

# Labour Affairs

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## Election Mythology

A mythology is being developed around the 2015 General Election. According to this mythology Labour lost the election because the electorate decisively rejected the move by the Labour Party away from Blair's New Labour to left of centre Old Labour policies. The development of this mythology has some parallels with the mythology that was also carefully developed by the Tories and the Liberals around the Great Recession of 2008 to the effect that it was caused by economic mismanagement by the Labour Party rather than the failures of global financial institutions and Labour's failure to regulate the banks before the failure of those institutions. Labour failed to confront that earlier mythology and so found themselves always in a defensive position in discussions on economics rather than leading an attack against the inadequacies of financial capitalism.

Labour should therefore aim to scotch this mythology around the 2015 general election quickly. Let us review some of the facts. The Conservatives had a net gain of 28 seats which gives them an overall majority in the house of 12 seats. On the surface it seems not unreasonable to conclude there was a definite move of the electorate to the Conservatives from Labour especially given that Labour had a net loss of 25 seats. However a closer analysis of these figures does not support this view.

First let us look at Scotland. Labour lost 39 seats to the SNP. This was clearly a swing away from Labour but it was a swing that took place because Labour was not seen to be sufficiently effective in opposing the Conservatives. It represents a deep rejection of the Conservative Party by voting out a Party that was not seen as sufficiently different to the Conservative Party. It is simply not possible to argue that Labour lost Scotland because it failed to stick to Blair's policies. Rather it was the abandonment of social democracy by Labour in England which was the main factor in the collapse of Labour in Scotland.

What happened outside of Scotland? Labour gained 10 seats from the Conservatives while the Conservatives gained 10 seats from Labour. Again no massive swing against

Labour to the Conservatives, although Labour failed to make the progress that they had hoped for.

The Conservative Party won 27 seats from their previous coalition partners the Liberal Democrats. One might initially be tempted to conclude that there was a massive swing from the Liberal Democrats to the Conservatives resulting in the gain of 27 seats. But the figures do not support this.

The Liberal Democrat vote dropped by over 230,000 in these 27 constituencies which are almost entirely based in the South West in Devon, Cornwall, and Somerset. The Conservative vote increased by 63,000 and the Labour vote by 42,000. Meanwhile in the same 27 constituencies the UKIP vote increased by 108,000 and the Green vote by 48,000. Hardly a ringing endorsement of Conservative policies.

But the really interesting question is why the Liberal Democrats abandoned their Party in such large numbers. Was it because they believed that their interests were best served by the Conservative Party? Definitely not. Liberal Democrat voters stopped voting for their Party because they rejected what their Party had done in the coalition years with the Conservative Party. It was a vote against the Conservative Party. Yet it resulted in a Conservative gain of 27 seats. How could this happen?

The First Past the Post electoral system produced this strange result. These 27 seats, mostly in the South West, were closely fought seats between the Conservatives and the Liberal Democrat Party. In the 2010 election the total Conservative vote for these constituencies was some 530,500, the Liberal Democrat vote was 648,000 and Labour was only 104,000. There was never any possibility that Labour was going to win seats here. However by not voting for their Party in protest at its role in the coalition government the Liberal Democrat voters split the anti-Conservative vote thus allowing the Conservatives to win 27 seats. This is certainly not the result that the Liberal Democrat voters wanted but such is the nature of First Past the Post electoral systems. An essentially anti-Conservative vote led to gains of 27 seats for the Conservatives.

Party Performances in South West England were as follows:

	2010	2015	2015 Gain/Loss	% Change
Liberal Democrat	648,339	417,482	-230,857	-35.6
Conservative Party	530,044	592,548	62,504	11.8
Labour Party	104,193	146,471	42,278	40.6
UKIP	45,416	153,182	107,766	237.3
Green Party	7,505	55,139	47,634	634.7

Looking at the total vote in 2015 confirms that support for the Conservative Party has changed little despite the gain in the number of seats.

The Conservative Party increased its percentage of seats in parliament by 7.8% yet only increased its vote by .8% (less than 1%).

The Labour Party's percentage of seats in parliament dropped by 10% yet it increased its share of the vote

by 1.5% - more than the Conservative Party and that despite the huge loss by Labour of all those anti-Conservative votes in Scotland to the SNP.

It is of course true that Labour failed to make the progress it had hoped for elsewhere in the country, particularly in the Midlands. There is good reason to believe that loss of votes to UKIP was a significant factor here. Since the time of Blair, Labour has neglected working class voters in the belief that they 'have nowhere else to go'. Well, they have and a failure to attend to them was a large contributing factor to Labour's failure to win a majority. Turning back to Blairism will certainly not address this problem.

In conclusion there is no reason to believe there was a massive rejection of left of centre politics by the electorate. The voting patterns are considerably more complex. Labour would do well to analyse them carefully rather than to rush back to the New Labour version of Conservatism. The journal has suggested for some time that an emphasis on the creation of good jobs and support for employers who give their workers a say and invest in high quality, well paid work is an approach that will attract voters from a range of different backgrounds. At the time of writing we cannot see any candidates for the Labour leadership who really understand this and want to do something about it.

### RAMPANT CRIMINALISATION

It's hard to know what  
to say  
a Muslim gets 38 years  
in a British court  
hard to convey  
the fears  
for reason.  
In Iraq  
an American soldier  
was fatally attacked.  
Yes, bomb-making was his trade  
against  
this American invade  
they  
who killed a million  
they  
who the world over  
ride death's pillion  
this London taxi driver  
gets a savage sentence  
from  
an Imperial skiver.

Wilson John Haire.

Details of voting at the seats the Tories won can be found at our website, <http://labouraffairsmagazine.com/>  
Editorials and older articles are also there, along with old issues of Problems magazine.

# Labour Affairs

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# Parliament And World War One

## by Dick Barry

### MILITARY SERVICE

We return yet again to the contentious issue of compulsory military service. On 3 May 2016 the House of Commons debated the First Reading of a new Bill which introduced Conscription for married men, among other proposals. Jimmy Thomas forecast that this would happen when he opposed an earlier Bill which proposed Conscription for unmarried men. The debate was notable for speeches by Laurence Ginnell, Irish Nationalist Member for Westmeath North, and Colonel (James) Craig, Unionist Member for East Down. The Bill was introduced by Prime Minister Asquith and key extracts from his opening remarks are published, followed by contributions from Ginnell and Craig. A short profile of Laurence Ginnell and James Craig, taken from Wikipedia, is set out below.

**Laurence Ginnell** (c.9 April 1852-17 April 1923) was a lawyer and a member of the Irish Parliamentary Party (IPP) for Westmeath North at the 1906 UK general election. From 1910 he sat as an independent Nationalist and at the 1918 general election he was elected for Sinn Féin. Ginnell was born in Delvin, County Westmeath in 1852. He was self-educated and was called to the Irish bar as well as the English bar. In his youth he was involved in the Land War and acted as private secretary to John Dillon.

In 1909 Ginnell was expelled from the IPP for the offence of asking to see the party accounts, after which he sat as an independent Nationalist. During this time he was addressed frequently as "The MP for Ireland." In Westminster he was highly critical of the British Government's war policy, and its holding of executions of certain participants in the Easter Rising of 1916. On 9 May he accused the British Prime Minister H. H. Asquith, of "Murder", and was forcibly ejected from the assembly.

In 1917 he campaigned to try to ensure the election of Count Plunkett in the Roscommon North by-election in which he defeated the IPP candidate on an abstentionist platform. Following the victory of Eamon de Valera in East Clare, while standing for Sinn Féin, on 10 July 1917, Ginnell joined Sinn Féin. At the Sinn Féin Ard Fheis that year, at which the party was re-constituted as a Republican party

with de Valera as President, Ginnell and W. T. Cosgrave were elected Honorary Treasurers.

Ginnell was imprisoned in March 1918 for encouraging land agitation, and later deported to Reading Gaol. In the 1918 general election, he was elected as Sinn Féin MP for the Westmeath constituency, comfortably defeating his IPP challenger. After his release from prison, he attended the proceedings of the First Dail. Along with fellow TD James O'Mara he was one of the only TDs ever before to sit in a parliament. He was one of the few people to have served in the House of Commons and in the Oireachtas. Ginnell was appointed Director of Propaganda in the Second Ministry of the Irish Republic. He opposed the Anglo-Irish Treaty that was ratified by the Dail in January 1922, and was elected as an anti-Treaty Sinn Féin TD at the 1922 general election on the eve of the Irish Civil War.

**James Craig, 1<sup>st</sup> Viscount Craigavon** (8 January 1871-24 November 1940) was leader of the Ulster Unionist Party and the first Prime Minister of Northern Ireland. He was created a baronet in 1918 and raised to the Peerage in 1927. Lord Craigavon was born at Sydenham, Belfast, the son of James Craig (1828-1900) a wealthy whiskey distiller; he had entered the firm of Dunville Whiskey as a clerk and by aged 40 he was a millionaire and a partner in the firm. James Craig was the seventh child and the sixth son in the family; there were eight sons and one daughter in all. He was educated at Merchiston Castle School in Edinburgh, Scotland; his father had taken a conscious decision not to send his children to any of the more fashionable public schools. After school he began work as a stockbroker, eventually opening his own firm in Belfast.

He enlisted in the 3<sup>rd</sup> (militia) regiment of the Royal Irish Rifles on 11 January 1900 to serve in the Second Boer War. Military life suited him well, but he became impatient with the lack of professionalism and efficiency in the British Army. He was seconded to the Imperial Yeomanry, becoming a lieutenant and then a captain, was taken prisoner in May 1900, but released by the Boers because of a perforated eardrum. On his recovery he became deputy assistant director of the Imperial Military Railways, showing the qualities of organisation that

were to mark his involvement in both British and Ulster politics. In June 1901 he was sent home suffering from dysentery, and by the time he was fit for service again the war was over.

On his return to Ireland he turned to politics, serving as Member of the British Parliament for East Down from 1906 to 1918. From 1918 to 1921 he represented Mid Down, and served in the British government as Parliamentary Secretary to the Minister for Pensions (1919-1920) and Parliamentary Private Secretary to the Admiralty (1920-1921). Craig rallied the Ulster unionist opposition to Irish Home Rule in Ulster before the First World War, organising the paramilitary Ulster Volunteers and buying arms from Imperial Germany. The Volunteers became the nucleus of the 36<sup>th</sup> (Ulster) Division during the Great War. He succeeded Edward Carson as leader of the Ulster Unionist Party in February 1921.

On 7 June 1921 (over two weeks before the opening of the Parliament of Northern Ireland), Craig was appointed the first Prime Minister of Northern Ireland by the Lord Lieutenant of Ireland. A dedicated member of the Orange Order and staunchly protestant, he famously stated, in April 1934, in response to his assertion that Ireland was a Catholic nation, "The hon. Member must remember that in the South they boasted of a Catholic State. They still boast of Southern Ireland being a Catholic State. All I boast of is that we are a Protestant Parliament and a Protestant State. It would be rather interesting for historians of the future to compare a Catholic State launched in the South with a Protestant State launched in the North and to see which gets on the better and prospers the more. It is most interesting for me at the moment to watch how they are progressing. I am doing my best always to top the bill and to be ahead of the South."

However, later that year, speaking in Stormont on the 21 November 1934 in response to the accusation that all government appointments in Northern Ireland are carried out on a religious basis, he replied, "...it is undoubtedly our duty and our privilege, and always will be, to see that those appointed by us possess the most unimpeachable loyalty to the King and Constitution. That is my whole object



*in carrying on a Protestant Government for a Protestant people. I repeat it in this House."*

**The Prime Minister (Mr. Asquith):**

I beg to move, "That leave be granted to introduce a Bill to make further provision with respect to Military Service during the present War."

I will not occupy the House for more than a few minutes, because the Bill I am asking leave to introduce is, in all substantial respects except one, the same Bill which was introduced by my right hon. Friend the President of the Local Government Board (Mr Long) last week. The Bill which was introduced by him, and was carefully explained by him to this House, encountered a good deal of hostile criticism not because of what it contained, but because of what it omitted, and the Bill which I am going to ask leave to introduce is a Bill which will supply the omission that was then complained of. The *Military Service Act*, which was passed, I think, in the month of January of this year, subjected to compulsory enlistment every male British subject who was ordinarily resident in Great Britain and had attained the age of eighteen on 15<sup>th</sup> August, 1915, and had not attained the age of forty-one, and who, on the 2<sup>nd</sup> of November, was unmarried or a widower without any child depending on him.

The first Clause of this Bill extends the compulsory obligation to all male British subjects in Great Britain, married as well as single, between the ages of eighteen and forty-one. The Act which was passed some months ago brought in men who had reached the age of eighteen on the 15<sup>th</sup> of August last year. This Bill brings in every male according as he reaches the age of eighteen, thus providing for a constant supply of new recruits. The second Clause provides, as the Bill of last week did, for an extension during the period of the War of the services of men now serving whose ordinary period of service would otherwise expire.

The third Clause provides for the recalling to the Colours of any time-expired men, whether married or single, who have left the Army already if they are at the time of the passing of the Bill under forty-one years of age, that is to say, within military age. We provide further the power to enable the Army Council to review the medical certificates of those who have been rejected on medical grounds since the 14<sup>th</sup> August, 1915. The reason is a very simple one. As the standard of medical fitness has now been extended, and I think very properly

extended, and men who are not fitted for active service abroad are now taken for less arduous duties, it is desirable in those cases that there should at any rate be an opportunity to review them. I believe that a great many of the men would be very glad that they should be so reviewed.

The fifth Clause is the one which deals with the certificates of exemption and the period of two months which the present law provides in that regard. Its object, as my right hon. Friend explained last week, is to prevent indefinite prolongation of such periods of temporary exemption. Then there is a provision to which I personally, and I think many of my colleagues, attach great importance. The Bill provides for the formation of a special Reserve to which men in the Army or the Territorial Forces may be transferred when this course appears to be expedient in the interests of the country. The intention is that men in this Reserve might be or would be employed to a large extent in civilian life, and would be immediately available for military service in case of military necessity.

Then there is the Clause which is now familiar---of which I need say no more than a word---by which Territorial soldiers, who under the present law cannot be transferred to any other corps of Territorials or into the Regular Forces without their own consent, may be so transferred. Military necessities require absolutely during the period of the War that this restriction should be removed. Some Territorial battalions are very full, while others are very short of the necessary men. Great difficulty is experienced, as everybody knows who has been at the front, in keeping some battalions up to strength from their own drafts, while other battalions are overflowing. The Bill, therefore, authorises the transfer of the Territorial from one corps to which he belongs or to which he is transferred.

**Mr Ginnell:**

This Bill has been appropriately introduced by the announcement of a triple murder---

**Mr Speaker:**

We have nothing to do with that question. That is a matter which was mentioned before this Bill was introduced at all and it has nothing whatever to do with this Bill.

**Mr Ginnell:**

At all events, it was very appropriate. The Bill has also been supported by hon. Members sent to this House, if for any purpose, to maintain and enlarge personal liberty. They have abandoned that position. Why? Because they have been bought

over for one reason or another, some of them having been made right honourables. They have been made to swallow all their previous convictions---they have been bought over to maintain a policy which is to put an end to all personal freedom---freedom of opinion, freedom of the Press, and every manner of freedom which they have been sent to this House to maintain and enlarge. On the other hand, I do not consider this Bill, sweeping though it is, a really serious matter. I regard this Bill as I regard the announcement yesterday, of an increase in the Army by 5,000,000 men, as so much dust thrown in the eyes of unfortunate France, which is sacrificing itself in this War. France is not able to retain any of her men of military age and fitness for her civil purposes, yet this Bill was introduced by the Prime Minister with the careful promise that a sufficient number of men of military age and fitness should be retained for civil occupations. That, being boiled down, means the cry with which this War began---the cry of "business as usual." It is still "business as usual" in this country, although not acknowledged. (HON. MEMBERS: "NO, no!")

France cannot continue to practice her business as usual, but this country means to do so. (An HON. MEMBER: "You are quite wrong about that!") This infamous War, which could easily have been avoided, has been embarked upon largely as a commercial speculation---(An HON. MEMBER: "Rubbish!")---and this country is publicly fitting herself for greater than her present commercial supremacy. Flourishing and prosperous England is working double time to expand her enormous trades and industries---(An HON. MEMBER: "Nonsense!")---to capture German trade and industries---(An HON. MEMBER: "Rubbish!")---and to do business better than usual. She is keeping millions of men of military age, millions of slackers of military age at home safe in connection with mining. Millions of English slackers are being kept at home safe at the shipping, docking, and other trades and industries. Millions of English slackers are kept at home safe at agriculture. So many English slackers of military age and fitness are sheltered at home, under the various State Departments, that the Heads of those Departments, one after another, have answered my inquiry in the House as to the number by saying that it could not be told. (HON. MEMBERS: "Divide!") Is it because they were so numerous that it cannot be told? Is not that a nice message to be sent to France, and a nice comparison

with France, who is sacrificing herself? This is the way in which this country is conducting the War. It is making a great show of a sweeping Military Service Bill for the purpose of leading people on the Continent, friends and foes, to imagine that this country is at last going to do, what she ought to have done twenty months ago, if she was prepared to make the necessary sacrifice.

### Colonel Craig:

I venture to say a few words once more upon the subject about which I troubled the House on a former occasion, because what appears impossible of being carried out today becomes an accomplished fact a short time after. On the last occasion, at the request of my Ulster colleagues, I made an earnest appeal to the Nationalist party to allow themselves to be included in the Bill for Conscription. Although since that time there have been certain happenings in Ireland which all classes of Irishmen extremely regret, still I think that the leader of the Nationalist party, who I am sorry to say is not in his place at the moment, might take advantage of the situation, as it is at present, to come forward and say to the Government that they would be prepared to be included in the scheme of the compulsion, in order to place themselves in exactly the same position as the rest of the United Kingdom. I would go a step further than I went on that last occasion, and I hope the House will thoroughly understand that in this matter I am thinking of nothing whatever except how best we can bring the War to a successful conclusion.

Some people might say that to urge the Nationalist party to take this step would, from the Ulster political point of view, be rather against than in favour of our cause in the future, but I am, like everybody else in the House, I hope, able to rise far above any petty considerations, as I would consider them to be, of that kind. I can see a double reason now why the hon. and learned Member for Waterford (Mr. J. Redmond) should approach the Government on this subject. Could anything re-establish him and his party more in Ireland itself than to go back now and say that they were prepared to take their fair share of the burdens that have fallen upon the married and unmarried men of this country? So far as England and the Empire is concerned, I have no hesitation in saying that it would be a grand action on his part if, at this great crisis in the history of my country, he went across and made that appeal to his fellow countrymen.

I would go even a step further I would ask the Government to approach the hon. and learned Member on the subject more fully than they appear to have done from the reply which I received from the Secretary of State for the Colonies. On the last occasion when this question was broached in the House, he used the words to the effect that he feared the trouble and turmoil that might be created in Ireland would not compensate them for the number of men they might be able to raise. Have not the recent happenings proved that if the Government would take a firm line in this matter, with the full co-operation of the hon. and learned Member for Waterford and his colleagues, they would at all events be able to do their best in a matter of such grave importance at the present moment.

What, after all, will the married men throughout England, Scotland, and Wales say if this Bill goes through and they are compelled by the country---properly compelled by the country---to come forward and do their duty, and if at the same time it is known that anything between 200,000 and 300,000 men, equally eligible for military service, are allowed to remain in Ireland doing practically nothing? The hon. and learned Gentleman on that occasion pointed out that the opposition to such a course in Ireland was small. He said there was only a trivial minority which has been creating the disturbances which, unfortunately, have recently disgraced our country, and so far as they are concerned they no further count in the matter, and I believe that with an energetic effort made by the hon. and learned Gentleman and his colleagues a large response would be made to the appeal, and Ireland would then be taking her proper place, which at present no one who knows Ireland can say she is doing.

I will go a step further and say that those of us who know the country and who have been watching the development of events from the very beginning can recognise this fact standing out most prominently, that one reason why the Irish people as a whole have not come forward and done their duty is because they have been misled by their leaders from the very outbreak of the War. When men were most earnestly required, when the old historical Irish regiments were being depleted and being filled up by Englishmen and Scotsmen, the statement made by every responsible Nationalist leader was that the Irish people had done their duty, and in some cases they went so far as to say they had done more than

any other part of the United Kingdom in proportion.

Those statements are very far short of the truth. If you take what has been done in England and strike an average of what Ireland has done you will find that the response that has been made to the recruiting agents in Ireland has been a disgrace to a large portion of that part of the country. It would have been infinitely better and more creditable to those who really knew the true state of affairs if they had been told frankly from the beginning that the Irish people were not doing their duty so far as recruiting was concerned, and that a much larger number of men was still required. But instead of taking that attitude they were patted on the back, not only by hon. Members who represent Nationalist constituencies in Ireland, but by the Government to this extent, that on every occasion on which legislation was introduced into this House to forward the cause of the War, Ireland was invariably given separate and more favourable treatment.

In the very beginning, when the special taxes on whisky and other intoxicating liquors and closing Orders were introduced Ireland was excluded at the request of the Nationalist party. When more money was required you were not able to get it from Ireland. She was not able to contribute the means to carry on the War, and later, when various measures were introduced, on each occasion there was some special reason. The *Registration Act* was not applied to Ireland. We were told by the Government it was quite unnecessary, as they had all the information which was required. Then only the other day, to come down to recent times, we had this special exemption from the budget of the Gaelic Athletic Association. All these special bribes, as it were, to the Irish people have been absolutely without effect. The results which were obtained from them were without credit from the very beginning, and the consequence is that the people in Ireland were led to believe that they were a special class and were not required to come forward, and were assured that they had done so well that it was unnecessary for them to make a bigger effort.

Does anyone say that even in England or in Scotland that the response to the voluntary appeals made has not been magnificent? And yet, when you put to yourself the question, "Has the country done its best?" the answer was that the Irish people had given their answer which invariably must be, "No, and in some cases

they went so far as to say they have not put forward our whole effort to win this War." If that be so in England, how much more must it be apparent to everybody that in Ireland there has not been the response which one would like to have seen to the appeal for more men to keep up our regiments at the front? The Nationalist party has an opportunity of rehabilitating their cause in the South and West of Ireland, of purging Ireland of what has recently occurred and of showing to the whole wide world that there was nothing more behind this state of rebellion that cropped up than a mere section of the population, and of getting rid of suspicion, and it should come forward now and say to the Government, "We are willing to come into this Bill and to take our fair share with the rest of the country."

I should like to point out how sad it is for any Irishman to see our magnificent regiments filled up by Englishmen, Welshmen and Scotsmen. You take away immediately the esprit de corps, you ruin the local feeling, you destroy the old hereditary names these regiments have earned in the past history of our country, and anyone who thinks of it must be wholly aware that for a regiment to do its best it must have in it those who have got the traditions and those who have the same local feeling as those who fought in it in the old days. From the reports that reach us from the front, wherever they happen to be, there is the same sad story that instead of the divisions which went out Irish Divisions we now find they are three-quarters English and Scottish and the remainder are sending out drafts from Ireland to fill them up.

It would be very wrong to quote figures in this connection, because you would be giving information which I dare say it would be improper to do even in the House of Commons. The argument used by the Nationalist party was that the agricultural occupation of the people prevented them from responding in anything like the same degree as in England, Wales, and in Scotland. I have the figures in my pocket. I do not intend to weary the House with them, but there is more land under tillage in Ulster than in any of the other three provinces. That is to say, so far as Ulster is concerned, she is as much an agricultural county as Munster, Leinster or Connaught, and Ulster has been able to give---I do not wish to press the point---more soldiers and sailors than the other three provinces put together, therefore these arguments which are used by the hon. and learned Gentleman (Mr Redmond) and his colleagues are, in

my opinion, not worthy of this House of Commons, and are not regarded as of any importance whatever by those who know Ireland from North to South.

I do not believe I am drawing any fancy picture; I do not believe that the difficulties, of getting the Nationalists to come forward and accept this Bill are insuperable. I have an idea in my own mind that at this moment Ireland would welcome having her mind made up for her on this important subject. Half the people of this country prefer to have their minds made up for them. Take the average man you meet in the street. He lives in comfort and ease because he knows when he goes to bed at night what he has to do when he rises next morning, to go through his round of work, and in Ireland it is exactly the same. Men there will wait and wait and wait, as many men are waiting in this country for the Government to make up their mind in order that they can make up their mind to take their proper place in the fighting line. In Ireland, if you once take the step, in my opinion you will be able to carry a very large section of the community with you, and even if it was not wholly successful, even if it was impossible in some districts to get the men to come forward, I believe the result would be one of very great importance, and certainly any small district which stood out would not be standing out either to the credit of the country or at the desire of those who are making a strong appeal.

Then another point. We have only one desire, and that is to put our whole force into the field. If you do not make the attempt to get the Nationalists to come forward and keep their regiments, brigades and divisions filled up with Irishmen, the Government are not doing all that they might do in this great crisis. I say to my Nationalist fellow countrymen that they do not come forward and offer their services willingly to the Government in this matter. If they did so they would not be one whit more going back on the action they have taken in the past than many others who were conscientious objectors to any form of compulsion in the old days, and who are now at its strongest and most earnest and determined advocates. Therefore, if they have been able to reconcile their minds with compulsory service, is it too much to ask that the Nationalist party as a whole should also take their stand when they can see clearly that in the future history of this country, far more than the rebellion which has broken out, it would always stand against them that in the hour of England's

trial they did not come forward and do the utmost they possibly could to help her and send troops out to the front.

The last remark I have to make is this: What would be the effect in America, among our allies, and amongst those with whom we were fighting, if at this psychological moment, before the Bill is put into print, the Nationalist party were to come forward and say to the Government, "Ireland has been slandered. Ireland has in the last few days had many bitter opponents, she has had these men in her midst who have turned traitor to her wishes, but in spite of that, and to show that in this matter there is no division between any part of the British Islands, to show that there is no difference whatever, we willingly now place ourselves in the hands of the Government." I believe if the attempt was genuinely made, whether in the Bill---that is to say, a complete Bill to apply to Ireland, or whether an attempt was made to allow them in their own way---and I have suggested to them myself how it would be possible by having local committees of well-known Nationalists running a ballot on lines satisfactory to the locality---they might be able to keep their regiments up to full strength. It is quite a small matter. It is not such a very big task as it might appear in this House to keep all Irish regiments filled with Irishmen, and if the Nationalist party would take that patriotic action at present our enemies would feel that we were really getting down to business in this matter, and our Allies, and those who have come from Canada and Australia and are now in our midst drilling day and night to prepare themselves for this great struggle, would undoubtedly say to themselves, "After all the Irish are not the rebels this rebellion seems to have made them out."

The following day, 6 May 1916, the House of Commons supported the Second Reading of the Act by 328 votes to 36. The 36 MPs who voted against were:

Rt Hon. W Abraham (Lib/Lab), W. C. Anderson (ILP), Sydney Arnold (Liberal), Joseph Allen Baker (Liberal), Sir John Emmott Barlow (Liberal), Rt Hon. John Burns (Liberal), Sir William Pollard Byles (Liberal), Henry George Chancellor (Liberal), Laurence Ginnell (Irish Parliamentary Party), Harold James Glanville (Liberal), Frank Goldstone (Labour), A. G. C. Harvey (Labour), T.

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# Froggy

## News From Across The Channel



### Did you like school?

What are your memories of school? Did you like school, did it teach you anything that helped you in life? Did it leave you with a feeling of failure or of success, or neither? Were you aware that others went to different schools to you, and how did you feel about that?

Is there a working class defence of education? There should be. In 2005, the French Communist Party produced a detailed but readable booklet analysing the Lisbon Treaty on a Constitution for Europe. Writing that booklet took skill, and a wide knowledge of a huge number of facts and mastery of reading and writing. The 2015 reform of the Labour Code confronted workers with millions of words; a counter proposal would have required powers of analysis and again knowledge of a huge number of facts.

Where are the people equipped with this knowledge? Do we have to wait for a French Ernest Bevin, who hardly attended school and became a Government Minister? Apparently he read the newspaper aloud to illiterate members of his family, and later he became a preacher. Apart from being an exceptional person, he had opportunities; religion provided an occasion to learn; it provided ideas, and a body of knowledge, and for those who became preachers, it provided intensive practice in reading and speaking.

Is there a modern equivalent? There is plenty of knowledge accessible from television and the internet; but where are the role models showing young

people how to acquire and use extensive knowledge in an extended way either in speaking or writing?

The acquisition of knowledge has been rubbished in the education world; described as passively filling empty heads, boring and stifling, it had the added fault of profiting the rich more than the rest. So, supposedly as a remedy to these faults, the education system reduced the importance of the acquisition of knowledge. Reducing the importance of the acquisition of knowledge has also reduced proficiency in speaking and writing, since you have to have something to speak and write about.

Public opinion and leftists have been stupid when faced with this demolition. The first question they should have asked the politicians in charge is, are YOUR children going to stop learning a large amount of factual knowledge? The answer in England would have been perfectly clear: No, they are not. Eton will still do traditional subjects. (A few heroic Ministers did send their children to comprehensive schools, but their children did not depend solely on school to acquire school knowledge.)

Stupidity among the population and the left can be explained by a muddled understanding of justice and equality. The reasoning is: "Rich kids do best in education. That means education profits the rich. Therefore we must change education."

The muddle comes from not asking: are you sure it's the shape of education that results in the rich doing better than the rest? The reformers should

have pondered if the changes would ensure success for the not-privileged by making them acquire knowledge more efficiently, and practise speaking and writing more thoroughly. It was taken on trust that any change would be an improvement. Reading the Plowden report which heralded these changes in England in 1967, you see how vague the philosophy is. Here is a sample, taken from the conclusion of a chapter on Children Learning:

"We endorse the trend towards individual and active learning and 'learning by acquaintance', and should like many more schools to be more deeply influenced by it. Yet we certainly do not deny the value of 'learning by description' or the need for practice of skills and consolidation of knowledge."

'Learning by acquaintance' is seeing, hearing, touching the thing you are learning about as opposed to 'Learning by description' which demands that you use your imagination. You can hear in this paragraph the conflict between partisans of 'new methods' (easier, because concrete, more suitable for the non elite) and the partisans of continuing to stretch the mind of pupils with what is not directly in front of them.

The muddle in the text is also in the notion of 'individual' learning. You are just as much an 'individual' learning when you listen or read, as part of a group of 30 or 40, as you are when the teacher stands by you on your own; you could even argue that you are more yourself when the teacher is not standing over you.

The Plowden report criticized

### Continued From Page 6

E. Harvey (Liberal), James Myles Hogge (Liberal), Walter Hudson (Labour), Leif Jones (Liberal), Frederick William Jowett (Labour), Joseph King (Liberal), Sir Ernest Henry Lamb (Liberal), Richard Lambert (Liberal), J. Ramsay Macdonald (Labour), David M. Mason (Liberal), Percy Alport Molteno (Liberal), Philip Morrell (Liberal), R. L. Outhwaite (Liberal), Arthur A. W. H. Ponsonby (Liberal), William M. R. Pringle (Liberal), Thomas Richardson (Labour), Arnold Rowntree (Liberal), Sir Walter Runciman (Liberal), Rt Hon. Sir John Alsebrook (Liberal), Philip Snowden (Labour), Charles Philip Trevelyan (Liberal), Llewelyn Williams

(Liberal), Rt Hon. J. W. Wilson (Liberal).

Note: The Rt Hon. Sir John Alsebrook resigned as Home Secretary over the introduction of Conscription. Charles Philip Trevelyan resigned in 1914 as Parliamentary Secretary to the Board of Education as an opponent of the War.

The following 12 Labour MPs voted for the Second Reading: George Barnes, C. W. Bowerman, William Brace, William Crooks, Charles Duncan, Arthur Henderson, John Hodge, James Parker, George Henry Roberts, John Edward Sutton, Stephen Walsh, Alexander Wilkie.

‘whole class’ teaching; it advocated dividing classes into groups, without addressing the difficulty of organization it raises, or showing that more learning takes place that way.

The various suggestions were taken up unfortunately by the education world, with such poor results that they were eventually abandoned.

The harm has been done nevertheless. The drive to make education easier and more accessible has led for example to the end of modern languages after the age of 14 for most. Now the number of language graduates has dropped dramatically, and languages have become the province of the most privileged students in terms of money, the opposite of the proclaimed aims of reform. The number of universities offering hard subjects has collapsed, and only the most privileged and hardest to access offer them, the exact opposite of what the reforms were supposed to achieve.

### The French case.

The French have not studied the English case obviously; they are going down the same destructive road, also in the name of equality.

Teachers went on strike and marched against an education reform bill on Tuesday 19<sup>th</sup> May; 5 of the 7 teaching unions joined the movement; they represent 80% of the teaching force who voted in professional elections.

Intellectuals joined the fray, or ‘pseudo intellectuals’ according to Najat Vallaud-Belkacem, the Education minister behind the reform.

The same muddled thinking prevails: education is good for the rich so let’s change it. In this case, Latin, Greek and German, as well as ‘European’ classes are taken up by a minority at age 11/12. That is a privilege. Privileges are bad. So no one should be able to do these subjects. Remove the opportunity for ever, in the case of Latin and Greek, and European classes, while in the case of German, that subject can be taken up later, with a reduced time-table. These subjects were not chosen only by the middle classes, but that is not relevant to the zealous minister.

As Plowden said in 1967, young children don’t understand the division of knowledge into subjects, they learn best when a topic is taught across the curriculum, as a ‘project’. With the Vallaud-Belkacem reform 20% of the 11 to 16 school time will be taken with ‘project’ work, on themes such as ‘sustainable development’, ‘health and the body’, etc, at the expense of traditional subjects.

The project will be led by two core subject teachers working together.

The problem is that French teachers tend to be specialists who love their subject and are unhappy not teaching it, unlike in England, the land of flexibility, where teachers are often asked to muck in and teach something they weren’t trained for, mugging it up themselves one jump ahead of their pupils.

French teachers will have to meet with

their colleague to prepare the project work, that meeting time being extra unpaid work. The pupils have been brought up with the idea that only work that is marked and leads to an examination result is worth doing. They will not take kindly to work that leads to neither, except indirectly.

This project work is improvisation doomed to failure, and the removal of hard subjects a scandal. This is not the first dumbing down reform; the rot started in the 1960s, with the result that in France 2 to 4% of working class children have places in the top higher education establishments now, as opposed to between 12 and 14% in the sixties (see <http://www.comite-valmy.org/spip.php?article5985>).

That is not to say that education could not be usefully reformed. Technical and Professional education should be recognized as requiring as much intelligence, imagination and perseverance as ‘mainstream’ education, and become itself mainstream. Unions must provide a counter reform.

### Surrogacy

Surrogacy is on the way to being made legal in France. Parents of children from surrogate mothers abroad have brought back babies to France and are challenging the courts to deny them French nationality. Nantes is the town in France where the register of births and deaths of French people born abroad is kept. A court case for 5 children born abroad of a surrogate mother was held in that town and in May this year, the names of the babies were ordered to be entered on the Register, as French citizens. There is an appeal.

Legal recognition of children born abroad is likely to succeed. This will make nonsense of France keeping surrogacy illegal.

A campaign is under way to form public opinion. The campaign uses real life cases (‘knowledge by acquaintance’ so to speak). The campaign puts forward cases of surrogate mothers acting from altruistic or near altruistic motives; e.g. on French television in May: a happy couple, man and woman, with two lovely children; the surrogate mother, a white American, was chosen because she was ‘totally fulfilled by maternity’ [comblée par la maternité]; the parents attended the birth, the woman now talks to the child on Skype etc. It cost 100 000 euros, of which 30 000 went to the woman. Even that is an argument for: it’s expensive, glamour is attached to it (in England, the Elton John example). Now the two lovely children are ‘illegal immigrants’, ‘little phantoms of the Republic’, denied legal existence in their parents’ country; how will they go to school?

There is no equivalent organised campaign against. The arguments against require thinking beyond real life cases (‘knowledge by description’?) and ahead to possible consequences which you can’t immediately see. The argument against is that maternity is unique and special and not to be sold, but this is an idea, it’s not tangible and does not appeal to a

sentimental or to a pragmatic turn of mind, the modern turn of mind.

There are no acceptable arguments against surrogacy, in a secular society ruled by reason (i.e., which does not acknowledge the sacred, which is a religious notion).

The sentimental argument is that infertile couples want surrogacy to allay their suffering, and it wouldn’t be fair to deny it.

The pragmatic argument is that the women will be paid, and will be doing it of their own free will.

Other arguments mix justice and pragmatism: e.g. Many women from developing countries leave their own children behind to care for bourgeois children in Paris, or to do menial work in England, that is truly terrible, and it would be better if they could earn money staying at home with their children etc etc.

After all, the No argument to the same sex marriage referendum in Ireland was also abstract: it was that marriage is a unique, special and ancient institution, designed to celebrate procreation, the middle point of life, (as in birth, procreation, death). That is an argument from the sacred, and doesn’t hold water to the modern person.

Note that marriage and procreation are the high points of most people’s lives and in particular of women’s lives. It was that that was celebrated as special and unique, and it’s that which is being devalued.

### Who is Charlie?

A courageous French author, mentioned by Froggy (May 2013) in connection with his analysis of Catholics and Communists in France, has written a book set against the Charlie Hebdo cult of free expression. The Irish Times reviewed it as follows:

“The official, politically correct version of the jihadist attacks in which 20 people were killed in Paris last January portrays *Charlie Hebdo* magazine, the gunmen’s first target, as a paragon of free expression. Some four million French people who marched under the slogan “Je suis Charlie” are viewed as champions of tolerance and *laïcité*, or French-style secularism.

Who is Charlie?, an opposing version of events, has just been published by the Cambridge-educated French demographer and historian [Emmanuel Todd](#).

“Millions of French people rushed into the streets to define the right to spit on the religion of the weak as the priority need of their society,” Todd writes. He describes the much-vaunted “spirit of January 11” as sham unity, “emotional, feverish, hysteria,” a “totalitarian flash” and “loss of self control”.

This orgy of conformity seized the French middle and upper middle classes, but further alienated the working class and ethnic minorities, Todd notes.”

Read more at [http://www.irishtimes.com/news/world/europe/writer-takes-dim-view-of-charlie-hebdo-protest-1.2217516#\\_VVvOzkfNbUo.mailto](http://www.irishtimes.com/news/world/europe/writer-takes-dim-view-of-charlie-hebdo-protest-1.2217516#_VVvOzkfNbUo.mailto)



# The Mondragon Experience

by M J Murray

## Part Two: Workers' Control and Ownership: the Mondragon Experience

*"...Mondragon is not Heaven, and we are not Angels..."*

- Mikel Lezamiz, Director of Cooperative Dissemination, Mondragon Corporation.

This article is meant to build on Part I: the short historical introduction to the origins of Mondragon and its current state of development, up to the 2013 Annual Report - the latest printed report made available to us.

In Part Two, we look at the basic structure of Mondragon under three, interconnected headings:

**"Mondragon: An ongoing dialogue with The Ten Founding Principles";**

**"Participative Management and Democratic Organisation in Mondragon."**

**"Ownership and Financial Participation Structures in Mondragon"**

Future issues of this magazine will carry the following articles:

**"Identifying the factors in the Competitive Advantage of the Mondragon cooperative model over conventional capitalist companies."**

**"The future of cooperativism in the neo-conservative-dominated sector of the Global economy: the Mondragon experience."**

**"Case Study: The shutdown of the Mondragon co-op 'Fagor Electrodomesticos,' affecting thousands, in 2013; how that came about and how it was handled."**

**"Trade Unionism and Cooperatives: The case of Mondragon."**

This series of articles was born out of a study visit to Mondragon H/Q by Dave Fennell and myself, on the invitation of Mikel Lezamiz Director of Cooperative Dissemination.

On our visit, apart from the H/Q staff, through Mikel we met an Organisation Development specialist from one of the industrial co-ops, a post-grad studying Co-operative Management preparatory to working in a Mondragon Co-op enterprise. And, most interesting, the affable newly appointed General Manager

of a Shanghai co-op, in Mondragon H/Q on a familiarisation visit prior to taking up his post,

It's true to say, we returned from the Mondragon visit with more questions than we had brainstormed in preparation for the trip. We're not complaining about that, it shows how useful – and stimulating the trip was. For this we are particularly grateful to Mikel Lezamiz for the time and effort he put into organising the visit and hosting us. We also came away with a generous gansey-load of take-away information on Mondragon. From Mikel, we got a good steer on the vast literature building up around the phenomenon of a globally acknowledged trendsetter in cooperativism. (Mikel, seeing we were Irish, thought we might like to participate in the "Korrika," an event to publicise and fundraise for the Basque language. We were honoured to do so.)

At this point, on behalf of my colleague Dave and myself, a big Basque "thank you" to you and your colleagues: "Askerrick-asco" (phonetic)

And the information flow didn't begin or end at the MCC offices. For example, while we were settling into our B&B accommodation, Hotel Arrisate, in the town of Arrasate, Rosa, the proprietor, was downloading articles from her computer and loaning us books about Mondragon from her shelves.

Exploring the town, we met a Caja Kutxa (Coop Bank) worker-member who shared his thoughts with us on the controversial Fagor shutdown in 2013, affecting thousands and how it was, and continues to be, according to him, mismanaged. It would be glib to say even worker democracy isn't infallible, and move on. But, Fagor does deserve a closer look for the lessons to be learned from this single most traumatic event

in the Mondragon experience. Thus we are devoting a separate article to it and some other flashpoints, notably the 1974 Mondragon Strike.

Mondragon is the beating heart of Arrasate and everyone we met there had a connection with it and an opinion on it.

"Mondragon is not Heaven, and we are not Angels," Mikel is fond of saying, with a twinkle in his eye. Some commentators take this to be a cop-out, I take it that this is his way of granting a license to students of Mondragon to probe the problematics inherent in the project, to strive for a balanced, grounded, assessment of the Mondragon experience and, whether this model can be replicated outside the unique circumstances wherein it originated.

That's what is being attempted in this series of articles.

### **"Making Sense of Mondragon"**

First, I want to acknowledge the contribution to our understanding of Mondragon by J D Jenner's paper – **"Making Sense of Mondragon," c. 2011** [www.oldsouthhigh.com](http://www.oldsouthhigh.com), passed on to us by "la dicha Rosa" in our Arrisate B&B.

It offered timely advice on the interpretation of data around the issue of the worker-member: non-worker member ratio across Mondragon, amongst many other relevant issues.

As we saw in Part I, Mondragon Cooperative Corporation can be traced back to a small industrial cooperative set up in 1956/9, in the original "dirty old iron town" of Arrasate under the tutelage of a local priest, Don Jose Maria Arizmendiarieta (more usually, and not disrespectfully, called, simply, Arizmendi – thank God.)

Then, the co-op involved no more than a couple of dozen people,

including two females. The latest Annual Report to hand (2013) reports 74,000-odd in employment and Assets of Euro34 Billion. And between 40 and 50% female!

To be clear, not all who work in Mondragon are co-op “worker-members,” with all of the rights and entitlements of the full worker-member. Worker-member density is greatest in the Industrial sector and least in the Retail Sector, though that is being seriously addressed now, we learned: another example of the ongoing dialogue with “The 10 Founding Principles.”

According to those principles all, or most who work in Mondragon co-ops should be cooperativists but pressure to expand both at home and abroad rapidly, in order to survive in the highly competitive global market, has led to a democratic deficit as well as other undesired inequalities. And there are deeper and more pervasive influences at work, due to the rapid socio-economic, political and cultural changes in the Basque country, as well as in the wider world.

In Part One, we listed the hundred-odd of highly diversified co-ops organised in four main sectors: Finance, Industrial, Research and Knowledge. Many of these co-ops are at the cutting edge of their respective product and service activities, having obtained “preferred supplier status” from some of the most prestigious companies in the world and being highly rated in Customer-driven Total Quality and Environmental Management and have all the ISO 9000 series/ISO 14000, and the prestigious transnational EFQM certification to prove it.

Dave and I stopped off in Bilbao on the way to Mondragon and visited the iconic Guggenheim Museum. But how many know Mondragon co-ops were involved in its design and erection? Or, that the design itself represents the Basque people’s “*very own and polished steel city*” (to paraphrase Wesker) arising from the rust belt left behind by capitalists from an earlier era who’d moved on leaving the city to its own devices? And towering over the new Bilbao is the “Caja Kutxa,” the Mondragon co-op bank. Incidentally,

we visited Guernica also, and stood beside The Liberty Tree, symbol of one of the oldest *people’s* democracies in Europe, a great source of pride to Basques, and, no question, directly in line with the Mondragon Experience of *Workers’ Democracy*.

Arrasate itself, 50 miles from Bilbao and Guernica, has grown from a run-down town of around 8,000 to a thriving, modern town with a core population of 23,000 plus – and, in the wider hinterland of the neighbouring valleys, even greater population growth. Many of the town’s domestic and commercial buildings were constructed by co-operative workers, thousands of dwellings are administered by co-ops also. It’s said some 50% of the town’s adults work in Mondragon co-ops.

The first Technical School, initiated by Arizmendi, is now a co-operatively-run University, with Engineering, Cooperative Business Studies, Management, enjoying high Spanish and international academic status. Mondragon co-ops run a wholly comprehensive education system, from pre-school upwards, with special status granted to the Basque language. And there is a large number of educational offshoots, including, particularly, technical colleges.

The original pioneering co-operators not only wanted to escape from the wage slavery and intellectual poverty of the town’s existing capitalist enterprises, they were driven by a vision of contributing to the development of the wider community. And, over 60 years an incredible amount of that social agenda has been delivered.

A slogan emerged in the course of the recent Scottish Referendum for independence from the UK: “**We want a society, not just an economy.**” That sums up the pioneering cooperators’ vision aptly. And isn’t it ironic that, as we saw in Part I, much of the inspiration for Arizmendi’s societal vision came from the Post-War British Labour Party?

The **Annual Report** has headings such as : “*Funds Earmarked for Activities with Social Content.*” and, “*Number of Students at Education Centres.*”

Mondragon has endeavoured, from the beginning, to maintain a policy of transparency in its activities, and consultation with community organizations and political representatives regarding the wider social and political impact of its business activities.

### **The Mondragon Experience: an ongoing dialogue with the “10 Founding Principles”**

The Ten Principles that evolved over the life of Mondragon, and were codified in 1987, after one tough year of fighting for its very survival, are presented here with the briefest comment.

**1. Open admission** (to all who agree with cooperativism, regardless of gender, race and politics – still relevant in what Jenner (op. cit) calls “*the shape shifting politics of the Basque country.*” (Incidentally, I found **Paddy Woodworth’s book, “The Basque Country: A Cultural History,”** 2007, a great help in getting a fix on the uniqueness of Basque history and culture and thus the cooperators’ background and context)

**2. Democratic organization** (Based on “one member, one vote”)

**3. Sovereignty of Labour** Renunciation of wage labour; maximizing worker-member control and ownership.

**4. Subordinate and practical nature of Capital:** (Capital is accumulated Labour and there to be used by Labour, not vice versa – as in conventional capitalist organizations)

**5. Participatory management** (Worker participation in the management function to the greatest practicable extent. Fullest information-disclosure. The on-going development of skills, knowledge and effective learning to be able to participate fully in the operational and strategic decision-making levels.)

**6. Payment Solidarity** (The lowest practicable differential between the pay of the highest-paid to the lowest: the founding fathers set the bar challengingly on this one: at 3:1. There’s been drift since, as we’ll see – with consequences)

## 7. Inter-co-op cooperation

(Skills/knowledge exchange; supporting weaker co-ops with Labour and Capital transfers)

## 8. Social transformation

As **Arizmendi** defined it: *"Cooperation is the authentic integration of people in the economic and social process that shapes a new social order; the cooperators must make this objective extend to all those that hunger and thirst for justice in the working world."* Quoted in **Roy Morrison** (*"We Build the Road We Travel On,"* New Society Publishers, 1991)

## 9. Universality

Not so much "Workers of the World Unite," as, Solidarity with the workers of the world, especially the Third World.

## 10. Education

The workplace must be transformed into a "Learning Organisation," capable of anticipating societal and market change - and adapting and changing with it. For me, the **Alecop** co-op is the epitome of Mondragon's evolved approach to education. It began as a co-op combining productive work, in Alecop's own workshops, or other co-ops, with education and technical training for young people who otherwise would not have access to education. Go to the **Alecop** website now and see what it has become: a leading provider of educators, trainers, workplace education and training materials development specialists, and equipment manufacturers. Not including Basque, the site is available in 5 European languages. Education is for life, so it must be comprehensive, rounded, democratically organized and delivered: **Arizmendi**: *"It has been said cooperativism is an economic movement that uses education. We can alter the definition, affirming that it is an educational movement that uses economic action."* Quoted in **Roy Morrison** (op. cit.)

To conclude this brief introduction to Mondragon's 10 Principles:

those familiar with Organisational

MVV Statements ("Mission, Vision, Values"), or who attended the "participative" brainstorming sessions to draw up MVVs - just go compare the substance, and application of the above with that of the organizations you work in, or have worked in. MVVs mostly turned out to be "flavour of the month" fads, easily discarded by managements in the rush back to the trenches when the last crisis hit, from whence to launch the ongoing attack on, and roll back, the pay and working conditions previously achieved.

**Roy Morrison**, (op. cit) quotes a Mondragon cooperativist on The 10 Principles: *"The reality of our cooperative practice differs somewhat from the formulation of the basic principles. But this difference constitutes a spur, a motivation to overcome the difference between the ideal and the possible, the desirable and the real."*

## "Participative Management and Democratic Organisation in Mondragon."

*"Structure is a function of Purpose,"*  
**George Woodcock** former British TUC Gen.Sec..

To become a worker-member with an equal share in the ownership and management of a co-op, a prospective worker-member has to serve three years as a temporary worker. Then, on the recommendation of his peers, and the payment of a capital sum, on average, the equivalent of a year's salary, s/he can become a worker-member with concomitant ownership and management rights - and responsibilities. Mondragon places a heavy emphasis on the "rights and responsibilities" duality.

One of the functions of the Caja Kutxa (the Mondragon Bank) is to offer a prospective worker-member an "easy terms" loan to buy the stake in the co-op. Even so, not all workers aspire to the rights and responsibilities of Mondragon worker-membership or are able to commit to a longer term view of the payback on the initial investment.

We'll revisit the worker-member/non member relationship later and share some of the opinions we gleaned

at Mondragon - because it is an acknowledged issue there. It is seen by some commentators - and by some committed cooperativists in Mondragon - as a real threat to Mondragon's future. As **Arizmendi** himself, in his day, put it rather starkly: *"How can you have cooperatives without cooperativists?"*

The organizational building blocks for co-ops were thought up in the 1956-9 period, under the tutelage of Arizmendi. They were based on local and international cooperative experience and honed into an organizational template by the incredibly prescient minds of Arizmendi and his original followers, or Apostles, as they were nicknamed.

There are **six elements** in the Mondragon co-operative "Management Chart:"

**General Assembly**

**Governing Council**

**Social Council**

**Auditors' Council**

**Directors' Council**

**General Manager/CEO + Senior Managers**

I use the word "elements" rather than "levels," or "layers," because the management structure is what is described as a "Flat" organization, not a "Hierarchical," or, "Vertical" one. The decision-making authority doesn't come "down" through layers of management and supervision, but is vested in the worker-members. How this works can be seen in the role description presented here:

## The General Assembly

All worker-members attend the GA at least once yearly. All major decisions affecting the co-op are taken, or ratified, on the basis of "one member, one vote." (**"One member, one vote" applies equally to the senior managers and co-op officers.**)

The General Assembly elects the **Governing Council**, The **Social Council** and the **Auditors' Council**.

A General Assembly can be called by the Governing Council, or, by one third of the worker-members.

**The Auditors' Council** (3 members) audits the books and acts as "watch-



dog” over co-op financial procedures and decisions)

### **The Governing Council**

The General Council is responsible for the day-to-day management of the co-op and appointing the **General Manager/CEO and other senior managers**. It meets at least monthly, and does its business, again, on the basis of “one member, one vote,” with the exception of the **GM/CEO who may contribute to the discussion, but not vote**

**The Directors’ Council is intended to be** “an informal **advisory** body” which meets monthly to review the business and formulate its response to developments in the co-op.

### **The Social Council**

It is elected by the worker-members, via natural work-groups, teams or vocationally-based representative bodies. The **Social Council** is intended to scrutinize and approve the impact of business decisions on membership conditions, earnings, safety, health, welfare, etc.

It must be consulted by the **Governing Council** on these issues.

These structures have endured, with a little tweaking and changes in how these six basic elements are named, as will be seen in various books on the subject published over the years. And I am simply describing them here, rather than commenting on them; that will come later.

**Noam Chomsky’s short video on Mondragon (Facebook)**, has questioned the degree and quality of worker-member participation in the Mondragon management function. So has **Sharryn Kasmir**, in her influential book, “**The Myth of Mondragon**,” State University of New York, 1996. I think they both have the wrong end of the stick.

I’d like to just say, that, from my own experience of 20 years working as a trainer and facilitator in Workplace Partnership, in Ireland, UK and Europe, both Chomsky and Kasmir, I believe, underestimate the transformative potential for Mondragon worker-members experiencing participative decision-making at the Strategic level, albeit via “indirect democracy.”

Particularly so when it occurs *in combination with* the direct democracy of, say, Self-Managed Teamworking, and even of *much less* autonomous forms of Teamworking, at the *operational* level. And the literature reports teamworking is practiced in most of the co-ops, beginning decades ago, in the heyday of the introduction of Total Quality management practices.

Finally, I would surmise, from the literature and conversations at Mondragon, there is a generous provision of education, training, and advisory support provided to worker-members to ensure they can function at *all* organizational levels. The alternative “Mushroom paradigm” of worker participation in management I have seen: “*feed them plenty of manure and keep them in the dark.*”

From what I’ve seen, heard and read I don’t believe that is the Mondragon way.

And, yes, I’m familiar with Michels, and accept a basic truth in his theory of “*Oligarchy*,” which argues that even the most democratically elected leaderships of organizations have an innate tendency to becoming self-perpetuating elites. (**R. Michels, “Political Parties,” many editions**) I don’t accept his suggestion that there is an inexorable, “Iron Law,” just the need for “eternal vigilance. And I don’t know of an organization that has as many checks and balances in place to contain the tendency towards managerial oligarchy as Mondragon.

But do I believe that it couldn’t happen in Mondragon? No. As the competition of the global market intensifies, and the “time to market” imperative puts even more of a squeeze on participative problem-solving and decision-making processes, the defence of Mondragon’s commitment to the principles of “Democratic Organisation “ and “Participative Management” will be severely tested. And I’d be very surprised if that organizational tension *wasn’t* already manifesting itself.

### **“Ownership and Financial Participation Structures in Mondragon”**

First, the “health warning”: please

note: the hundred-odd co-ops within Mondragon are *autonomous* businesses with the ultimate right to stay in, or leave Mondragon. The literature shows that a small number of co-ops have opted to leave, though the reasons are not clear to me as yet. I would suggest, the exiting co-ops are the exceptions that prove the rule: the majority recognize the value added to their co-ops through the Mondragon comprehensive support system.

This leads to the point that co-ops may negotiate with the Mondragon Corporation variations in the financial arrangements I am about to describe, depending on the exigencies of the co-op’s business. Thus you may come across different sets of figures and items presented in the literature. Here, a generalized “template” is used to provide a sense of the ownership structure.

In my view, looking at how surpluses are distributed between all the constituent parts of Mondragon - and the wider community - is the best way to understand how Mondragon works as a non-authoritarian, horizontal, coordinator and support for a collective of voluntarily affiliated co-ops with wider social commitments.

What is described here is a template based mainly on a **Mikel Lezamiz** lengthy interview with **Amy Goodman** (available on **YouTube**) and follow-on discussion between Dave, myself and Mikel during our visit. As a cross-check I used the excellent “**Capital and the Debt Trap**,” by **Claudia Sanchez Bajo and Bruno Roelants**, Palgrave Macmillan, 2013.

### **How the cooperatives’ surpluses are shared**

*Non-cooperative* business surplus distribution is not included here. I have yet to come across data on this. It was one of those questions that only occurred to us after our visit. But we will have answers to this before the end of the series.

#### **1. Gross Surplus share-out:**

First 10% Mondragon Investment Funds

- to set up new co-ops
- to set up new businesses.

Where business logic dictates, MCC may open an office or plant or retail outlet, recruit employees in the conventional commercial way, while taking a long term view of cooperativising the business – local socio-political and legal systems permitting.

In the past, Gen. Mgrs/CEOs were sent from Mondragon Corporation. But as we saw during our visit, Mondragon is now switching to appointing local managers with a commitment to cooperativism.

40% of the cost of opening a new plant abroad is borne by the Mondragon Investment Fund.

60% is raised by the plant through the Caja Kutxa.

- *Internationalisation*

An interesting feature: Part of the Investment Fund goes to probing foreign markets for business opportunities, Strategic M&A (Mergers and Acquisitions) to continuously and pro-actively tweak the *Supplier—Mondragon business unit—Customer chain* to gain and maintain Competitive Advantage.

? Until plants are fully “incorporated” into the Mondragon Corporation as affiliated co-ops I imagine their surpluses would be lodged in the Investment Funds.

2% **Education funds**

This constitutes an investment in the next generation of Mondragon cooperative leaders,

As well, an investment in the intellectual capital of the wider society, and indirectly the global cooperative movement, via the admission to the University of a substantial body of international students, researchers and teachers.

2013 Annual report gives the number of students at Education Centres as 11,400 Technology centres. (See Part I for details)

2% **Solidarity Fund**

To fund losses/cash flow shortfalls in the coops (+Tax and other Local and Central Government debts)

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**2. Net Surplus share-out:**

10% *Community and Education*

NGOs

Sports Organisations

Children's education

The actual distribution is democratically decided by the community organisations

45% *Individual Co-op's investment reserve fund*

45% *To the worker-members*

Not as pay or dividends, but capitalised, it becomes a source of investment for the co-op and is based on the member's hours worked/skills acquisition/re-location, etc. – a transparent but complex formula to insure fairness in reward and recognition of the individual contribution to the value added to a co-op's product or service. This is recouped on retirement or early leaving according to democratically agreed co-op rules

2013 Annual Report:

Worker-Members' Share Capital = Euro1.7 Billion across Mondragon.

Thus, 90% of the net surplus is re-invested to create and maintain optimal levels of employment in the co-ops. In times of severe adverse market conditions pay due to workers for voluntarily accepted pay cuts, overtime worked and other sacrifices made, are similarly capitalised for deferred payment, thus reducing the threat of layoffs, as well as helping to consolidate the business.

**To conclude Part Two:**

We've looked at Mondragon's “10 Principles,” at its participative managerial and financial structures and revisited the background history and social context of Mondragon.

We began by citing George Woodcock's “*Structure is a function of Purpose.*” He coined that with regard to his attempt to reposition the TUC to be more relevant to the Britain of his day.

The Mondragon pioneers were clear, and united, on their Purpose. Thus the structures they began to put in place from the early 1950s have stood the test of time - and at least three major periods of external economic crises, mostly, if not completely, unscathed.

The 10 Principles, which comprehensively and succinctly define the Purpose, have been described as the glue that holds the highly diversified, and autonomous, co-ops together.

“Mondragon's history would have been impossible without a way of being, of performing, of doing specific and differentiated things, that is, a self-culture,” the official history reads. (MCC, 2000)

(Quoted in **IB Markaida**, in Bakaikoa and Albizu (eds), “**Basque Cooperativism**,” Univ. of Nevada/Univ. of the Basque Country, 2011.)

**Markaida** adds: “..the 10 Principles are the best embodiment of this self-culture... that... constitute the cornerstone, the starting point of (Mondragon's) ideological construction.”

**In the next issue:**

**Part three: Identifying the factors in the Competitive Advantage of the Mondragon cooperative model over conventional capitalist companies.”**

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I love power. But it is as an artist that I love it. I love it as a musician loves his violin, to draw out its sounds and chords and harmonies.

*Napoleon Bonaparte*

I have a dream that my four little children will one day live in a nation where they will not be judged by the color of their skin, but by the content of their character.

*Martin Luther King, Jr.*

# Notes on the News

By Gwydion M. Williams

## Government by the 37%, for the 1%

Ed Miliband's weak leftist approach gained Labour a million votes in England, as compared to 2010. It was much better than New Labour without Tony Blair. And Blair was the key to the success of the 'New Labour' brand. He was brilliant at selling himself as a good and sensible leader to the relatively ignorant.

To be exact, Labour got just over eight million English votes in 2015: it was just over seven million in 2010.<sup>1</sup> Labour also lost more than 300,000 votes in Scotland, where being seen as left of Labour didn't stop the Scottish Nationalists making a remarkable advance.

Overall, the UK total for Labour went up by 734,801. But since UK unity is on its last legs, while Wales is small and divided, England is the crucial battleground.

If Labour opts for Blairism without Blair, this is likely to be a flop. The bulk of the electorate didn't vote for Toryism: even in England they got 41%, up from 39.6% in 2010.<sup>2</sup> Their huge gain in seats came from nearly four million electors rejecting the Liberal Democrats.

Tory-Lite as practiced by the Liberal Democrats in the 2010-2015 Coalition was an unpopular brand. Voters who think that austerity and privatisation are the right things to do, prefer to vote for the party that solidly believes in such things. A party that only half believes and is seen to be trying to feed the electors whatever line will get them elected is likely to end up despised by both sides. That has been the fate of the Moderate Socialists in Greece, and the same may be beginning to happen in Spain. And it happened very decisively in Scotland, where the SNP was happy to be seen as left of Labour, even if perhaps they were not as left as they seemed. Labour is protected by an electoral system that makes life tough for small parties, but the Greens are rising and UKIP rose from small beginnings despite a lot of political blunders.

The peculiarities of a First Past the Post voting system has also given the Tory Party a clear majority of seats with just under 37% of the voters.<sup>3</sup> Things might be very different if the Liberal Democrats in 2010 had demanded Proportional Representation as a price for letting the Tories back into government. As things were, the voters rejected a suggested reform by a margin of about two to one. Two to one is also the proportion of voters for either Labour or Tory at a typical election: voters who want one party to definitely rule. The Liberal Democrats might have asserted the rights of the one-third who typically back minor parties: rights for this minority. Instead they opted for a deal that has been utterly disastrous for their party. (Though rather good for the careers of individuals who served as ministers, one can't help noticing.)

As the Editorial explains, it was a massive collapse by the Liberal Democrats in England that gave the Tories their majority. Voters who found Tory-Lite unacceptable have given us five more years of Toryism. But Labour should be taunting the Tories with being the choice of a mere 37%, rather than accepting the chant from the right-wing media that Toryism was the choice of an electorate scared of 'Red Ed'.

Labour was much too timid, keeping a lot of the New Labour assumption that Thatcherism was more or less right and you only want to soften it a little. But people in a time of crisis do not want soft policies. They correctly feel that some sort of decisive action is needed to set things right. Labour needed to say that Cameron's brand of Thatcherism was causing needless pain for very little gain.

Note also that Cameron, like Blair, has been good at projecting himself as safe and sensible to voters with few solid beliefs. But he's also promised to step down before the next election. His most likely and effective replacement would be Boris Johnson – but he could be targeted as representing just the interests of an elitist 'Upper London' and not caring about the rest of us.

The Tories are committed to enormous cuts in public spending. So far they have avoiding making unpopular choices as to where the cuts will fall. But that game can't go on for long.

## Labour's Big Blunder over Europe.

Back in March 2015, I said "*Labour's best response [to the rise of UKIP and Cameron's promise of a referendum on Europe] would be to say that with so many people wanting a referendum, it would be sensible to settle the issue for another generation or two. Another 2-to-1 victory would destroy both UKIP and the broad Euroskeptical movement, and politics could move on.*"

I was also expecting the narrow Labour victory that the polls predicted – I am a reasoner rather than a prophet. But the UKIP vote is a vote of general discontent that includes a desire for the 'good old days' that people think we had before joining the European Community. (And which included low unemployment.) Those voters will remain discontent if the vote once again keeps Britain in Europe, which is highly probable. A lot of them came from Labour and may go back to Labour. Or perhaps to some new party to the left of Labour, if Labour chooses to scorn the Trade Unions and elect a hard-line Blairite.

Labour needs to start saying that it has a past to be proud of. Labour established the Mixed Economy as the norm for Britain, and this helped win the Cold War. Reagan and Thatcher promised a return to Classical Capitalism, but they have not delivered. Life for small businesses has probably got harder. Tax-and-spend remains the norm, just modified to tax-and-spend via subcontracting to heavily subsidised profit-making corporations. Many of them publicly owned, just not owned by the British public. State-owned corporations from the rest of Europe have picked up huge chunks of British infrastructure.

Labour also wound up the British Empire, despite some pointless rear-guard actions by the Tories. These included a bizarre conspiracy followed by a humiliating climb-down in the Suez Crisis. Also a war in Kenya in which British troops committed atrocities.

Labour should hit back at propaganda about 'welfare scroungers'. Point out that this is a tiny fraction of the whole. That most people who have a period of dependence on welfare will

also bounce back and get back to work soon enough. And that changes sold to the public as being against fraud have mostly functioned by taking a mean-spirited view of people with genuine needs that they report honestly.

The next Labour leader should also say a lot about the false nature of the promised capitalist restoration. Remind everyone that a Mixed Economy with a large state sector and many state regulations remains the global norm, including in the USA. Note that Chinese "capitalism" is much more state-run than the West ever was.

The New Right view of 20th century history is based on moving the definitions of "capitalist" and "socialist" in order to claim all economic success is capitalist. If you strung their views together into a coherent narrative, it might run as follows:

*Capitalism, expanding from its original base in Britain, was liberating humanity up until 1914, when it suffered from an inexplicable outbreak of Trench Warfare.*

*It bounced back, but then a fairly normal economic slump at the end of the 1920s caused unjustified panic and capitalism was in the 1930s replaced by capitalism.*

*After World War Two, in excessive admiration for the Soviet Union after it had merely saved the West from Nazism, there were still more drastic changes and capitalism was replaced by capitalism.*

*But in the 1980s, Thatcher and Reagan rescued us by replacing capitalism with capitalism. Of course there is still much more that needs to be done to replace capitalism with capitalism in the West.*

*China, while owing all of its successes to capitalism, faces all sorts of disasters unless it urgently replaces capitalism with capitalism.*

Labour should also remind everyone of the main actual success of Reagan and Thatcher – shifting the financial burdens away from the rich and onto the working mainstream. Taxes have not gone down for most people, but for the rich these years have been a bonanza. But it's happened without any genuine boost to economic growth.

Weakened Trade Unions drag down the pay for all ordinary people, including those who would never consider joining a Trade Union. In the real world, as distinct from the fantasies of economic textbooks, economics is heavily dependent on political power. In the 1970s they did use power foolishly, but that had ended even before the disastrous Miners Strike.

## Does the Public Care?

In an election that was expected to be very close, just under two thirds of the electorate voted. 66.2%, to be exact. 65.1% in 2010, 61.4% in 2005, 59.4% in 2001, 71.3% in 1997 and 77.67% in 1992. Turnouts over 70% for General Elections used to be normal, peaking at over 80% in 1950 and 1951.<sup>4</sup>

You find increasing number of people who don't vote. Some of these are then surprised that politicians ignore them. But many of them are ignorant enough to believe it makes no difference.



Older people are much more likely to vote than the young. Pensioners have been looked after. Young people are left jobless and neglected. That's been the Tory strategy, and so far it has worked.

Another Tory strategy has been to acquire more ethnic-minority votes. This too has been working. The total Ethnic Minority vote for Labour has been shrinking; in 1997 it was 82%. For 2010 it was 62% and 52% in 2015.<sup>5</sup> Unsurprisingly, Black voters are more pro-Labour than Asians, but both show a consistent trend towards Tories getting more support. As they get more settled and prosperous, they are less likely to see Labour as 'their party'.

As I said last month, General Elections don't put ordinary people in charge. You just get a bunch of Elected Oligarchs, for whom the wishes of the majority is just one factor among many to be considered in their political career. Many come from elite backgrounds and have hopes of climbing higher without this elite:

"Almost a third (32%) of MPs in the new House of Commons went to private school, according to an analysis by an education charity.

"Of these, almost one in 10 went to Eton, suggests the Sutton Trust study.

"Among Conservative MPs, nearly half (48%) were privately educated, the report indicates...

"Among Labour MPs, some 17% went to private schools, among Liberal Democrats the figure was 14%.

"The figure was far lower among Scottish Nationalist Party MPs, at just 5%."<sup>6</sup>

Does the public care? Short-sighted left-wing ranting about the faults of the pre-Thatcher system did much to make people stop caring. To forget about how much had been done successfully.

Labour as usual faced a press that is much more right-wing than the electorate:

"We know that Britain's best-selling national daily [the *Sun*], in company with the *Daily Mail*, *Daily Express* and *Daily Telegraph*, consistently ran virulent anti-Labour material during the weeks of the campaign.

"We also know that, based on newsprint sales, 57.5% of the dailies backed the Tories while 11.7 % backed Labour and, on the same metric, 66% of the Sunday nationals urged their readers to vote Conservative."<sup>7</sup>

People still vote left despite this bias, but perhaps fewer than if the press merely expressed opinions and didn't run scare stories. Comparing the opinion polls to the votes, it seems that a crucial 3% planned to vote Labour but in the end did not. And another 3%, probably not the same people, voted Tory even though they had planned to vote otherwise. It was these relatively small shifts that have given the Tories an absolute majority, when the polls forecast a close-run election in which either party could have formed a government. The 'fear factor' generated by the media made the difference.

### Goodbye, Great Britain: Hello, Little England?

The phrase 'Little England' was around before Thatcher. But then it would have indicated a cosy and un-ambitious place, something like the Dutch and Scandinavians actually are. Now it would be a stressed and unhappy Little England, a background for London's role as a global city. Upper London rules OK?

Before the election, Boris Johnson said in the *Evening Standard* that London's global role was at risk:

"When I became Mayor the number one priority was to protect Londoners from a catastrophic recession and to keep them in jobs.

And I remember how the spendthrift policies of the last Labour government helped to deepen that recession.

"In the space of a few months we saw 190,000 Londoners thrown out of work. We saw tens of thousands of good businesses go to the wall.

"And there were so-called experts who said this place was finished and that all the wealth and power was going to Shanghai, Mumbai, Dubai — and bye bye London, they said. They said the British capital would never recover its standing as the greatest city on earth."<sup>8</sup>

He doesn't mention that the recession that began in 2008 was triggered by a massive financial crisis in the USA. Or that the root cause was massive gambling, helped by deregulation that the London financial markets pioneered under Thatcher.

If the 1960s option of a Little England had been taken, London would not be a global capital, but most Londoners would have been better off. Most Britons inside or outside of England might have been just as prosperous and rather less stressed, as in Scandinavia, Holland or Belgium. Boris Johnson represents Upper London, a rich elite who flourish at the expense of the rest of us. People who would have to diminish or migrate if Britain became a more balanced and happy place that no longer tried to rule the rest of the world.

What we could now get is a very different Little England, a shrunken and withered body with Upper London as its arrogant and flourishing head. And even that might not last. Shanghai and Mumbai are key hubs in two vast nation-states: Shanghai for China's vast industrial production and Mumbai (Bombay) for India's rising mix of industry and services. Dubai is a hub for a collection of mostly-tiny Arab states with vast oil reserves. London was made great by Britain's Industrial Revolution, but British manufactures have long been in decline and Thatcherism made the decline much worse. So London's continuing importance will be uncertain, regardless of which party forms the government.

Note also that Cameron has alienated both Scotland and potential right-wing allies in Continental Europe. The European Right is now much more suspicious of Britain, seeing the Tory leadership as irresponsible. They are much closer to being functional conservatives than the Tory Party is ever likely to be. The brief return to something like functional conservatism under John Major did not stick and 'romantic Toryism' is definitely dead and gone.

It is now almost certain that Scotland will be lost. Union in 1707 was a key element in the rise of the British Empire: the end of the Union will be another milestone in British decline. Not that the leading Tories seem to know it: Cameron comes from a family that abandoned Scotland in favour of upper-class England and he may see the place as a nuisance that England would be much better off without. He could hardly say this openly, but seems intent on passing legislation that would shut out Scotland from English legislation, ignoring the need for concessions to a much smaller nation if Scotland is to find it worthwhile to stay within the United Kingdom. Worse, he has appointed the highly-unpopular Andrew Dunlop as Minister for Scotland: the man would be better viewed as the *Minister for Saying Goodbye to Scotland*.<sup>9</sup>

He is also likely to fail to change Europe. As I said earlier, Labour was foolish not to agree to another referendum, when the rise of UKIP made it clear there was a lot of discontent. Cameron helped limit the UKIP advance by promising a vote after attempts at 'reform'

— these 'reforms' being largely a return to 19<sup>th</sup> century values that Tories view as superior. The sensible Continental-European answer would be to question whether Mr Cameron can reform Europe when he can't really manage the 'United Kingdom of Great Britain and Northern Ireland'. When increasingly his party is an English party that has undermined whatever historic unity there was

Cameron's Tories got 41% of the votes in England and just over 27% in Wales. A feeble attempt at Northern Ireland Toryism to bridge the Catholic-Protestant split got under 10,000 votes, with a clear majority going to the DUP which has never had any Catholic members. Followed closely by Sinn Féin which has some Protestant members and candidates but refuses to take part in Westminster politics. And Cameron has lost Scotland, where exactly half the voters voted Scottish Nationalist and his party got less than 15% of the votes.<sup>10</sup>

### Football:

#### Bring Me the Head of Sepp Blatter

People keep falling for a very simple trick. News media dominated by a small number of rich right-wing characters will suddenly turn the spotlights on a few selected individuals in a social setting that has long been corrupt. The public are led to believe that removing these individuals will make things better. In reality, the corruption will continue and the spotlighted individuals were picked on for some completely different reason.

It was done extensively after the Soviet collapse. Italy's Christian Democrats were destroyed while corruption continued. Germany's Christian Democrats were damaged and under Angela Merkel are much more friendly to the Anglosphere than might otherwise have been the case. Several dictators previously protected as allies were lined up for destruction, and mostly destroyed or pushed into oblivion. Suharto in Indonesia, Mobutu in Zaire (Congo), Ceausescu in Romania. Saddam Hussein in Iraq was also on the list, pressured over debts that he had run up during his war against Iran, from which the USA had earlier secured him a safe exit after his blatant aggression against Iran had failed and he looked likely to suffer a drastic defeat. The Iraqi government had also been gassing its Kurdish rebels for decades without significant Western protests: George Galloway was one of the few who tried to raise the issue in the days before Iraq's invasion of Kuwait. Only when Saddam was targeted by the West and became an unexpected standard-bearer for Secular Arab Nationalism did Galloway switch to defending him as someone much better than the likely replacements.

Note that the reality of Anglosphere power is nothing like the sinister authoritarian conspiracy that one is warned about at sites like the Information Clearing House.<sup>11</sup> A sinister authoritarian conspiracy by Western plutocrats would have known that it was worth spending a few trillion to keep Russia as a loyal ally and useful enforcer for global interventions. Instead the West encouraged Yeltsin to get confrontational with his Parliament, at that time led by a Chechen called Ruslan Khasbulatov who was right on two vital points: Chechens had no future except as part of the Russian Republic and Yeltsin was heading in a ruinous direction. The result was the 1993 Russian constitutional crisis, which gave Yeltsin the overwhelming power that the West now bitches about after it has passed to Putin. Western advice created a class of largely parasitic oligarchs and helped shrink the economy rather than boosting it, so that the West lost most of its friends. But rather than admit error, the dominant element in the USA decided that the Russians had

mishandled the matter. If they could be in complete control, as in Iraq, then they could indeed reshape the society according to their superior wisdom.

Anglosphere politics have been bungled because it's been made dangerous to tell unpleasant truths. You usually don't get jailed for it, but you do get marginalised, pushed out of the 'charmed circle' of those who get listened to and given attractive fees for telling the rich what the rich want to hear. The massive failure of the attempt to reshape Iraq has not harmed the careers of those who gave welcome but foolish advice. Nor restored those who took the risk of telling the truth as they saw it. And the lesson has been learned very nicely by now. Within the framework of the New Right / Coolheart world, the people who should be telling unpleasant truths know that they do better by being evasive or dishonest. The long-term cost of lying is someone else's problem.

In the much smaller world of International Football, the issue is the Anglo hegemony and the elected FIFA leadership disrespecting it. There seem to have been two issues. One was the sites chosen for future World Cups:

"Blatter, in the Swiss interview, noted that the US had lost the 2022 World Cup to Qatar, and England, another major critic, lost the 2018 World Cup to Russia. He said the US was the 'number one sponsor' of Jordan, home of his unsuccessful challenger for the Fifa presidency, Prince Ali bin al-Hussein.

"Blatter also hit out at the Uefa president, Michel Platini, who had called for his resignation over the corruption scandals. 'It is a hate that comes not just from a person at Uefa,' he said, 'it comes from the Uefa organisation that cannot understand that in 1998 I became president.'"<sup>12</sup> (Uefa is the European football association.)

"Like his presidential predecessor Havelange, Blatter has sought to increase the influence of African and Asian countries in world football through the expansion of participating teams in various FIFA tournaments, yet has persistently been dogged by claims of corruption and financial mismanagement. Blatter's reign has overseen a vast expansion in revenues generated by the FIFA World Cup accompanied by the collapse of the marketing company International Sport and Leisure and numerous allegations of corruption in the bidding processes for the awarding of FIFA tournaments."<sup>13</sup>

FIFA was founded as a European association, with the first Presidents coming from France, England and Belgium. Two Presidents from England ran it from 1955 to 1974. But membership became global, and in 1974 they elected a Brazilian, João Havelange, who was replaced in 1998 by Blatter. Football became globalised, and also corrupt, but it is a big-money game and corruption is just what you'd expect. Not many people are honest enough to resist temptation when people are raking in the cash all around them.

Blatter is being accused because of 'corrupt FIFA officials' who now face specific charges. The implication is that these are people he chose. But I looked at the list<sup>14</sup>, and these seemed to be people from various individual components of FIFA. People he had no choice but to work with if he was getting anything done. One leading figure is Jeffrey Webb, born in the USA but is now based in the Cayman Islands.<sup>15</sup> The place is notorious as a haven for dirty money: but also it is one of fourteen British Overseas Territories surviving from the Empire: territories under the jurisdiction and sovereignty of the United Kingdom but which do not form part of it. Globalised niches whose

main function is to allow the rich to legally avoid paying their fair share of taxes: but all sorts of other deals can happen there.

Blatter was an elected official. He had to work with other elected officials representing various national interests: people he did not appoint and cannot dismiss, in most cases. So it's far from obvious he was to blame for corrupt dealings by these people – which in any case have got no further than an indictment. US prosecutors are notorious for arranging for high-profile indictments for people who are later found innocent when the matter comes to trial. Or indictments that fizzle out with no evidence ever presented for public scrutiny. The attempt to use the matter to get rid of Blatter was absurd and was quite rightly rejected by his long-standing supporters in Africa and Asia. He is credited with helping spread football around the world, holding the first world cup in Asia (Japan plus South Korea) and Africa (South Africa).

The other matter concerned Palestine footballers who have what seemed like valid complaints about Israel. This has now been defused:

"The Palestinian Football Association has withdrawn its call to have Israel suspended from Fifa in a chaotic last minute climbdown at the congress of football's governing body in Zurich. Following days of negotiations, and the mediation of Fifa president Sepp Blatter, the Palestinian moves at the scandal-ridden congress appeared comprehensively outmanoeuvred by feverish Israeli lobbying and the opposition of senior Fifa officials, including Blatter.

"As details of an impending deal emerged, the Palestinian delegation came out of the last round of talks expecting the congress to vote on an amendment to refer the main sticking point, the status of five Israeli clubs based in illegal settlements on the West Bank, to the United Nations.

"But the Palestinian move was overruled by Blatter, to the clear dismay of the Palestinian delegation, whose lawyer tried to appeal from the floor. Instead, the issue will be referred to a new Fifa committee."<sup>16</sup>

Blatter was good for world football, channelling vast sums to needy countries, so he was initially retained by a FIFA vote. He compromised over the Palestinian complaints, upholding the normal rule that Israel is above the law. But the whole money-dominated system was vulnerable to its sponsors. Visa, Coca-Cola and McDonald's led the pressure that sponsorship money might be withdrawn, and Blatter caved in by resigning.<sup>17</sup>

At the time of writing (3<sup>rd</sup> June), no one is quite sure what will happen next. A smart solution would be for the sponsors to push for a replacement from outside of Europe but obedient to Anglosphere interests. Maybe someone from Africa. And in a few years time, we will get the 'surprising' news that corruption was not fixed by the new regime, as with Berlusconi in Italy.

### How Football Is Poisoned By Money

Football has been turning into a big-money sport since the 1950s. The initiative came from Europe, though it is also very similar to what happened in sport in the USA, for their distinctive US sports.

For soccer, it was remarkable when a gifted Welsh player called John Charles signed for Juventus of Turin around 1958 for £65,000 from Leeds United.<sup>18</sup> In today's money, £65,000 in 1958 would be more than a million and perhaps as much as five million, depending on whether you use purchasing power, relative incomes or some other system.<sup>19</sup> Still a lot less than

current fees, with 85 million the current record and fifty million not exceptional.<sup>20</sup>

Football was also a more civilised game in those days. The Wiki entry for John Charles says:

"William John Charles, CBE (27 December 1931 – 21 February 2004) was a Welsh international footballer who played for Leeds United and Juventus. Rated by many as the greatest all-round footballer ever to come from Britain, he was equally adept at centre-forward or centre-back. Due to his height, physique, and strength, he excelled in the air, although he was also a prolific goalscorer with his feet, due to his powerful and accurate shot. Despite his size, he was also a fast player, who was gifted with good technical ability and passing ability, which allowed him both to score and create goals. He has since been included in the Football League 100 Legends and was inducted into the Football Hall of Fame.

"He was never cautioned or sent off during his entire career, due to his philosophy of never kicking or intentionally hurting opposing players. Standing at 6 feet 2 inches, he was nicknamed Il Gigante Buono – The Gentle Giant."<sup>21</sup>

Football since then has seen the rise of the Professional Foul: players doing anything to win and football managers letting it happen, and often encouraging it. And this is strongly connected with the vast sums of money that players may make if they succeed, by fair means or foul.

In John Charles' day, wages for professional footballers were not extraordinary. Some players good enough to turn professional and play in one of the higher leagues preferred to stick to regular skilled working-class jobs. Now it has lost all connection with them:

"As the money involved in football increases, so does each individual player's salary. According to a study, a player at one of the top-flight teams in England earns £1.5 million a year. This compares to the £646,000 of six seasons ago.

"The disparities of finance between the top division and lower league teams are still very obvious:

"New figures show that:

- Average Premier League wages have reached £22,353 a week – before lucrative bonuses – or £1.16million a year.

- Average Championship earnings are £4,059 a week (£211,068 a year), less than a fifth of players one division above.

- In the bottom division, League Two, their weekly pay of £747 is not much more than the national average.

- League Two earnings are also 30 times smaller than those in the Premier League."<sup>22</sup>

(For those unfamiliar with English football, the older and very logical Divisions One through Four have been replaced by Premier, Championship, a third tier now called Division One and a fourth tier now called Division Two.)

Globally, England's Premier League is the world leader in terms of cash. The average club income in England's Premier League is 155 million.<sup>23</sup> Players have incomes of more than two million a year in 2014. Player incomes also average more than a million in the top leagues in Germany, Italy and Spain. Then come Russia and France, with salaries of a mere 900K, and then a big drop down to the top league in Brazil, with average salaries of little more than half a million.

A key event was the removal in 1961 of the Maximum Wage for English football league players.

"The average footballer's wage in England's



top division has climbed from £20 per week in 1961 to £33,868 per week or thereabouts 50 years later. [2011.] This week marks half a century since the abolition of the maximum wage in English football.”<sup>24</sup>

In 2011, the relative value of £20 from 1961 was something between £353.80 and £1,165.00.<sup>25</sup> That’s still nearly 30 times as great. The players had demanded it, but would have been wiser to have raised the ceiling rather than making it ‘every man for himself’. Football stopped being a game and evolved into a complex entertainment industry with millions at stake. Obviously there was a lot of corruption.

The attack on Blatter was purely an attack on Blatter. None of his critics are suggesting doing anything at all about the major distortions in the game. I’ve seen a few outsider protests over the years, mostly written by hard-core fans of particular teams and not really addressing the mass of the moderately interested. A detailed study of the whole matter could be usefully done by someone with a lot more knowledge of and interest in soccer than myself.

### India –

#### Modi Remains a Hindu Nationalist

Deregulation was a favourite fix even before Thatcher, as with the removal of the cap on football wages in 1961. Another was Resale Price Maintenance, systems whereby a manufacturer and its distributors agree to limits on the price offered to the general public. This was largely abolished in 1964 in Britain, and has had the long-term result of allowing supermarkets to put small shops out of business. Books were a late hold-out, with the Net Book Agreement preventing price-cutting for books until the 1990s in the UK. Naturally this has put a lot of small bookshops out of business. Even some large chains or large bookshops have been driven out of business or taken over.

Globally, deregulation has produced extremes. It has also not been a source of genuine economic improvement. I’ve detailed elsewhere how the policies of Thatcher and Reagan failed to boost average rates of growth in the UK or USA, while actually damaging the growth of the ‘miracle economies’ of Japan, West Germany, France and Italy, the main contributors to the West’s Cold War victory. But deregulation does produce huge extra incomes for a small number of lucky winners. Via advertising and ownership, these lucky winners dominate the media and spread the impression of vast success for the new system. Often they fool the voters, as they did in the recent British General Election.

In India, the Hindu Nationalists led by Narendra Modi were expected to be part of it. But a year after their decisive election victory, it seems he is being careful:

“He needs to use markets as agents of change. Mr Modi should lead a national campaign to ease the world’s worst labour laws. Perverse restrictions on domestic trade in farm produce should go. Private companies could compete to make the railways more efficient. Infrastructure must be built faster, which requires a better law on acquiring land. State-run banks should no longer be subject to political meddling, but recapitalised and put in independent, ideally private, hands.”<sup>26</sup>

All of these things when applied in Europe and the USA have delivered huge amounts of money to the rich, but not altered the general growth and improvement of the economy. In India there is the additional danger of splitting a complex and diverse subcontinent, if local interests are not respected.

Mr Modi is based mostly in North India and among relative hard-liners among Hindus.

He is perhaps aware of the dangers, and has no wish to go down in history as the man who destroyed the Republic of India.

### Iraq – Towards Failed-State Status

“The Iraqi army is struggling to deal with attacks from Islamic State fighters, despite heavily outnumbering them, because it lacks ‘moral cohesion’ and effective leadership, according to the most senior British officer to be involved in postwar planning in Iraq.

“Maj Gen Tim Cross echoed comments by the US defence secretary that successive gains by Isis militants in the region were because the Iraqi army did not have the ‘will to fight’.

“Speaking to the BBC’s Today programme, Cross said: ‘It’s interesting that the secretary used that [will to fight] expression because we use that expression in the British army and our argument is that it’s about a moral cohesion in your army.

“‘It’s about the motivation to achieve what it is you’re setting out to achieve and it’s about effective leadership ... and it’s this will to fight that I think is fundamentally at the heart of the issue with the Iraqi military.

“‘There’s no cohesion, there’s no strong leadership,’ he said. ‘They’re really struggling and I don’t think there’s any doubt about that.’

“Iraqi forces outnumbered their opposition in Ramadi, the capital of Anbar province, last weekend but withdrew, leaving behind large numbers of US-supplied vehicles, including several tanks.”<sup>27</sup>

It has also been claimed that the Ramadi forces were neglected by Baghdad.<sup>28</sup> Whatever, it is clear that the diverse elements that Britain bundled together out of three provinces of the Ottoman Empire have no inherent coherence. Saddam’s regime was no more brutal than the process that stamped coherence on Great Britain: the Tudor and Stuart monarchs plus Oliver Cromwell. Saddam’s regime also made a country that was safe for those who didn’t question his right to rule, with tolerance for a great diversity of religious belief. All that has ended now. Elections are won by the Religious Shia and Shia Militia are the most effective force on the side of the government. At the time of writing (2<sup>nd</sup> June), they are seeking to recapture Ramadi. They may succeed, as they earlier succeeded at Tikrit. But what is clear is that US and British efforts at state-building have failed utterly. Shia run a Shia rump with little place for anyone else. The rest is fragmented with Sunni extremism the most viable option among Arabs.

### USA – Olympus Has Fallen!

Olympus Has Fallen! Or almost. It seems a majority of US citizens now want the government to redistribute wealth:

“Americans are eager to see the government ‘spread the wealth around’ through heavy taxes on rich people. This, according to Gallup, is a relatively new phenomenon, with a clear preference for soaking the rich really only emerging in the past four or five years...

“At least since the mid-1980s a large majority of Americans have expressed a preference for a flatter distribution of income. But that’s something that could, at least hypothetically, be achieved in a whole variety of ways...

“Respondents ages 18 to 34 are supportive of redistributive taxation by a 59-38 margin, while those over 55 are much more skeptical — 47 percent say tax the rich, and 50 percent disagree. In other words, the age stratification of American politics isn’t just about gay marriage or marijuana; it cuts to the core economic policy divides in Washington and state capitals around the country.”<sup>29</sup>

What’s curious is that only a minority wanted it during the era when it was actually happening, according to a chart showing historic shifts in viewpoint.<sup>30</sup> I suppose a key factor is the morbid suspicion of government that always existed, but was greatly strengthened by 1960s radicalism. And a failure by radicals to say that a fair amount of wealth redistribution had already happened.

Still, though it has not yet been properly reflected in US politics, a shift has to happen sooner or later. It goes along with the decline of mainstream Protestantism, which often supported the highly un-Christian view that inequalities of wealth were a sign of blessedness among the respectable rich.

“The number of Americans who identify as Christian has fallen nearly eight percentage points in only seven years, according to a new survey.

“Pew Research Center found that 71% of Americans identified as Christian in 2014 - down from 78% in 2007.

“In the same period, Americans identifying as having no religion grew from 16% to 23%.

“Fifty-six million Americans do not observe any religion, the second largest community after Evangelicals.”<sup>31</sup>

If the US shifts, the rest of the world is going to shift vastly more, since the USA was always the stronghold of such beliefs. The Olympus of Greed, now being undermined as its own people shift to different beliefs.

Incidentally, ‘Olympus Has Fallen’ is the title of a rather silly US thriller film about a terrorist attack on the White House. In which trained gunmen on both sides stand in clear view and make it convenient for the enemy to shoot them, ignoring nearby cover. Most action-adventure films have both sides blunder to allow a crucial or even all-powerful role to the Maverick Hero, but this film is more contrived than most. (The *Die Hard* series did show some ingenuity in making the various events plausible.)

Such improbable visions are part of what’s wrong with the USA. But hopefully all this is now winding down.

### China:

#### Escaping the Middle Income Trap

The influential British magazine *Prospect* is becoming despairing about China’s new leader Xi Jinping. Despairing for reasons that make me increasingly hopeful for China’s future.

“Just over two years since Xi formally took power, his moves to consolidate state control have confounded all those who thought that, as the son of a renowned liberal, he would continue the steady liberalisation of the past 30 years. He was only 59 when he became President, relatively young for a Chinese leader; surely, many thought, his values would have been shaped too by China’s increasing openness to the world during his adult years?

“But like Mao, he has made the preservation of the power of the Communist Party his overriding goal. His motive appears partly to be to counter the growing demands of the new, large middle class, created by China’s recent transformation. In doing so, however, Xi runs the risk of reversing many of the extraordinary advances that China has made since the reforms introduced in the late 1970s and early 1980s by Mao’s successor, Deng Xiaoping, the leader who opened up China to the rest of the world.”

Deng’s policy was actually ‘some must get rich first. He copied the successful systems of Japan and the Asian Tigers, in which a strong role for the state was normal. He never considered the disastrous fast-track path to private



ownership that the West successfully imposed on Russia under Yeltsin.

China under Mao had actually been matching the global average for economic growth, and was growing much faster than Britain, the USA or the Republic of India.<sup>32</sup> And China was succeeding in the face of deep hostility from both the USA and the Soviet Union, both of which wanted to shape China in their own image. Earlier Western influence on China had done it no good in the Late Imperial period, nor in the time of the Blue Republic, 1912-1949. (Which is commonly called Nationalist, but which never once had a Central Government deserving of the term.) China in that era had limited growth and modernisation in the coastal cities, but an actual decay of rural areas that had depended heavily on handicrafts that were now replaced by foreign imports paying very low duty.

Mao closed the borders and let Chinese industry grow in a protected environment – the actual system used by Britain in its Industrial Revolution, which was an era of strong tariff protection. Deng and his successors allowed a limited opening-up, but only when this seemed to be in China's best interests. The disastrous deregulation of finance that has damaged most of the rest of the world has been avoided.

"By now it is relatively clear what Xi is aiming to do. He is trying to steer a complex economy and society through difficult times by top-down changes, led and controlled by a purged, disciplined and reinvigorated Leninist party. He is doing this in unprecedented conditions for such a party, consciously trying to combine the 'invisible hand' of the market with the 'visible hand' of the party-state. The 'great helmsman' Mao Zedong is clearly one inspiration, but the pragmatic reformer Deng Xiaoping is another. 'To reignite a nation, Xi carries Deng's torch,' declared a commentary from the official news agency Xinhua." (*The Guardian*,<sup>33</sup>)

Unlike the *Prospect* writer, the *Guardian* writer keeps an open mind about whether Deng will succeed. And when it comes to practical business matters, there seems to be a lot of confidence in China's future.

"China's currency may become a global reserve currency this year.

"The International Monetary Fund hinted that the promotion could happen when it said this week that it does not consider the yuan undervalued.

"The final decision will be taken at an IMF meeting in October.

"The move would mean the yuan joins an elite group of currencies including the US dollar, euro, pound and Japanese yen."<sup>34</sup>

The previous view – almost certainly correct – is that the official rate made Chinese goods unrealistically cheap and imports unrealistically expensive. This certainly helped China's extremely fast growth in recent years. Ending it was almost certainly a deliberate decision by the Chinese authorities, accepting a certain amount of economic pain for long-term gain, including reduced dependence on the dollar. It must have contributed to the dip in China's growth-rate, though part of that also is trying to push through the 'middle-income trap' while the West remains in recession.

Whether or not Chinese growth rates bounce back, the role of the yuan as a reserve currency will depend on confidence in the continuing strength and stability of China. It will be interesting to see how many people in the West put their money where their mouth *isn't*.

#### New Lands in the South China Sea

"Military installations in the South China Sea would provide platforms for land, air and

sea-launched weapon systems sufficient to raise the cost of U.S. military actions in the region to prohibitive levels...

"The claim that the new islands are disrupting the United States' freedom of navigation is a red herring. To date, China has done nothing in the South China Sea to disrupt shipping. It has countered activities by other countries who assert their ownership and control in the region, notably Vietnam and the Philippines, and has asserted its own ownership and control by intercepting fishing vessels and placing oil rigs in the area. Yet none of these actions have disrupted shipping in the region."<sup>35</sup>

It's a general rule of war that no ship wants to take on land-based defences. Sir Frances Drake, famed for his bold attacks, would always land men and attack forts from dry land when this was an option. And during the US Civil War, there were warnings against attempts to use the newly-developed ironclad ships against forts. "A single shot will sink a ship, while a hundred rounds cannot silence a fort."<sup>36</sup>

An actual war is very unlikely. But diplomacy depends heavily on how people think a war would go, if anyone were willing to risk it. China has a limited navy and so far just one small second-hand aircraft carrier. But it has its own missiles, and these are increasingly a regional threat to the USA's global sea power.

#### Snippets

##### In Praise of Misery

I've often been puzzled by the negative and miserable attitudes that some people take to a world that is in many ways much better than we were expecting in the 1950s and 1960s. I recently saw an interesting suggestion: misery can be a nice system of self-defence. Under the title '*The 14 Habits of Highly Miserable People*', it says:

"When you're miserable, people feel sorry for you. Not only that, they often feel obscurely guilty, as if your misery might somehow be their fault. This is good! There's power in making other people feel guilty. The people who love you and those who depend on you will walk on eggshells to make sure that they don't say or do anything that will increase your misery.

"When you're miserable, since you have no hopes and expect nothing good to happen, you can't be disappointed or disillusioned.

"Being miserable can give the impression that you're a wise and worldly person, especially if you're miserable not just about your life, but about society in general. You can project an aura of someone burdened by a form of profound, tragic, existential knowledge that happy, shallow people can't possibly appreciate."<sup>40</sup>

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##### If the Prague Spring had succeeded...

I've said many times that we'd have a very different world if the Czechoslovak reformed Leninism that was crushed in 1968 had instead changed the Soviet bloc. Now I find someone else presenting a similar suggestion:

"Imagine an alternative universe in which the two major Cold War superpowers evolved into the United Soviet Socialist States. The conjoined entity, linked perhaps by a new Bering Straits land bridge, combines the optimal features of capitalism and collectivism. From Siberia to Sioux City, we'd all be living in one giant Sweden.

"It sounds like either the paranoid nightmare of a John Bircher or the wildly optimistic dream of Vermont socialist Bernie Sanders.

"Back in the 1960s and 1970s, however, this was a rather conventional view, at least among influential thinkers like economist John Kenneth Galbraith who predicted that the United

States and the Soviet Union would converge at some point in the future with the market tempered by planning and planning invigorated by the market. Like many an academic notion, it didn't come to pass. The United States veered off in the direction of Reaganomics. And the Soviet Union eventually collapsed."<sup>41</sup>

The Soviet Union under Brezhnev actually ruined that future by seeking a continuing global hegemony. And by copying the wrong aspects of Western society, creating an artificial market system that disrupted planning without giving real freedom to enterprises.

But with the rise of China, and its continued belief in the Mixed Economy, that sort of future could still arrive.

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#### Websites

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

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# Addressing Power Imbalances in the Workplace

Frances O'Grady, General Secretary of the British Trades Union Congress (TUC)

As trade unionists, fighting inequality is in our DNA. Governments come and go, and have a huge effect on whether we face a rising tide of worsening inequality or have them as willing partners in the fight. But for me it always comes down to tackling the imbalance of power in our society, starting with the workplace. Despite the lessons of the financial crash, over the past five years we have seen that balance of power tip yet further away from workers in favour of employers and big capital. From the new government's early pronouncements, we are concerned that trend may continue.

Ordinary people have seen their pay held down, and have paid all over again through cuts to the services and benefits they rely on. David Cameron has claimed that child poverty fell under the coalition. But a more accurate assessment by the Institute for Fiscal Studies finds that 700,000 more children are likely to be in relative poverty by 2020/21 compared to 2011/12 – the majority of them in families where at least one person is in work.

So it's disappointing to say the least that the government has made attacking union rights an early priority, at the same time as proclaiming that they are the party of the workers. Not setting out meaningful measures to tackle the UK's productivity challenge, investing in decent jobs or further education, but imposing thresholds on union strike ballots that many MPs would struggle to beat.

So we have a tough five years ahead, but I want to stay focused on the practical changes that could make a difference in redressing that imbalance of power and tackling inequality. I believe that we need to build new institutional mechanisms to improve pay and give workers a voice in the boardroom, and ultimately to strengthen unions and collective bargaining.

At the lower end of the pay spectrum, the national minimum wage (NMW) and the Low Pay Commission have created an essential floor. But the NMW is not a living wage, and it has become the 'going rate' in some sectors. Low paid people have been hard hit by welfare and service cuts. Ministers talk about workless households, but three-quarters of all cuts to working-age welfare will affect working families, with almost half hitting families with children.

To get to the root of low pay, it's time for new institutions with the power to set higher floors in sectors that can afford it. Social care – where zero hours contracts and rock-bottom pay have exploited workers and undermined service quality – should be one of the first areas for this approach.

At the top end of the spectrum, executive pay has soared while ordinary workers faced the longest living standards squeeze since the Victorian era. The remuneration committees who set directors' packages are drawn from an out-of-touch, overpaid elite. The TUC report *A Culture of Excess* found that FTSE 100 remuneration committee members were paid on average £441,383 – sixteen times more than the average worker. And they come from a small pool, with the majority holding at least one board position at another company.

Worker representatives on remuneration committees would bring an essential real-world perspective to the issue of executive pay and would help companies take the pay and conditions of other company workers into account in their decisions. **Taking the next logical step, it might sound radical in our lopsided corporate culture, but the principle of worker representation on boards, not just remuneration committees, is**

**mainstream in much of the EU and demonstrably popular with voters across the political spectrum in this country. Strengthening requirements for information and consultation would provide routes for workers' voice and involvement in these roles and throughout the company and could be used by unions as organising opportunities to promote collective bargaining.**

Addressing power imbalances in the workplace comes down to union strength and influence, including collective bargaining. Where unions are strong, equality improves and individuals, their families and the economy as a whole benefit from reduced inequality. Unions deliver better pay, fairer treatment and safer workplaces. Unionised workplaces have a better record on equal pay, work/life balance and discrimination too. And unions have a proud record of lobbying for laws to help vulnerable workers who don't have a union to help them.

The share of the national income that goes to wages has been falling for three decades, in parallel with the drop in collective bargaining coverage, which is now at around 30 per cent. The International Monetary Fund and the OECD have both recognised that declining collective bargaining is linked to rising inequality. The measures above provide some starting points for rebuilding collective bargaining for future generations.

We know now that for the next five years we'll need to tackle inequality head on in a challenging environment. We'll need steps like these, underpinned by strong union organisation and broad alliances with those who share our aims, to succeed.

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# Parliament Notes



Dick Barry

Parliament returned to business as usual on 27 May with the Queen's Speech. It is published in full below.

## **Queen's Speech**

### **My Lords and Members of the House of Commons**

*My Government will legislate in the interests of everyone in our country. It will adopt a one nation approach, helping working people get on, supporting aspiration, giving new opportunities to the most disadvantaged and bringing different parts of our country together.*

*My Government will continue with its long-term plan to provide economic stability and security at every stage of life. They will continue the work of bringing the public finances under control and reducing the deficit, so Britain lives within its means. Measures will be introduced to raise the productive potential of the economy and increase living standards.*

*Legislation will be brought forward to help achieve full employment and provide more people with the security of a job. New duties will require my ministers to report annually on job creation and apprenticeships. Measures will also be introduced to reduce regulation on small businesses so they can create jobs.*

*Legislation will be brought forward to ensure people working 30 hours a week on the National Minimum Wage do not pay income tax, and to ensure there are no rises in income tax rates, value-added tax or national insurance for the next five years.*

*Measures will be brought forward to help working people by greatly increasing the provision of free child-care.*

*Legislation will be introduced to support home ownership and give housing association tenants the chance to own their own home.*

*Measures will be introduced to increase energy security and to control immigration. My Government will bring forward legislation to reform trade unions and to protect essential public services against strikes.*

*To give new opportunities to the most disadvantaged, my Government will expand the Troubled Families Programme and continue to reform welfare, with legislation encouraging employment by capping benefits and requiring young people to earn or learn.*

*Legislation will be brought forward to improve schools and give every child the best start in life, with new powers to take over failing and coasting schools and create more academies.*

*In England, my Government will secure the future of the National Health Service by implementing the National Health Service's own five-year plan, by increasing the health budget, integrating healthcare and social care, and ensuring the National Health Service works on a seven day basis. Measures will be introduced to improve access to general practitioners and to mental healthcare.*

*Measures will also be brought forward to secure the real value of the basic State Pension, so that more people live in dignity and security in retirement. Measures will be brought forward to increase the rights of victims of crime.*

*To bring different parts of our country together, my Government will work to bring about a balanced economic recovery. Legislation will be introduced to provide for the devolution of powers to cities with elected metro mayors, helping to build a Northern powerhouse.*

*My Government will continue to legislate for high-speed rail links between the different parts of the country.*

*My Government will also bring forward legislation to secure a strong and lasting constitutional settlement, devolving wide-ranging powers to Scotland and Wales. Legislation will be taken forward giving effect to the Stormont House Agreement in Northern Ireland.*

*My Government will continue to work in cooperation with the devolved administrations on the basis of mutual respect.*

*My Government will bring forward changes to the Standing Orders of the House of Commons. These changes will create fairer procedures to ensure that decisions affecting England, or England and Wales, can be taken only with the consent of the majority of Members of Parliament representing constituencies in those parts of our United Kingdom.*

*My Government will renegotiate the United Kingdom's relationship with the European Union and pursue reform of the European Union for the benefit of all Member States. Alongside this, early legislation will be introduced to provide for an in-out referendum on membership of the European Union before the end of 2017.*

*Measures will also be brought forward to promote social cohesion and protect people by tackling extremism. New legislation will modernise the law on communications data, improve the law on policing and criminal justice, and ban the new generation of psychoactive drugs.*

*My Government will bring forward proposals for a British Bill of Rights.*

### **Members of the House of Commons**

*Estimates for the public services will be laid before you.*

### **My Lords and Members of the House of Commons**



*My Government will continue to play a leading role in global affairs, using its presence all over the world to re-engage with and tackle the major international security, economic and humanitarian challenges.*

*My Ministers will remain at the forefront of the NATO alliance and of international efforts to degrade and ultimately defeat terrorism in the Middle East.*

*The United Kingdom will continue to seek a political settlement in Syria, and will offer further support to the Iraqi Government's programme for political reform and national reconciliation.*

*My Government will maintain pressure on Russia to respect the territorial integrity and sovereignty of Ukraine, and will insist on the full implementation of the Minsk agreements.*

*My Government looks forward to an enhanced partnership with India and China.*

*Prince Philip and I look forward to our State Visit to Germany next month and to our State Visit to Malta in November, alongside the Commonwealth Heads of Government Meeting. We also look forward to welcoming His Excellency the President of The People's Republic of China and Madame Peng on a State Visit in October.*

*My Government will seek effective global collaboration to sustain economic recovery and to combat climate change, including at the climate change conference in Paris later this year.*

*My Government will undertake a full Strategic Defence and Security Review, and do whatever is necessary to ensure that our courageous armed forces can keep Britain safe.*

*My Government will work to reduce the threat from nuclear weapons, cyber attacks and terrorism.*

*Other measures will be laid before you.*

### **My Lords and Members of the House of Commons**

*I pray that the blessing of Almighty God may rest upon your counsels.*

#### **A British Bill of Rights?**

Dominic Grieve, Attorney General in the last government, used part of his speech to comment upon the proposal

to replace the European Human Rights Act with a British Bill of Rights. The proposal has been put on the back burner to allow time for consideration of the effects of such a change. Grieve pointed to some of the more important effects.

**Dominic Grieve:** Let me turn to one of the key issues in the Gracious Speech: the suggestion that we will replace the Human Rights Act with a British Bill of Rights. At this stage I will simply make two or three points. First, I welcome the fact that the proposal has not been set in stone, fortunately, and that it appears we will be having a consultation. The proposal will be very difficult to implement in practice, and the reputational damage for this country could be disastrous. Let us start with the first and most obvious point, which is the fact that the devolution settlements in Scotland, Wales and Northern Ireland are underpinned by the Human Rights Act—it might be an inconvenient truth for some, but it is still a truth—and, in the case of Northern Ireland, by an international treaty with the Irish republic. I do not see how we can effect a change without first achieving a consensus that involves those parts of the United Kingdom, even if we have the power to do so, because it seems to me that to proceed without it would threaten the Union, which I was sent to this House to uphold.

Secondly, if we are to proceed down this route, the EU dimension needs to be considered. My hon. Friend the Member for Stone (Sir William Cash) has waxed eloquently against the charter of fundamental rights. I cannot think of anything more calculated to see the intervention of the European Court of Justice—not the European Court of Human Rights—than if we end up being non-compatible with the convention and EU citizens end up bringing claims against the United Kingdom Government that cannot be adjudicated under the convention in our own courts or in Strasbourg.

Thirdly, the United Kingdom has been at the forefront of the development of human rights on our planet; it is one of the things of which we

can be most proud. If we are going to dilute those rights and present the British public with something that is, in fact, the convention shorn of some of the protections it affords citizens, the consequences for the convention will be catastrophic. But other countries that have previously been willing to improve their human rights records, as a result of our leverage, will cease to do so, and one of the most powerful tools for improving human rights on our planet will have been irrevocably damaged. I find it impossible to see how that can be in our national interest.

Having said those things, I also recognise that there are flaws in the way in which the Court in Strasbourg has operated. I have many criticisms of some of its jurisprudence, and there was a period in recent years when it was quite seriously off the rails. However, one point that needs to be borne in mind is that we have recently carried out a major reform of the way the Court operates, thanks to the efforts of my right hon. and learned Friend the Member for Rushcliffe (Mr Clarke). Our judiciary has changed its stance and approach to the Court, so there is now a much more robust dialogue. Consequently, the Court has substantially changed many areas of its approach. The ultimate irony is that we might be in danger of fighting yesterday's battle, or indeed of snatching defeat from the jaws of victory. I therefore very much hope that there can be a full consultation so that all these matters can be aired.

**Mr Graham Allen:** Will the right hon. and learned Gentleman, with all his history in this field, tell us what he believes is the best way that Parliament can engage in that consultation? We have been told that we are not going to have a political and constitutional reform Select Committee, which would have looked at this, so would he suggest a special Committee created by the House to look at this at some length so that we avoid some of the pitfalls he has outlined?

**Mr Grieve:** The hon. Gentleman's suggestion sounds like a very good one, and I certainly intend to engage

in the debate as and when proposals are brought before the House.

I mentioned at the start of my remarks that we are living in a much more dangerous and difficult world than we were in 1997. Of course, one of the challenges facing the Government is prioritising what really matters. I have made the point that human rights matter because their promotion is so important, particularly in view of Russia's behaviour in Ukraine and Crimea, so that ought to be a top priority. In the same way, I think that defence will have to be looked at again, and I am pleased that we are going to have a strategic defence review. Ultimately, some hard choices might have to be made, because at the moment I am left with the sensation not that the previous Government did things wrong over defence, but that it might need to be given a greater priority than it has at the moment.

### Shrinking In Order to Reshape

In her devastating criticism of free market capitalism brilliantly expounded in her book 'The Shock Doctrine', Naomi Klein describes how right wing economists, politicians and corporations destroyed economies in order to rebuild them in the interests of the minority rich. If not bent on wholesale destruction, freed from the constraints of coalition, the Tories are intent on shrinking further the British state, ridding it of publicly accountable services such as education and housing. In a passionate speech, replying to the Queen's address, Labour's John McDonnell criticised the economic folly of successive governments and attacked the proposal to sell off housing association stock.

**John McDonnell:** Earlier in the debate, the right hon. Member for Wokingham (John Redwood) suggested that we should have serious discussions in this Parliament about the future of our economy, and I agree with him. In the debate so far, I have found remarkable complacency about the situation that we are facing. In fact, all the structural weaknesses and other factors that were present before the last crash are now reappearing, and many economic forecasts suggest that there is a prospect of precipitating another crash over the next two years. Consumer debt is rising, as are costs. There has been no sustained pick-up in wages, productivity is stagnating and living costs are vulnerable to rises in interest rates and inflation. If the Budget on 8 July cuts £30 billion as predicted, that could push us back into recession as a result of reducing demand

so dramatically.

The fundamentals of our economy remain completely unaddressed: we have an unbalanced economy; production, manufacturing and construction have still to recover to their 2008 levels; and the finance sector is oversized and unregulated. At the last estimate, 60% of the big five banks' profits since 2011 have been lost as a result of scandals. There is now a current account deficit of 5.5%, and a massive outflow of capital from this country. We have a debt of 80% of GDP, the bond markets are extremely volatile and the eurozone is unstable. These are all the ingredients for another crash, yet we do not seem to be debating that at the moment, despite the continuous warnings from the Office for National Statistics and the Office for Budget Responsibility in recent months.

The Prime Minister wants us to believe that economic recovery is under way and that the crisis is behind us. At the micro level, for my constituents, the economic crisis appears every payday. Many of them are experiencing economic crises, hardship and insecurity on a regular basis. As a London constituency representative, I believe that housing market failure is at the heart of our economic crisis. We knocked on every door in my constituency during the election, and I know that we are now facing the worst housing crisis since the second world war. I have 4,000 people on the housing waiting list. There were 10,000 last year, but a manoeuvre by the Conservative council simply wiped 6,000 of them off and denied them eligibility to be on the list. Tonight, I have 200 families in bed-and-breakfast accommodation. I have families living in appalling housing conditions, with overcrowding, damp and insanitary conditions. I have families living in sheds. Shanties are now being built in my constituency to house families.

Rents in the private sector are between £1,200 and £1,600 a month for a little house. We have reinvented the back-to-back in my constituency, with some families living in the front of a property and others living in the back. The landlords of those properties are reaping something like £3,000 a month in rent. The buy-to-let landlords are making a fortune out of exploitative rents in my constituency. They fail to maintain their properties, but if the tenants complain, revenge evictions take place on a regular basis. This week, however, we have discovered that buy-to-let landlords have been given a £14 billion tax concession each year in recent

years. Why? It is because, as the right hon. Member for Haltemprice and Howden (Mr Davis) said, successive Governments have failed to build council houses. It is also because they have sold off council houses. The sell-off of council houses in my area has resulted in the bizarre situation of a Conservative council now having to rent back some of the council houses that it sold off 30 years ago, in order to house families in desperate need.

Affordable properties are being built at a minimal level. At the same time, affordability has now been redefined as 80% of the market rent, so "affordable" properties are now unaffordable to most of the population in my area. We were told that there would be a cap on benefits, and that that would reduce rent levels as the message went out to landlords, but it has had no effect whatsoever because supply is not matching demand.

The legislation proposed in today's Queen's Speech on selling off housing association properties will simply exacerbate the problem. I fully agree with the housing associations' view that it will simply deplete their stock. Worse, it will undermine the asset base against which they can borrow to build new properties. We are told that this proposal will be funded by the sell-off of councils' higher-value properties, but that is absolutely unrealistic. The sell-off of more council properties will mean a greater depletion of council stock. In addition, the record of reinvestment and rebuilding following the sell-off of council properties has been abysmal: it is a record of non-delivery over decades.

The Government's legislation announced today will permanently embed the crisis in our housing market for future generations. We are storing up a greater crisis for the future. My hon. Friend the Member for Islington North (Jeremy Corbyn), who is no longer in his place, said that these policies are socially cleansing whole areas of our city. Properties are being sold off, then sold on again to speculators and overseas property developers. Even those in the professions—the teachers, the fire-fighters, the police officers—can no longer afford to keep a roof over their head in London. As a result, working-class people and what could be described as middle-class professionals are being forced to move out. Alternatively, they live in an asset that they cannot sell because they are trapped and cannot find an alternative. Their sons and daughters are unable even to get on to the property ladder.

This all adds to the precarious nature of living in London at the moment, as incomes fail to match basic living costs. Professor Guy Standing defined the “precariat” as people on zero-hours contracts or on the minimum wage, but many people on middle-range incomes—teachers, fire-fighters, the police, middle managers and small businesspeople—are now cascading into the precariat because they cannot afford the housing costs in our city. They are also faced with unstable employment, threatened by outsourcing or privatisation. They are no longer able to find a voice for their frustrations, either at work as a result of the undermining of trade union rights or, to be frank, within the political system itself at times.

We need to remind Governments to have an element of humility. This Government were elected by 25% of the electorate; 75% of the electorate failed to support them. That is why I issue this warning. There are real frustrations within our political system. People whom we represent are angry because successive Governments have not delivered the basics to them—new Labour and Conservative Governments alike. They have not provided people with decent jobs, decent wages or the ability to live in a decent home with a roof over their head and in a decent environment. Unless Governments acknowledge those frustrations and they are reflected in this House, they will be ventilated elsewhere.

If the Government fail to listen, opposition will surface on picket lines no matter what the legislation states. We will go back to the days of wildcat strikes, whether or not union members comply with the legislation proposed in this Queen’s Speech. These problems will be seen on the streets, just as we have seen tonight in Parliament Square, which has been blocked by people who are angry at not being listened to and angry at the production of this Queen’s Speech. We will also see more occupations, particularly among the people in our capital city who are desperate to have a roof over their head and are forced to squat. We saw an example last year, when a young man was evicted from a squat and froze to death on its doorstep later that night.

The Government have said that this is a one-nation Queen’s Speech, but I fear that this country has now been divided geographically and that people will be riven by division as a result. This is about inequality. The Government are not listening to the people who are suffering as a result of the recession and who are not seeing the sunlit uplands of the supposed recovery. If we

in this House are not very careful, we are going to witness a population driven by anger losing faith in politics altogether. Yes of course we must have a rational debate on the Queen’s Speech, but there needs to be room for some compromises in the legislation. I urge the Government to take a common-sense approach to a situation that could, if we are not careful, develop into an elective dictatorship.

### More Union Bashing

On 12 May Business Secretary Sajid Javid told the BBC there will be “significant changes” to strike laws under the new Conservative government. He told the BBC’s Today programme: “We’ve already made clear, in terms of strike laws, that there will be some significant changes...It will be a priority of ours. We need to update our strike laws. We’ve never hidden away the changes we want to make. I think it’s essential to make these changes.” The proposal is included in the Queen’s Speech.

Javid said that a strike affecting essential public services will need the backing of 40% of eligible union members. There will also be a minimum 50% turnout in strike ballots. He added that the government will lift restrictions on the use of agency staff to replace striking workers.

The proposals are designed to make it more difficult for workers to take strike action. However, he may find that they will have the effect of galvanising workers. If the proposals become law we can look forward to more workers giving their support to a strike they feel to be justified.

Interestingly, if the proposals were applied to general elections i.e. if a successful candidate required the support of 40% or more of those eligible to vote, Sajid Javid would not be an MP. In the general election on 7 May, Javid received 38.36% of

votes of eligible electors. Furthermore, David Cameron would be deprived of eight members of his newly appointed cabinet. The eight includes Work and Pensions Secretary Ian Duncan Smith who received just 31.48% of eligible votes and David Mundell, the only Conservative candidate elected in Scotland, who received a mere 30.31%.

The proportion of votes from eligible electors received by the 21 cabinet members was:

David Cameron, Prime Minister, (44.12%), George Osborne, First secretary of State and Chancellor of the Exchequer, (58.61%), Teresa May, Home Secretary, (47.29%), Philip Hammond, Foreign Secretary, (59.74%), Michael Gove, Justice Secretary, (40.97%), Michael Fallon, Defence Secretary, (40.33%), **Ian Duncan Smith, Work and Pensions Secretary (31.48%)**, Jeremy Hunt, Health Secretary, (44.38%), Chris Grayling, Leader of the House (42.36%), Justine Greening, International Development Secretary, (53.76%), Nicky Morgan, Education Secretary, (49.35%), **Patrick McLoughlin, Transport Secretary (39.08%)**, **Sajid Javid, Business, Innovation and Skills Secretary (38.36%)**, **Teresa Villiers, Northern Ireland Secretary (33.08%)**, **Liz Truss, Environment, Food and Rural Affairs Secretary (33.15%)**, Greg Clark, Communities and Local Government Secretary (41.1%), **Steve Crabb, Welsh Secretary (28.59%)**, **Oliver Letwin, Chancellor of the Duchy of Lancaster, Overall Charge of Cabinet Office (36.12%)**, John Whittingdale, Culture, Media and Sport Secretary (41.19%), **David Mundell, Scottish Secretary (30.31%)**, Amber Rudd, Energy and Climate Change Secretary, (44.54%).

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Rather exaggeratedly, he reported, she was even called *Godzilla in miniature* by Piers Morgan and *Lady Macbeth* by Boris Johnson.

There were a few more serious references to Cameron making use of Margaret Thatcher’s name, then a discussion using the English phrase: “*the right to buy*”, and then mention of David Axelrod who had worked successfully to elect Obama and couldn’t transfer his magic to Ed Miliband: *flop for Ed, flop for Axelrod*. And of course, there was Ed and the *EdStone* and the *panino al bacon*.

But finally, Simoni mentioned a lovely string of gaffes from the *incomparable* Nigel Farage, the best of which he thought was the one involving immigrants and AIDS, but also the choice, Little Englander one that gave the Royal baby’s weight in pound and ounces, rather than using the measuring system of, as Nigel put it, the *colonisers of Brussels*. He must be (with Boris Johnson) the UK’s own answer to Silvio Berlusconi, politician as entertainer.



# Listening to Italy by Orecchiette

## POLITICIANS AS ENTERTAINERS

The major Italian papers ran detailed reports of the recent UK elections. Part of the reason must have been the relevance to Italy (and the rest of Europe) of the UK's endless agonising about the EU. However, Italian press coverage of our affairs is both regular and detailed, while the reverse isn't true. It is regrettable that papers such as The Guardian or Independent, who would expect their readers to be knowledgeable and interested in Europe, have few reporters based on the continent. As a result the lack of information can only encourage and entrench the native insularity of the English. Any UK press coverage of Italy is rare. Little is written about serious matters, because of the complexity of the political scene. So predictably, and thanks to its shallow amusement value, only Silvio Berlusconi's girlfriends and scandals appear in print.

For example, at the end of May John Hooper of the Guardian featured Berlusconi posing with his dog on Instagram. Matteo Renzi uses Instagram, so Berlusconi has to compete. Silvio cuddles fluffy white *Dudu* and looks sweetly endearing. It all seems harmless, funny and entertaining and Hooper is reporting what he sees. But his serious point was only subtly made. He could have said that Berlusconi is an increasingly tired and pathetic figure publicising himself and his dwindling party. Poll ratings for the regional elections in the last weekend in May had been bad and this was a desperate tactic to catch voters' support. The UK wouldn't have been aware of the presence and significance of this poll because it wouldn't have been reported.

On 10 May Eugenio Scalfari, the venerable co-founder of La Repubblica, published a polemical article about democracy in Italy and Europe and made reference to the elections in *L'Inghilterra* to give a neatly contemporary comparison. Scalfari's article started by sharing everyone's surprise at the result. He immediately went on to mention that what appears to be a majority government actually represents a democratic unfairness. And the system's disproportionality is, as we all know, that the numbers of seats bear no relation to national

voting totals. Scalfari's thrust had been to use this as part of an illustration of a discussion about Renzi's, and indeed other European countries' gradual shift from what he calls the democratic *sovereignty of the people* to dangerous levels of *executive power*.

Scalfari was interested in an article by Timothy Garton Ash that had appeared in the previous day's La Repubblica. He had been particularly struck and obviously impressed by his ideas for a new, proportionally elected UK upper house based on the regions. The current relevance to Italy is that at the beginning of May the new electoral system, *Italicum*, had been approved and it is planned to come into force in July 2016. The effective implementation date gives time for the detailed plans for the upper house to be finally agreed. Unlike Garton Ash's ideal for the UK, these are not to be directly elected, hence Scalfari's reference. The proposal is for the regions to nominate their Senators, which is a departure from the current elected upper house.

*Italicum* was named by Renzi and will supersede *Porcellum* (loosely, a dogs dinner of a system). Its gestation and passage was made possible by the hugely controversial cross-party pact or *patto del Nazareno* organised in secrecy between Renzi and Silvio Berlusconi. This eventually fell apart in acrimony and Renzi had to adopt some brutal tactics to complete the passage of the bill. There were significant modifications and before the final vote thirty of the left-leaning PD Deputies removed themselves from the chamber as a protest. This was to make a point against Renzi's tactics to force the bill's passage through to the end.

*Italicum*'s main points for the lower chamber are:-

to base the number of seats on a national number of votes cast. Two areas, Valle d'Aosta and Trentino-Alto Adige, which currently have more autonomy, because of ethnic and linguistic differences, will be treated separately.

the constituencies will be equal and have around 600,000 voters each.

a party that takes 40% of the vote receives a premium so that they receive

a majority of 55% of the seats.

a threshold of 3% of the votes are necessary before a party can have a seat.

a further ballot will be held if no party has a majority.

As already mentioned, the UK election was reported in Italy's press. A pre-election article in La Repubblica had a smiling Rupert Murdoch heading a piece saying that he had told his papers, particularly the Sun, to jack-up their campaign against Ed Miliband. Then on the 8 May, the day after polling, La Stampa ran a headline saying literally: *Murdoch, the City and the Eton Club. The elite that have stayed on top.* It mentions, *the chic town of Chipping Norton*, Cameron the *aristocrat* who cultivates an ordinary person's image although *he doesn't know the price of milk. etc.*

Then inevitably, given that Renzi models himself on Blair, Blair's 10 May Observer article telling us in his patronising way why Labour had lost, was swiftly translated and published on 11 May in La Repubblica. There was a photo of Blair waving his arms about explaining his theories. La Repubblica's Editor Ezio Mauro could be seen on that morning's editorial conference, (these are often screened on La Repubblica TV) choosing Blair as his first topic of the day. There was further reporting on other pages, including a piece making reference to Peter Mandelson *the architect of Blairism*, co-written by John Lloyd.

The Italians aren't all serious and do appreciate some levity, like the Brits. A 10 May article in La Stampa was the most enjoyable. It also showed a depth of knowledge, interest and humour. Alberto Simoni, a La Stampa journalist and Tweeter specialising in UK affairs, wrote the piece. *I 10 cult momenti del voto britannico*, i.e. the ten defining moments from the election. The first point tells the Italians how the *English* have *learned to know Nicola Sturgeon*. The election campaign was so monotonous, he said, that even though Sturgeon said nothing special we were seduced by her red jackets and Merkel-esque hair styles.

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