

Labour Affairs

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What A Carry On, Carillion

Carillion, the second largest construction company in the UK, went into liquidation on 15 January, with debts of £900m and a pensions black hole of around £580m.

The giant conglomerate, which carries out government contracts in construction and crucial public services, employs around 20,000 workers, whose jobs are now under threat. The first of three warnings that the company was in serious trouble occurred in July last year, and yet the government continued to award it multi-billion-pound contracts. At no point did it deem Carillion to be “high risk” and appoint a “crown representative” to oversee improvements in its performance. It was simply allowed to carry on as usual.

Carillion’s problem arose in the construction side of the business. They solved it by not paying what they owed, something the rich can get away with, despite repeated Tory promises to fix this. Consequently, small businesses and sub-contractors owed money by Carillion (believed to be as many as 30,000 in total) were under pressure from their banks. Despite having done nothing wrong, they are being required to repay loans and were thus forced to delay payment of wages and in some cases to lay off workers. In Tory Britain, banks come first and hard-working honest people can lose everything through trusting the wrong people.

Within a few days of the liquidation announcement HMRC and the banks promised to help affected firms by allowing extra time for tax and loan repayments. This would enable firms to pay workers for an as yet unknown period. Yet in spite of this promise to help, the future for many businesses remains uncertain.

With over 450 government contracts the Carillion crisis affects large parts of the economy. When pressed on it by Jeremy Corbyn, Theresa May made the bizarre claim that “the government is not running Carillion; the government is a customer of Carillion”. She compounded this by asserting that the “taxpayer could not be expected to bail out a private company.” Conveniently forgetting that the taxpayer bailed out the private sector banks.

Carillion’s demise is a sure sign that the company

overreached itself, taking on a multitude of contracts that were not beneficial as margins were too tight and the degree of risk had not been priced in. The government was aware of this and yet encouraged private companies to bid low for public service contracts. In the case of Carillion, the contracts were outsourced which it was then unable to control.

Labour urged the government to be ready to bring crucial public service contracts, such as for hospitals, prisons and schools, back in-house. Other public services that are potentially affected include train cleaning services and security at immigration centres. In Parliament Jeremy Corbyn described the Carillion crisis as a “watershed” and said that it is time to show private contractors the door.

It is claimed that under these contracts risk is transferred to the private sector. Yet when contracts fail there is no risk to the executives who keep their high salaries and bonuses. For example, Richard Howson, Carillion’s former chief executive, was handed a payoff, including bonuses, of £1.5m in 2016, even after the first warning signs of a potential crisis began to show. Yet he still continued to work for the company for a substantial part of 2017. And Carillion continued to pay out shareholder dividends and bonuses to Executive Officers at the expense of pension contributions, which were delayed until 2019. So no risk to them.

The risk is borne by the workers who lose their jobs and have their pensions reduced. Ultimately it may be borne by the taxpayers who, through the government, step in with a rescue package. This is because crucial services such as hospitals and schools cannot be allowed to fail. It is time to stop the privatising of profits and the socialising of risks. We should no longer tolerate situations where companies reap profits in good times and offload losses when they fail.

Labour has said that it will reverse the presumption in favour of outsourcing and carefully examine every contract to ascertain whether the public sector could provide a quality service more effectively and efficiently. (It can

do so at a lower cost to the taxpayer as the government can borrow more cheaply than any private company). Specifically, in government, Labour will introduce tougher rules for PFI and outsourced contracts. Private firms with public contracts would be designated “high risk” if they fail a number of tests. These include prompt payment of suppliers, a lower pay ratio within the company, and tax compliance. Where companies fall short of these standards, their contracts would either be brought back “in-house” or retendered to another company.

Labour’s opposition to the Private Finance Initiative (PFI) was given a boost by the revelations in a recent report by the National Audit Office. The report found that taxpayers will fund private contractors to the tune of £200bn for the next 25 years under private finance deals. It also showed that there was little evidence that government investment in more than 700 existing projects had delivered financial benefits. And, alarmingly, it said that the government has no means of measuring whether PFIs are value for money.

At a Prime Minister’s Questions session Theresa May accused Labour of being ideologically opposed to the private sector per se and specifically its involvement in the provision of public services. She reminded Corbyn that the previous Labour government entered into numerous PFI contracts. Corbyn opposed the Blair/Brown government’s enthusiasm for PFI and outsourcing, but he failed to remind Theresa May of this. The PFI was introduced by the Major government in 1992 and experience of it was limited. Now, with a little over 25 years’ experience, we know it simply doesn’t provide value for money.

May is constantly looking for positive headline news to turn attention away from her weak leadership. Last month she hit the headlines with a promise to deal with the problem of grossly unequal pay. A popular policy adopted by Corbyn’s Labour party. Writing in the Observer on 21 January she said, “by this time next year, all listed companies will have to reveal the pay ratio between bosses

and workers.” Is that it? Will it be voluntary or mandatory to do so? And how will a mere revelation of pay ratios redress the problem of grossly unequal pay?

A report from the High Pay Centre, an independent non-party think tank, provides her with all the evidence she needs to follow up her fine words with firm action. It revealed, for example, that in January 2018 FTSE100 Chief Executive Officers took home more in three days than an employee earns in a year. As private sector business is a large donor to the Conservative party, May will have to show enormous determination and strength, greatly lacking in her so far, if she is serious about tackling this problem.

The problem of grossly unequal pay, the threat of job losses in private companies, and other related issues, could be challenged by a worker representative on the board of these companies. Last year, in one of her inspired moments, Theresa May proposed such a policy, which she quickly backtracked on and then shelved altogether. At the time Labour failed to attack May for reneging on her promise.

Labour and the unions have been silent for far too long on an issue that needs to be addressed urgently. The TUC have shown the way on this, publishing firm proposals for worker representation on company boards.* It is time Labour and the unions followed suit, for as long they duck the question, business will continue to hold the upper hand. Workers on the boards of large and medium size companies should be an integral part of Labour’s plans for the reform of corporate governance and the draconian employment laws. At the very least they would have been able to scotch the pillaging of the pension fund at the expense of undeserved dividends for shareholders. They might also have been able to question the role of the ‘big 4’ accountancy firms covering up dubious business practices by Carillion.

***ALL ABOARD**

Making worker representation on company boards a reality. TUC. September 2016.

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Parliament And World War One

by Dick Barry

PERSONAL TRIBUTES.

06 March 1918.

The Death of John Redmond MP.

The PRIME MINISTER (Mr. Lloyd George) The House, I am sure, has been profoundly shocked by the unexpected news of the death of one of its oldest, most respected, and eminent Members. The usual procedure when a distinguished Member of this House passes away is that a tribute of respect to his memory should be paid two or three days after the news of his death arrives. Unfortunately, it was impossible to follow that procedure on the present occasion, as, I understand, that Members from Ireland preferred that it should be done immediately. I mention that fact because I heard of it a very, very short time ago—about half-an-hour ago—and I only put it forward as a plea for the inadequacy of the tribute which I pay to the memory of so distinguished and eminent a statesman. The Government would have taken the responsibility of moving the Adjournment of the House, out of respect to the memory of the late Mr. John Redmond had it not been for the fact that the urgent necessities of the War rendered it absolutely necessary that we should carry through certain business.

Mr. Redmond had been a member of this House for thirty-seven years. I remember—it is one of my earliest memories in this House—about twenty-six or twenty-seven years ago an old Member of the House said to me, pointing to Mr. John Redmond, “There goes one of the most respected Members in this House.” That is twenty-six or twenty-seven years ago, and since that date I am sure it will be the universal feeling of all who are present, and of every Member of the House, that Mr. Redmond has grown in the esteem and affection, the admiration and the trust, of all parties. That is a great thing to say for any Member of the House, but it certainly is a great thing to say for a man who, during the whole of that period, has been engaged incessantly in one of the fiercest controversies of our

time—a controversy which aroused the deepest passions of all men who took part in that controversy—with the most inflexible purpose, because, if he won the respect and esteem of this House, he never did it by deviating one hairbreadth from the principle which was the dominant principle of his career. There may be—there undoubtedly is, possibly even now—a difference of opinion as to the policy for which he stood and fought. There is absolutely no difference of opinion as to the ability, the genius, the eloquence, the judgment, the dignity, and the honourableness with which he advocated that policy. Above all, there is no one, either in this House or out of it, who would for a moment question the complete disinterestedness with which he gave his life to his country.

There was no office or position in the British Empire to which his great Parliamentary talents could not have entitled Him to aspire. There was, in my judgment, no position to which he could not have attained. He gave all his great gifts, not merely of Parliamentary oratory—which were almost unrivalled—but his gifts of real statesmanship, he gave them all—his time, his opportunity, his strength, his health, and even his life—he gave them all to the service of Ireland. And it is one of the tragedies of a land of many tragedies that he was not afforded the opportunity to use to the full those great powers of leadership and wise and sagacious statesmanship for the benefit of his native land. Another of its many tragedies is that he was struck down before he had achieved the great purpose of his life. His attitude in the War has given him a great place in the affections of Britain, and there is no man of British race throughout the world, wherever he is, who will read of his death to-day except with unflinching

sorrow, and with a feeling that it is a blow and a loss, not merely to Ireland, but to Britain as well. He was a man of real breadth of view. He knew when to fight; he knew when to make peace. He was a man of real courage. He had the courage not merely to face foes; he had the more difficult and trying courage to know when to face friends, and to face misconception among friends. He yearned for conciliation—for the reconciliation of the feuds of centuries; he yearned passionately for it. He yearned as a man who wanted to see conciliation before his hour struck; he laboured for it.

Unionists have told me with enthusiasm and with pride of his work in the Convention—the respect and confidence he won there by some of the greatest speeches of his career. They trusted him, they believed in him. Their hopes rested upon him—upon his integrity as well as his sagacity. They spoke with feeling of a man they had spent a life in fighting. He went there bowed with sorrow. We know now even the physical tortures he endured when he was serving his country in that trying position. The last time I saw him was only a few days ago. He was a broken man, and death was already written on his face. But his last word to me was a plea for concord—concord between the two races that Providence has decided shall work together for the common ends of humanity as neighbours. He has passed away. We can only here in this House extend sympathy to his sorrowing family and his friends—yea, and to the sorrowing country which is bereft of his wise leadership at the greatest crisis of its fate.

Mr. ASQUITH The sudden and unexpected news of the death of Mr. Redmond came upon us all, as the Prime Minister has said, with an

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This also has old issues of Problems magazine.

indescribable shock, and though it is right and fitting that the House should take as early an opportunity as may be of expressing its sense of bereavement, I could have wished, like my right hon. Friend, that we could have had a little more time to collect our thoughts and our words, so as to pay to his memory a worthier and a more adequate tribute. After close Parliamentary and, of late years, personal association with him, which has now lasted the lifetime of a generation, I find it, myself, difficult to speak, except in the fewest and simplest words. He was called upon after an interval to succeed one of the greatest of Irishmen, Mr. Parnell, in the leadership of the Irish party, which he held, by an unchallenged title, from the day of his election to the day of his death. We here in this House, even those who differed most deeply and acutely from him, join with a whole heart and without reserve or qualification in the judgment that he was at once a great Parliamentarian and a true patriot.

In the varying vicissitudes of political fortune he never faltered for a moment in the trust which he felt was committed to him. He saw the Home Rule Bill at last embodied in statutory form, and, during these last months, as my right hon. Friend has said, he laboured hard at the Convention, with all the personal and representative power that he possessed, to bring about concord in Ireland. Few but those who, like myself, were closely engaged in that prolonged struggle, can know or appreciate the ceaseless assiduity and unwearying patience, the unflinching tact, the immense knowledge both of principle and of detail, the measured judgment, the sustained enthusiasm which he contributed to his cause. They were qualities rare in themselves, and, in their combination, invaluable. He was a master, as many of us have seen for years, of all the resources, whether of strategy or attack, which our Parliamentary campaigns demand of those who are called upon to lead. Nor did he ever—no better tribute can be paid to the memory of any man who has spent his life in this House—in the strain and stress of constant and most embittered controversy, fail to conform to the highest standards and traditions of which this House is the

proud custodian and the jealous trustee. Of his personal qualities, even if I could trust myself in this House, this is not the time or place to speak. It is sufficient for today to say that the House, Ireland, Great Britain, the whole Empire, is impoverished by his loss.

Sir EDWARD CARSON Perhaps the House will allow me just for one moment, on behalf of myself and the other members of the Irish Unionist Parliamentary party, to say how entirely we associate ourselves with what has fallen from the Prime Minister and the late Prime Minister on the occasion of this tragic, sad, and sorrowful announcement of the death of Mr. John Redmond. I knew the late Mr. Redmond for some thirty-five years. I knew him first as a barrister on my own circuit in Ireland, and in the contests in the Forum, and in the contests from day to day of our daily profession he always exhibited the same courtesy, the same kindness, and the same feeling that every man has experienced in this House. And I shall never forget—indeed, it was the matter that attracted me to him first—the eloquence with which he told me in most difficult circumstances, when Mr. Parnell was ceasing to be the leader of his party, how resolved he was, at all costs to himself, to stand by the fallen leader. That, I think, was one of his great traits, and one of those which, anyone intimate with him will admire most. The Prime Minister has said that he was engaged in one of the fiercest controversies of modern times in this House. For twenty-five years I have been prominently identified with that controversy, and I can say with absolute sincerity that during the whole of that period I cannot recall to mind one single bitter personal word that ever passed between John. Redmond and myself.

Only this morning, when I heard of his death, I could not help calling to mind two small instances which the House will allow me to state. The House will recollect that just before the outbreak of the War, when the political situation in Ireland was most threatening, His Majesty the King summoned us to a conference at Buckingham Palace. The conference lasted two or three days, and then, unfortunately,

broke up without any result. I remember John Redmond coming up to me as we passed out of the gates of the Palace, and he said, “For the sake of the old times on the Leinster circuit, let us have a good shake hands,” and, Mr. Speaker, we had. Only in 1916, after the rebellion in Ireland, when the present Prime Minister, at the request of the late Prime Minister, tried to effect a settlement, I had several conversations with John Redmond, and, indeed, he and I were not very far apart in our attempts at settlement. The influences which prevented us it is not for me now to dwell upon, but I remember well his saying to me, “Unless we can settle this interminable business, you and I will be dead before anything has happened to pacify Ireland.” That is a very tragic recollection. After all, this is not the occasion on which we can fully appreciate his work. As far as I am concerned, it is enough for me that he was a great Irishman and a most honourable opponent, and as such we mourn his loss.

Mr. ADAMSON I want to associate myself with what has been said by the Prime Minister and the two right hon. Gentlemen regarding the late Mr. Redmond. Those of us who have been associated in this House with the late Mr. Redmond have learned to honour and respect him, and I am certain that each of us to-day feels that he has sustained a personal loss. Not only has the House lost a distinguished colleague and friend, but the British Labour movement has lost a friend who on many occasions stood by it. Before the party with which I am associated found a place in this House, the late Irish Leader, and the party with which he was associated, rendered invaluable services to the cause of the working-class movement of this country on many occasions. By his death the Irish nation has sustained a great loss at a time when it could ill afford to lose his valuable counsel. I trust that the example of that noble life will become the centre around which all sections of the Irish people will gather, and that in the near future the British Empire will have the satisfaction of knowing that that life, spent with the great object of settling the Irish question, will not have been lived in vain.

Mr. E. WASON I would like, if

I may, to be permitted to associate myself on behalf of Scotland with what has been said respecting my Friend the late Mr. John Redmond. I have known him now intimately for thirty-two years. During that time, without having been on terms of the closest intimacy, I can safely say that we were always friends. In his death Ireland has sustained, I might say, almost an irreparable loss, and I feel that I am speaking not only on behalf of my Scottish Liberal colleagues, but on behalf of all Scotland in extending our sympathy to Ireland in the loss which it has sustained. It was said by the late Sir William Harcourt that the best testimony to a man in this House was that he should stand well with the House of Commons, and no man ever stood higher in the estimation both of his colleagues and his friends and his opponents than did Mr. John Redmond. I can assure our friends from Ireland that we associate ourselves with everything that has been said respecting the noble qualities of their great leader, Mr. Redmond, and we hope with all our hearts that, though he did not live to see the accomplishment of his task, peace will come to that country in the way in which he desired.

Sir HERBERT ROBERTS I wish to associate myself and all my colleagues from Wales with what has fallen from the Prime Minister and other speakers in reference to the irreparable loss which the nation and the Empire has sustained to-day in the death of Mr. John Redmond. There is no portion of the United Kingdom which will more deeply mourn this loss than Wales. It is impossible for us to value the great qualities of the late Mr. Redmond, with his unrivalled experience and all that he was in this House. All will agree that never was there a moment in our history in which that personality and those great qualities were more precious. It only remains for me in conclusion, if I may, to assure the Irish Nationalist Members, and through them Ireland, that they have our sincere sympathy in this overwhelming blow, that they will have our unabated interest and continued co-operation in the settlement of the great issue to which the distinguished statesman whose loss we

mourn to-day devoted his life.

Mr. JOHN O'CONNOR On behalf of my colleagues and myself, as well as on behalf of Mrs. John Redmond and the other relatives of our late leader, I desire to return their thanks and my own for the kind words of sympathy that have been spoken here to-day by the right hon. Gentleman the Prime Minister, by the right hon. Gentleman the Member for East Fife (Mr. Asquith), and those others who have spoken on behalf of their respective parties in this House. They have all alluded to the loss that we have suffered, and we admit that we have indeed suffered a great loss, I might almost say an irreparable loss; but on behalf of those for whom I have risen to speak, I desire to say that the kind words of sympathy that have been spoken here to-day will go very far to assuage our loss, and I desire merely to express what they feel—that is, their deep appreciation of these kind words, and to thank them very sincerely for them.

GERMAN SPIES IN BRITISH PORTS. 11 March 1918

Mr. RONALD McNEILL asked the First Lord of the Admiralty if his attention has been called to a speech delivered at Newport last week by Commander Sir Edward Nicholl, Royal Naval Reserve, President of the Seamen's League, in which he stated that he was prepared to say that the German submarine which sank the "Glenart Castle" knew she had left Newport, and that there were spies in every port in the Bristol Channel; whether, in view of the fact that this officer declared that he spoke as examination officer for the Bristol Channel, through whose hands many thousands of vessels had passed, his demand that aliens should not be allowed to enter the docks would be complied with; and what steps he proposes to take to remove the danger referred to?

Major HUNT asked the Prime Minister whether, in view of the loss of the "Calgarian" and of the warning publicly given by Commander Sir Edward Nicholl, he will take immediate steps, in order to save more lives being lost, to proclaim all ports in the Bristol Channel and Irish Channel as areas to be administered under martial law?

Dr. MACNAMARA My attention has been called to the utterances referred to. Sir Edward Nicholl is being asked for an explanation of his statements. If the statement be true that there are spies in every port of the Bristol Channel, it was certainly Sir Edward Nicholl's duty to report the fact to his superior officer with all the information in his possession. The circumstances of the docks at Cardiff are well known, and are constantly engaging attention on the part of the local naval and military authorities and the Home Office, and are at the present time receiving consideration. My hon. Friends may rest assured that every practicable procedure is being adopted for reducing the danger from the presence of aliens in the port.

Major HUNT Is the right hon. Gentleman aware that the attitude of the Government in allowing these aliens to infest our ports is greatly resented by officers and men of our Navy and our Mercantile Marine? Is he aware that they are very much upset at seeing so many aliens at large all over the country? Is he also aware that naval officers say that if they were allowed a free hand they could catch most of these spies?

Dr. MACNAMARA As to aliens being all over the country obviously that is not a matter of which the Admiralty have charge. As regards the crews of ships arriving from neutral ports none of these men are allowed to land except the captain and steward. As I have already said the matter is receiving the closest consideration?

Mr. BILLING Having regard to the fact that there are aliens all over the Country, will the Lords of the Admiralty make representations to the Government?

Major HUNT Is it not quite true that there are lots of aliens in the docks, and cannot the Government do something to get rid of them? Does not the right hon. Gentleman know that these aliens go by the name of Government chinks, because they are afforded Government protection?

Dr. MACNAMARA As my hon. and gallant Friend will see, if he reads my answer, the matter is receiving the closest attention, and I may say with regard to this very port that I took occasion myself when I was in that port

of the country last year to appoint a man fully seized of the facts to do what he could.

Mr. FABER May I ask the right hon. Gentleman whether at the end of three and a half years his Department could not go further than giving the matter serious consideration?

Dr. MACNAMARA It was not in our hands until recently. It was in War Office hands.

Prime Minister's Statement 11 March 1918

Mr. CHAMBERLAIN (by Private Notice) asked the Prime Minister whether he can now make a statement to the House as to the connection of the Government with the Press?

The PRIME MINISTER (Mr. D. Lloyd George) I will endeavour to answer as concisely as I can the two or three points in reference to the Press relations with the Government which have been recently raised.

There are two Ministers who, when they joined the Government, had control of newspapers — Lord Rothermere and Lord Beaverbrook. Lord Northcliffe holds no Ministerial office; I will state later what his position is. In every great Allied country — America, France, and Italy — there are journalists and newspaper proprietors who hold high office in the Governments of their respective countries, and if it be suggested that owners or editors of newspapers are disqualified by reason of their ownership or profession from holding Ministerial positions in this country, I must challenge that contention. But the rule which applies to all company directors and professional men joining the Government must be applicable also to newspaper men, and as soon as the two Ministers were appointed they gave up all direction of their papers.

As to the fitness of these gentlemen for their offices, they are both men of exceptional ability. One of them — Lord Rothermere — had already reorganised an important Department of the War Office, which had previously been criticised severely by two Committees appointed at the instance of the House of Commons. His administration of that Department, according to the testimony of the Secretary of State, has been an unqualified

success. The other Minister — Lord Beaverbrook — had, at the request and on behalf of the Canadian Government, organised a Canadian propaganda, which is acknowledged to be amongst the most successful, perhaps the most successful, piece of work of its kind on the Allied side. When, for reasons of health, Lord Beaverbrook some time ago intimated his desire to give up his direction of the Canadian propaganda, the Prime Minister of the Dominion urged him to reconsider his decision — in a letter which has been placed before me, giving the warmest recognition to the services he had rendered.

As to Lord Northcliffe, he is one out of hundreds of great business men, who, in this great national emergency, have voluntarily and gratuitously given their services to assist the State in the work for which their experience has especially qualified them. The Government had come to the conclusion that the important Department of offensive and defensive warfare connected with propaganda, which the enemy have used with such deadly effect in Russia and Italy, was far from being adequate to its task, and we had reluctantly come to the conclusion that it was impossible to make it efficient without a complete reorganisation of the direction. The late Government had appointed two journalists and a Foreign Office official to direct the work. Without in the least disparaging their professional ability, not one of them had the necessary experience in the acquisition and distribution of news in foreign countries. The present Government supplemented their efforts by appointing a Committee of distinguished newspaper proprietors and editors to assist. We found this quite insufficient to attain the desired end, as the Committee could exercise no real authority. It was therefore decided to put men experienced in this class of work in charge of the different branches of activity.

Lord Northcliffe, who, in addition to being a great news organiser, has made a special study during the War of conditions in enemy countries, was invited to take charge of that branch. He consented to do so without any Ministerial position. No man better qualified for that difficult task could, in my opinion, be found in the Empire,

and the Government are grateful to him for undertaking it. Propaganda in all the other Allied countries and in Germany is conducted almost exclusively by experienced newspaper men, and in spite of all the inevitable prejudices which we apprehended might be excited, the Government came to the conclusion that they must follow that example as the only means of securing an effective presentation of our case in Allied, Neutral, and enemy lands.

Let me add most emphatically that lay one object in making these, as all other appointments in the Government, is to secure the men who, in my judgment, are the best qualified to do the work efficiently for the country. As to the suggestion that I was in any way responsible for attacks on admirals and generals, I have already stated in this House that that charge is untrue. As to the suggestions which have been made that an official on my staff had inspired paragraphs attacking admirals and generals, I have thoroughly investigated that matter, and have no hesitation in saying that the imputation is absolutely without foundation, and constitutes a gross injustice to an able Civil servant. [AN HON. MEMBER: "What about Northcliffe?"] Should there be any further explanations required, I shall be pleased to give them in Debate this afternoon, but I propose to wait until I have heard all that hon. Members have to say on the matter before replying.

The future belongs to those who believe in the beauty of their dreams.

Eleanor Roosevelt

The facilities for advanced education must be evened out and multiplied. No one who can take advantage of a higher education should be denied this chance. You cannot conduct a modern community except with an adequate supply of persons upon whose education, whether humane, technical, or scientific, much time and money have been spent.

Churchill

Froggy

News From Across The Channel



Catherine Deneuve

Froggy was delighted to hear about the letter written by five French women (including Catherine Deneuve), signed by a hundred and published in *Le Monde* on 9th January and presented the following day on radio 4 news by the French correspondent of the Daily Telegraph as follows: 'We are French, we believe in grey areas. America is a different country and they do things in black and white, and they make very good computers, but we don't think that human relations should be treated like that.'

There is a lot to say about relations between the sexes and much, it's true, not definable in black and white terms. The following is a brief summary of the letter.

In the context of professional life, some men abuse their power, and this is wrong. But the campaign of denunciation has degenerated into a witch hunt on social media; in the real world some men are summarily disciplined or sacked without being given a proper trial where they could defend themselves. They are invited to repent publicly, in a climate of totalitarian society.

Some expressions of male sexuality are unwanted but not criminal, and can just be seen as sad, or even reduced to the status of 'non events'. Sexual impulses are by nature on the attack and primitive. Women are perfectly able to deal with that. If they have the right to reject advances, men have the right to make them. Women are not victims, or defenceless prey, mere children with adult faces, who need protection.

Human beings are not monoliths:

"A woman can, in the same day, lead a professional team and enjoy being a man's sexual object."

The 'me too' form of feminism goes beyond the denunciation of abuses of power, and becomes a hatred of men and sexuality. Finally, women who defend unfairly accused men are accused of being traitors and accomplices of criminals.

A man on the 'Any Questions' radio 4 programme the following Saturday said that the witch hunt may be going too far, but men had got away with abusive behaviour

for too long, and the pendulum now swung the other way, but as a result things would eventually change for the better. You can't 'make omelettes without breaking eggs', in other words. The question is, will it make things better?

The starting point of the 'me too' campaign was the Weinstein affair. Hollywood is a highly special place. It's the fountainhead of American influence in the world, its soft nuclear power. Its grantees are decorated by the state. It's the source of global fame and fortune. That much power given to a few grantees rarely goes with great virtue. Hollywood has always been known as the place where people sell their body and soul for a place in the sun, the place where people sleep with people they don't like to further their ambitions. Note that this traditional way of presenting things, even if you replace 'people' by 'women', presents the situation not as abuse but as calculation, active rather than passive. The denouncers of Weinstein are now famous and powerful themselves.

Hence the 'me too' campaign should have applied only to other famous and powerful women who slept their way to the top.

Instead it tried to include all women who have been on the receiving end of unwanted sexual attention. '700, 000 women agricultural workers support the Hollywood 'me too' campaign' was one headline.

In fact, the message of support emanated from an unrepresentative group of journalists and others who had at some time worked as agricultural workers. If there was such a thing as a united group of 700, 000 American agricultural workers, they would constitute a union, with union representatives able to enforce workers' rights; female employees would have someone to complain to and procedures for redress in case of attempted abuse of power.

In Hollywood on the other hand, hundreds of marvellous beauties with acting talent compete with each other. There is little a union could do to impose justice, if there was such a thing as justice in this context.

In the world of ordinary people, on the

other hand, there is a lot unions can do to impose justice. Powerful unions, and women joining unions, would make things better. That would constitute change and worker power.

The 'me too' campaign is reminiscent of 'Occupy Wall Street': here today, gone tomorrow.

Some feminists charmingly attack Catherine Deneuve for being old and out of date, ignoring the youth of other writers and signatories of the letter. But there is one old fashioned idea in the letter, that is, the belief that nature is a given that must be taken into account in one's behaviour.

The letter says that 'sexual impulses are, by nature, aggressive and primitive'. [*La pulsion sexuelle est par nature offensive et sauvage.*] 'Offensif/offensive' in French does not have the same meaning as in English. It means 'goes on the offensive, goes on the attack'. There is no notion of it being bad, only aggressive.

So, human nature is a given that has to be taken into account and worked round. Because it's there, it limits your freedom to act. That goes against two modern ideas, the first, that you should overcome nature as much as possible (same sex parents starting families for example, or men and women not being necessarily different because their biological make up is different). The second idea is the ideal of absolute freedom.

The liberation of sexual conventions since 1968 has met with its limits; there is now a back tracking, and not everything goes any more. But it's very difficult to bring back limits once they have broken down. In the past women took it upon themselves to keep men in their place; they took precautions, which are now seen as intolerable restrictions on their freedom to act. Now the responsibility is placed entirely on men. The Deneuve letter could start an interesting debate, if debate was possible. But as the letter says, in this totalitarian climate, those who disagree keep their heads down for fear of victimisation.

Notes on the News

By Gwydion M. Williams

De-Thatcherization?

The mainstream British media are all now bad-mouthing Carillion. Need I add to that?

Private Eye has nicely documented its warning from years back about the 'Private Finance Initiative'. That it broke the rules of the traditional capitalism they broadly believe in.

Is that enough? Of course not. When one scam fails, another starts.

One scam after another is the reality economic 'reform' since the 1980s. Almost all reactionary: 19th century bodes dropped for good reasons. 'New Labour' was overawed by it, only because most of them had come from a childish leftist misunderstanding of real commerce.

Every single Thatcherite economic 'reform' was wrong. Even when addressing real problems, she got the wrong answer. For council housing, one famous complaint was that you couldn't choose what colour to paint your own door. So, relax those rules but keep it public and cheap.

Before the 1980s, only a few hopeless drunks were homeless. All too ordinary nowadays.

Before the 1980s, you had to be subnormal or averse to regular work to be unemployed most places, though there were unemployment 'black spots'. Now jobs are scarce even for the average would-be worker.

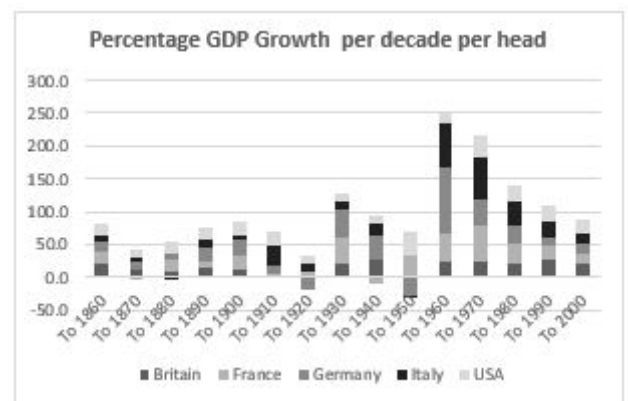
A tiny percentage of the homeless or unemployed have misbehaved. Likewise, a few of those who suffer in road accidents. But not most of them, in either case. Of course, the rich are among road-accident victims: they don't push lies about it. The dream of a 'property-owning democracy' is unreal. The number of individuals with genuine economic freedom has diminished.

In a real society, as distinct from New Right fantasies, there is a finite amount of freedom. (The liberal-left have similar fantasies, and so are an ineffective opposition.) As I see it, 'freedom' is not a natural entity. It is an *area* of freedom that the society defines, and the state enforces. It enlarges as we grow more prosperous and secure, but is always finite.

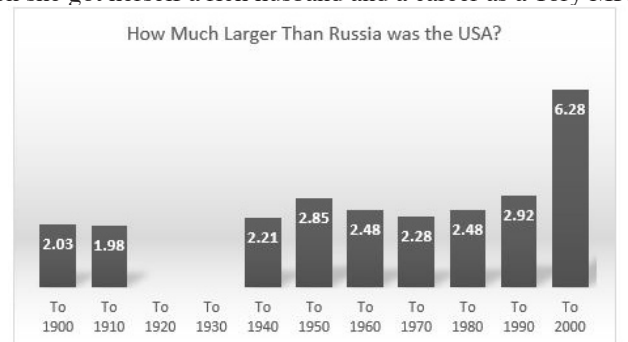
From the 1980s, a more-than-millionaire class gained freedom at the expense of the rest of us. Even squeezing the Next Nine, the talented but much less privileged stratum just below the 'Richest 1%'. Everyone also gained social and sexual freedom, which caused confusion. Clarity is badly needed. It would be a promising idea for Labour to explain that Tory promises to ordinary right-wingers were never met.

Before the 1980s, many young people bought houses. Now, deregulated finance has pumped up prices where there are jobs. Made the price almost zero where regional industries were neglected and died. Many will have to wait till their 60s to get a house.¹ Economists, well-funded by the very rich, still insist that wealth comes from cleverness and hard work! Thatcher absolutely believed that she was restoring old-fashioned middle-class values. The values her grocer father genuinely upheld. She never saw that the real beliefs of the New Right were poison to those values.

To see the *actual* world-vision of the serious thinkers among the New Right, try ploughing through some tedious pretentious novels from the last years of American SF writer Robert A. Heinlein. Who wrote good stuff in the 1950s and 1960s – I'd recommend *Citizen of the Galaxy* and *Orphans of the Sky* as good reads in themselves. But he showed a romantic admiration for authoritarian bullies in the notorious *Starship Troopers*, which is also pig-ignorant about how real armies work. (Fans who experienced actual warfare in Vietnam mostly felt this.) *Stranger in a Strange Land* was briefly a much-praised work in the Sexual Revolution that Thatcher despised: nowadays correctly seen as heroizing another variant on the traditional male bully. Then beginning with *Time Enough for Love*, he wrote long pretentious slabs of life as the New Right Overclass would wish it to be. Including an utter contempt for democracy, parliamentary or otherwise. This is probably also the private view of most post-Thatcher Tories dependant on the votes of authentic old-fashioned conservatives.



Thatcher was never very clever. Smart enough for a degree at Oxford: but one function of universities is to sort original thinkers from those just good at passing exams. She was in the lower grade, and failed as a Research Chemist in actual capitalist industry. One potential employer rejected her as '*headstrong, obstinate and dangerously self-opinionated*'. Useful qualities when she got herself a rich husband and a career as a Tory MP.



Figures from 'The World Economy: Historical Statistics' by Angus Maddison.

And failed again. The chaos of the 1970s gave her a chance to be a genuine conservative, strengthening whatever was left of authentic Tory values. Instead she followed New Right doctrine, believing that markets were self-correcting. Believed the weird

notion of an 'Invisible Hand' proposed by Adam Smith. Smith probably got it from seeing how growing commerce was undermining the traditional Christian values he despised. It was left to Karl Marx to realise that this same undermining would be fatal for the Enlightenment values that Smith favoured. That commerce would burst open any political and social system that let it run free.

The 'Invisible Hand' stayed invisible, or rather imaginary, in the vast process of privatisation and contracting-out. Making profits while destroying wealth was far too easy. Curing 1970s disorder did not in fact improve economic growth in Britain or the USA. Blighted it in Western Europe and Japan, the countries whose spectacular success prevented a serious regrowth of fascism in countries where it had been popular. Those same countries went on to win the Cold War – the USA itself had no clear advantage over the Soviet Union until the 1980s.

The Mixed Economy of the 1940s to 1970s was enormously successful. The state managed Tamed Capitalists and mostly forcing them to do something useful. Untamed, they exploited their wealth and inside knowledge to enrich themselves at the public expense. Used accounting fiddles to make highly run-of-the-mill managers look brilliant and deserving of vast salaries.

Enronisms

A deregulated system rewards cheating, much more readily than honesty. Various Ponzi or pump-and-dump operations give the impression of brilliance, without the problem of being authentically brilliant. 'Smart money', unless it encourages useful new products, can only make a profit at the expense of 'silly money'. If some people get a lot more than they would for a regular investment, others must get less, or perhaps lose it all.

Enron was notorious. But only one of many: "Carillion made almost £150m worth of pre-tax profit last year on around £5bn worth of revenue. Despite a fall in profits on last year, the full year dividend on Carillion's shares was increased from 18.25p to 18.45p. In fact, the yield on Carillion shares has remained at around 8.5% over the last few years, next to a FTSE100 average of 3.5%.

"Its Chief Executive, Richard Howson, made £660,000 last year, on top of a £245,000 bonus. Including pensions, benefits, and other 'incentives', his total reward stood at £1.5m. The outgoing

finance director, who jumped ship just after Carillion issued its profits warning earlier this year, made £460,000, received a bonus of £140,000, and had a total pay package of around £1m.

"These extensive payouts belied the parlous state of Carillion's underlying financial position. Over the last 10 years Carillion's profits have continuously declined whilst its debt levels have skyrocketed. A firm should only ever take on debt for the purposes of investment; debt financing comes with interest, which has to be paid off regardless of the firm's performance — so unless the capital is used to improve the firm's productivity it will end up as an unpayable debt overhang... "Carillion's business model rests solely on arbitrage — 'the simultaneous purchase and sale of an asset to profit from a difference in the price'. We cannot nationalise Carillion because there is nothing in Carillion to nationalise. It doesn't do anything. It is a fiction of a firm whose existence is predicated upon the largesse of a corrupt and financialised neoliberal state."²

All Bosses Grossly Overpaid

Naturally, the mainstream British media bad-mouth the vast salaries of Carillion bosses.³ But few of them would say that such salaries would be absurd even if the companies had been as brilliant as they pretended to be.

I've previously mentioned that the brilliantly successful Chinese economy runs with top managers with much more modest salaries.⁴ If that's capitalism, it is a version of capitalism that Labour needs to make the British norm. Naturally the Feed-the-Rich *Economist* magazine sees it otherwise:

"On an international basis, [state-owned enterprise] bosses are dramatically underpaid. The president of PetroChina, the country's biggest oil company, earned 774,000 yuan (\$112,000) in 2016; the CEO of Chevron, a firm of roughly the same market value, pulled in a handsome \$24.7m."⁵

An average US worker gets 7 times as much as their Chinese equivalents. The Big Bosses gets 221 times as much. A Chinese boss gets 7.3 times their country's average: their US equivalent 430 times as much. Which country is out of line?

Korea – Still Shadow-Boxing

"The only sensible strategy is to accept reality, however unpleasant it is, and to come to terms with North Korea as a nuclear power."⁶ Thus spoke George Soros,

at the recent Davos Economic Forum.

Soros may be part of a growing shift in elite opinion. Naturally, he did not join the growing complaints about gross inequality. A major cause is the parasitic finance he himself grew rich through. And he ranted about a Russian threat, because they dared defend themselves when US-organised riots hijacked Ukraine.⁷ But he has a sense of survival.

And so does President Trump. I can't believe he fails to grasp that Korea, with authentic Weapons of Mass Destruction, cannot be safely attacked. Not wrecked in a 'comfortable war', as Iraq was after Saddam Hussein trustingly destroyed the few special weapons he had.

Trump may be genuinely ignorant about Climate Change. It is otherwise hard to see why he has so far nailed his colours to the mast about it being a liberal fantasy. He is more likely to marry Hillary Clinton than to be vindicated on that issue, and it will undermine his whole effort at restoring the populist white-racist values he inherited from his father. But he doesn't know much science, nor respect it. He is part of a business community where they prefer profit and an evasion of probable blame. And it is confusing that Climate Change can include a bout of unseasonal wintry weather. This is down to shifts in the Jet Stream: but would he know a Jet Stream from a Jet Engine?

It has long been the case that North Korea could inflict vast damage and death on South Korea, and to Japan. Sadly, I doubt that any US President in the whole history of the country would have been much bothered. The biggest concern is that it would have included US tourists. But it now seems likely that North Korea could hit US cities with nuclear weapons, which cannot be risked just to be rid of an irritating hold-out of the pre-1980s order.

Just now, the two Koreas are being slightly friendly for South Korea's Winter Olympics. Trump blusters as usual, but has probably given covert approval. Had it been President Hillary Clinton, would we be safer? She is not a blabbermouth like Trump. But she still believes that the USA can reshape the world in its own image and to its own selfish advantage. I'm sure Trump would wish it to be so. But he seems to know that it isn't.

Syria – the Kurdish PKK as the Last Bolsheviks

To finish off the declining Soviet Union, the USA sponsored Islamists in Soviet-occupied Afghanistan. People who grew

into their most dangerous enemies.

I wish I could believe that a similar 'blowback' will occur with the USA trying to set up an enclave of Syrian Kurds. People who call themselves the YPG, but everyone knows that their hard core is the Marxist-Secessionist PKK. People who for years have been fighting the Turkish state.

Sadly, secularism and socialism have been losing out to Islamism everywhere in the Middle East, Turkey included. Even the PKK gets its ideology muddled with other values. And in Nepal, the Maoists backed a Communist Party that is actually Moderate Socialist to win the recent General Election.⁸ Unless one counts North Korea, with its ruling dynasty, the PKK are the Last Bolsheviks.

The Islamist movement is a logical follow-through of the ignorant hard-line version of Islam that Saudi Arabia spread through subsidised mosques and with US approval. Socialists have nothing like that. An interesting Marxist development in South Yemen failed completely, for reasons that remain obscure.

For now, we have the anomaly of the USA protecting the Last Bolsheviks. Which a US spokeswoman accidentally admits recently: "In an eyebrow-raising slip of the tongue, the US State Department spokesperson Heather Nauert on Thursday called the YPG in Afrin, Syria, 'the PKK', which is considered by Ankara as a terrorist group waging war against the Turkish state and is viewed as a terrorist organization by Washington itself."⁹

I had already decided that 'Mrs Heather-Brain' was a fool. On a level with Boris Johnson, who casually assumed that an accused woman with British citizenship was guilty as charged when negotiating with Iran.

Moon-Shadows

A spectacular lunar eclipse on 31st January happened with the moon below Britain's horizon. But other interesting lunar events are promised.

The Far Side of the Moon is special, because the moon is tidally locked to Earth and always shows us the same face. This has cycles of dark and light that are 'days', and also the lunar months for Earth. Likewise on the Far Side: talk of a Dark Side of the Moon is ignorant nonsense. But though the Far Side has been seen many times, beginning with an early Soviet craft, no one has yet landed there.

The problem is radio contact with Earth: the bulk of the moon blocks it. Not

insoluble: "A [Chinese] communications relay satellite ... will be launched in June of 2018, and will take up a position at the Moon-Earth L2 point, where it will be able to see both the landing site and Earth. The [robotic] lander will be launched at the end of 2018."¹⁰

This L2 point is behind the moon. A satellite can sit without using much fuel. The Far Side has a different geology. It would also be a wonderful place for a radio telescope, screened from the electronic chatter of Earth.

Also an excellent place for fiction. Arthur C. Clarke's excellent SF novel *Earthlight* was long ago overtaken by events – his giant lunar optical telescope is far too small. He also failed to realise just how quickly female astronomers would emerge, having no women apart from secretaries in his science station. But it could be updated to be a radio telescope. The spy and space-war plot-lines would make an excellent SF drama, with a peace message.

Dogmatic Bottomism

If *Earthlight* (TV Series) ever gets made, it would be by the USA's liberal-left. I often find them admirable. Rather more often, I view them as hopeless.

Liberalism assumes a Nice Domination by the Anglo Core. And with Obama and the Clintons, not to mention Blair, they floundered when they had to choose between being decent or maintaining this Nice Domination.

I have the advantage of being certain it is an historic dead end. It was an important stage in the liberation and uplift of the human race. But always imperfect, tied to its birth from Enlightened Absolutism. It ranged from 'Free (Mostly for Me)' to 'Free (Just Like Me)', or occasionally 'Free (Do It Your Way)'. It is literally unimaginable to them that in the Middle East, with its violent and alien traditions, a popular authoritarianism was the best force for shaping society the way they'd like it to be shaped. That it was foolish to destroy such regimes in Iraq and Libya, and good that Assad has survived in Syria.

Even believers in 'Free (Do It Your Way)' believe that 'bottom-up' forces are the solution to *everything*. It is of course very nice if people change without coercion – but historically, that is not reliable, nor always desirable. Graffiti are praised: most are mindless and some racist. Racism etc flourish on the Web.

Top-Down authoritarianism is sometimes unavoidable. To put it crudely,

Bottom-Up isn't always what suits your own bottom. That's why I am calling it Dogmatic Bottomism.

I can also hope to be part of the next wave of beliefs. George Monbiot recently praised at least some forms of State Power as the only way to save civilisation.¹¹

Snippets

Quarrelsome Democracy

The West tells everyone to adopt its own system of 'quarrelsome democracy'. Rivals each say they should have all of the power. Have an election to settle it for the next few years.

In the West, it has normally been a game. Not at all democratic in Britain till the 1880s,¹² and new social forces were slotted into existing parties.

And still failed in Ireland. A series of wars are likely to be settled by Northern Ireland Catholics breeding faster and becoming a new majority.

A quarrelsome democracy easily splits on regional and ethnic lines. The Scottish-English union worked mostly because religion cut across nationality. May now be failing.

In poor sad torn Ukraine, 'Oranges Are Still a Rotten Fruit'.¹³

Spiders of the Web

A wave of justified complaints that Facebook and Amazon have too much power.¹⁴ But then what?

As I said last month, in a 'free' service funded by advertising, *you* are the product.

So, would they ban it? Subsidise serious media? Unlikely.

Unmarried-Mother Prime Ministers

I'm old enough to remember when marriage was compulsory. Now New Zealand's new Prime Minister being pregnant is everywhere reported just as a bit of good news. Only in comments on a Daily Mail article did someone complain she hasn't yet got around to marrying the man she lives with.¹⁵

That's progress. Proof that Thatcherism was actually a flop.

Previous *Newsnotes* at the Labour Affairs website, <http://labouraffairs-magazine.com/past-issues/>. Also <https://longrevolution.wordpress.com/newsnotes-historic/>. I blog occasionally at <https://gwydionmw.quora.com/>.

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John McDonnell MP on

“How Local Government can help deliver the national Labour agenda”

by Martin Dolphin

John McDonnell, the shadow chancellor, addressed a meeting at the Cypriot centre in Haringey, London, shortly before Christmas. The title of the talk was ‘How Local Government can help deliver the national Labour agenda’.

Although it was a cold night some 200 people turned up. McDonnell spoke for only 30 minutes. He started with a discussion on the housing crisis and then moved on to other issues like health and education. The meeting was then opened for questions and contributions from the floor. The majority of contributions from the floor were about the Haringey Development Vehicle (HDV). The HDV would be a joint venture between Haringey council and an Australian company called Lendlease to build homes in Haringey. The council and Lendlease would each have a 50% stake in the HDV. Haringey would put assets into the HDV in the form of land and buildings. Lendlease would in turn put into the HDV an amount of cash which would equal the value of the assets which Haringey had put in. New homes would then be built on the land and

existing homes would either be refurbished or torn down and rebuilt. However these homes would now be owned by the HDV and not by Haringey council.

Many members of the Haringey Labour Party are opposed to the HDV. As a result many existing councillors who supported the HDV were deselected as candidates for the council elections taking place in May 2018. The right-wing press have been making much of this deselection process treating it as some form of anti-democratic activity. It is therefore no accident that John McDonnell turned up in Haringey at this time. He was effectively sending a message to the local Labour Party that the National Labour Party was very sympathetic to what had happened locally. He also emphasised that the behaviour of Labour controlled local councils will have a significant effect on Labour results nationally in the next general election.

There is a protocol that the National Labour Party does not directly criticise local Labour councils. So McDonnell had to tread a careful path. He did not therefore directly criticise the HDV. Rather

he made a plea that local Labour councils do not tie the hands of a future labour government. This is exactly what would happen if Haringey council did enter the HDV with Lendlease. So effectively he was saying don't go ahead with the HDV. It was as clear a public shot across the bows of the current Haringey labour council as he could make while staying within the bounds of existing protocol.

McDonnell also recommended that Labour councillors look at how other councils are thinking outside the box to solve local problems. He mentioned specifically the work of Matthew Brown in Preston City Council in Lancashire. (<https://www.theguardian.com/society/2017/feb/14/poverty-was-entrenched-in-preston-so-we-became-more-self-sufficient>);

The meeting was also addressed by Catherine West the Labour MP for Hornsey and Wood Green. She showed the same reserve as McDonnell in directly opposing the HDV, though she has, with David Lammy, MP for Tottenham, openly asked the council to pause the move to any legal arrangement with Lendlease and to carefully consider the criticisms of the HDV put forward by the Haringey Housing and Regeneration Scrutiny Panel.

Since that meeting 3 supporters of Jeremy Corbyn were elected to the National Executive Committee (NEC) of the Labour Party. This changed NEC, in an unusual move, voted unanimously on 23rd January to call on Haringey council, led by Labour's Claire Kober, to reconsider the plans to go into partnership with developer Lendlease to build 6,400 new homes in the borough.

It would be surprising if the current council continued to move ahead with the HDV. However Claire Kober remains in an uncompromising mood and, according to the Huffington post, stated “Our plans are well-thought through, developed over the last two years in response to extensive community engagement and offer the only viable option for building new homes. Sitting on our hands achieves nothing.” After the May elections it seems the majority of Labour councillors will be opposed to the HDV and it will be dead in the water – as long as Kober does not sign it before May.

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A Letter From Our New Zealand Correspondent

Feergus O'Raghallaigh



Photo: Scoop.co.nz

Jim Anderton (1938 – 2018)

Who coined the term ‘New Labour’? **Tony Blair** of course! But no, he didn’t.

In Britain the term entered the language of politics circa 1994. It conveyed a break with the Labour Party of the past; with ideas of socialism, nationalised industries and Clause 4; and an unashamed embrace of the market, of Thatcherism in effect. There was also about it a sense of middle-class metropolitan superiority, **Mandelson** and the “filthy rich”.

Actually ‘New’ Labour has a somewhat earlier vintage, origin and politics to it. It dates from the late 1980s, from **New Zealand** politics and represented a *reaction against* the adoption by the **New Zealand Labour Party** of a free-market ideology and programme that predated Thatcherism.

‘New’ Labour in this sense was the creation of **Jim Anderton**, a then leading light in the New Zealand Labour Party and who died on 7 January 2018 in Christchurch.

In 1984 the New Zealand Labour Party was elected to office with a landslide majority. The party was led by **David Lange** (prn. ‘Longee’). **Anderton**, who hailed from Auckland, was one of the new MPs, elected to a constituency in Christchurch. He was no neophyte. He was active in Labour from the mid-1960s and since 1979 party president and a powerful organisational figure.

Labour in 1984 replaced a **National Party** government led by **Robert Muldoon** who had called a snap election. There was a sense at the time of emerging economic crisis. Muldoon also lost the confidence of the business community and much more widespread. He was an economic interventionist, seen as a bully and particularly with respect to South Africa and rugby, a racist.

Lange’s Finance Minister was **Roger Douglas**, previously the finance spokesperson. Douglas had flagged his belief in a market-oriented programme for Labour in government, however the party had fought the election on a rather different, indeed meaninglessly bland, manifesto (Douglas and his associates could not carry the party with them in their zeal for market-based policies in the face particularly

of Anderton and his supporters whose politics were ‘old Labour’ in the British style – think ‘Corbyn’).

The events surrounding 1984 remain controversial, still clouded in mystery. They are further, in their detail and controversy beyond the scope of this Letter. Suffice to say that within days of coming to office Labour had begun to implement a programme of market transformation, far removed from its manifesto. Not even a thoroughly bourgeois party anywhere in the world (never mind a traditional British-style Labour Party) would at the time have contemplated the programme. It was also pursued relentlessly, extending over time into every corner of the economy, every nook of state involvement in the economy and every crevice of public administration. At the Treasury Douglas was given a free hand by Lange, who knew nothing about economics and cared less. Anderton and the mainstream were out in the cold.

By 1989 it had all become too much for Anderton. The breakpoint was a decision to sell off 51 per cent of its **Bank of New Zealand** (BNZ) holding, a kind of equivalent of Bank of Ireland or the Bank of Scotland. It led to suspension from his position of president. He then resigned from Labour, split the party and established **NewLabour** with the message that he wasn’t leaving Labour, the party leaving him. **Rogernomics** (as it came to be known) though just kept rolling and even gathering momentum.

When in 1990 National (with **Jim Bolger** as leader) was returned to office it continued with Rogernomics. National would remain in office until 1999 with Bolger leading the party to victory twice more, in 1993 and 1996 (New Zealand has a three-year electoral cycle and a unicameral parliament).

Two ministers from the Bolger era stand out. First, his **Finance Minister** from 1990 to 1993, **Ruth Richardson** and second, **Jenny Shipley** initially in her role as Minister for **Social Welfare** (1990 – 1996) and then as Minister for **Health** (1993 – 1996). Between them they led the charge against deficits and to extending the Douglas approach (now named ‘**Ruthanasia**’) into the depths of the New Zealand Welfare State (health, welfare, education) rooted in the radical programme of the first Labour PM, **Michael Joseph Savage** and his 1935 ministry. In 1997 Shipley organised a coup against Bolger (he was for her too much the ‘social democrat’ in mien) and became Prime Minister (1997 – 1999).

The Shipley government was defeated in the general election of 1999 with Labour returning to government under **Helen Clark**. Hers had to be a coalition administration, Labour on its own did not have the numbers. It needed NewLabour or as it had in 1991 become, the **Alliance**.

In 1991 Anderton merged his NewLabour into a broader grouping of social democrats, social credit and environmentalists, naming it the **Alliance**. In the 1993 and

especially in the 1996 and 1999 general elections Anderton's organisation scored electorally. With Helen Clark (and her finance minister Michael Cullen) distinctly cool on Rogernomics the way was clear for coalition and Anderton as deputy-PM.

The 1999 election represents two things. First, Jim Anderton returns, centre-stage, becoming deputy PM (1999 – 2002) and second, it marks the end of the high phase of the neo-liberal market approach (1984 – 1999).

By this point though many nationalised industries had been closed down or privatised while those left and public services such as the Post Office and parts of the electricity supply industry became **State-owned Enterprises** (SOEs) subject to private enterprise rules (for investment, profit, dividend-paying etc) and to competition. The entire philosophy of the civil service was changed and departments were to conduct themselves as businesses. And so on. Trade union structures were weakened by laws with collective bargaining and agreements made virtually impossible for many workers.

Health, welfare and educational provision were also cut and further, subjected to an almost continuous cycle of restructuring and reorganisation, all in the name of efficiency, value for money and the requirements of employers and the market economy. Everyone in the system is now a 'beneficiary' – which is seen and promoted almost as a mark of Cain.

Jim Anderton was born **James Patrick Byrne** in 1938 in Auckland. And yes, the name does communicate his background and origins. His father left the family at an early stage and died during the 1940s in a railway accident. His mother remarried, to a Victor Anderton, who in 1951 formally adopted the young Jim, thus the surname change.

Like so many Kiwis of his generation, Anderton qualified as a teacher. However he only briefly worked as such, soon becoming involved in child welfare and youth work. He became a paid employee of the **Catholic Youth Council** and the **Catholic Archdiocese of Auckland**. In 1965 he was elected a (Labour) councillor to **Manukau City Council** in Auckland. He was launched on what would prove a long political career.

He also became involved in business, with his brother establishing a small, light engineering company, Anderton Holdings.

When Rogernomics got under way Anderton was a leading figure in New Zealand Labour in his role as president and effectively as leader of the old school. He resisted and represented the resistance to the Douglas agenda. Eventually though it all proved too much for him. He broke with the party. In 1989 he established a rival organisation, the **NewLabour Party**.

In the vein of **Neil Blaney** and **Fianna Fail**, in Ireland, Anderton always said that he never left Labour – it left him (and by implication the traditional values and politics he and those of like mien represented). On the Anderton assessment of 1989 the Party was lost to a pro-market clique, irretrievably so. There was nothing for it but to create **NewLabour** to uphold and represent the old politics and beliefs.

NewLabour split the Labour Party. It also achieved considerable success, including electoral in its own right. And it arguably caused (old) Labour to eventually partially, slowly and hesitantly return to its roots – with the emphasis very much on those words 'partially', 'hesitantly' and 'slowly'.

Anderton's reputation is as an autocrat, a one-man awkward squad, dividing and divisive as well as obsessed and obsessive.

I think this is somewhat unfair. His family life it is true, was certainly put under strain as he openly admitted. Here is on this to the New Zealand journalist **Gordon Campbell** (whose biography of Anderton has still to see daylight):

"I was the great Irish father in a sense," Anderton once told me ruefully, "terrific with the kids until they developed a mind and personality of their own. While I was their hero, and everything I said was gospel, everything was fine. Life was wonderful. Then I had these alien creatures – teenagers – who suddenly said: 'You're the worst father in the world.' I didn't handle it. One after another, all these lovely kids who had been my closest companions, who thought I was God – he laughed – turned on me."

Anderton represented a point of view and held it deeply: it was in Labour terms a traditional position. It was socialist and in Anderton's case, a mixture of a

working-class Irish Catholicism and the Labourism of Michael Joseph Savage. Again Gordon Campbell:

There's a strand of Catholic activism in the Labour tradition (and in the union movement) traceable all the way back to Michael Joseph Savage. Down the years, Catholic radicalism has been a wellspring of the party's commitment to social justice, and to equal opportunity. Anderton learned about this tradition early, and the hard way.

In 2002 he broke from Alliance and established the **Progressive Party**. This triggered a snap general election and marked the end of his political career although he would remain in parliament until 2011. It also added to the autocratic and divisive image and portrayal. On the other hand Alliance was an uneasy coalition with two very strong characters at its head, Anderton and political leader and **Matt McCartan** as a very powerful organisational leader (almost a young version of the Labour Party Anderton of old). McCartan also accused him of selling out on his principles – again more than a hint of the Anderton of old.

The three Clark administrations (1999 – 2008) left much of the Douglas legacy intact but also it did mark change. **Air New Zealand** (privatised, 1989) would be renationalised in 2001 having collapsed in private hands. Similarly with **KiwiRail** (privatised, 1993; renationalised, 2008). **BNZ** was lost but Anderton is credited with returning the New Zealand state to the banking sector with the launch of **KiwiBank** based on the **New Zealand Post** network of offices and outlets. A national savings scheme **KiwiSaver** was established. There were changes too in employment law and in the welfare area.

In 2010 Anderton announced his candidacy for the mayoralty of Christchurch. He was defeated for the mayoralty. He retired from parliament on the occasion of the 2011 general election which saw National returned to government under John Key.

The 2017 election resulted in a hung parliament with Labour led by Jacinda Ardern finally securing a majority, with deals with New Zealand First and the Greens.

Jim Anderton never quite left Labour and Labour never really left Jim. It was as he said, Labour leaving him – for a period.

British Trade Unionists and the Soviet Union: the visit of Walter Citrine in 1925. Part Two

by Dr J. G. Moher

In Part 1, we explained the significance of Walter Citrine's 1925 visit to the USSR. As the new Assistant General Secretary of the TUC, he had impressed the leader of the All-Russian Central Council of Trade Unions (ARCCTU), Mikhail Tomskey and so was invited personally to visit, along with a very pro-Soviet senior General Council member, George Hicks, General Secretary of the Building Trades union (AUBTW). Though not official, it wasn't just a personal visit. It arose from their contacts on the recently established Anglo-Russian Joint Advisory Committee (ARJAC). This committee was the response of the General Secretary, Fred Bramley and his left-wing General Council leaders to broker unity between the Russian unions and the International Federation of Trade Unions (IFTU). Citrine was Bramley's new number two, who was also very much up for the project and it may be that, given the very poor state of Bramley's health, he (and Purcell) developed a firm commitment to the Anglo-Russian union cause which they had embraced, by seeing the Soviet Union at first hand. A central issue between them and their continental IFTU Executive colleagues,¹ was whether Tomskey and the Russian TUC were an independent body within the USSR, representative of an immature but genuine union movement or, as the continentals and the western establishment believed, a purely political (Bolshevist) body, bent on subverting international trade unionism in the cause of revolutionary communism. In Tomskey's case, the truth seemed to lie somewhere between these extremes.

Like many on the left at that time, Citrine, a member of the firm but not communist left, Independent Labour Party since his early days in Liverpool

and Manchester, went to Russia very sympathetic to the Russian Revolution and the new Soviet Union. He wrote, 'I had been enthused by Lenin's picture of an electric republic, organised on such lines as would ensure to every citizen, however humble, the advantages of a planned economy and the blessings of modern civilization'.² Yet he was not ideologically wedded to the Marxist-Leninist type of socialism which had come to power in the Soviet Union. Citrine also always insisted on speaking his mind. On this trip, he often differed from his more Marxist-minded colleague, George Hicks, in his assessments and about how far to press his quite critical questions and arguments. Hicks, then a fervent supporter of the Bolshevik government, once berated Citrine angrily as having 'a damned cheek.' 'Here are these men who have gone through blood and fire, through a revolution, and you have the audacity to question them and criticize them'.³ They had known each other since Citrine first came to London, and lived in Clapham in 1924, where Hicks was based as general secretary of the building trades union (AUBTW). He was also a close associate of Purcell's (they went back to their Industrial Syndicalist Educational League days) and they met frequently in the Clapham area, now with Citrine also, socially.⁴ While Hicks must have at first wondered whether they were mistaken about Citrine, in the course of that trip they formed a firm friendship which would last for years' afterwards on the General Council and after Hicks became MP for Woolwich East in 1930.

IV Lenin

Perhaps the sharpest example of Citrine's 'damned cheek' came over their exchanges, late one night, about Lenin, who had died

in January 1924. While discussing the relationship between the Communist Party and the trade union movement with Tomskey, who told him that he was also on the CPSU Central Committee inner circle, the Politburo, Citrine queried whether 'it is wise to be too closely identified with the Communist Party. Would it not be better to retain your independence?' Tomskey replied that such independence was not possible in Russia as the leading trade unionists like him were all in the Communist Party and so 'it is all one movement; there is no difference'. Citrine persisted to argue that differences could arise, as in their experience with the British Labour government the previous year. However, Tomskey maintained that in Britain 'you have not got a Socialist State' and that 'we are the State' and so it was not possible for differences of interest to arise.

Citrine did not leave it there but argued that nevertheless, 'the workers should have an instrument like the trade unions to put forward their point of view'. At that point, Tomskey's young secretary 'chimed in, with flashing eyes', 'But Lenin said that politics are concentrated economics', which irritated Citrine as irrelevant to what they were discussing and so he "retorted rather warmly, that 'Lenin was not Jesus Christ and he said so many contradictory things that if you put them side by side they would cancel out'. A silence like a pall seemed to fall on everybody. Evidently I had outraged the deity without recognising it". His hosts 'sorrowfully bade me goodnight, like good comrades grieving over the apostasy of one whom they respected.'⁵ It passed over by the next day, but it brought home to Citrine and Hicks, how much of a 'cult of Lenin' had

developed. They had been struck by this previously – pictures, busts and statues everywhere, his chair in the Chamber of Commissars (the Soviet government) left vacant – and even Hicks remarked that ‘the best service that Lenin rendered to the Russian people was to die’, replacing the Orthodox God to worship in the churches!⁶ They later visited his tomb and laid a wreath.

The whole issue of the atheistic anti-religious crusade in the USSR, was a key source of anti-communist sentiment in the west, especially amongst the Tory diehards like Lord Curzon, but also touched a nerve for some Labour members.⁷ It had started during the Civil War, when many Russian Orthodox Church priests, nuns and bishops sided with the Whites. Many were slaughtered by local Bolsheviks and church property was seized, which can only have fuelled anti-communist feeling in the west. Citrine had a long conversation in Balaclava by the Black Sea, with the Commissar and CPSU Central Committee member in charge, Yemelyan Yaroslavsky (1878–1943), but only tells us he told them of ‘the methods they had adopted in combatting religion’ in the villages. This would have been worth recording but Citrine, though from a Liverpool/Scottish Presbyterian background, was not at all religious and so does not seem to have probed Yaroslavsky’s conduct of an important and sometimes brutal episode of the revolution. ‘anti-God Society’.⁸

V Trotsky and Stalin

Citrine also had some interesting discussions with ARCCTU Organising Secretary, Gregoriy Mel’nichansky, about Lenin’s likely successor. Citrine assumed that Trotsky would be the natural successor. ‘I should have thought that he was the outstanding personality who would be chosen to succeed Lenin’ and ‘I entirely disbelieved the stories of the quarrels between the Communist leaders, particularly Lenin and Trotsky’. However Mel’nichansky, who had known Trotsky as a boy in the Ukraine and later in Canada when they were both prisoners of war in 1917, shocked him by categorically dismissing Trotsky. They all favoured Stalin, he said. ‘Stalin is the stronger man of the two. Trotsky is against the trade unions and is opposed to their policy.⁹ We won’t support him’. He also said that Trotsky was ‘not familiar’ (meaning he was ‘stand off-ish’), ‘you can’t feel that you can talk to him properly’. Mel’nichansky (himself a Jew), also believed that the ‘strong feeling against the Jews in Russia’ would work against Trotsky’s chances. He said that in the Russian TUC, they preferred

Stalin, as ‘you can talk about anything to him and say what you like. He doesn’t take offence.’ They thought him, ‘about the best we have got but he will never be a Lenin’, who was ‘a genius’.¹⁰

In fact, Trotsky was out of the running by 1925 (he would come back into the fray during 1926) and was not around during this visit.¹¹ They did sit near Stalin at a Bolshoi ballet performance though they did not converse and the General Secretary left early. However, Citrine, (who was into judgement of character from facial appearances – physiognomy), observed him closely as ‘a rugged and rather simple sort of character. Certainly his face had not the intellectuality about it that betokened the thinker, but on the other hand there was a good deal of determination to be seen in it.’¹² Though Tomskey had promised them a meeting with the CPSU General Secretary, (then aged forty-seven), it never materialised. This may have been because they were in the middle of the continuing power struggle within the inner circle for the leadership of the CPSU, though Citrine did not seem anxious to meet with Stalin.¹³

VI Zinoviev and the Comintern

Citrine does record an interesting interview with Grigoriy Zinoviev in the Kremlin later on in October, before they left Russia. His assessment of his character and guarded references to Zinoviev’s role in Soviet and international affairs are of interest. Then aged forty-two, Zinoviev had been Head of the Communist International (‘the Comintern’) since its foundation in 1919 and was a key ally of Lenin (and initially Trotsky) in pursuing the Soviet strategy of ‘world revolution’ especially in Europe. In this endeavour, they set up a Red International Trade Union Council in 1919, which became the Red International of Labour Unions (RILU or Profintern as it was also called) a year or so later.¹⁴ Lenin had never expected the revolution to succeed in just backward Russia and fondly expected it would soon spread to western Europe¹⁵, especially Germany. and Trotsky’s ‘permanent revolution’ theory is especially identified with this expectation. Aleksander Lozovsky, an apparatchik with very limited trade union experience was appointed Secretary of ITUC/RILU.¹⁶ He was a keen rival of Tomskey’s, the actual leader of the massive (c10 million members claimed) Central Council of Russian Trade Unions (ARCCTU) and was initially favoured by the Bolshevik leadership, though a broader ‘United Front’ strategy of working with non-communists had been agreed in 1921.¹⁷

Despite some short-lived Soviets in central Europe at the end of the war¹⁸ and more recently, a bungled Comintern/German Communist Party (KPD) uprising in Saxony in March 1923¹⁹, the Soviet leadership, Stalin and Tomskey especially, had come to the conclusion that these hopes of the revolution spreading would not be realised in the foreseeable future.²⁰ Zinoviev, who had opposed the United Front strategy, still retained illusions of revolutionary potential, had a major hand in that ‘idiotic’ German adventure (Lenin’s furious description of it), through his agents. Perhaps to distract attention from their own responsibility for the fiasco, Zinoviev had switched their attention to Britain and was now openly claiming that the leftward-moving unions there portended significant revolutionary potential.²¹

The infamous ‘Zinoviev Letter’ of September 1924, widely now thought to be a forgery, was said to be his instruction as Head of the Comintern to the British communists ‘that cells should be formed in all units of the troops, amongst factories working on munitions, and at military store depots’, in preparation for revolution.²² Although it was probably a White Russian émigré forgery, the ‘Red Letter’ caused ‘a furore’, as it lent credibility to fears (not only right-wing) of Zinoviev/Comintern conspiracies, like the recent German effort. Citrine, like his TUC leadership superiors then, was also critical of Prime Minister MacDonald’s hesitant handling of the affair. His Foreign Office delivered a protest to the Soviet attaché in London treating the ‘Red Letter’ as genuine, while MacDonald was campaigning in the general election in October.²³

In fact, the Zinoviev Letter had just ‘fanned the flames’ already set going in Parliament and the press over other anti-Russian/anti-communist issues. It has been fairly said that, ‘The Russian treaty was the truly lethal cause’. Opposition from the Liberals, on whose votes the government depended, to the Treaty’s favourable financial provisions, made it so. They claimed that it was due ‘to Labour [Party] and trade union left’s last-minute intervention’.²⁴ Asquith tabled a resolution rejecting the treaty for early November. The issue was made worse by the equally ‘cack-handed’ handling of an unauthorised prosecution of the communist *Workers Weekly’s* acting editor, J. R. Campbell, which enabled the Conservative leader, Stanley Baldwin to move a censure motion and the Liberal leader, Herbert Asquith to move for an enquiry. MacDonald treated this as a matter of confidence and the Tories lined up

behind the Liberal amendment to beat Labour by 359 votes to 198. Parliament was prorogued and the election set for November 1st. It was in this context that the equally poorly-handled 'Zinoviev Red Letter' became, in Citrine's (and no doubt TUC) eyes 'a principal factor' in the fall of the Labour government. It had been splashed across the *Daily Mail* ('Moscow Order to our Reds. Great Plot Disclosed Yesterday') and the rest of the media, just before the election.²⁵

VII The TUC Left leadership

As General Secretary, Fred Bramley, (1874-1925), 'a rugged, stockily built, clean-shaven Yorkshireman' and ILP left-winger but solidly Labour man, had always regarded Zinoviev and his Comintern's 'declamations on trade union matters' as a liability.²⁶ He would say so 'bluntly in Moscow in December 1924'.²⁷ He was a cabinet-maker who became national organiser for the militant, National Amalgamated Furnishing Trades Association (NAFTA), a very small union, (c20,000). He was elected to the TUC Parliamentary Committee (forerunner of the General Council) in 1915 and served until he was elected Assistant General Secretary in 1917. This was probably due to his left links with George Hicks' AUBTW, who had the much largest membership in NAFTA's TUC electoral trades group.²⁸ The TUC changed from a Parliamentary lobbying body to a more industrial-focussed General Council structure in 1921 under Bramley's guidance. His ambition was 'to make the T.U.C. a much more powerful body - to make it, in fact, the centralized leadership for the whole trade union movement in industrial matters' - an aim Citrine strongly shared.²⁹ Every year thereafter until the General Strike, the General Council asked unions at Congress to delegate increased powers to them in industrial disputes, culminating in their ability to call the General Strike in 1926.³⁰ Bramley became a full-time General Secretary in 1923 after the previous part-time/MP incumbent, Charles Bowerman, retired and with tireless energy, (at the expense of his precarious health, Citrine believed), he drove this process. He also increased the General Secretary's role in international affairs considerably and set up a separate International Department. Bramley was a strong sympathiser with the Russian revolution from the start and of 'international unity' with Russian unions, 'though he was certainly no communist', his leadership was critical in what followed.

With the election of the first Labour government in December 1923, the TUC under Bramley, naturally pressed

for expected labour movement reforms, without any restraint on unions' exercising their considerable industrial muscle during an upturn in the economy to recover post-war wage losses. Bramley and the TUC were called in by the Ministry of Labour to help resolve the many industrial disputes which broke out - in docks, railways, London Transport, miners - which they did generally in the unions' favour.³¹ This jarred with Labour Prime Minister, Ramsay MacDonald's desire to show that the first, albeit minority, Labour government could govern and their short term in office (less than a year) produced minimal radical social reforms. So, the TUC were kept at a distance as regards government policy and legislation.

Accordingly, Bramley did not see 'eye to eye' with Ramsay MacDonald and Philip Snowden, (former ILP left wingers), when they were Prime Minister and Chancellor of the Exchequer in 1924. He was chair of the London Labour Party during the war and on various national policy-making committees in opposition. He helped set up a National Joint Council of TUC/Labour Party senior figures, but it rarely met during MacDonald's term in office. As an influential ILP/Labour activist, Bramley would have had little sympathy with MacDonald's minimalist approach. Yet in the area of international affairs, on which he majored as a staunch anti-war and pro-Russian revolution, they were at least on parallel lines. The Labour government did restore full diplomatic relations and negotiate a favourable trade and credit agreement in 1924 - a major TUC objective. But the general friction, mutual lack of understanding and poor relationships between the two wings of the labour movement in the MacDonald/Bramley era was probably one less appreciated reason for the first Labour government's disappointing record and early demise.

The Chair of the TUC General Council that year (1924/5), A.A. (Alf), Purcell MP³², was an even stronger supporter of the Russian revolution and though never a Communist Party member, was more ideologically aligned with their views. He too had a strong union/political background and had a long involvement in the labour movement since the 1890s. A skilled French Polisher and general secretary of a small craft union, he became a national officer in the Bramley's craft union, NAFTA, having merged with them in 1911. From London, his union career had developed as chair of the influential Manchester and Salford Trades Council from the 1890s until he joined the General Council in 1917. He succeeded his friend, Fred Bramley in the same TUC

electoral trade group, no doubt with their mutual friend George Hick's AUBTW support. His political trajectory was from the Marxist Social Democratic Federation to the Industrial Syndicalist Educational League (ISEL). However, when on the TUC General Council, Purcell settled in the Labour Party, becoming the Labour MP for Coventry (1924) and the Forest of Dean (1925-9).³³

Purcell visited Russia on a joint Labour/TUC delegation in 1920.³⁴ As a respected and persuasive exponent of the revolution, he was chair of the *Hands off Russia* campaign, and the outstanding British Left union figure.³⁵ Though 'attracted to communism', he had declined to come under the discipline of the CPGB or the Comintern, when it was set up in 1921.³⁶ His biographer, Kevin Morgan, described Purcell's politics and his militant union milieu well, as one in which many on the left in the unions operated as "syndicalistic and communistic in a loose sense, as a 'mood', and attitude, a mentality committed to 'Direct Action', 'Industrial Solidarity' and class war."³⁷ As Chair of the TUC, he also became President of the International Federation of Trade Unions at Amsterdam (IFTU) in 1924 and so, a pivotal figure with Bramley in championing the move to bring the Russian unions into the international trade union family. They would encounter very strong resistance from the union leaders of most of the other continental member countries, who as social democrats, had had bitter experiences and rank abuse from the Comintern and its 'Red International' since 1920.³⁸ Purcell had just assumed the presidency of the TUC, when Citrine took up his post as Assistant General Secretary in January 1924. Purcell impressed him, and he relied on his advice as chair of the General Council.³⁹ Bramley was often away on international business, especially at IFTU Executive and General Council meetings in Amsterdam or elsewhere in Europe. By 1925, his health broke down frequently - he was off sick from April to September 1925 and was just about able to attend the Scarborough Congress.

The other important General Council member of the Bramley-Purcell axis from 1921 was George Hicks, General Secretary of the building trades union, AUBTW. A bricklayer activist and syndicalist (ISEL also), he had come to prominence during the London-wide building workers lock-out and became General Secretary of his union in 1919 and of the merger building trades AUBTW in 1921, when he also joined the General Council. A staunch supporter of Bramley and Purcell, he became a key figure on the IFTU scene as Chair of the International Committee from 1924. The fact that he was chosen to accompany the new Assistant General

Secretary, was probably no accident. Citrine's invitation was a big honour and an indication that they were seeing him as a rising star. Bramley's evident declining health must have encouraged such thoughts among many of the leading figures of the General Council. Although strongly supportive of the Bolshevik regime, Bramley, Purcell and Hicks were certainly no 'dupes', as their 'protégé' but extremely independent-minded Citrine would testify.

VIII - the official TUC visit to Russia 1924

In Moscow, Citrine's ultra-cautious approach in his interview with Zinoviev in October 1925, was significant. When the *Red Letter* affair broke the previous year, the TUC leadership had just been invited to Russia for an extended official visit in recognition of their efforts for 'international unity'. In November, they sent a high-powered delegation, led by Purcell and Bramley themselves. They were greeted and regaled in the most effusive manner on a six-week tour of the USSR, with demonstrations, speeches and red flags/bands everywhere they went. With the information provided, they produced a glowing report of how improved things were in the USSR, claiming it was 'a State controlled by themselves' where 'there is no doubt about the workers being in possession'. The General Council had it published as a book in May 1925 and it sold fifty thousand copies around the world, being translated by Moscow also.⁴⁰ They also produced a separate report on the forged *Zinoviev Letter*, having been given access to Comintern files.⁴¹ In this, they completely exonerated Zinoviev or his department from having sent any such letter and pronounced it a base forgery. They also concluded that the Comintern's influence in England 'is at present exercised for moderation' on the local CPGB! They went further, describing the Comintern as simply 'a coordinating body' for Communist Parties around the world, rather than a promoter of 'world-wide conspiracies', as was widely believed, especially after the German attempt the previous year.⁴² The report was savaged in most of the British Press (apart from the Labour-supporting *Daily Herald*, but not lauded there either) and their call for an inquiry ignored by the incoming Conservative government. Although diplomatic relations were not severed, the trade agreement was scrapped and financial credits for exports were withdrawn.

Citrine would probably have read that report before he left for Russia. He couldn't have failed to notice the scathing reception it received in *The Times*, of which he was a regular reader. Their 'Labour Correspondent' had majored on reporting the TUC/IFTU/Russian TUC links over a number of years. Significantly, perhaps, in his memoir Citrine doesn't mention the official report on the *Zinoviev Letter*. He would certainly have known Bramley's scathing

views on Zinoviev and the Comintern: 'His mischievous meddling was a major stumbling block to better relations between the English and Russian movements. Bramley had said so bluntly in Moscow in December 1924.'⁴³ Purcell too was exasperated by the Comintern and Profintern (Lozovsky) meddling.

This perhaps explains Citrine's extremely unfavourable take on the Head of the Communist International when they met in October 1925. He said that Zinoviev was 'sinister and nervy'. Again adopting a strange physiognomic description, 'He was undoubtedly a Jew, dark, with a hooked nose and long, unruly hair. He had light blue eyes, and a high-pitched voice. He had a restless manner and when one was talking to him he could not keep still.'⁴⁴ The '*Red Letter*' affair was not discussed, but Zinoviev brushed aside all such allegations saying 'that he had not thought much about MacDonald or his Government', which was far from the case as we know.⁴⁵ But Zinoviev was more interested in quizzing Citrine about the latest rebuff to the CPGB's annual request for affiliation by the September/October 1925 Labour Conference in Liverpool. Zinoviev contrasted this with the 'warmer feeling' displayed at the earlier TUC conference at Scarborough, suggesting there might be a divided attitude in the two parts of the British labour movement. He was not entirely wrong as 'the right' in the unions and the MacDonald Labour leadership were in control at Liverpool.⁴⁶

The Scarborough TUC Congress had again greeted an address from Tomskey warmly, endorsed 'by acclamation' the General Council's efforts to bring them into IFTU and approved the setting up of the Anglo-Russian Joint Advisory Committee (ARJAC) to further those efforts. However, Citrine told him he should not overrate this difference between the TUC and Labour Conferences - 'we [the trade unions] were not unfriendly to the Communists, at the same time we did not feel that they were an inherent part of our movement.' He said that they viewed the Russian communists 'faced with very real problems', as a whole lot different from the British ones with their 'irresponsible advocacy of world revolution... operating under the instructions of the Comintern'.⁴⁷ This would remain a constant distinction for him in all his dealings with the Soviet Union as opposed to the communists in the British or International trade union movement. Naturally, those exchanges and mutual suspicions, shortened the interview considerably and they just shook hands and left.⁴⁸

IX - the struggle for power in the CPSU 1923-7 - TUC links a key issue

Zinoviev had been one of the 'Triumvirate' with Stalin and Kamenev on the Politburo in the struggle with Trotsky from 1923-5, but now that alliance was crumbling and they later allied with Trotsky

against Stalin. The massive country that was Russia, was now of significance as a world power with its own State interests, which needed pragmatic trade, finance and diplomatic relations with the capitalist world. However, the offspring of the Bolshevik's world revolutionary aims, (the Communist International and its various offshoots such as RILU/Profintern) - remained wedded to purely revolutionary objectives and sometimes pursued distinct policies to the domestic Soviet government. These, often conflicting, outlooks created sharp tensions within the ruling Communist Party of the Soviet Union (CPSU). They were an elite, mixed social band of professional revolutionaries of equal status in the CPSU. The loss of their outstanding leader, Vladimir Ilyich Lenin in 1924 was a grievous blow and the battle to succeed him triggered a bitter power struggle. As the expected world revolution had not materialised, they had to chart the future path of socialism in the Soviet Republics. Stalin emerged as the strongest contender. He had a coherent plan to develop the USSR - 'Socialism in One Country' and he had total union backing. By contrast, his very talented opponents - Trotsky, Kamenev, Zinoviev and Bukharin - were all over the place, lurching from policies of 'permanent world revolution' to variations of the policies adopted on collectivisation of agriculture and heavy industrial development. Bitter struggles between these factions broke out, exacerbated by sharp personality and factional issues in a party with a tradition of incessant and bitter ideological wrangling and abuse. It soon deteriorated to crisis dimensions. There could be no evolution of a British-style 'two-party' system around a basic consensus.

We might speculate that had the Russian unions developed sufficient clout with the ruling group, they might have provided the steadying influence needed to allow such a consensus to develop. However, that scenario was unlikely, as the Russian unions had only just got going and had nothing like the maturity of the British counterparts. On the Central Council, Tomskey, Dogodov and Mel' nichansky were a force for stability, but as it proved in 1928, they could easily be removed at the whim of the Party faction. Citrine, back in London would have appreciated the significance of that Russian union development. He had not come to a conclusion in his report about the nature of their autonomy on leaving the USSR, but their subsequent conduct during the General Strike made up his mind. Tomskey's subsequent removal confirmed that view. On his return visit in 1935, he insisted on seeing Tomskey (now in charge of the Soviet Publishing arm) and he was produced to reassure Citrine that all was well. To learn of his death by suicide a year later was quite depressing for Citrine.⁴⁹

Part Three, the final part of Dr Moher's article, will be published in the March issue of Labour Affairs.

(Endnotes)

- 1 So hostile were most of the IFTU Executive to allowing the Russian unions in - with much justification on account of the vilification they had endured from the Red International since 1920 - that they conspired to block the TUC bid. Calhoun, *The United Front*, pp. 4, 374-6. The key IFTU figures were: Vice-Presidents, Leon Jouhaux of France; Theodor Leipart of Germany and Corneile Mertens of Belgium; Secretaries, Jan Oudegeest of The Netherlands, Johann Sassenbach of Germany. The other secretary, John W. Brown of Great Britain was strongly for the merger. *ibid.*, p.56.
- 2 Citrine, *Men and Work*, p. 88.
- 3 *ibid.*, p.103.
- 4 *ibid.*, p. 80.
- 5 *ibid.*, pp.96-8.
- 6 Davis, *An Outsider Looks In*, p10.
- 7 Williams, *Labour and Russia*, p. 9.
- 8 Citrine, *Men and Work*, p.116. See Wikipedia items on the anti-religious campaign and on Yaroslavsky, an ethnic Jewish revolutionary who remained active in the Central Committee up until his death in 1943, lived to see his work undone for patriotic war purposes.
- 9 A reference to Trotsky's proposal to 'statify' the unions in the 1920/1 CPSU controversy, which we touched on in Part 1.
- 10 Citrine, *Men and Work* *ibid.*, pp.98-101
- 11 Calhoun, *The United Front*, p. 9.
- 12 *ibid.*, pp. 98-99.
- 13 This impression is gained from Citrine's 1925 contemporary report, *Visit to Russia*. It was not a later gloss in his 1960s memoir *Men and Work*. It was the time when Zinoviev and Kamenev were about to be ousted from the Politburo.
- 14 E.H.Carr, *The Bolshevik Revolution 1917-1923*, (vol 3, A History of Soviet Russia, 1952), pp.561-5; 123-33
- 15 Citrine got an indication of how seriously this illusion was among senior Bolsheviks from the Assistant Commissioner of Foreign Affairs, Maxim Litvinoff, who he (first heard addressing a Labour Conference in Nottingham and again) met at the Opera House in Moscow, as late as 1925 on his visit. His wife, an Englishwoman 'strongly dissented'. *Men and Work*, p.106.
- 16 Calhoun, *The United Front*, pp.12-13.
- 17 Goethem, Geert van (2006). *The Amsterdam International: The World of the International Federation of Trade Unions (IFTU), 1913-1945* (Ashgate Publishing Ltd, 2006 ed.), pp.77-82. He used the Citrine Archive at the LSE (BLPES) and the TUC archive as the original IFTU files were captured by the Nazis from their Paris office in 1940. *Introduction*, 4-5.
- 18 For the 1918 phase, see Carr's *Bolshevik Revolution*, ch.23, *Revolution over Europe*, pp.171-231.
- 19 *ibid.*, ch.30, *Retreat in Comintern*, 381-421 especially at pp.194-5 and 384-7.
- 20 Carr, *The Bolshevik Revolution*, *ibid.*, pp.194-5; See also Calhoun, *The United Front*, pp.7-9.
- 21 Calhoun, *The United Front*, pp.47-8.
- 22 Citrine, *ibid.*, p.118.
- 23 *ibid.*, 117-8. D. Marquand, *Ramsay MacDonald*, (1977), pp. 381-8.
- 24 Calhoun, *The TUC and the Russians*, pp. 89-90.
- 25 *ibid.*, p.91. While the Russian issue was undoubtedly a factor, it is now generally thought that the Conservative seat landslide victory was more due to the collapse of the Liberal vote. The Labour vote overall increased by over a million votes. A.J. Williams, *Labour and Russia: the attitude of the Labour Party to the USSR*, (Manchester, 1989), p.17.
- 26 Calhoun, *The United Front*, p.94. TUC Annual Reports - General Council election results from the early 1920s until 1928, (when Purcell dropped out to become a Labour MP).
- 27 *ibid.*,
- 28 TUC Annual Reports - General Council election results from the early 1920s until 1928, Building Trades Group.
- 29 Citrine, *Men and Work*, p. 86. 'to make it, in fact, the centralized leadership for the whole trade union movement in industrial matters... he [Bramley] soon found that I had long been a convinced believer in this.' See the writer's *Walter Citrine: A Union Pioneer of Industrial Cooperation*, pp.186-191
- 30 R.M. Martin, *TUC: Growth of a Pressure Group 1868-1976*, (Oxford, 1980), p.192; see also H.A. Clegg, *A History of British Trade Unions since 1889*, volume 2, 1911-1933, (Oxford, 1985), 394.
- 31 Ernie Bevin's T&GWU were particularly militant to MacDonald's deep annoyance in the dockers' and London Tram disputes. See my Labour Review article, February 2017, p.12.
- 32 K. Morgan, *Bolshevism, Syndicalism and the General Strike - the lost Internationalist World of A.A. Purcell and the British Left*, provides an excellent profile of his life and times.
- 33 Wikipedia, *Ernest George Hicks, trade unionist*.
- 34 Purcell and Robert Williams, Secretary of the International Transport Federation (who did join the CPGB but got expelled over *Black Friday* in 1921), are thought to have 'expressed themselves in favour of a new trade union international' (i.e. *Profintern/RILU*). Carr, *The Bolshevik Revolution 1917-1923*, pp.208-9.
- 35 In 1920, the London dockers prevented the loading of the *Jolly George* with armaments for the Polish forces. The TUC and Labour Party set up over 350 'Councils of Action' and the threat of a general strike was taken very seriously by Lloyd George and it was credited by the Soviet Union as having caused (more like hastened) the abandonment of intervention soon after. For his role, Purcell had the honour of Soviet citizenship conferred on him when he visited in 1924.
- 36 Bullock, *Ernest Bevin*, p.261.
- 37 Morgan, *Bolshevism, syndicalism and the general strike*, [full title] 25-6. See also Wikipedia article by Graham Stevenson, A.A. Purcell, *Communist Books, pamphlets, articles and speeches*. TUC Annual Report 1924, 'Relationship with the All-Russian Trade Union Council', pp. 246-7.
- 38 Calhoun, *The United Front*, pp.12-20.
- 39 Citrine, *Men and Work*, p77. Both former national officials (NAFTA and ETU) in Manchester, where, though different generations, they knew each other, perhaps from the Trades Council or Federation of Engineering and Shipbuilding Trades, (FEST), when Citrine was regional President and Secretary of from 1917 to 1923 and Purcell, Treasurer. It may even have been Purcell who encouraged Citrine to apply for the TUC job in 1923 and with Bramley, perhaps smoothed the way for his easy adoption for the post by the General Council later that year? (*ibid.*, p.72).
- 40 *The Official Report of the British Trade Union Delegation of Russia and the Caucasus*. Nov and Dec 1924. 237pp. Warwick Digital Collections. TUC Annual Report 1925, pp.482-4, Bramley's speech in moving the section of the General Council's Report on 'the International Trade Union Movement'.
- 41 The "Zinoviev" Letter: Report of Investigation by British Delegation to Russia for the Trades Union Congress General Council. November-December 1924. 18 May 1925, pp. 4-6. Warwick Digital Collections.
- 42 Calhoun, *The United Front*, 2, more accurately described the Communist International as 'the self-appointed general staff of the world-wide revolutionary army'. Carr, *The Bolshevik Revolution 1917-1923*, documents its directive nature at pages 116, 126-7, 130-2, 153, 171-2, 230, 404-9, 548-54, 562-3.
- 43 Calhoun, *The United Front*, p.94, citing *The Times* of 9 February 1925.
- 44 Citrine, *Visit to Russia 1925*, pp.216-7 and *Men and Work*, pp.117-8.
- 45 Citrine, *Men and Work*, p.118.
- 46 Calhoun, *United Front*, pp.188-9.
- 47 *ibid.*, pp.117-8.
- 48 *ibid.*, p.118.
- 49 Citrine, *Men and Work*, 94.

The experience of being disastrously wrong is salutary, no economist should be denied it, and not many are
John Galbraith

The domestic career is no more natural to all women than the military career is natural to all men. *George Bernard Shaw*

The German SPD and the crisis of Social Democracy

Sigmar Gabriel, chairman of the German Social Democratic party (SPD) from November 2009 to March 2017, has written an article in a recent edition of 'Der Spiegel'. The article addresses an ongoing discussion in the SPD about whether it should enter into yet another coalition with the Christian Democrats (CDU/CSU) given the electoral losses it suffered after its two previous coalitions with the CDU.

In the federal elections after the 2005-2009 coalition with the CDU the SPD lost some 30% of its vote and 76 seats. In the federal elections after the 2013-2017 coalition with the CDU the SPD lost some 10% of its vote and 42 seats. However, Gabriel thinks that being in or out of government is not the critical issue for the SPD. More fundamental is the fact that the SPD has lost contact with its electorate as it drifted into a casual acceptance of many neoliberal ideas at the expense of the social democratic gains it had made for the working class in the period 1950-2000.

While Gabriel's article is interesting it is also very general. He conducts his argument by introducing two themes – 'modernism' and 'post-modernism'. He identifies modernism with the gains made by social democratic politics in the period 1950-2000 and post-modernism with the identity politics that has come to dominate politics since then and with which the SPD has become associated. He sees the recent rise of populism as a rejection of this post-modern politics and society and not a rejection of the original core modern values of the SPD – social security and solidarity. The implication is clear. The SPD needs to return to these core values.

But Gabriel provides little detail of what specifically they could or should have done. Rather he suggests that the main problem is the power of financial capital and that the SPD can only really be effective in Germany by participating in a European and world social democratic struggle to tame neoliberal capitalism. This seems very weak.

Furthermore, in this context one might have expected him to make reference to one of the most important victories scored by the anti-neoliberal camp in 2017 namely Jeremy Corbyn's huge gain of the votes of the young in the English general election in June 2017. But nothing is said about that. Gabriel may well have deliberately decided in this article to just make the one central point – that the SPD has lost touch with its normal electorate. It's an important point to make but until we know how

exactly he proposes to re-engage that electorate we cannot know if things are going to significantly change in Germany. Certainly, Gabriel's statement that "the nation state can no longer fulfil its social welfare commitments" does not fill one with confidence.

An SPD team was set up to have exploratory talks on whether a coalition was possible. Sigmar Gabriel was not included on the SPD team which did recommend that the SPD enter into formal talks with the CDU/CSU on another coalition. At a conference in Bonn on 21st January the SPD voted to accept this recommendation; with 362 for and 279 against. So without much enthusiasm for another coalition.

We reproduce an English version of much of Gabriel's article below.

How the SPD should react to right-wing populism.

The German Social Democrats are wrestling with the question whether they should risk entering a renewed coalition with the CDU and CSU or turn down the opportunity. Not an easy question to answer in the light of their losses in the Federal elections after two similar coalitions in 2009 and 2017. There are arguments on both sides for and against yet another role in government under the leadership of Angela Merkel – important arguments. But this difficult issue should not obscure the fact that the problems lie deeper. For, in the light of many social democratic electoral losses in our neighbouring European states – equally whether in power or in opposition, the explanation that it is simply due to a couple of government coalitions is inadequate.

Actually it's about much more fundamental questions that have to do with the huge changes that have taken place in the context of globalization and information technology. The idea of Social Democracy has been based for more than 150 years on a shared representation of interests, on collective action and on a society that values solidarity. Little is left of that. Individual lifestyles shape society much more than before. And the nation state can no longer fulfil its social welfare commitments. In short: almost all the conditions for the success of social democracy in the 2nd half of the last century have disappeared. If we do not find convincing answers to these questions and challenges, then the decline in social democracy in Germany will continue – whether in a renewed coalition government with the CDU and

CSU or in opposition.

The increase in left and right populism is often interpreted as a reaction to the achievements of modern society. It is seen as an anti-modern revolt against the status quo. I propose a different interpretation which may at first appear odd: The populism is not a movement against this modern society but on the contrary the effect of a desire for exactly this modern society.

It is more accurately a movement against the post-modern society that developed at the end of the last century.

The modern national welfare state had already come under pressure by the end of the last century. At the same time, the family and the hitherto socially dominant order of gender relations lost their power and relevance through individualization and emancipation. In my own family history I learned how that had such a liberating effect. But this freedom had a double effect: Not only did the authoritarians disappear but also the authorities disappeared – from teachers to policemen, from business leaders to union leaders, from sports to the media to the church. The battle cry of this post-modern society "Anything goes" did not just equalize. It also removed security and a sense of direction. The replacement of the modern society that had developed after the 2nd world war by the post-modern society happened on a wider scale and with a dynamic that would never have occurred to its French proponents. It became a reality at the same time as the radical liberalization of economic and living conditions which has characterized the last 30 years. Keynesianism lost ground to Neoliberalism. "Shareholder Value" replaced "Rhinisch Capitalism". Commitments and obligations appeared suddenly as hindrances to the development of the flexibility and mobility that is necessary to be competitive in a globalized world.

Actual modern society had, however, characterized itself after the end of the 2nd world war above all through social rules. For instance in Germany through the social market. The social democratic promise of prosperity was throughout the world one of the most important characteristics of this modern society. Particularly here in Europe. And in fact it has indeed been possible to create national conditions which tame capitalism and force it in a direction which serves the public good. And it is exactly to this time that people want to return. So, in a curious way, to a time which was above all shaped by social democracy and its national successes. Were there

not the racist and anti-European tendencies of right populism one could with irony claim: Anti-post-modern populism yearns to go back to the good old social democratic times.

But it is always less and less possible to tame global capitalism with national legislation. It blackmails national states with its flexibility. It is always looking for inexpensive locations with low wages, low taxes and easy social and environmental rules. And if necessary it will head for tax havens which are quite simply areas with little rule of law. Seen in this way the increase in right-wing populism is a revolt against a Liberalism that is perceived as excessive and dangerous for society. For this reason this populism is also quite attractive to the followers of progressive and social democratic politics.

The breakup of families, communities and other societies through the atomization of the world of work and living conditions is in no small part of our society understood as the traumatic farewell to modern society and not as its climax as many thinkers from the Green and Liberal parties see it. The open borders of 2015 are for many people a symbol of extreme multi-culturalism, diversity and the loss of any sense of order. Among them are many one-time social democratic voters. Diversity, inclusion, equality, political correctness - all these are therefore now the targets of the new right populism. At heart they are not the products of modern society but rather of a post-modern society which has embarked on the radical destruction of modern society, in the course of which it has had some amazing successes but now becomes the victim of its own success. Modern society also promised to people individuality, diversity, freedom and welfare - but regulated and in moderation. It is the excess and radicalism of post-modern society that creates so much unease.

In the past all Europe's social democratic parties have made the same mistake in responding to global post-modern society. Likewise us in Germany. We have in our economic debates simply adapted ourselves to the competitive pressures of this post-modern globalization. Although the SPD did a lot in the last legislative period to counteract this development, the ability to compete was more important to us than were the wages and pensions with which people can not only live but live well. It comes to this: culturally we find ourselves as social democrats and progressives comfortable in post-modern liberal debates. The environment and climate protection were sometimes more important to us

than the preservation of our industrial jobs. Data protection was more important than internal security, and we almost considered marriage for all the greatest success of the last government rather than our other successes in laying down the minimum wage, increasing pensions or securing thousands of fairly paid jobs at one of the major retail chains. A look at the development of the Democrats in the U.S. shows how dangerous this focus on the themes of post-modernism can be. If you lose the workers of the rust belt states, the hipsters of California won't be of much help.

I appreciate that this is all very blunt and provocative. And I know very well how important environment and climate protection, data protection and equal rights are for all kinds of lifestyles. Nevertheless we in the social democratic and progressive movement must ask if we are close enough, culturally, to that part of our society who do not agree with the "Anything goes" battle cry of post-modernism. These see themselves uncomfortable, often no longer at ease in the society they once knew and sometimes even threatened.

In any case one thing is clear: the majority of us have advanced in society and for the most part no longer live in those parts of the cities in which our electorate live. We are more likely there to be confronted with other themes - more middle-class, more cultivated and even post-modern. To put it rather crudely: We are often too green and liberal and not red enough.

If I want more 'red' then I don't mean by that in the first instance the somewhat fairy-tale debate about whether the SPD should be more 'left-wing'. That exhausts itself quickly in classical questions of policy about redistribution which of course are significant. But at heart it's more about a cultural appreciation and about issues of identity. In a world that has become confusing it is exactly this desire for identity that preoccupies a large segment of our electorate. With whom or more particularly with what can they identify? Is the desire for a more secure existence which unites them here in Germany behind the idea of 'homeland' something that we Social Democrats understand? Or do we see in it a backward looking and reactionary picture which we no longer find attractive? Is the longing for a 'guiding culture' in the face of the far more diverse composition of our society actually only an instrument of conservative propaganda, or does it hide the wish of our electorate for some sense of direction in the apparently permanently uncommitted world of postmodern society?

It is no accident that the thinkers of the extreme right-wing in Europe frequently describe themselves as an "identity movement". Because it is about identity and identification.

In any case, we Social Democrats are now being associated more with a postmodernism with which many do not identify. In part, this is because we have not so far succeeded in having the achievements of modernity - social security, participation, and solidarity - accepted as being sustainable and as being tangible aspects of everyday life, even in times of globalization.

Once again should all social democrats in Europe lead in essentially national election campaigns?

Once again are national agreements more important for us than international meetings and once again do we allow ourselves to be blackmailed by the power of financial capitalism in our tax legislation?

I am convinced that the crisis of German Social democracy has less to do with a governing coalition with the conservatives in Germany than with the completely changed general conditions for social democratic politics. If we in the first place accept these changes and therefore also grasp the consequences, then our election results will improve. Seen from this perspective the question of the survival of Social democracy in this land is relatively indifferent to whether we do or don't go into government. There are good arguments for both opinions and the SPD must have no anxiety about either of them.

In short we must - equally whether in or out of government - propose a completely different platform. And this other platform means above all: the Europeanization and internationalization of our political ideas. Together with our very traditional values of freedom, solidarity, equality and justice the recognizable difference to all our other political competitors can be clarified. The SPD party chairman Martin Schulz is therefore right: More international collaboration, more European collaboration, for only in that way will we again honour the central promise of social democracy, namely to tame capitalism and realise social and solidarity-oriented market economies. We were successful in that in the last hundred years, now we must be successful in Europe and if possible abroad. The Social Democrats know better than any party in Germany that the way forward is exhausting. But we know also that a better land in a better Europe does not come by itself.

Parliament Notes



Dick Barry

Carillion and Public-Sector Outsourcing

On 24 January Jon Trickett, Shadow Lord President of the Council, led a debate for Labour on the Carillion crisis and outsourcing, calling for an assessment of the risks involved in the latter. Due to lack of space it was not possible to include the response by David Liddington, The Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster.

Jon Trickett (Hemsworth) (Lab) I beg to move, That an humble Address be presented to Her Majesty, That she will be graciously pleased to give directions to the Chancellor of the Duchy of Lancaster that the assessments of risks of Government Strategic Suppliers by Her Majesty's Ministers referred to in the Answer of 19 December 2017 to Question 114546 and any improvement plans which Crown Representatives have agreed with such strategic suppliers since 2014 be provided to the Public Accounts Committee.

Thank you for calling me to speak, Mr Deputy Speaker. My thoughts, and I am sure those of everyone in the House, have been with you during this very difficult time for you and your family.

Time is running on, and I am going to attempt to be brisk, but I am not going to be non-partisan, because the Government have been negligent in the exercise of their duty to protect the public purse. In the past two hours, the Government have attempted to pre-empt this whole debate by sending a letter to every one of us. The purpose of the letter is to attempt to whitewash the way in which the Government have conducted outsourcing, particularly in relation to Carillion. Those who have had the chance to study the letter will find the names of six companies that are going to take over the public-sector contracts that Carillion was administering. I have only just had a chance to look at it myself, but that list is quite extraordinary. What a catalogue of failure!

One of the six firms donated money directly to the Tory party. Two of the firms are known for blacklisting workers. Amazingly, one of the firms is currently under investigation by the Serious Fraud Office for suspected offences of bribery and corruption. Another has previously been caught red-handed mispricing contracts, underestimating their eventual

cost. As a consequence, £130 million was wiped off its share value. Another of the companies operates in the Cayman Islands and has been shown to use that location as a way of avoiding tax. Another of the firms is part of a group that has reportedly abused and exploited migrant workers in Qatar. My reaction to all that—I do not know whether it is unparliamentary—is to use three letters: WTF! What were the Government doing producing a list of that kind?

The truth is that, as it is now with this list, so it ever was with this Government. Back in 2017, while the Government were sleeping on the job, I submitted a written parliamentary question asking how many strategic suppliers had been rated either green, amber, red or black according to the severity of the risk posed by the supplier to the taxpayer. The Government's reply was fascinating. They refused to tell us how many of the suppliers posed a risk, saying that that could prejudice the contractors' commercial interests. I did not ask the identity of those contractors; I asked only for the number that posed a risk to taxpayer interests. So my question posed no commercial threat whatever to any company. The Government's response illuminates their whole approach, which shows little regard for the needs of the taxpayer while paying far too much attention to protecting the commercial interests of their suppliers through every stage of the procurement process.

In the past few days, I have been approached by a whistleblower. He told me that the civil service had advised Government Ministers to insert into every outsourcing contract an indemnity clause whereby the supplier of the service would indemnify the taxpayer, should the company get into difficulty. Remarkably, according to my whistleblower, the Government completely ignored the risk and rejected the advice. It was even more remarkable to discover that Carillion's contracts with its subcontractors insist on the inclusion of such clauses in their contracts. The company, which has now become the poster child for corporate recklessness, took more steps to protect its finances than the supposed custodians of the taxpayers' money sitting in their comfortable ministerial offices.

Carillion not only issued a number

of profit warnings over the past few months, as we all now know, but it was also targeted by short selling, which is also wicked. Short selling is a practice whereby so-called investors bet on the collapse of a share price. It is as if the Government accept that the serious business of financing large enterprise is nothing more than a casino, with people betting against the price of companies. One firm, BlackRock—remember its name—was shorting so much that at one stage it owned nearly 10% of the entire company. The fact that that happened is troubling, but we then discover that Mr Osborne, the former Chancellor of the Exchequer who signed off the Government deals with Carillion, is now being paid £650,000 a year by BlackRock. While it was common knowledge that Carillion was one of the most shorted stocks on the exchange, the Government, seemingly wholly ignorant of everything going on around them, continued to hand contracts to Carillion to the tune of billions of pounds.

James Cartlidge (South Suffolk) (Con) rose—

Jon Trickett I will give way to the hon. Gentleman, but I ask him to answer the following question. Does he believe it to be right and proper for the governing party to receive donations from a person who is currently exercising a supervisory public function as a Crown representative on the Government's behalf? Does he think that that is right?

James Cartlidge It is very kind of the hon. Gentleman to tell me what my question should be about, but I was going to ask him whether it is his policy to take all the contracts in-house.

Jon Trickett I will get to that in due course. However, the hon. Gentleman did not defend the practice of Crown representatives handing money to the Conservative party. Not only is the Crown representative for the energy sector a Tory party donor, but that person donated £15,000 to the Prime Minister, who took the money.

Court testimonies submitted over the past few days as part of Carillion's liquidation show that its key clients, lenders and insurers were already pulling out of the business and getting well clear of it months ago. The private sector clearly saw a fire, but the Government did not

even detect smoke from a company that appeared to be then, and obviously is now, going up in flames. Perhaps that was why the Government failed to appoint a Crown representative for the three crucial months at the end of last year when it became clear that Carillion was in deep trouble and was issuing profit warnings left, right and centre.

Crown representatives are appointed to monitor, on behalf of the taxpayer, the contracts of key strategic suppliers to Government and to ensure that everything is running smoothly. I have already referred to one Crown representative, but the House may be interested to know about the backgrounds of some of them, because they are curious. A number of them—this is unbelievable—actually oversee contracts that relate to their own private sector work and yet they are appointed by the state to look after outsourcing on the public's behalf. As I just mentioned, one of them donated £15,000 directly to the Prime Minister herself. I will use some strong language here: the ordinary man or woman in the street can draw only one conclusion, which is that this has been a complete racket.

Carillion posed a clear and present risk to the taxpayer, but not only did the Government fail to act, they had a cosy relationship with the key decision makers, some of whom were active Tory supporters.

The problem goes well beyond Carillion, so let me widen the argument. The Government have failed to think strategically about the risks to the economy, as well as the risks to the taxpayer and public services. The Government handed over 450 separate contracts to Carillion, which employed 20,000 workers and used 30,000 separate subcontractors. This was a major industry that had an impact everywhere in the country, yet the company was clearly deep in trouble for some time. Frankly, I have no confidence at all in the statement rushed out by the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster, the right hon. Member for Aylesbury (Mr Lidington) in the last couple of hours before this debate. The assurances in that document are pretty feeble. We want an absolute guarantee on behalf of the people employed directly or indirectly by the company that both their jobs and the services provided by the company will be protected.

Rachel Maclean (Redditch) (Con) Will the hon. Gentleman give way?

Jon Trickett I will give way but, in doing so, let me ask her the following question. Does the hon. Member for Redditch (Rachel Maclean) believe that companies with public contracts paid for by taxpayers' money should pay tax in the United Kingdom, yes or no?

Rachel Maclean The short answer is

yes. The hon. Gentleman says that he has no confidence in this Government's ability to award public sector contracts. Does he therefore have any confidence in the previous Labour Government, who awarded billions of pounds of contracts to private sector companies, and in Labour-run Leeds City Council, which did the same? Does he have no confidence in his Labour colleagues?

Jon Trickett Carillion did not go bust eight years ago, when Labour was in power; it went bust last week. The fact is that the hon. Lady has not answered the central point, which is that 13 of the 20 biggest Government contractors have subsidiaries in tax havens—[Interruption.] And the Minister is prepared to defend it. It is outrageous. [Interruption.] Leeds City Council, in which I no longer play a part, did not hand over a contract to Carillion the other week.

Thirteen of the 20 largest Government contractors have subsidiaries in tax havens. Those companies are happy to take taxpayers' money and make a profit, but it seems that they are not prepared to pay tax back, which is morally incorrect and should not be happening. In fact, it is a scandal.

Gareth Snell (Stoke-on-Trent Central) (Lab/Co-op) The hon. Member for Redditch (Rachel Maclean) put a question to my hon. Friend the Member for Hemsworth (Jon Trickett) on local authorities. Does he agree that the reason local authorities are too often forced down the route of contracting out services is that the Government have starved them of funding for the past seven years, meaning that local authorities simply do not have the wherewithal to do the work themselves?

Jon Trickett My hon. Friend makes a powerful and unanswerable point. We want a categorical assurance that the jobs of the subcontractors and employees are protected and that the services will be sustained. Is it not clear that the Government played roulette with people's livelihoods in the most reckless manner? The truth is that the Government have been so wedded to the dogmatic idea that the private is always good and the public is always bad that they never questioned the existing orthodoxy, even when the evidence was right in front of their nose.

Dr Rupa Huq (Ealing Central and Acton) (Lab) I echo the words of my hon. Friend the Member for Stoke-on-Trent Central (Gareth Snell): it is a pleasure to see you back in your place, Mr Deputy Speaker. I wonder whether my hon. Friend the Member for Hemsworth (Jon Trickett) shared my horror today at pages 4 and 5 of the Daily Mirror, which report: "Greed and lunacy" as Carillion paid shareholders £500m while pension...hole spiralled

out of control." Surely any company of this magnitude should meet its statutory obligations before paying out dividends to shareholders.

Jon Trickett My hon. Friend is absolutely correct. In the 16 years up to 2016, the dividends paid to shareholders increased every single year, while the pension pot and the conditions of work and the pay that the workers received was diminishing. By the way, Mr Deputy Speaker, I met a subcontractor of Carillion the other day, who told me that the company had a policy of not paying anybody in December, because on 1 January the bank wanted to look and see how much liquidity was left. Is that not shocking?

Maybe the Government's devotion to outsourcing is the real reason why they have failed so monumentally in relation to Carillion. They had a blind assumption—and still have—that contracting out works efficiently, and that the market always knows best, which we know is not the case. If they do not learn from the repeated failures of outsourcing, there will be another Carillion around the corner, and then another and another. One needs only to look at companies such as Interserve and Mitie, which deliver public services, to see how fragile some of these Government contractors are.

I could stand here and reel off a long list of outsourcing companies that have been guilty of fraud, tax avoidance, blacklisting, failure to pay contractors, and even, shockingly, billing the taxpayer for tagging people who had died. They have presided over, and have been vehemently committed to, a failed and failing ideological project. That is my charge today.

My opposite number, who I am pleased to see in his place—the Minister for the Cabinet Office and Chancellor of the Duchy of Lancaster—has personally shown lots of enthusiasm for handing out Government contracts—

In the Minister's role at the Ministry of Justice, what did he do? He awarded a £25 million Government contract to G4S. But that company was under investigation for fraud against the taxpayer. He snuck out plans to privatise the collection of court fines, and he even proposed giving private companies the power to arrest our fellow citizens. His Department bailed out a private probation service with an additional £277 million over seven years, and he failed to deliver the promised £115 million that he said would be delivered by outsourcing two prisons.

We need to change direction. Let me briefly set out the case, because outsourcing of procurement has boomed under this Tory Government. It is now worth £242 billion. Nearly a third of public expenditure—of our taxes—is being put at risk by a Government who are blindly

following a dogma.

To be clear, there never was a true market in outsourcing. It is an oligopoly. The course of action that the British Government set out on has led only to the creation of a handful of mega-corporations, almost too big to fail, and those corporations have penetrated nearly every aspect of the state, both central and local. This so-called market works well for a handful of companies making huge profits out of the taxpayer, but it is not working for anybody else.

We want the Government to see the facts as they are, not through the lens of a tired, stale, outdated, dogmatic view of the world. Jeremy Corbyn, our leader, commenting on the Carillion debacle said that we are now coming to a turning point, and he was right. He caught the mood of the country. The public are tired of outsourcing. They want democratically accountable, quality services, which are run effectively and efficiently in the interests of the public. Every poll we can look at shows the same thing: the people are completely disabused of this whole process. That is why the House of Commons must take up the task that the Government have failed to act on. Where else could we start but by referring the matter to our excellent Public Accounts Committee? That is what the motion recommends.

The Prime Minister and her Government have squandered taxpayers' money on a failing dogma. They have run out of new ideas. They have proved unable to grasp the change that our country desperately needs. Even her own MPs agree. The right hon. Member for Mid Sussex (Sir Nicholas Soames) says: "Where's the bold and the brave?" He is talking to the Prime Minister. He says, "it's dull, dull, dull." He is absolutely correct.

I say to my hon. Friend the Member for The Cotswolds (Sir Geoffrey Clifton-Brown), if I may call him my hon. Friend for a moment—we used to be pairs, back in the old days when pairing worked. I must not say this in front of any Whips, so I hope they are not listening: there were occasions when he and I arranged our escape plans to avoid some of those late votes. However, in this case he is entirely wrong. In any event, should he really speak on a motion that says that the matter should go to the PAC?

I was finishing my speech. "Dull, dull, dull!" With those words, I commend the motion to the House.

The difference between a bad artist and a good one is: the bad artist seems to copy a great deal; the good one really does.

William Blake

Carillion—A Comment

Carillion exploited the public sector to unbelievable lengths. Where they controlled maintenance in hospitals they really went to town.

£62.50 for changing a light bulb! No one else except a qualified electrician was allowed to change a bulb. A maintenance depot might be 60 miles from a hospital. Putting up some coat hooks could cost hundreds.

If under the PPP scheme they built hospitals and leased them out to the NHS. Like one, the University College Hospital in London, the latter had to pay £30 million a year plus hugely inflated maintenance bills.

Partly rebuilding a hospital meant that Carillion maintained the rebuild while the old section was controlled by the hospital's own in-house maintenance. They were not allowed to do any maintenance in the new rebuild even if there was an emergency like vital equipment falling off an operating theatre wall.

Major Irish building companies were also on the board of Carillion.

The Tories are getting the blame for this, but it was a Blairite scheme.

W.J. Haire.

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Renzi have been allocated safe seats. The loudest grumbling has been directed at the selection of Maria Elena Boschi, who some opponents say is "an even closer" associate. Boschi and family are shareholders of the Etruria bank - a bank involved in financial scandals. In many eyes it questions not only her probity, but also Renzi's support. In any event, for Renzi to give 90% of what could be safe seats to his inner circle has further corroded an already broken party's unity and spirit.

The Pd's Paolo Gentiloni has served as Prime minister since Renzi lost a referendum and was forced to stand down. A La Repubblica poll of 26 January discovered that Gentiloni is the most trusted political leader in Italy. Second to him was Emma Bonino, respected as a principled politician and upholder of human rights.

Third in the list was Luigi De Maio, M5S's new leader. He is the political wild card dogging the Left and Right. The other parties designed the new electoral system to eliminate De Maio and M5S, but the polls at the start of February, suggest a very close finish. De Maio at 31, in his unremarkable suits and ties, looks like an innocent schoolboy. One Berlusconi associate disparaged him as: Little Luigi. He is in with a chance.

M5S was founded by Beppe Grillo, the comedian and Gianroberto Casaleggio, a somewhat reclusive IT expert. The Movement was designed not to be a party and decision-making was to be made through internet polls of members. Their aim was to stamp out endemic Italian corruption by providing an honest straight-forward democratic alternative to old style politics. The irony was, and remains, that a small group make the final, important decisions and members are purged if they don't conform or want to have a voice of their own. Luigi De Maio was in this small controlling group. A while after Gianroberto's death Grillo decided to retire and become the figurehead, "the father", and he suggested De Maio as the leader. Davide, son of Gianroberto took his father's place.

At the start of the election campaign, Orecchiette saw a television news strap quote De Maio as saying that "we have won already!" Since that naive indiscretion he has gained stature, is embarking on a "Rally for Italy" and is starting to put detail on what he would do if the Movement won. The anti-Europeanism is of concern to Europe as is his proposal not to follow an austerity budget.

The M5S hoped that their two high-profile mayors, in Rome and Turin, would demonstrate dynamic and successful management and be a credit to the Movement. Strikes and refuse disposal problems show that this hasn't happened. Also, honest M5S's De Maio has been shown to have lied about having any knowledge of Mafia involvement in refuse disposal in Rome.

Political activity in Italy will now be at fever pitch. The Left and Right are both disunited, and are throwing out unrealistic and unrealisable promises. The Right are making a better job of keeping up appearances. M5S lacks the long history of failures, falsehoods and disrespected party machines and in contrast could appear to be a fresh alternative. They might therefore be given the benefit of the doubt. Di Maio said that "The only chance of stability for Italy is us". The 48% politically disillusioned and undecided have a month to choose what one voter called "the least bad option".

Listening to Italy

by Orecchiette

THE LEAST BAD OPTION

The 4 March Italian general election was the focus of a Paris speech by Pierre Moscovici, the EU Commissioner for Economic Affairs. He noted his concern about the possible outcome saying that it would either be instability and/or a government with anti-EU policies. Italian Antonio Tajani, the President of the EU Commission, is an ally of Silvio Berlusconi. In the last week of January he was proposed by Berlusconi as his candidate to be the next Premier, should Forza Italia (Fi) be able to form a government. Knowing which side his bread is buttered, Tajani immediately said that the European Institutions mustn't interfere.

Matteo Salvini, Lega Nord leader, actually outlined his election programme in his response to Muscovici. He said that Moscovici's comments were the "unacceptable intrusion of a European bureaucrat in the Italian elections. The policies of uncontrolled immigration and economic sacrifices imposed by Europe have been a disaster and will be rejected by the free vote of the Italians." *La Repubblica* 16. 01. 18.

But around 48% of Italians are politically disillusioned and don't know where to put their vote. The financial position of Italy is grim. Its deficit exceeds the EU financial stability rules and the country could have economic strictures imposed on it. The EU are waiting for the election result before their next move. In 2010 the financially incompetent government of Silvio Berlusconi fell and was replaced by a 17-strong technocratic government run, as an interim measure, by Eurocrat economist Mario Monti. Monti said at the time that he had received "many signals of encouragement from our European partners", but this was in effect the actual imposition of a Euro-approved administration onto the country. This intervention was unacceptable to many Italians.

The Monti administration, according to Elsa Fornero one of its members, was not as strong and successful in making reforms as it might have been. The cabinet was inexperienced in coping with the resistance to their policies, which came from both the public and the political parties. Fornero's law, which dramatically raised the pension age, is a particularly incendiary

issue in the current election. The important point from Monti's period is that it has not stimulated a renewed enthusiasm for party governance and democratic change. Rather, it has been used by the Right and M5S to increase anti-Europeanism.

Matteo Renzi government's policies have continued the same type of reforms which have increased austerity and are in line with the EU's thinking. The deregulation of the jobs market in particular, and the Fornero Law, have leached away what should be the centre-left Pd party's core support, increasing the allure of anti-European parties.

The previously unconstitutional electoral system has been rewritten, so that the forthcoming election will be legal. This is coming at the end of a full term of government by the Pd. The Five Star Movement (M5S) opposed the new structures because they were deliberately devised to stop them winning an election. The amassed votes of coalitions will count, so that although the polls show M5S as the leading single party, this position could be trumped by a coalition.

The three identifiable groups contesting this general election are: centre-left, centre-right and M5S. (Some regional presidents will also be elected simultaneously). There are many small and very small parties, some of whom can and will join a coalition. For example, the centre-right is running as a coalition of four parties: the largest, Berlusconi's Fi, is followed by Matteo Salvini's Lega Nord (now, to broaden its appeal, simply: Lega), Giorgia Meloni's smaller Fratelli d'Italia, FdI, plus a very small party netting only 2.2% of votes.

The three main centre-right leaders insist on the integrity of their coalition at the same time as strongly disagreeing publicly on stances, policies and candidates. Berlusconi admires Angela Merkel politically, while making highly offensive remarks about her physical charms. Salvini has been photographed with Donald Trump and strongly supports his protectionism. *La Repubblica* of 25 Jan said of the three parties, "they are so different as to disorientate the centre-right electorate...."

Salvini and Meloni are overtly anti-migrant and racist. Attilio Fontana, the Lega centre-right candidate for the Presidency

of Lombardia, made a racist speech which caused horror and some amount of delight on the left. There was agreement from Salvini's Lega and from some others on the right, but following enormous press coverage and general condemnation, they later rowed back by trying to imply that he had been mis-reported. Fontana had said: "We must decide if our ethnic group, our white race, our society, can continue to exist or if it will be wiped out". (*Corriere della Sera* 16 Jan.)

Silvio Berlusconi's conviction for fraud makes him ineligible to stand for a seat or as Premier. But at 81, with frequent health farm visits, hair supplements (and surely botox) he is as brazen and powerful as ever. On 8 January at the start of the election campaign *La Repubblica* reported that Fi had launched its symbol: FORZA ITALIA. BERLUSCONI PRESIDENTE. Impossible, but! A few hours later, Salvini countered with his symbol. STOP FORNERO. SALVINI PREMIER. LEGA SALVINI.

The Right states that they are a coalition, while the Left is so hopelessly split that an appearance of unity is an impossibility. On Orecchiette's recent visit to "RED" Bologna, the anti-Renzi graffiti was obvious and widespread. There are breakaway left groups and factions within the Pd. Older political figures on the left, such as Romano Prodi have attempted to bang metaphorical heads together but Renzi sits at the top of the centre-left, blocking any resolution and jeopardising the left's election chances.

Renzi is seen as being anti-democratic and autocratic. The electoral programme dictates that candidates must be declared by 2 February. Renzi made himself responsible for the selection and caused an enormous furore by doing it swiftly and with little consultation. Rosario Crocetta, the former mayor of Gela in Sicily, was driven to say that he would take to the streets with a megaphone "to denounce a true purge of all dissent". Or Alessandro Terrile from Genova was similarly outraged by having non-Genovese candidates imposed on the area. "This is no longer a party...", he said.

At the same time close political allies of

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