

# The Fight against Neoliberalism and Britain's Austerity Measures

Q&A session with Shadow Chancellor John McDonnell and the Greek ex-Finance Minister Yanis Varoufakis.

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*"The Rally involving Yanis was immensely successful in moving the debate about austerity forward into a discussion about how we can not only oppose the attack on our welfare state, but as importantly, how we can create the society we need... a tremendous achievement."*  
Shadow Chancellor John McDonnell

*"Why is so little hope growing among so many riches?" Yanis Varoufakis [ pictured left]*

It has been a depressing few weeks for the supporters of the British Labour Party's new leader Jeremy Corbyn. After seeing crowds attending meetings across the country to hear him speak and the roar that raised the roof when the election results were announced, it was down to dirty earth the day after.

The relentless criticisms from the Tories and the very right-wing [mainstream media](#) were expected. Nothing Corbyn's new team did was right. It was pored over, picked over and pulled to pieces. And any good news was ignored, such as...

Such as [Labour wins](#) in Council by-elections since Corbyn became leader. For example, in Banbury, Oxfordshire they took a seat from the Tories with a 5.9% swing and 45% of the vote. Not the kind of news that the media wants to publicise so they ignored it.

Just as, after the first rush of news, they ignored the sheer numbers behind Corbyn's win. Of a total of 422,664 votes cast, Corbyn received 251,417 or 59.5%. An astonishing 16,000 people signed up as volunteers to help run Corbyn's leadership campaign. The [latest poll](#), from the Times no less, shows that Corbyn's leadership is backed by two thirds of party members, an increase on what he achieved in the election.

The Labour Party has benefited, seeing a surge in membership. More people have joined the Party since the general election than there are in [the entire Conservative party](#). Wouldn't you think that Labour MPs would be strutting around Parliament with new-found confidence?

Here is a new leader who can draw crowds and bring in new members; a new team putting forward policies that are backed by [the public](#), even though the press and their polls say the majority of the public doesn't understand what Corbyn's policies are, possibly because they keep misrepresenting what he and his allies say.

There is a hum and a buzz in the air, a sense of a [political watershed](#). Yet the sniping, the vitriol, the plans by some fellow MPs to oust Corbyn, all faithfully reported by the media, comes from the Parliamentary Labour Party. They do not support Corbyn and his team, and are eager to [carp and criticise](#) on the floor of the House of Commons. How low can they sink?

As a body, the PLP simply does not connect with its party membership. Members and supporters are invisible. They should have no say in what Labour's policies are. Many Labour MPs remain wedded to the Westminster system based on power and entitlement. They do not want change.

But the membership does. As an antidote to the depressing plotting and biased reporting, one needs to attend an event centred on the 'new politics' and join in the political conversation. [Momentum](#), naturally labelled as a 'hard left' and therefore dangerous organisation, is organising various [events](#).

There has been little mention of the Trade Unions, once the backbone of the Labour Party - also PLP invisible. But the Trade Union Coordinating Group hosted a blinder of a Rally at Westminster Hall on November 21 - *Build the Fight against Austerity*. Around 1400 people attended and the atmosphere was electric. It is hard to describe what it is like to walk into a hall full of strangers knowing that each is a friend with the same hope, vision and aims as you - invigorating, life-affirming, energising - all these things.

And humour. There was a lot of that and it was genuine, not the embarrassing jokes that David Cameron uses in Parliament; positive and forward looking humour; laughter among friends. But mostly there was an undercurrent of knowledge that, if we get it right, this is a pivotal moment in this country's political history. If we get it right.

Among the first panel of four speakers was Ellen Clifford of Disabled People Against Cuts - an emotive presentation that got huge sympathy from the audience. With disabled people driven to suicide by poverty, it is hard to grasp that the Tories have little sympathy for such people. Have Cameron and Osborne ever thought "here but for the grace of God...?"

Dave Ward of the [CWU](#) gave a barnstorming speech and made two powerful pleas: that trade unions stopped defending their territories and unite in the fight against austerity (a hint here to some Labour MPs?) and for the Labour Party to create a Bill of Rights for workers, to combat the [assault](#) on Trade Unions by the Tories.

The heart of the event was the Q&A session with Shadow Chancellor John McDonnell and the Greek ex-Finance Minister Yanis Varoufakis. They didn't disappoint. McDonnell opened with a story about going to the then Justice Minister Jack Straw in 2007, to inform him the Prison Officers Union was calling its members out on strike.

"But that's illegal!" protested Straw.

"Well, who's going to lock them up then?" replied McDonnell. He added, "There's a tale in there somewhere!" Indeed.

Because one question from the floor was from Yannis Gourtsoyannis, prompting Varoufakis' comment "Oh my God, another Greek!" Laughter erupted into cheers when it came out he was a junior doctor, one of the 98% who had [voted for strike action](#) because the government

was trying to force them into accepting a deal that promised a pay rise that actually meant longer hours for less money, which would endanger the safety of their patients.

He asked how the junior doctors could maintain public support and deal with the unsupportive press. McDonnell, tongue in cheek, suggested creating a 'warm relationship' with the right-wing, Tory-supporting Daily Mail. He also said that during the last 7 weeks the media assault on Corbyn's team had been "a disgrace to any civilised society."

On a more serious note, following a question about the Trade Union Bill and whether workers have the right to resist unjust laws, he pointed out that the Tories could not destroy the workers' basic human rights. "If we have to defy unjust legislation we not only have the right to do it, we have the duty."

On finance, having outlined the reviews that Labour is now undertaking on the Treasury, banking and the finance sector, McDonnell said there was a need for financiers "to understand that we cannot tolerate a finance sector that is not contributing to the prosperity of the country overall."

Another aim, based on the cuts to [local council budgets](#) meaning the closure of many local services, is to form a national movement to address local problems. Currently local campaigns, good though they are, can be isolated. The Local Councils campaign will be a *national* campaign, McDonnell promised.

Over to Varoufakis. He has often claimed that we are not suffering 'austerity', a view which, to people suddenly finding that they are genuinely poor, seems wrong. But his explanation makes sense.

All governments run deficits and debt; they borrow money on our behalf. But it is *government* debt. "George Osborne's project of reducing the deficit," said Varoufakis, "means that the people of Britain will be condemned to go deeper and deeper into the red." So, in Varoufakis' analysis, what we are suffering from is not genuine austerity, but the government shifting the debt to our shoulders, increasing our insecurity.

"Why is so little hope growing among so many riches?" he asked, because this is a rich country. Hope, he said, "requires the prospect of creative labour, the opportunity for people to unfold their talents." That means investment in infrastructure, innovation, manufacturing and above all, people. The money is there, an estimated £743 billion sitting idle in corporate accounts. Listing the many areas where investment should take place he suggested that, while companies should be made to pay the full amount of tax, they could be given tax breaks on the money they invest.

Suffering 'austerity' makes it difficult to imagine a better future, and that creates depression and despair. How do we build the hope, so evident at this event, out in the wider world? Unity among Trade Unions, a Workers' Rights Bill to combat the Tory assault on workers, a sound financial plan involving a Public Investment Bank and genuine investment to combat the so-called 'necessary' austerity programme, bringing local community campaigns into a national campaign - we need all this, just as we need unity within the Parliamentary Labour Party.

But the hope, the energy and inspiration, the pressure to change things for the better, that has to come from us, the people. What everyone felt at the Rally has to be shared among

friends, neighbours, groups, strangers on buses, trains and in supermarket till queues. It is too good not to be shared and then acted upon.

*Videos of Yanis Varoufakis explaining his investment plan, and of the Q&A session, can be found [here](#).*

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