

# SUBVERSION

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## SPLIT THE COALITION - UP THE PRESSURE!

The recent coalition spat about House of Lords reform and the withdrawal of the Coalition Programme motion (a 10 day absolute timetable to rush through the proposed changes to the House of Lords) by David Cameron and Nick Clegg brought about much speculation in the press about a fatal split in the coalition government.

Many commentators got excited about what the Liberal Democrats would do in retaliation, would they veto reforms to redraw constituency boundaries for general elections and to reduce the amount of MP's to 600 (a measure which would give the conservative party an extra 20 MPs based on the last election result), would the Liberal Democrats veto further cuts or even ask for more progressive taxation measures? Even more commentators got excited about the supposed 'Flashman'-like torrent of rage David Cameron directed at Jesse Norman, the leader of the Tory Rebels who voted against House of Lords reform, and how David Cameron was losing control of his party.

What does all this mean for people on the left, people who can't wait to see the back of this rotten coalition government which only works in the interest of capital?

After analysing the fallout from the vote and the reactions of Conservative Party and Liberal Democrat commentators, unfortunately, I think it means very little.

It will mean any House of Lords reform that does finally get enacted, if any, will ultimately be pointless and the coalition will stay together.

The reason why I think this is not because the Liberal Democrats are spineless, have no principles and fear the coalition splitting because it could force a general election but because the Liberal Democrats, every single one of them, believe in what the coalition is doing.

Nick Clegg has boasted and is proud of the fact that the Liberal Democrats have a solid record of supporting the coalition government on every disgraceful benefit cut, on reducing the top rate of income tax from 50% to 45%, on raising VAT to 20% and on the privatisation of the NHS.

It speaks volumes that in the fallout from the House of Lords programme motion being defeated Nick

Clegg didn't first blame the Tory rebels who voted against it but the Labour party, the party in opposition, the party he didn't do a coalition deal with which included House of Lords reform.

Yes the Labour party was cynical in voting against the programme motion but what did Nick Clegg expect? The proposals for House of Lords reform (80% elected lords, on a regional list PR system to serve for 15 years) are a ridiculous fudge and what sort of opposition party wouldn't take the opportunity to show up the coalition by opposing their timetable for debate.

The reason why Nick Clegg attacked Labour is because he can't bear to attack his own in the Conservative party.

This in my opinion underlines an important lesson that we all need to learn on the left.

The Liberal Democrats aren't going to budge from the coalition programme if they can possibly help it. There're not the nice guys going along with it under sufferance and trying to pour sugar on the shit sandwich Cameron is trying to feed us all.

Pressuring Liberal Democrat MPs and their party exclusively isn't going to win us any concessions and we won't drive a wedge in between the coalition partners by being nice to Liberal Democrats and expecting anything better from them than the Conservatives.

Nothing has changed now in the coalition partnership since Nick Clegg first slapped George Osborne on the back as he announced cut and cut in the first public spending review.

That's not to say they are not any positives from the recent developments.

The Conservative Rebellion has shown how out of touch the Conservative right wingers are and how out of control of his own party David Cameron is.

When the general public are concerned about unemployment, banking corruption, tax avoidance, cuts, the recession and living conditions spiralling ever downwards. David Cameron will be forced by his own party to talk about bringing back more powers from the EU, making sure we keep hereditary peers, tax allowances for marriage, facilities time for union representatives and removing employment tribunal rights for workers. In other words measures which

will have no effect on an economy suffering from prolonged recession.

This can only help us on the left to help persuade people that the coalition government has completely lost track of what's important to ordinary working people, that the government must change economic course and focus on investing in jobs and completely reverse its cuts.

It presents an opportunity for us but it also means that as the government increasingly loses the argument over its disastrous economic strategy it will become more vicious and try to scapegoat more sections of people in order to divide the proletariat. We must be wary of this and always point the blame right back where it belongs to the Coalition Government and to the interests of Capital.



# TAX - START

## THE DEBATE :



The news that Jimmy Carr was using an aggressive Tax Avoidance Scheme was a major news story which triggered a much needed public debate on Taxation and fairness. The debate has since been lost in a series of events such as yet another banking scandal, further economic woe and finally the Olympics.

It is a shame that the tax avoidance story was buried by a series of news events because the way we are taxed in this country is central to why the current government approach to the economy is completely wrong.

The stark hard truth behind the UK tax system is the majority of people pay VAT and Tax / National Insurance through Pay As You Earn (PAYE) if they have earnings and there is nothing they can do to influence how they are taxed other than to vote in general elections or lobby their MP.

Taxation raised from PAYE and VAT represents vast majority of money raised by the government. Without that money government simply could not function.

By contract people who earn lots of money or who earn lots money from a variety of means usually choose to dodge PAYE by paying themselves a small salary below the tax and National Insurance thresholds and then pay themselves the rest of their earnings in a variety of creative and manipulative schemes so they can avoid tax.

They can do this because they are declared self

employed or directors. In some cases employees who are to be paid lots of money make arrangements with their employer to be paid in shares or through loans or through investments in tax avoidance schemes.

All this means is that the government allows certain people, mostly rich people to avoid having to deduct tax and national insurance when they are paid and to use various means to choose to reduce their tax liability.

Individuals declare their pay through means other than PAYE on a self assessment return.

Equally businesses calculate their own liability for corporation tax (a tax on company) profit and Value Added Tax (a tax on the supply of goods and services) and submit a return.

The Rich, Wealthy, highest earners and businesses are therefore allowed to choose how they pay their tax while the majority of workers have this choice removed from them.

The government would argue that everyone is obliged to declare the correct amount of tax and the problem is that many tax avoiders do declare the correct amount of tax and yet pay far less in percentage terms than the average worker.

Jimmy Carr paid 1% tax on his earnings because he was allowed to.

It cannot be right or fair that this was allowed to happen.

We therefore need to fundamentally change the tax system to make it fair and this is a topic which should be of keen interest to all Marxists.

Indeed Marx stated in the communist manifesto that a key part of any future communist programme should be a highly progressive tax rate in order to destroy the class system.

We should therefore be arguing for a level playing field for all regarding taxation. Either everyone has tax deducted at source through PAYE or no one does and everyone submits self assessment returns and can 'invest' their pay however they want.

I would of course prefer the first option. The PAYE system ensures government has the funds to

function and this includes vital public services such as the NHS. If we made everyone currently on SA enrol into the PAYE system where they pay tax and they argue for deductions later at the year-end it would make the system far fairer and reduce tax avoidance massively.

Of course closing tax loop holes and having a general anti-avoidance rule are important aims but ultimately it still leaves the rich to choose how they pay their tax.

If tax avoidance was challenged in this way it would mean we did not have to implement any of the governments cuts and we would not have to suffer any further under the governments austerity agenda. The second option would be fairer than now and would show up the entire tax system for how class based it currently is.

If everyone calculated and declared their own tax and national insurance it would open up the possibility of mass disobedience in not paying tax such as when the poll tax was defeated.

The basis of the tax system like all other structures in society is to maintain the interests of the bourgeoisie and the capitalist system.

The current tax system should be continually challenged and the current austerity agenda has provided an excellent opportunity to do it.



## ABOUT

# THE LEAGUE

The League of Communists in Britain was formed on 30th November 2011, and is a non-party, political organisation dedicated to grassroots political activity and practical solidarity. We are an inclusive, broad and non-sectarian platform for the non-authoritarian Left, and we include anarchists, communists, socialists and environmentalists in our affiliates. We believe that we are working in a post-Leninist politics, where the issue is not the establishment of another 'revolutionary vanguard' but the engagement of the working class with the masses, and the direct role of the masses in politics. The imposition of structure upon politics has failed, and the issue today is that of developing political consciousness and on supporting struggles against oppression and exploitation, and to work towards building a mass movement.

Communism in the 21st century is not a struggle for state power, but the struggle against it; it is the engagement in a radical, decentralised politics, which manifests itself as a challenge and resistance to exploitation and oppression on the basis of class, gender, sexuality, disability, nationality, immigration status, species and religion. Resistance and practical solidarity is the basis for all of the Leagues political work. We work to defend human rights and political autonomy, provide humanitarian assistance and support those in struggle. We publish a regular newspaper, 'Subversion', which acts as a focus for politics and organising. Our members are active in trade unions such as PCS, Unite and the NUT, and campaigning groups such as UK Uncapped, refugee support organisations and the anti-cuts movement.

We believe in a radical politics which is decentralised and broad; we do not have a structure of committees or branches, we have no conditions of affiliation or payment of dues, and we do not work on the basis of an agreed political 'line'. Instead our emphasis is on practical political work, and not on party building. Affiliation is open to anyone, regardless of membership of other organisations, who agrees with our core mission. statement and signs our equalities disclaimer. Affiliation costs £1 per month.



**JOIN THE LEAGUE!**

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