

tion 86 of the 1977 National Health Service Act. This states that if 'by reason of an emergency' health services are not being adequately provided then the secretary of state is empowered to draft in a new management to see they are. The three boroughs, which are being advised by QC Louis Blom Cooper, argue that the government has acted against the spirit of the Act and that Section 86 was principally intended to cover such emergencies as wars or major disasters. This is plainly not the situation in the Lambeth, Southwark and Lewisham AHA where the 'emergency' results from a belief among former AHA members that it was impossible to meet the government's current spending targets without seriously undermining the service. The emergency is therefore arguably of the government's own making and the boroughs are not convinced that the government can turn a situation into an emergency simply by calling it such. Blom Cooper has advised the boroughs that 'there appears to be a reasonable case' that the government has acted illegally.

The first struggle in the High Court between the health commissioners and Lewisham council has shown the uncertainty of the CHC's consultation rights. CHC regulations say that area health authorities must consult CHCs on all proposals 'to make any substantial variation in the provision of services' except when 'in the interests of the health service a decision has to be taken without allowing time for consultation.' The High Court ruling made it clear that recent arguments by health authorities that temporary closures are not, by definition, substantial variations and therefore not subject to consultation, are wrong. The judge ruled that the decision to close a hospital, albeit a small one, was a substantial variation. One up to the CHCs. But the judge has also handed to health authorities sweeping powers to avoid consultation by invoking the 'in the interests of the health service' proviso. This let the health commissioners off the hook.

There is a ray of hope: the circumstances in which the judge made his decision were unusual. Lambeth, Southwark and Lewisham has been substantially overspending for some years and 'bankruptcy' was said to be just around the corner. Moreover the situation was not of the commissioners' making. Whether an AHA would be allowed to avoid consultation when the urgency of the situation was of its own making is another question.

## Helping tax dodgers

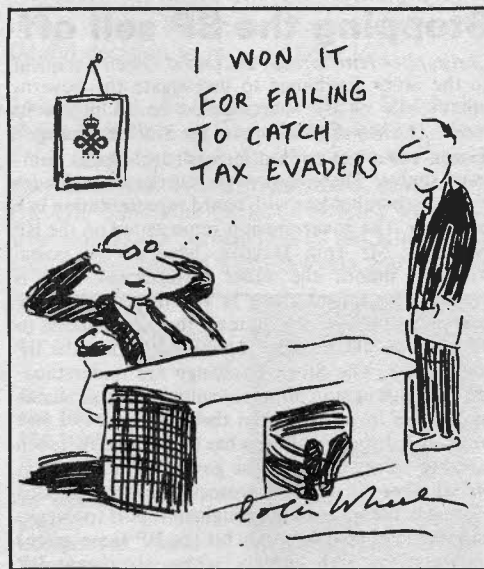
**Duncan Campbell writes:** Astonishing government plans which are likely to cripple the investigative powers of the Inland Revenue are believed to be included in the package of 'cuts' now being discussed between Chancellor Sir Geoffrey Howe and the Inland Revenue Board. No public announcement of the tax office staff and budget cutting options has yet been made, but many of the proposals should be outlined at a meeting of the Inland Revenue unions on Monday. The principle target for the Tory axe are the new and successful Special Offices for detecting evasion. The five offices - in Birmingham, Manchester, Edinburgh and London - uncover evaders, primarily small businesses, and unincorporated companies. The most recent accounts show that these offices netted £6.5 m. in evaded tax and penalties during 1977, when there were only three offices. With less than 70 inspectors engaged on the work, their financial performance in finding fiddles and detecting concealed profits was superior to the remainder of the tax inspectorate.

Such zeal has clearly aroused considerable Tory anger which is compounded by the IR's recent attempts to further investigations by raiding and removing company papers, as happened with the Rosminster group. After a later high court ruling that such searches for evidence or criminal evasion were 'illegal' (presently under appeal to the House of Lords), the papers were handed back without inspectors being allowed to examine them.

Another section facing the Tory axe is the infor-

mation service, part of the Inland Revenue's Management Operations Division: one of its tasks is the acquisition of information about property and share transfers and bank and building society accounts. Such information is essential in tax investigations - but it too is a target for the cuts. In the longer term, such information may be cut off at source by legislating to remove the present legal obligation for banks and building societies to submit returns of all interest bearing accounts. A further threat to the effectiveness of the inspectorate is the planned downgrading of the status and pay of tax inspectors doing investigative work.

Last week, social services secretary Patrick Jenkin thrilled the Tory conference with the announcement of 450 new staff for checking claims. Present social security overpayments written off amount to about £4 m., which compares rather unfavourably with the IR Special Offices (at least £6.5 m. on a total staff of 270) not to mention the total amount of undeclared earnings - estimated to be in excess of £10 bn. - which the Special Offices were set up to deal with.



## No Scrubs investigation

**Anna Coote writes:** It appears that Scotland Yard will not now be investigating alleged criminal activity by prison officers at Wormwood Scrubs on 31 August (NS 12 October). A request was first sent by solicitor Alistair Logan to the Commissioner of Metropolitan Police, asking for an investigation into the attack by a 'riot squad' of 300 armed officers on 200 defenceless prisoners in D Wing. Mr Logan, who is acting on behalf of 15 prisoners injured that night, received a letter dated 28 September which told him a senior officer had been appointed to investigate his complaint. However, he has since received another letter, dated 10 October, from a Deputy Assistant Commissioner at the Yard, which informs him that since no Metropolitan police were involved in the incident, his complaint has been passed to the Prison Department. Apparently, the police were only prepared to look into the matter because they thought the 'riot squad' mentioned in Logan's letter was a reference to the Special Patrol Group. Once they discovered that it was not the SPG, but another riot squad, made up of prison rather than police officers, they felt free to wash their hands of the matter.

## Right loses head

**Patrick Wintour writes:** The congregation of the Labour Party's broad church may thin a little next Wednesday when Stephen Haseler and Roger Fox, leaders of the ultra-moderate Social Democratic Alliance, both face expulsion from their local party at a special meeting of the Kensington and Chelsea General Management Committee. The consti-

cys' executive committee met last week and recommended expulsion. The charge against them is that during the election they produced a series of documents liable to damage the party's chance of success. In a quite loopy document *The Mutation of Labour* Haseler and Fox listed 43 'extremist MPs who have overtly associated themselves with extreme Marxist and Marxist-Leninist activities'. Proof of irrefutable totalitarian tendencies included voting against the IMF loan and the Prevention of Terrorism Act or writing for *Voice of the Unions*, *Spokesman* books, *Morning Star*, *Militant* or *Labour Monthly*. On occasion even giving a quote to the *Morning Star* was sufficient to damn an MP in Haseler's eyes. The *Mutation* also listed 20-odd extremist parliamentary candidates including Kensington's own Ann Holmes. Inevitably the Tory press used the document to advantage during the election. What stepped over the boundary was Haseler's call to Labour supporters to withhold their support from the undemocratic blacklisted candidates if Callaghan refused to distance himself from them. During the European election the SDA unconditionally told their Labour voters not to support Labour's Liverpool candidate who was a member of the Militant editorial board.

Haseler is arguing that the Party have not followed procedure and that if he and Fox are expelled they will take the case to the NEC, conference and the courts. The case is likely to become a *cause celebre* since some of the more right-wing unions such as APEX want to start expulsions of their own against Militant members. Moreover the local party includes such luminaries as Stephen Benn, son of the original advocate of the broad church, Tony Benn, as well as Victor Schonfield of the Campaign for Labour Party Democracy.

Meanwhile over at Party HQ all hell has been let loose over General Secretary Ron Hayward's proposal to cut Transport House staff by 20 per cent in an attempt to knock £140,000 off the party's forthcoming £1.4m. deficit. Hayward has particularly hit the research departments. Geoff Bish, the head of the tiny research staff, comments in a note responding to the proposals: 'Either the NEC continues to take itself and the Party seriously as far as the development of policy is concerned or we say comparatively little in terms of hard policy, but simply set out broad objectives - leaving it to Ministers and Whitehall to take real policy decisions.' The motto seems to be 'When in doubt cut out the brains.' The timing of the paper is especially poor since the forthcoming inquiry was supposed to be taking a general look at the distribution of resources between central and regional offices. The General Secretary, like almost everyone else on the inquiry, seems to have already made up his mind.

## Behind Southall's justice

**Nick Anning writes:** How is it that the majority of cases arising from the Southall anti-NF demonstration on 23 April have ended up being heard in Barnet, 20 miles from Southall, before a single stipendiary magistrate rather than a lay bench of three? The official explanation is that where a large number of cases is to be heard over a limited period, with many of them contested, it's impossible to fit them into normal magistrates' court business - all the routine cases would be disrupted. So it's better to fix a particular court, in this case the rarely used No 3 Court at Barnet, and bring in full-time paid magistrates - stipendiaries - of whom there are 40 in London. The request to use Barnet in the Southall cases will originally have come from the Ealing and Brentford magistrates' chief clerk since all the Southall defendants were bailed from there at the time of the arrest. It is a question, as the Secretary of Commissions at the Lord Chancellor's Office explained, of 'matching the work to the people with the experience'.

The Lord Chancellor has the power under Section 27 of the Administration of Justice Act 1973,