries based in Ireland, Luxembourg and elsewhere, minimizing their U.S. tax exposure and deferring the point at which they have to pay U.S. taxes.

Apple has approximately \$200 billion salted away overseas². Businesses like Apple have also sought individualized tax “rulings” from countries like Ireland and Luxembourg that legitimize their specific tax arrangements. Critics describe these rulings as sweetheart deals, while defenders say that they assure long-term confidence and stability.

Other European countries are very unhappy with the low tax rates in Ireland, Luxembourg and other corporate tax havens. They believe that these countries are deliberately trying to lure business and investment away from them. However, under E.U. law, they haven't been able to do much about it. Corporate taxation policy is mostly left to the discretion of individual European countries, providing few angles of attack for countries or officials who don't like tax havens. However, the European Commission, the

executive and administrative body of the European Union, has recently come up with a clever new legal argument. Even if E.U. law doesn't cover corporate tax laws, it does allow the E.U. to act against "state aid" — arrangements under which E.U. member states provide specific help to businesses in ways that distort market competition. If the European Commission treats tax rulings for individual firms as forms of state aid, it may be able to undermine them. This is what is happening to Apple. The European Commission is investigating whether Apple's special tax deal with Ireland is a form of state aid. If it concludes yes, as everyone expects it to, it can make Ireland stop its special treatment for Apple and force Apple to pay whatever taxes to Ireland the commission thinks it should have paid.

You might expect that Ireland — a country with heavy debt emerging from a serious recession — would be delighted to get its hands on up to \$19 billion of unanticipated tax revenue. It isn't. If Apple is forced to pay these taxes to Ireland, then Ireland will seem much less attractive to other footloose multinationals looking to minimize their tax liability. For example, Google too uses Ireland as a haven to minimize tax payments. The Irish government has clearly decided that the long-term economic costs of getting the money will outweigh the short-term boost to revenues, and is lobbying against a large tax settlement.

Every presidential election sees a lot of political rhetoric aimed at low tax jurisdictions overseas that are tempting U.S. businesses to locate their activities outside America. You might think that U.S. officials and legislators would be delighted to see these low-tax jurisdictions running into trouble. Again, you'd be wrong. The Senate Committee on Finance has just announced that it considers the European Commission's investigation to be a "direct threat" to U.S. interests.

The likely reasons are two-fold. First, companies like Google and Apple have a lot of political clout on Capitol Hill. Second, and likely more important, if Europe succeeds in forcing U.S. companies to pay more taxes, Uncle Sam will probably have to foot much of the bill. The affected companies are likely to claim tax credits in the United States for taxes that they have to pay overseas, leaving the U.S. government and U.S. taxpayers' worse off.

In short, Apple sets up various subsidiaries in corporate tax havens such as Luxembourg, Ireland, the Netherlands and the British Virgin Islands to shuffle profits around. A complicated web of companies and subsidiaries has the net effect of making the company's finances opaque and reducing Apple's obligations to pay tax. This is most notably so in the

US itself, where the public purse took the risk to develop all the technologies that Apple has so skilfully exploited.

Research and Development

Apple, however, doesn't stop at tax. It also rides on the back of the publicly funded research and development. The balance of risk and reward is demonstrated by UK based academic Mariana Mazzucato³.

"What is uniquely apparent in the case of Apple however is that the company's executives and shareholders are not the sole (nor the largest) bearers of risk that was part of developing innovative products such as the i-Pod, the iPhone and iPad. Rather... the success of these technologies is overwhelmingly due to the foresight of the US Government in envisioning radical innovation in the electronics and communications fields going back to the 1960's and 1970's."

Mazzucato stresses that Apple incrementally incorporated in each new generation of iPods, iPhones and iPads technologies that the state sowed, cultivated and ripened — and the point is that:

"Apple understood this game: creatively pioneering the field of consumer electronic dreams by stepping up to the plate and playing off the positive externalities left behind by the government's heavy hitters....Apple is far from the 'market' example it is often used to depict. It is a company that not only received early stage finance from the government (through the SBIC programme) but also 'ingeniously' made use of publicly funded technology to create 'smart' products. In fact there is not a single key technology behind the iPhone that has not been state funded. Besides the communications technologies, the iPhone is smart because of features such as the Internet, GPS, a touch screen display and the latest new voice activated personal assistant, (SIRI)...the fact that the iPhone/iPad empire was built on these state funded technologies provides a far more accurate tale of technological and economic change that what is offered in mainstream discussions."

The failure of the Labour Party and movement is in not explaining and standing-up for the positive, pioneering role of the State. That has allowed the public narrative to be dominated by self-serving 'Private good, Public bad' rhetoric, and leads to a parasitic relationship in terms of risk and rewards.

Outsourcing

The parasitic orientation of Apple is now under the spotlight not just for its parasitic approach to R&D and its aggressive tax avoidance, but is also under fire for its offshore production and manufacturing strategies. Outsourcing is a key strategy

with less than 20% of jobs created in the enterprise directly employed by Apple. Extreme inequities in pay rewards within Apple as well as labour disputes in Chinese production facilities are rarely scrutinized. Aditya Chakraborty's recent Guardian article⁴ explored Apple's production outsourcing strategy:

"Whatever marvels have been shoved into the new iPhones, the devices serve to increase the gulf between the super-rich and the rest of us, milk countries of rightful tax revenues, and oppress Chinese workers even while depriving Americans of high-paying jobs. Arrogant towards critics and governments, glutted with cash and yet plainly out of ideas, Apple is elegant shorthand for a redundant economic system.... If you own an iPhone it was assembled by workers at one of three firms in China: Foxconn, Wistron and Pegatron. The biggest and most famous, Foxconn, came to international prominence in 2010 when an estimated 18 of its employees tried to kill themselves. At least 14 workers died. The company's response was to put up suicide nets, to catch people trying to jump to their death. That year, staff at Foxconn's Longhua factory made 137,000 iPhones a day, or around 90 a minute.

Over the past year, the US-based NGO China Labor Watch has published a series of investigations into Pegatron, another iPhone assembler. It sent a researcher on to the assembly line, interviewed dozens of Pegatron staff and analysed hundreds of pay stubs. Among its findings are that staff still work 12 hours a day, six days a week — one and a half hours of that unpaid. They are forced to do overtime, claims the NGO, and provided with illegally low levels of safety training.... The researcher was working on one iPhone motherboard every 3.75 seconds, standing up for the entirety of his 10.5-hour shift. Such is the punishment endured at Apple's contractors to make a living wage, apparently.

At another of Apple's major contractors, Wistron, a Danish human-rights NGO last year found extensive evidence of forced student labour. Teenagers doing degrees in accountancy or business management were sent for months to an assembly line at Wistron. This is a serious violation of International Labour Organisation convention, yet investigators for Danwatch found evidence that thousands of students were doing the same work and backbreaking hours there as the adults — but costing less. The teenagers told Danwatch that they were working against their will. "We are all depressed," one 19-year-old girl said. "But we have no choice, because the school told us that if we refused, we would not get our diploma." Despite several requests

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Parliament Notes



Dick Barry

Parliamentary Scrutiny of Leaving the EU

On 12 October 2016 Keir Starmer, Labour's Shadow Minister for Brexit, initiated a debate on parliamentary scrutiny of leaving the EU.

Mr Speaker

I inform the House that I have selected amendment (b) in the name of the Prime Minister.

Keir Starmer (Holborn and St Pancras) (Lab)

I beg to move,

That this House recognises that leaving the EU is the defining issue facing the UK; believes that there should be a full and transparent debate on the Government's plan for leaving the EU; and calls on the Prime Minister to ensure that this House is able properly to scrutinise that plan for leaving the EU before Article 50 is invoked.

I will start with something I think we can all agree on. The decisions that will be taken by the Government over the next few months and years in relation to exiting the EU will have profound implications for the future of this country, its economy, its people and its place in the world. We have probably not seen a set of such significant decisions since the end of the second world war. Today's debate is about the proper role of Parliament, and this House in particular, throughout that process. It is about scrutiny and accountability.

There was one question on the ballot paper on 23 June "Should the United Kingdom remain a member of the European Union or leave the European Union?"

The majority of those voting voted to leave. That result has to be accepted and respected, notwithstanding the

fact that many of us, including myself, campaigned for remain. However, that is not the end of the matter. The next question, and one that is increasingly pressing, is on what terms should we leave the EU? That question was not on the ballot paper. Nor was it addressed in the Conservative party's 2015 manifesto—there was no plan B in the event of the referendum concluding with a leave vote. Nor did the Prime Minister set out her terms for Brexit before assuming office, because of the nature of the exercise by which she assumed that office. Nor do we have a White Paper setting out the proposed terms. Instead, hiding under the cloak of the prerogative, the Secretary of State has, until now, declined to give the House a meaningful role in scrutinising the Government's opening terms for negotiations, and that matters.

I am glad to see that a Government amendment—amendment (b)—has been tabled. This implies that the Government are taking a step in the right direction towards scrutiny.

Caroline Lucas (Brighton, Pavilion) (Green)

I am sure that, like me, the hon. and learned Gentleman welcomes the half U-turn from the Government, allowing a debate before article 50 is invoked, but what about an actual vote? I am concerned that the amendment does not mention a vote in this House before article 50 is triggered, and that is crucial.

Keir Starmer

I will come on to the important question of a vote, but let us take one step at a time.

There is scrutiny and there is accountability. The first question is whether the Secretary of State is prepared to put the plans before the House so that Members can see them and debate them. The next question is what the House can do about them, and that is a matter of accountability. I

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for comment, Wistron did not respond."

So, what is to be done? The first thing is to develop a mind-set which does not consider state-level action impossible. The EU have acted. Richard Murphy at Tax-Research-UK has long set out the case for country-by-country accounting and tax and well as an agenda (including a Financial Transactions Tax) which would dampen unproductive speculation and the 'financialization' of otherwise productive companies.

There is also company law. Labour should argue to legislate for a more broadly based, civilised, conception of company law. Traditionally, companies were invented by "companions" who banded together to share risk to perform a vital economic or other function from which they would profit. They would petition the state for a licence to practice and accept reciprocal societal obligations in return. This conception of company has been debased by the narrow notion of short term shareholder return a notion which will consider quicker routes to shareholder return than investing in people to develop a great organisation. Merger and acquisition to extend market share, tying senior management to stock market performance through share options, increased managerial opportunism and the use of performance related pay for middle and junior managers to effect cost minimisation all serve to reinforce the short term view of the company, rather than the need to invest in skills development.

Put simply, we, as a labour movement, need to develop a narrative around what a broadly defined and progressive company, with environmental and societal obligations, should look like.

(E n d n o t e s)

1 Henry Farrell, Washington Post, 29th January 2016

2 The Observer of 9 October 2016 puts this figure at \$214.9 billion

3 *The Entrepreneurial State: Debunking Public Vs. Private Sector Myths* Mariana Mazzucato, 2013, Anthem Press www.anthempress.com ISBN 978-0-85728-252-1

4 Guardian, 19th September 2016

hope that amendment (b) indicates that the Government will go further down the route of scrutiny than they have been prepared to do so far. If they are, I will not crow about it, because it is the right thing to do and it is in the national interest. We all have a duty to ensure that we get the right result for the country.

John Redwood (Wokingham) (Con)

I do hope that Labour is going set out how it would handle the negotiations.

Keir Starmer

I would happily swap places with the Secretary of State and play a part in the negotiations, but we are not in government—

Keir Starmer

I will answer the first intervention, please.

We are not in government and our manifesto did not have a referendum without a plan for exit. We need to be clear at the beginning of this exercise where responsibility for the position in which we find ourselves lies. It lies with a previous Prime Minister and a Government who had no plan for a no vote. That is why we are here today.

Rishi Sunak (Richmond, Yorks) (Con)

The hon. and learned Gentleman mentioned the terms of our exit and also national interest. I come from a business background, and I would love to get a sense of his approach to a successful negotiation. Does he believe that the national interest would be best served by the Government coming to this place and explaining in precise detail all their negotiating positions before we have even walked into the room?

Keir Starmer

I will deal with that, because that is an essential question that we need to discuss. In a sense, this should not be about point scoring across the House. We are debating a fundamental question, which is whether the basic plans for the negotiating position will be put before the House. That really matters. Of course there is a degree of detail that cannot be discussed. Of course there is a degree of flexibility that must be there in any negotiation. Of course the starting position may not be the end position. We all accept that; we are all grown up. The question here is whether the basic terms should be put before the House.

Toby Perkins (Chesterfield) (Lab)

Like the hon. Member for Richmond (Yorks) (Rishi Sunak), I also have a business background, as of course does the director general of the CBI, Carolyn Fairbairn, who said “At the moment if the commentary was to read into what we’ve heard so far, it’s that we’re heading to something of a cliff edge in two and a half years.” Does my hon. and learned

Friend recognise, as I do, that there are many people in business who are very, very concerned about the lack of commentary and lack of direction from the Government?

Keir Starmer

I am grateful for that intervention. There are two aspects to today’s debate. Partly, there is the political aspect what is the role of Parliament. There is also the question of uncertainty. It is absolutely clear that, across business, across EU citizens and across the population as a whole, there is great uncertainty about what the plans are, and that uncertainty simply cannot be kept in place for the next three years. It is growing uncertainty.

Tom Pursglove (Corby) (Con)

Will the hon. and learned Gentleman set out for the House what scrutiny there was when the Lisbon treaty was ratified under the Gordon Brown Government?

Keir Starmer

There is different scrutiny for different treaties and provisions. One example is the scrutiny that was provided in relation to the original decision to go into the European Economic Community, because then, as I am sure the hon. Gentleman knows, Command Papers were put before the House. An economic impact assessment was also put before the House, and some of the Command Papers were voted on. The idea that scrutiny cannot be done and that it was not done in the past is wrong.

Mr Ben Bradshaw (Exeter) (Lab)

My hon. and learned Friend mentions uncertainty. I have been contacted by a business in my constituency that has, until recently, been growing very rapidly, and had plans to announce a £100,000 expansion this autumn. That has now been cancelled because of the uncertainty about our future in the single market and because of what it sees as the Government’s headlong rush to a hard Brexit. What can he say about Labour’s position to reassure those businesses across the whole of Britain that are worried about our future in the single market?

Keir Starmer

The priority should be the economy and jobs, which means access to the single market. On Monday, the Secretary of State confirmed that the Prime Minister will invoke article 50 no later than the end of March next year. Unless Parliament has a meaningful role in shaping the terms of Brexit between now and then—a maximum period of just five-and-a-half months—it will be too late. I can see what will happen. Once the negotiating process has started, there will be a claim by the Secretary of State that it would be inappropriate to put anything before the House by way of detail. Once the process is over, the risks of any debate will be purely academic.

The Secretary of State for Exiting the European Union (Mr David Davis)

On a point of information, that is not correct. I have already said that it is not correct. In talking to the Lords Committee in September, I said that the House would have at least the information available to the European Parliament. What the hon. and learned Gentleman says is just not the case.

Keir Starmer

I am grateful for that intervention. I read the transcript of the Secretary of State’s evidence to that Select Committee. What was put to him was that, on one view, the European Parliament would have more answers than this Parliament. In 2010, as he knows, there was a framework agreement between the Commission and the European Parliament. It states

“Parliament shall be immediately and fully informed at all stages of the negotiation and conclusion of international agreements, including the definition of negotiating directives.”

That goes a long way further than I understood the Secretary of State’s position to be on Monday, and in his first statement. I would be very pleased to hear from him if he can confirm now that at least that part of scrutiny is guaranteed.

Mr Davis I can.

Keir Starmer

Thank you. This is a matter not just of process, but of real substance. Both those who voted to leave the EU and those who voted to remain recognise that different negotiating stances under article 50 could provide radically different outcomes, each of which carries very significant risks and opportunities. That is undoubtedly why there is a keen debate going on behind the scenes on the Government’s side. Everybody recognises the potential consequences of adopting the wrong opening stance.

Mary Creagh (Wakefield) (Lab)

My hon. and learned Friend is making an excellent case. Does he agree that the British people may have voted to leave the European Union, but what they did not vote for is for their food to become more expensive, for the wages of low-paid workers to be hit and for jobs to be lost in the manufacturing, agricultural and banking sectors, which is what we are in danger of if we choose the wrong exit from the European Union.

Keir Starmer

I agree, and that is what is causing such great anxiety around the country. I doubt whether any Member has not been approached by constituents, either individuals or businesses, with real concerns about the situation. There are different concerns from different businesses and different individuals. I certainly have not met anyone without them—if there

are MPs who have, well, so be it—and I think that the Secretary of State would recognise the deep concern across the business community and among a number of individuals, groups and communities about the uncertainty about the future.

Ms Karen Buck (Westminster North) (Lab)

I am sure that I am not alone in having many representations from individuals among the millions of EU citizens living in this country and, of course, Britons living abroad who are deeply insecure about their position. Does my hon. and learned Friend agree that it is deplorable to discuss those individuals in terms of being bargaining chips and cards that we need to play in negotiations? Do we not need to make a priority of ensuring that those individuals, with their businesses and their lives, have the security that they deserve?

Keir Starmer

My hon. Friend makes a very good point, and again, many of us have had anxious conversations with EU citizens who simply want to know what their position is and want some guarantees about the future.

Some models for exiting have been much discussed. The most cited are the Norwegian model, the Swiss model, the Turkish model and the Canadian model. It is unlikely that any deal reached between the UK and the EU will replicate any of those models—nor should it—but in negotiating our future relationship with the EU, the Government will be defining the future of our country, so the terms matter hugely. It is frankly astonishing that the Government propose to devise the negotiating terms of our exit from the EU, then to negotiate and then to reach a deal, without a vote in this House. This is where my opening remarks become important because, in the absence of anything in the manifesto, in the absence of anything on the referendum ballot form and in the absence of any words from the Prime Minister before she assumed office, where is the mandate? Nobody—public or in the House—

Mr Stewart Jackson (Peterborough) (Con) The referendum.

Keir Starmer

No, the referendum is not the mandate for the terms. We have been round this block and everybody understands the distinction. I have stood here and accepted that there is a mandate for exit. There is no mandate for the terms. It has never been put to the country; it has not even been put to the Secretary of State's political party; and it has not been put to the House. Where is the mandate on the terms?

Mr Kenneth Clarke

Reference has been made to the Lisbon treaty, which may provide a rather useful precedent. Is the hon. and learned Gentleman aware that the policy on that treaty

was debated repeatedly on the Floor of the House, beginning with the abortive European constitution. The then Government were accountable to the House for the view that they were taking towards the treaty, and the treaty itself was then debated for days on end on the Floor of the House, with repeated votes at several stages in that process. Nobody mentioned the words “royal prerogative” throughout the entire process.

Keir Starmer

I will come on to the prerogative, and I think that the treaty was debated for at least 20 days.

Chris Bryant (Rhondda) Is not the prerogative absolutely key here? In 1924, when there was a Labour Government, we insisted that all treaties would be laid before the House for 21 days, so that the House and the House of Lords could take a view on them. That was the Ponsonby rule. When there was a Conservative Government, they got rid of it. When there was a Labour Government again in 1929, we put it back, and in 2010, we put it on the statute book. Is it not really worrying that Ministers have been going to the House of Lords and this Chamber and relying solely on the prerogative in relation to treaties?

Keir Starmer

It is, and I will deal with the prerogative in some detail because it is not fixed. The prerogative changes over time, and in any event, even if it may legally allow the Executive to proceed without scrutiny and accountability in the House, it does not prevent that scrutiny and accountability. It does not require the Government to proceed in that way. It is being used as cloak to avoid the scrutiny that is needed.

Alex Salmond (Gordon)

Some of us were here during the Maastricht treaty debates, when there were many votes and the Government forces of the day were brilliantly whipped by the present Secretary for Brexit in favour of the Maastricht treaty. Just to be quite clear, is the hon. and learned Gentleman—I am very much minded to support his motion—calling for a vote, not just an examination, on the terms before we send the Secretary of State off to negotiate?

Keir Starmer

Absolutely, but I take this in two stages because both are important. Scrutiny—putting the plans before the House—really matters. There is a separate argument about a vote, and I say that there should be a vote, but we must not get to a situation where, to resist the vote, the Secretary of State will not even put the plans before the House.

Mr Dominic Grieve (Beaconsfield) (Con)

Is not the convention very clearly established that a major treaty change has to be

triggered by an affirmative resolution of the House? The fact that that may only be a convention is still something that must be respected. After all, there are lots of conventions, such as the convention that a Government resign if they lose a vote of no confidence. That is no more than a convention, but Members might be a bit surprised if a Government were not to go in those circumstances.

Keir Starmer

The prerogative has come up so often that I will deal with it now in substance. Prerogative powers, of course, developed at a time when the monarch was both a feudal lord and Head of State. That is the origin of prerogative powers, but they have changed over time, yielding where necessary to the demands of democratic accountability. There are plenty of examples, as the Secretary of State will know, in the courts of that change in accountability, but there is also the example of the prerogative power to commit troops in armed conflict. In theory, the Prime Minister and the Cabinet retain the constitutional right to decide when and where to authorise action, but in practice Governments in recent times have ensured parliamentary debate and a vote.

Responding to the Chilcot report earlier this year, the then Prime Minister made the point during Prime Minister's questions when he said “I think we have now got a set of arrangements and conventions that put the country in a stronger position. I think it is now a clear convention that we have a vote in this House, which of course we did on Iraq, before premeditated military action”.—[Official Report, 6 July 2016; Vol. 612, c. 881.]

A strong political convention modifying the prerogative has thus been set. The underlying premise of the development of the prerogative is clear and obvious. The more significant the decision in question and the more serious the possible consequences, the greater the need for meaningful parliamentary scrutiny. That lies at the heart of this, and it is hard to think of a more significant set of decisions with very serious possible consequences than the terms on which we leave the EU.

I will press this point because all this is well known to the Secretary of State. After all, he tabled a ten-minute rule Bill in June 1999 that was concerned with “the exercise of certain powers of Ministers of the Crown subject to control by the House of Commons”.

I shall quote his approach to the prerogative. When he introduced that Bill on 22 June 1999, the right hon. Gentleman, now of course the Secretary of State, said “Executive decisions by the Government should be subject to the scrutiny and approval of Parliament in many other areas... The Bill sets out to...make” the prerogative

“subject to parliamentary approval, giving Parliament the right of approval over all Executive powers not conferred by statute—from the ratification of treaties to the approval of Orders in Council, and from the appointment of European Commissioners, some ambassadors, members of the Bank of England”.—[Official Report, 22 June 1999; Vol. 333, c. 931.]

So he has changed his position. Back then, he recognised that the prerogative ought to be subject to Parliament. It was 20 years ago, but progressive movement with the prerogative is usually in favour of greater accountability, not less, so the fact that he argued that 20 years ago is not an argument against doing it now. That Bill did not proceed, but the principles are clear and set out. The prerogative is not fixed; parliamentary practice and convention can change the prerogative, and have done so in a number of ways. In any event, I fall back on my primary point even if the prerogative permits the Government to withhold the plans from Parliament, it does not require them to, and political accountability requires the Government to put their plans before Parliament.

Mr Bernard Jenkin (Harwich and North Essex) (Con)

The hon. and learned Gentleman misses one rather important fact there has been a vote of the British people—a vote delegated to them by the terms of the European Union Referendum Act 2015. This is the question that he has to answer suppose there was a vote in this House; how would he vote? Would he vote against article 50 invocation, or in favour? Just give a straight answer to that.

Keir Starmer

I will not take long responding to that, because I have made the point, which is that the mandate on 23 June was not a mandate as to the terms, and I think that most people understand that; I cannot put it any clearer than that. There is the question of how Members would vote, what they would vote on, and what happens if Parliament does not like the terms. The Secretary of State, in his statement on 5 September, emphasised that he would consult widely, including the devolved countries, which of course are very important in all this, and which deserve scrutiny of how exit will impact each of them. He also said he would “strive to build national consensus around our approach.”—[Official Report, 5 September 2016; Vol. 614, c. 38.] The question for the Secretary of State is how will he build consensus around his approach if he will not tell the House what his approach is?

Joanna Cherry (Edinburgh South West) (SNP)

The hon. and learned Gentleman is, of course, a first-rate lawyer of international renown, and it is a real pleasure to hear

him develop his argument. I am interested in what he said about the devolved Administrations. Does he agree that the Scottish Government and other devolved Administrations should have a central role in negotiations on the UK’s terms for exiting the European Union, and will he and his party throw their weight behind that argument?

Keir Starmer

I do agree with that, absolutely, and we will throw our weight behind it. In fairness, the Prime Minister signalled that by her early visits as soon as she assumed office. I was hesitant to answer that question in case I got relegated from second to third or even fourth-rate lawyer. I will press on unless the Secretary of State is about to give me a ranking.

Mr Davis

I was just about to say that the hon. and learned Gentleman will remember from Monday that I reiterated the support for his standing as a lawyer.

Mr Iain Duncan Smith (Chingford and Woodford Green) (Con) rose—

Keir Starmer

I give way.

Hon. Members Apologise!

Mr Duncan Smith

I am going to. May I unreservedly withdraw the allegation that I made on Monday, only on the basis that it was clumsy? It was not meant about him; it was meant about advice. I do not for one moment doubt the hon. and learned Gentleman’s capabilities as a lawyer.

Keir Starmer

I am grateful for that, and I assure the right hon. Gentleman and the House that I was not in the slightest bit concerned, though I am very grateful to so many people who were concerned. I consider the matter closed.

Mr Duncan Smith

The hon. and learned Gentleman said that it was important for the Government to come before Parliament, specifically to lay out their negotiating position. He says that there was a simple question on the ballot paper on whether we should leave the European Union or not. Will he tell us what the simple definition is of leaving the European Union? Is it the non-application of European law?

Keir Starmer

No. There are very different models for leaving. We have to be clear about what is actually happening, because that is important when we come to the point about treaties; we are leaving one treaty and almost certainly signing new treaties, so this is not just about exiting one treaty. I have not yet met anybody who suggests that there should be no relationship between the UK and the EU. [Interruption.] No, seriously, speaking as someone who has spent five years dealing with counter-

terrorism and serious criminal offences across Europe, it is inconceivable that we will not sign new treaties with the EU; to do otherwise would undermine our security. We are talking about a matter of parliamentary sovereignty, but this is not just a political point, albeit an important political point. By proceeding in this closed and secretive manner, the Government are causing huge anxiety. In the 2015 Conservative manifesto, there was a commitment to “safeguard British interests in the Single Market”, yet in recent weeks, the Government have emphasised that membership of the single market may not be a priority for Brexit negotiations. On Monday, the Secretary of State said that it was “not necessary” for the UK to remain a member of the single market. Then there was a telling exchange between him and my hon. Friend the Member for Ilford North (Wes Streeting), who put to him the words of the Foreign Secretary on EU citizens. The Secretary of State for Exiting the European Union answered—I will give the full answer, because I was struck by this at the time—as follows “The simple answer is that we will seek to get the most open, barrier-free market that we can. That will be as good as a single market.”—[Official Report, 10 October 2016; Vol. 615, c. 65.]

It is always hard to know when the Secretary of State is busking, but if that is the position, that is a significant statement and position, and it elides with the approach apparently taken by the Prime Minister, who increasingly appears to have extrapolated from the leave vote that there is an overwhelming case for a hard Brexit that does not prioritise jobs or the strength of our economy.

Claire Perry

I congratulate the hon. and learned Gentleman on taking a factual tone in this important debate. I would like to reassure him that many of us on the Government Benches will do all we can to preserve the benefits of access to the single market for our local businesses. May I remind him that seven out of 10 Members from his party represent constituencies that voted to leave the EU? The pragmatic, rather than procedural, approach is in the Government’s amendment, which suggests that it would be negotiating madness for this House to give blow-by-blow scrutiny to the terms of exit. Why does he not vote for the Government’s amendment, which achieves what we all want—not a hard or a soft Brexit, but a smart Brexit?

Keir Starmer

I am grateful for that intervention, and for the indications about the single market. I know that there is a lot of shared concern across the House about the terms of exit. Obviously, I have looked at the amendment; may I make it plain that nothing in

the motion is intended to undermine or frustrate the vote on 23 June, or frustrate the negotiations? We all understand that negotiations have to take place. There will of course have to be a degree of confidentiality, but that does not prevent the plans—the basic outline and broad terms—being put before the House. That is why I am waiting to hear what the Secretary of State says. I heard the tail end of Prime Minister’s questions, and the Prime Minister indicated that we have had two statements from the Secretary of State, and there was a Select Committee—

Mr Jackson

Two Select Committees.

Keir Starmer

I said two statements. [Interruption.] Oh, two Select Committees; well, whatever. If all the amendment means is that we will get similar statements to the two that we have already had, that does not give me much comfort. If we will get more than that, then we shall see.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC)

I am grateful to the hon. and learned Gentleman for giving way, and for some of the points that he has made. Will he use this opportunity to outline clearly the Labour party’s position on single market membership? Yesterday in the Evening Standard, there was a warning from the Mayor of London, Sadiq Khan, against a “hard Brexit”, and he has said that a departure from the single market would be “deeply irresponsible”; I agree fully. Two weeks ago, in the National Assembly for Wales, we had the Labour Government voting with the Tories and the UK Independence party against single market membership. What is the Labour party’s policy on single market membership?

Keir Starmer

Best access to the single market. I was on the subject of uncertainty. There has been understandable uncertainty in business, universities, and trades unions, and among investors, including among people on both sides of the referendum divide. The head of the CBI has warned that hard Brexit could “close the door on an open economy”.

An open letter signed by business leaders cautioned last week that “leaving the EU without any preferential trade arrangement and defaulting to trading by... WTO rules would have significant costs for British exporters and importers”.

It is not just institutions that are concerned. So far, the Government have made broad statements on the principle of protecting the rights of EU citizens already living here. In his statement to the House on Monday, the Secretary of State suggested that the Government are doing everything possible to underwrite and guarantee the position of EU citizens resident in the UK,

and at the same time seeking to do the same with British nationals living in other parts of the EU. That constructive tone is at odds with statements made by other Government Ministers, most notably the Secretary of State for International Trade. Speaking at an event at the Conservative conference in Birmingham last week, he told party members that “we would like to be able to give a reassurance to EU nationals in the United Kingdom”, but that that depended on the way in which other countries proceeded. He said that “to give that away before we get into the negotiation would be to hand over one of our main cards”.

That is treating EU citizens as bargaining chips. That is not good enough many EU citizens have been in the UK for years or even decades, and they deserve better treatment.

The Government should end this uncertainty in the market and among the people. They should set out their plans before the House at the earliest opportunity. We accept that concern about immigration and freedom of movement was an important issue in the referendum and that, in light of the result, adjustments to the freedom of movement principle have to be part of the negotiating process. We must establish fair migration rules as part of our new relationship with the EU, but no one voted on 23 June to take an axe to the economy or to destroy jobs and livelihoods.

Gloria De Piero (Ashfield) (Lab)

A clear majority in Ashfield voted out, and I respect that. Ashfield is an ex-mining community. The good economic times never felt as good up there; the bad times were felt. We do not have enough good jobs, so is it not imperative that we do not lose the good jobs that we do have?

Keir Starmer

I could not agree more. Concerns over freedom of movement must be balanced by concerns over jobs, trade and the strength of our economy. Striking that balance and navigating our exit from the EU will not be an easy process, and it will require shrewd negotiating. The Government must not give up on the best possible deal for Britain before they have even begun. They must put the national interest first and not bow to pressure from Back Benchers for a hard Brexit. That means prioritising access to the single market, protecting workers’ rights, ensuring that common police and security measures are not weakened, and ensuring that all sectors of our economy are able to trade with our most important market. It also means bringing the British people together as we set about leaving the EU.

I touched on the tone of discussions on Monday. Many people are appalled at the language that has been used in relation to exiting the EU. An essential step in

that process is to publish the basic plans for Brexit and to seek the confidence of the House of Commons. The motion is intended to ensure that scrutiny and accountability. I will listen, of course, to what the Secretary of State says about his amendment.

Mr David Davis

On a point of information, does the motion require the guarantee of a vote? Is he after a prior vote?

Keir Starmer

I have made it absolutely clear that I am pressing for a vote. This exercise will obviously go on for some time, and we will have plenty of skirmishes. I am anxious that, first, we have proper scrutiny and also a vote. What I do not want to do is jeopardise the scrutiny by a vote against the vote. Anyone on either side of the House who wants scrutiny can happily support the motion, and I will listen carefully what the Secretary of State says about the amendment.

This is a serious challenge, and these are the most important decisions for a generation. The role of the House is a fundamentally important issue, and we have to ensure that it is compatible with scrutiny and accountability.

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to solve a debt crisis) was criticised recently by Renzi for pledging an annual €20 billion, while receiving only €12 billion in payments.

Renzi has found a novel way of countering criticism while making a swipe at the European countries who refuse to assist with the acceptance and resettlement of migrants. Italy has threatened that they will block approval of the EU budget and his sabre-rattling is currently being countered strongly by the Hungarians. Renzi’s position is interesting. There is a possibility of a future M5S government if there is a strong *NO* vote and Renzi is forced to resign. The Euro hierarchy understand that this will have implications for the future of European unity, and Renzi has emphasised this to them. The vote on 4 December could bring about more than just a change of leadership in Italy.

Listening to Italy

by Orecchiette

ITALY'S BREXIT MOMENT

Some time ago Matteo Renzi called a referendum to endorse changes to Italian electoral law. Initially it seemed like a walk-over, a formality, in the same way that Cameron predicted a smooth passage for his proposals. The date moved back as opposition began to grow and it will finally be held on Sunday 4 December.

The changes will result in a parliamentary system where the existing lower house, or Camera will not be significantly different. However the upper house will largely lose its powers to veto the Camera's proposals. The new structure will be similar to that in Germany where the upper house is based on the regions and the representatives are nominated from that. Orecchiette has previously mentioned that its applicability to Italy is questionable and it may lead to a fiesta of political shenanigans.

Renzi has worked hard to maximise the likelihood of a *YES* vote in the referendum. He has even threatened to resign and leave politics for ever. But an Italian will accept the necessity of occasional pragmatic changes of tactics in a way that would be unthinkable to the British. And yet Paddy Ashdown never did eat his post election hat. And, can we really envisage Boris Johnson pronating himself in front of a Heathrow bulldozer?

Italian voters will base their final decision on a variety of different reasons or feelings. Some will be anti-PD, i.e.: Renzi's centre-left Partito Democratico. Others will be anti-Renzi or anti-EU or simply pro or anti national issues that are working well or badly. Decision-making based solely on the core issue will not predominate.

Relevant to this is the current state of the parties. The PD have the largest number of seats in the lower house. It is often necessary and it is usual for the largest party to go into coalition

in order to amass sufficient numbers to form a workable majority. This is augmented by the 'premium' which gives the largest party an additional number of seats to make that majority work. Beppe Grillo's M5S, Five Star Movement or Movimento Cinque Stelle, have become front-runners in national polling, which while it is not the same as having parliamentary seats, could be a strong indication of future voter preferences.

M5S is a populist, anti-EU, anti corruption, anti-establishment movement, but it is not a party in the known sense. It is run by the non-elected comedian Beppe Grillo and Davide Casaleggio, the son of the founder and company owner, Roberto Casaleggio, who died earlier this year. Davide is an IT specialist and strategist. It is relevant that the M5S Directorate, which share some decision-making, are not currently working in unison. They fight for power and undermine each other. Beppe Grillo is keen to run the country.

One of the most intractable issues and one which will impact on the referendum is the resolution of the migrant influx. Italy has accommodated 153,450 people since the beginning of this year, with as many as 16,000 landing in one recent week. Italians are generally very humane in their attitude and they are referred to as *refugees* or *migrants*, and are treated as people in need of help. This is in contrast to the word *immigrant* which is used pejoratively by the British, often in the same breath as a word such as *spongers*. However, it isn't possible to offer hospitality without end, without respite or help. It is impossible to have the will to continue when other Euro countries offer limited assistance, or refuse to want to understand the efforts made by the Italian people and their Government.

In the last week of October two

small Po delta towns erected barricades against the arrival of 12 migrant women and their 8 children. The towns of Gorino and Goro decided to refuse to take them and thereby refused their national quota. The local clergy expressed their shame and the regional Prefect said that a reception centre had been prepared and the quota should have been fulfilled.

Renzi has been saying that the country and the politicians should all be working together to solve the pressure of the arrivals, but not everyone is willing. Renzi appealed to national pride by praising the Navy and the EU-funded FRONTEX force that are saving lives in the *Canal de Sicilia*, the Italian name for the 150 or so miles of water between Italy and Africa.

It is hard to envisage a way of dealing with this that will start to solve the problem and appeal to voters simultaneously. There is an interesting paradox. Communes are paid €500 for every migrant that they accept. There then is discord from people who believe that more money should be spent on native Italians. British object in a similar way and, it is similarly used to make political points. Matteo Salvini of the right-wing, separatist, anti-Renzi, sometimes fascist Northern League, made political capital by expressing his solidarity with Gorino and Goro.

The EU are criticising Italy and threatening to penalise them for the size of their deficit. Renzi is clear that Italy are not being treated fairly. Spain's deficit is double that of Italy, while France has run a deficit for 9 years. But, Italy's finances will be shattered by the second recent earthquake and a deficit increase can be predicted. The Italian Government of Mario Monti (2011–2013 - a government of technocrats, a Euro creation invented

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