Jeremy Corbyn: Labour Party and Britain's bosses are "natural allies"

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Jeremy Corbyn used his first speech to a gathering of Britain's corporate heads to reassure them that the Labour Party under his leadership is an ally of big business.

Corbyn addressed members of the British Chambers of Commerce (BCC) at the Queen Elizabeth II conference centre in London, the same venue where the veteran "left" MP had been crowned Labour leader just six months before.

His remarks made a mockery of the anti-capitalist rhetoric he employed during his election campaign, and which has been utilised by the pseudo-left groups to try to divert social anger behind the Labour Party.

Even while repeating his pledge of a "New Politics, New Economy, New Britain," there was little to separate Corbyn's agenda from that of Labour leaders Tony Blair, Gordon Brown and Ed Miliband before him.

The pro-Labour *Daily Mirror* had trailed the speech as the moment Corbyn "burns any final links" between his "new-look leadership of the party and the New Labour approach to the economy."

Except that it didn't. Corbyn erased the specific criticisms of New Labour contained in extracts of his speech released the night before. Thus the line that "The New Labour approach was to opt for 'light touch regulation' of finance—and then sit back and collect the tax revenues" became on the day, "The *political consensus at that time* was to opt for 'light touch regulation' of finance…" [emphasis added]

Writing in the *New Statesman*, Stephen Bush proclaimed the speech as one that "Ed Miliband always wanted to" deliver.

Corbyn presented the financial crash of 2008 as the outcome of a "failed economic orthodoxy", rather than a failure of capitalism. The imposition of austerity was similarly the result of a mistaken policy, rather than a deliberate class strategy.

He called for a "new settlement with the corporate sector" that would enable greater public investment to ensure "the higher productivity we need for rising living standards for all."

He was deliberately vague on the details. There would be a reform of the banking sector, "so that they serve the economy, not just themselves" and a "new ecology of finance" to encourage "credit unions and better small business support."

He praised "entrepreneurship" for enabling the "huge opportunities that many BME communities, black and minority ethnic communities, have only had because they were able to open a small business, innovate and develop."

Criticising the government for threatening the UK's "long-term economic future", he argued, "we cannot outsource economic policy to the City of London. That has not served our economy well, and it has not served business well."

Rather there is a "crucial" need for a "strategic state" that would shape a New Britain, "through cooperation; between public and private, state and market, government and entrepreneurs and workforce and employers."

The *Financial Times* stated baldly that "anyone expecting the bearded socialist to explain his strategy for the "overthrow of capitalism"—once advocated by John McDonnell, his right-hand man—would have been disappointed.

"Mr Corbyn did not set fire to effigies of corporate titans in front of the crowded auditorium. Instead, he delivered an earnest speech about the importance of trade, skills, infrastructure, the co-operative movement, access to finance, enterprise and investment. One observer said: 'You could have put most of that stuff into a [Conservative Chancellor] George Osborne speech without frightening the horses'."

Corbyn's remarks were made amid warnings of a new, and even deeper, global slump. Osborne has served notice

that he will outline fresh spending cuts in next week's annual budget statement. This is made necessary, he claimed, by the "storm clouds" gathering over the global economy that have led to weaker than expected growth for the UK economy.

Under these conditions, Corbyn is presenting Labour as the party that the corporate elite can rely on to safeguard their interests, while packaging his calls for greater state intervention as pro-worker reforms.

In reality, the economic crisis that is devastating the living conditions of workers and youth in Britain and internationally is the direct result of state policy that is dictated by a super-wealthy financial oligarchy. Even the most minimal change in favour of working people would necessitate a direct challenge to the monopoly exerted by the super-rich over every aspect of economic and social life.

Corbyn and the party he heads are hostile to any such measures. *Business Insider* opined that the Labour leader's remarks were a "good idea of how he is planning to appeal to people outside of his narrow base of left-wing supporters," citing the influence of Professor Mariana Mazzucato and her book *The Entrepreneurial State* .

Mazzucato was appointed as part of Labour's Economic Advisory Committee, established under Corbyn's Shadow Chancellor McDonnell in September. The committee also includes economists Joseph Stiglitz, former adviser to US President Bill Clinton, and Thomas Piketty.

Mazzucato argues for government agencies to play a more "critical role" in "actively creating and shaping markets", citing the examples of "China, Brazil, Germany, Denmark, and Israel…"

Interviewed in the *Financial Times*, she explained that hers was a "pro-business story. This is not about socialism."

McDonnell is currently fronting a number of public events with his economic advisers, in what the *Sunday Times* described as an effort to reach out "to MPs sceptical about the direction in which he wants to take Labour policy."

The day before Corbyn's speech, McDonnell hosted one such lecture alongside Stiglitz—who argues that social inequality can be reversed if the ruling elites can be persuaded of the errors of their ways and realise that this change will ultimately prove to be in their favour.

This won the enthusiastic endorsement of Labour MP Liam Bryne, former chief secretary to the treasury under Brown. Writing in the *Guardian*, Byrne—who opposed Corbyn in the leadership challenge—stressed that New Labour "had some impeccable intellectual credentials." But the huge growth in social inequality necessitates "new answers," he wrote.

Byrne naturally did not reference the fact that this rise in inequality was the result of New Labour policies, including its decision in 2008 to spend billions to shore up the banks. His answers amount to little more than changing the Bank of England's mandate to "prioritise full employment as well as price control" and encouraging capital markets to "encourage longer-term investment, making it possible to reward longer-term investors with extra voting rights."

Byrne welcomed the prescriptions of Stiglitz, McDonnell et al on the basis that "frankly it lets all wings of the party rally around the fight against inequality which Jeremy Corbyn has set centre-stage."

Byrne only endorses such a unified battle by Labour because he knows it will not affect the corporations and super-rich in the slightest degree. There was not a single mention in Corbyn's remarks of redistributing wealth. Everything was framed from the insistence that "Labour is committed to what is needed for business to expand and succeed."

His paean to the "strategic state" goes hand in glove with his position on immigration, which increasingly echoes Conservative propaganda blaming migrants for the social crisis. Regarding the upcoming referendum on membership of the European Union, Corbyn criticises Prime Minister David Cameron's deal for Britain to remain based on slashing migrant benefit entitlements is ineffective, as it "will do nothing to cut inward migration."

On the same theme in his address to the BCC, Corbyn complained that not enough nurses and doctors are being trained in the UK, meaning "we are reliant on importing nurses and doctors from abroad. The government argues migration must be reduced, but then fails to fund training leaving us reliant on migrant labour to fill skills gaps."

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