

ENERGY CRISIS: MAKE LABOUR DEMAND PUBLIC OWNERSHIP!

The last two party conferences voted overwhelmingly for public ownership of the energy industry.

This year, in the midst of the energy and cost-of-living crisis, policy for public ownership is coming to conference again. (bit.ly/labourenergy for the motions from 2019, 2021 and this year.)

Keir Starmer's leadership has consistently ignored our democratic votes and violated party policy by opposing public ownership. As the energy crisis mounts, its stance is becoming more and more absurd.

Don't buy any suggestion that this is about being "electable". Labour should campaign for what we believe is necessary and persuade people; but even without a campaign, public ownership is already popular. In August a poll by Survation found that 66% support nationalising energy, with only 22% opposed; that includes 74% of Labour supporters but also 60% of Tories (with only 31% opposed).

This month a Survation poll for LabourList found 87% of Labour members support public owner-

ship of energy, with only 6% opposed. A majority of unions have come out for public ownership, as now has the TUC (in August).

And no wonder. Private ownership of energy has been disastrous on many levels.

Starmer's plan for freezing household energy bills is very poor as a measure to protect living standards; it also means huge public subsidies for the energy retail companies. Some retailers would indeed, if unsubsidised, go bust as retail prices rise slower than world-market gas prices – in itself an argument for public ownership. All these companies are spending large amounts on the salaries and privileges of those at the top. Some with better long-term supply deals are still making very big profits. Some are part of conglomerates that also include energy production companies, so subsidies to them subsidise fossil-fuel production too.

We do indeed need a policy for the energy production companies like BP and Shell (see p2). And most urgently of all, we need measures to raise incomes – wages and benefits. But we

should argue for public ownership across the energy system, including the retail companies, so we can:

- » Stop bailing out private energy companies at public expense;
- » Redistribute billions in profits into new low-carbon energy production and energy efficiency measures including house insulation;
- » Restructure bills to provide a free or very cheap energy allowance for households to cover basic needs, while avoiding the climate-destroying trap of subsidising prices for higher-level energy consumption.

Let's pass strong policy at conference, launch active labour movement campaigning, and force the party leadership to come on board. 🌱

"Working people need to set a different agenda... public ownership and democratic control of our energy system... provide the answer to a whole series of intersecting problems faced by working class people today. Public ownership and workers' control makes the perpetrators of the energy crisis pay for the damage they have done, while giving democratic power back to those who produce this wealth and those who need it." 🌱

Matt Wrack, Fire Brigades Union general secretary

ALSO IN THIS BULLETIN

- » The case for public ownership: Q&A
- » Energy policy and climate change
- » What policies to defend and raise living standards?
- » Call Starmer to account – make conference sovereign
- » Support the strikes!
- » Links and resources

Q&A: THE CASE FOR PUBLIC OWNERSHIP

Wasn't the energy bill crisis caused by rising fossil fuel prices resulting from the war in Ukraine? Nationalising the retail companies won't solve that.

We need to nationalise not only the energy retailers (some of whom, with more advantageous long-term deals, are making big profits), but also the North Sea companies, the companies that run the power stations, and the grid. Prices have been pushed high because, in line with standard capitalist market economics, they are determined by the "marginal" (most expensive) supply. In other words, the bulk of energy coming from wind, solar, nuclear, and even North Sea gas, is priced at the same level as the portion of energy from Liquefied Natural Gas imported from the USA and Qatar. Public ownership of the whole industry will enable current super-profits to be redirected to social purposes.

Public ownership of the fossil fuel producers too?

Yes, they should be taken over too. We need to move fast away from fossil fuel production; but public ownership and democratic control is necessary to run it down in a planned, rational way, while defending the living standards of its workforces and their communities and utilising skills, technology and resources to do something better.

Some comrades are calling for a permanent 56% tax on these companies, on top of corporation tax – a policy modelled on

Norway's taxes since the 1970s – to fund investment in publicly-owned renewables. That would be much better than the current situation – and much better than what Starmer's leadership is proposing – but still inadequate.

Aren't these multinational companies? How can you nationalise them?

As with the big banks and other giant corporations, anything approaching a comprehensive socialist policy to deal with them depends on international collaboration, between labour movements and governments in many countries. That doesn't mean we can't make an effective start by taking over as much as possible within the reach of a given government. BP was nationalised before, when it was the Anglo-Persian Oil Company, in 1914.

Wouldn't all this be wildly expensive?

Some of the initial measures, like public ownership of the retail firms, would be fairly cheap.

When it comes down to it, we're for expropriating the energy companies, not paying ample compensation to rich shareholders who have already scooped in riches from dividends. Some shareholders are pension funds? The pension funds should be in public ownership (with pensions then publicly-guaranteed). Compensation for individual small shareholders? Yes, but they own relatively few shares.

In any case, there's no shortage of money available – if we're willing to take it.

The Tories are proposing to spend maybe £150 billion on capping energy bills. They spent hundreds of billions during the pandemic. When it's judged necessary, money is found, but the Tories are handing that money over to corporations and anyway want to whittle down the consequent huge rise in government debt and debt payments by longer-term cuts to public services and working-class living standards. Already interest payments to the rich on government IOUs (bonds) they hold will amount to more than £100 billion next year. The rich will continue to get richer at our expense. And unfortunately our Labour leadership is arguing in effect for a milder version of the same thing.

We should stop bailing out private companies with nothing in return (right now, the government plans to spend at least £2 billion, maybe much more, propping up failed energy supplier Bulb – which it could easily take over and run publicly). We should fight for policies and spending designed to win public ownership and democratic control of resources and services – which in the longer run, unlike subsidising corporations, will heavily benefit the "taxpayer". Any costs should be met by taxing the huge wealth of the rich and corporations – wealth that has piled up ever higher during "austerity" and then the pandemic. ✊

» Check out the 'We Own It' campaign's Q&A on public ownership of energy: weownit.org.uk/public-ownership/energy

LINKS AND RESOURCES

- » Labour Left Internationalists: momentuminternationalists.org
- » Fire Brigades Union pamphlet on public ownership of energy: bit.ly/fbuenergy
- » We Own It briefing on public ownership of energy: bit.ly/weownenergy
- » Momentum's Labour for Labour campaign supporting strikes: bit.ly/lab4lab
- » Free Our Unions campaign to repeal anti-strike laws: freeourunions.org

ENERGY AND THE FIGHT AGAINST CLIMATE CHANGE

Public ownership of energy is necessary for the fight against climate change. The policies passed at the 2019 and 2021 Labour conferences were both part of “Socialist Green New Deal” motions.

There’s nothing inherently socialist about state ownership; it depends on the nature of the state and on how industries are run. We need public ownership organised with democratic and workers’ control. But it’s nonetheless notable that even now, for instance, nine of the ten countries leading on the transition to renewable energy have fully or majority state-owned energy companies leading their renewables sector. Some of Europe’s largest renewables firms are public bodies.

With public ownership of our energy sector we could do much more.

Ditching the Tories’ disastrous pro-fossil fuels policies is not enough. We need positive green poli-

cies based on the democratic control necessary to reshape energy and other industries and services. Even before we get to tackling the big fossil fuel producers, public ownership of energy would allow us to:

- » Invest much more heavily in renewables;
- » Properly integrate renewable energy with the national grid;
- » Launch a large-scale energy-efficiency programme, including mass home-insulation;
- » Restructure bills so that low-usage (and therefore low income) households are protected by a free or cheap energy allowance, while higher usage is discouraged through higher prices. (Public subsidies to cap all household energy bills are a bad policy from the point of view of fighting climate change.) ✂

WHAT POLICIES CAN DEFEND AND RAISE LIVING STANDARDS?

One-off payments to get people through the shock of increased energy bills are obviously necessary; in fact we should demand they’re made more generous. One of the problems with the policy the party leadership has announced is that, because funded partly by withdrawing the £400 hand-out introduced by the Tories, it would leave many worse-off households with relatively low energy bills *worse off*.

But one-off payments are barely even a sticking plaster. Just as the focus of debate on public subsidies to private companies is a problem, so is the focus on one-off payments to the exclusion of longer-term living standards.

The cost-of-living crisis is so severe in part because it comes after a decade of stagnating or falling living standards. *We need to raise incomes, i.e. raise wages and benefits.*

Labour must argue and fight for:

- » Improved pay and conditions, including urgent at least-inflation-pay and benefit rises;

- » Higher taxes on profits and the incomes and wealth of the rich to fund a rebuilt public sector (public services are also facing a fresh crises because of rising costs), including at-least-inflation and soon restorative pay rises for public-sector workers;

- » Increased benefits; immediately raising Universal Credit at least £40 a week (to compensate for the Tory cut and rising prices); then increasing it to £260 a week, as the TUC advocates;

- » Raising the minimum wage to £15ph, as unions are demanding, quickly, including an immediate increase to at least the London Living Wage-level.

And of course this implies:

- » Supporting the strikes.
- » Fighting to repeal all the laws limiting strikes and union organising, in line with the policy passed at repeated Labour conferences. ✂

LABOUR LEFT INTERNATIONALISTS

Labour Left Internationalists – previously Momentum Internationalists – is a network of Labour Party members founded in 2020 by supporters of left anti-Brexit campaign Labour for a Socialist Europe. We stand for:

- » Aggressive support for strikes and workers’ struggles;
- » Consistent internationalism, including fighting for free movement and to reverse Brexit;

- » Arguing to replace capitalism with socialism, a radically new society based on common ownership and democratic and workers’ control, not profit-making;

- » Radical policies so the labour movement can serve working-class interests and push towards socialism;

- » Democratising Labour, making conference the party’s sovereign decision-making body.

CALL STARMER TO ACCOUNT – MAKE CONFERENCE SOVEREIGN

Keir Starmer has ditched pretty much every promise he made and policy he advocated during the 2020 leadership campaign, including every one of his now notorious “10 pledges”. The contempt that shows for Labour members – and for democracy and political honesty more generally – is part of a wider refusal to allow the membership any say in deciding party policies and direction. Refusal to fight for public ownership of energy is one facet.

Even under Corbyn, probably the most democratic-minded leader the party has had in decades, there was a problem of conference decisions (for instance on repealing all anti-trade union laws) being ignored. Policy was often still regarded as some-

thing to be decided and announced from above by shadow ministers and their staff. The problem is obviously now much worse.

We must insist the party’s membership – including crucially its affiliated trade unions – decides party policy. The only way that’s possible is through making party conference really sovereign, so its decisions automatically become active policy.

That’s not primarily a matter of rule changes but of a radically different political culture. We must call Starmer and the whole leadership to account, insisting they acknowledge, respect and argue for conference policies – whether that’s on energy, public ownership, trade union rights or other issues. ✨

SUPPORT THE STRIKES!

If Labour is serious about defending, let alone improving, living standards, the whole party must actively support strikes and workers’ struggles.

The leadership’s attempt to stop MPs attending picket lines made it look ridiculous and largely failed. Still, the majority of Labour MPs did not attend a picket. Many did not even say anything in support of strikes.

Already this year has seen the highest number of strike days since 1989. It’s likely that in the months ahead we’ll see many, many more. The whole party, at every level, must mobilise to support them in whatever way it can. If a lot of strikes win, it can prevent wages being driven down and create better conditions to push forward for the higher wag-

es, higher benefits and better funded services we desperately need.

That mobilisation should include Labour MPs – including the party leadership. The idea there is some sort of wall between a party of government and a party that supports trade union struggles is completely wrong.

Even more concerning is leadership’s reluctance to even advocate that workers get above-inflation pay rises. If that is about not wanting to commit to particular policies in government, that’s a serious problem too!

From an activist point-of-view, our job is to use the party, its organisations and its networks to mobilise the largest possible numbers to support strikes and workers’ struggles – and to insist

Labour advocates strong policies, now and in government, to advance workers’ interests. ✨

CONTACT US

Contact us at conference:

» Phone, text or whatsapp
07775 763 750

» momentuminternationalists.org

» team@momentuminternationalists.org

» twitter.com/LabourLeftInt

» Meet us, 9pm Monday 26 Sep, The Liverpool pub, 14 James Street, L2 7PQ

» Let us know what you think of our bulletins!