

# Labour & Trade Union Review

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## Blue Labour Blues

The demise of what remained of social democracy in the Labour Party occurred in 1994, with the death of John Smith, then the Labour leader. Seventeen years have followed in which Labour has been thoroughly debauched by neo-liberalism, slightly alleviated by Brown's commitment to protecting the least well-off through welfare support and increased spending on the NHS.

Are there signs that the liberal consensus in the Labour Party is now breaking down? It must be admitted that there are not that many, even for the hopeful. One development, however, that deserves attention is 'Blue Labour', associated apparently with MP John Cruddas and ex Blairite MP James Purnell and, in the Upper House, with Baron Glasman of Holloway. It is not at all easy to put one's finger on Blue Labour, but we will have a try.

There are two features of modern politics that Blue Labour is against: the State and the unregulated market. It is for: class consciousness, civil association, social partnership, individual development through working in an occupation and patriotism. Does all this add up to something coherent, capable of reviving left politics in the UK? First, a word about Blue Labour's intellectual roots. Glasman identifies Aristotle as a key influence. It may be assumed that this is because of Aristotle's emphasis on the development of individual character, on the political nature of civic association and his hostility to market economics. The Labour Party, Glasman goes so far as to assert, is 'fundamentally Aristotelian' and he further asserts that Aristotelianism is incompatible with conservatism.

This is all rather strange. Whatever virtues Aristotle has as a political and ethical commentator (and he was writing 2,500 years ago), the idea that he was some kind of early social democrat is largely wishful thinking. Aristotle believed in rule by a benign oligarchy (aristocracy) and defended the institution of slavery. He had little time for vocational education. Admittedly he was anti-market, believing instead in a household-based economy and his view of social class was that the lower orders

should definitely know their place. A good democracy (a *Po-liteia*) was a theoretical possibility but the far more likely result of rule by the *hoi polloi* was the self interested pursuit of the wishes of the poor and ignorant, which he termed 'democracy'. These are shaky foundations on which to build a Labour revival, even when they are mixed in with approving references to Labour figures like Tawney.

One interesting feature of the Blue Labour approach is that it pays some attention to what happens in Europe and rather less to what happens in the United States. Industrial democracy on German lines is thought to be a good thing, and we are given to understand that a development like one that could have arisen from the Bullock Report on Industrial Democracy in 1977 would have been regarded positively. The social partnership and vocational education arrangements of countries such as Germany, with their extensive apprenticeship systems administered by State, employer associations and trades unions are regarded as a model to be emulated although Blue Labour has supplied no detail yet as to how this is to be done.

Perhaps the most disturbing feature of the Blue Labour approach is its opposition to the state. Glasman has referred to the 'calamity' of the 1945 Government and to the undesirable 'utilitarian managerialism' that it promoted. It is evidently hoped that a revival of civil society will be enough to revive the Labour movement and to galvanise civil society to look for more benign solutions to the problems that capitalism creates, than the currently dominant neo-liberalism.

This journal has always recognised the limits of state intervention but has never suggested that the state is necessarily an enemy of working people. Indeed, we have argued that the state can be an enabling force, liberating people from local or employer tyrannies and providing the resources to enable them to live independent lives free from fear and want. The idea that a socially and economically powerful state is incompatible with the development of industrial democracy, vocational education and civic association, not to mention trade unionism, is simply odd.

It's worth reminding ourselves that Clause IV of the Labour

Party constitution, which Blair abolished, did not refer to 'state ownership' but to 'common ownership' of the means of production. This did not exclude nationalisation but did include co-operatives, municipal ownership, mutual ownership, employee ownership and other forms of mutual control of industry that limited the power of large holders of capital. Little of this can be achieved without the state playing an enabling role, just as it cannot be achieved by a passive and torpid civil society of the kind that we currently have. Although some figures in Blue Labour have paid close attention to, for example, the development of industrial democracy in Germany they do not seem to be able to make sense of its failure to take root in the UK.

The Callaghan government (the 'state') offered the trades unions effective control of industry in 1977 by accepting the recommendations of the Bullock Report which with its  $2x + y$  formula for board membership would have effectively handed power to the trade unions in large enterprises. Even the Tories would have had to swallow it. It was rejected by most of the Labour Party, most of the trades unions and key industrially-based groups like the Communist Party.

It was the inability of the labour component of civil society to let go of capitalism's guiding hand when the state offered the opportunity to do so that led to the Thatcherite counter-revolution which we are still experiencing today. The trades unions showed that they had the negative power to stop capitalism working for a while; they showed themselves utterly incapable of offering an alternative and that remains the case to the present day.

The trades unions are the key to any progress towards Blue Labour objectives like social partnership, industrial democracy, common and mutual ownership and good quality vocational education. Labour has to give a lead, but if it becomes obsessed by the negative role of the state it will be incapable of doing so.

The state cannot act in the interests of those dependent on working for a living if there is not a demand from below to make it do so. Saying that it is a bad thing merely cuts off the one hopeful approach that we have. Blue Labour needs to come

to terms with the labour movement's post war history if it is to be able to formulate coherent policy to revive the Labour Party. Wallowing in Aristotelian nostalgia will not get them anywhere.

There are some other strange and disturbing features of Blue Labour which should give cause for concern. The first is its apparent inability to recognise the social evil of relative income inequality and the importance of the role of both the state and a powerful trade union movement in reducing it.

The second is its approving attitude towards British patriotism. In the current British context patriotism can mean only one thing – attacking other countries in the name of liberalism and celebrating with flag waving and military parades. Which brings us to our third worry: Blue Labour foreign policy. It is still non-existent but they are, apparently very much anti-China in outlook, in particular objecting to the subservient role of trades unions in China.

This journal would say that you cannot conduct foreign policy piecemeal. If you want to look at the role of China in the world then you have to look at great power politics and the United States and Europe's attempts at global hegemony. Without China that would be unchallenged and any attempts to civilise European capitalism would be even less successful than they are at the moment.

China has only in the last 65 years succeeded in dragging itself from the abyss into which the European powers and America had thrust it. The best way to support trade unionism in China is to encourage China's continued economic development, not to attack the Chinese state on liberal grounds.

We are witnessing the beginnings of a laborious dismantling of the New Labour ideology of the Labour Party and Blue Labour is an early sign of that. Whether it is to be a sign of anything more hopeful remains to be seen, but the omens are far from universally hopeful.

## The Labour & Trade Union Review

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# Current Economic Madness.

The current struggle within the EU for a solution has thrown up the idea that the solution to the Greek problem should involve the encouragement of more private investors. This suggestion has come from the German government. At the same time the British government has announced the re-privatisation of Northern Rock, the first bank to be taken under government control in the present crisis. Both these developments would seem at first hand to be different but they in fact represent the same thinking applied to the same problem albeit on different scale.

Regarding the 'solution' suggested by Germany that it will be necessary to involve more private investors in getting the Greeks out of the mess. This is a 'solution' based on a simple lack of imagination and one that remains constrained within the same paradigm that created the crisis in the first place. According to this thinking, it is only by the involvement of international finance that the problem can be solved. We are not talking about money here. Money is something that is created by a centralized authority which commands the credibility to undertake such a creation.

Before the euro this was normally the government of a sovereign state working through its central bank. That function has now been usurped by the European Central Bank. Although the ECB does not answer to any higher authority and has been deliberately designed to so function, it remains the central point from which the thing we know as money emanates in EU terms. While this is the case it is possible for the EU to remain in charge of a EU problem. If the

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Eamon Dyas

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ECB does not provide the main effort in solving the Greek problem there will be no European solution. The involvement of private investors, if it means anything means international finance and their involvement will push EU money out of the equation altogether. Perhaps that might suit EU members like Germany where the populace is already dissenting from being the bankroller of the EU but if it comes to pass it will mean the final death of the European experi-

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Globalisation caused this mess and globalisation did not come out of nowhere - it was not a natural development. It emerged in the 1970s and 80s as a result of conscious political decisions made in American and British financial interests

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ment. Whether that is or is not a good thing is beside the point. The immediate question is - is it an either/or situation? Unfortunately, it remains so as long as those who adhere to the doctrine that created the financial crisis remain in charge of posing the question. However, it is possible to look beyond the dogma of that doctrine and ask a very different question.

This is a crisis of globalisation and the crisis is being felt on a social and political level by sovereign states (still the largest unit of social cohesion that we have despite the 'European' dream). 'Europe' as a concept does not experience this crisis as it has no real contact with the populace of sovereign states but sovereign states most certainly do experience it.

Globalisation caused this mess and globalisation did not come out of nowhere - it was not a natural development. It emerged in the 1970s and 80s as a result of conscious political decisions made in American and British financial interests. Because the financial

sectors of these countries occupied such a commanding position in terms of the flow of capital into other areas of commercial and industrial activity beyond their borders it had the leverage to pressurise sovereign states to reduce or abolish their previously reliable defence structures against the over-incursion of globalised financial interests. While sovereign states did not possess the ability individually to withstand such an onslaught, Europe, for a while, was seen as the answer to the potentially destructive impact of free-flowing global finance on the economies of its member sovereign

states. But this relied on the primacy of politics continuing to hold sway in the decisions of Europe. And this was possible as long as Christian Democracy remained the political language of the area. The erosion of Christian Democratic values then became the target of the likes of Blair and co. and his enthusiasm to involve the ex-Soviet countries of the east in European affairs has to be viewed in this light. Although the erosion of Christian Democratic values was done piecemeal it resulted from political decisions and it was these political decisions that enabled the global financial juggernaut to drive through the economies of the sovereign states of Europe.

The globalised financial contagion that is now in our midst got there not because of any evolution from the national economies - it did not grow from the bottom up but was consciously introduced from the top-down - and it was allowed access to national economies because political decisions were made that enabled it to take up that position. To believe, as the German government appears to, that the way of dealing with

this contagion, is to inject ourselves with more of it is based on a world view that has been created within the contagion itself.

It cannot see beyond the creature that created it. As long as those in authority continue to believe that the solution can only come from within the globalised financial framework the problem will get worse. The answer has to be a political one and a political one that is based on the interests of sovereign states. There is no reason why this cannot happen with European Central Bank involvement but it will only be if the ECB also jettisons its fixation with global finance and begins to act in terms of the real Europe made up of real sovereign states and not the abstraction that has come to be known as 'Europe'. If the ECB continues to act in what it sees as the interests of 'Europe' any solution will be illusory. Granted, the ECB is itself an unnatural creation as it is answerable to no authority beyond itself but in the present crisis that could be a good thing.

The national interests, left to themselves cannot provide a European answer as those with the most influence are propagators of the globalizing dogma. It is precisely this kind of threat from national interests to the EU that the ECB presumably was set up to deal with. But, of course, the ECB has itself been contaminated and there is little chance of it acting in a way that will save the EU as the real solution is alien to its way of seeing. For the ECB to act in a way that could save the EU it would have to act on the basis of protecting the real Europe – the Europe that is an amalgamation of sovereign states – and it would need to direct its assistance to those states that require it not on the basis of protecting the wider 'European' interests but in the interests of the actual state economy under threat.

To approach such economies in difficulty from the perspective of the "European" interest is to lose the ability to comprehend the specific individual problems of such economies and any assistance consequent to that perspective can only add to the real problems experienced by these economies. All we are then left with is an exercise that seeks to reassure the global financiers but is self-defeating in the long run. The real Europe is not an

abstraction.

It consists of real social entities arranged around sovereign states which still have their own economies and if the peculiarities of such economies are not understood within their own terms any solution imposed from the outside is doomed. However, the real price of imposing this dogma is the infliction of misery and suffering on their own people by sovereign states to the point of social fragmentation as they struggle to meet expectations that were never based on their real needs in the first place. Although the globalist panacea trotted out by the suits of Washington and Frankfurt is based on an abstract non-entity called 'Europe' the price paid is neither abstract nor neutral and may eventually be measured in levels of misery perhaps not known since the second world war.

The madness that is current in the world can also be seen in terms of what the coalition government is doing in Britain. With all the hysteria surrounding the unreliability of banks, the volatility of their business activities etc., the damage that they have done to the larger economy, there has not been a whiff of a debate on whether they should remain nationalised or be returned to the private sector. The argument has always been that it's only by returning the banks to the private sector that this thing called the British taxpayers can get its money back. However, presumably by the time that happens the pain to this thing called the taxpayer will have diminished.

What then? All this money flowing back to the government in a sudden one-off fiscal surge resulting from such a sale would pose a problem for any economy. What does the government do with it? If it enables it to spread out into the wider economy it could create more problems (inflation, a short unsustainable level of consumer demand, etc.). What is more likely is that the tax payer won't see any direct result of the money accrued from the return of the banks to the private sector and that it will be used to help pay off the national debt – one of the traditional ways that fiscal squeezes can be implemented without admitting the fact.

The manner in which the banks were bailed out, involved real and direct in-

volvement on the part of the mass of the people. Their contribution was a tangible contribution – curtailment of wages/salaries, welfare payments, pensions, loss or jobs, increase in taxation etc. It was also a tangible contribution that goes beyond a one-off sacrifice.

The methods by which they paid for the bank bailout has a very real and severe backwash that, if some commentators are to be believed, will take at least seven years to subside. It is not like handing over a sack of money in order to sustain the banks and then, back to normal as you wait until they can pay it back. In fiscal terms, the payment has been made in the context of a functioning economy and constitutes the removal from that economy of huge swathes of the thing that sustains it, the oxygen on which it needs to function – money. This has a long-term impact on the people who create and sustain that economy and their real lives remain damaged.

We are told that the taxpayer will get the money back but taxpayers don't exist as real people. It is an abstract economic category that enables governments to justify taking money from real people and then spending it in ways that those real people don't necessarily approve of. The current banking bailout is a good example of how the concept of taxpayer is used to take money from real people in ways that involve direct and tangible sacrifice and then claim that they will see it returned in an implied similar way.

Whereas, in fact the damage done by the imposition of this sacrifice in terms of people's livelihoods, their sense of worth, familial and social cohesion, physical health, etc., is something that cannot be replaced. What will replace it will be a reduction of the national debt in the long run – but what was it Keynes said about the long run? Surely the sacrifices paid by real people in bailing out the banks are better repaid by government doing all it can to ensure that there is no repetition of the irresponsible behaviour that created the problem and the best way of guaranteeing that is by keeping social control over the banks even if that means not repaying the taxpayer.



# Froggy

News From Across The Channel

## A nationalistic Socialist Party

In May Froggy described the Socialist Party's draft election programme, concentrating on domestic policy. The SP's election programme also has something to say about France's place in the world. It calls for France to regain her place in world affairs and halt her decline, which she shares with Europe and the West: "Europe is no longer the heart of the West, and the West is no longer the centre of the planet". France, despite "her thousand year old heritage, the Revolution she gave the world, the industrial and agricultural power and the peerless political and cultural influence she used to have", is finding it difficult today "to spread her values, preserve her economic interests and protect her social model." The French "need to be able to have pride in their country when it is represented on the world stage". The first words of the Programme are "*redresser la France*"; *redresser* means to revive, to change direction from decline to success again, meaning domestic and international success. The corresponding noun *le redressement* means revival, resurgence, rebound or recovery.

Martine Aubry, leader of the Party, Mayor of Lille and presidential candidate, used the word "*redresser*" and *redressement* a dozen times in so many minutes in a radio interview (France Inter 29/6/11). "The voice of France is no longer heard in the world," she said, showing that this revival is not just needed at home, but also on a world scale.

This concern for France's place in the world must find an echo in the population; after all, the SP presumably employs so-called communications experts to tell it what issues people care about. The very large percentage (70%) of French people said to be in favour of bombing Libya at the end of March corroborates this.

## An absence of economic solutions

Unsurprisingly, this attempt to make France's presence felt in North Africa was passed over in silence in recent interviews with socialist leaders. It doesn't bear too close examination. So, the discussion centres on domestic issues, but there again there is a great lack of clarity. All Martine Aubry could say on the economy in the interview mentioned above was "Everything will not be possible straightaway". Ségolène Royal (|France Inter 7/7/11) also stressed French decline in the world but was equally non-committal on the economy. On the subject of raising the minimum wage to 1500 Euros a month, she said that it was a good objective, but not an objective the party would adopt; instead, they would raise all low wages. On the subject of pensions, she favoured a system "*à la carte*", meaning retirement age would depend on the individual case. Neither of these candidates will be pinned down on specific reforms. This does not augur well, but is of a piece with the refusal to remove the cap on taxing high earnings.

The present SP election programme is meant to be a set of proposals, which will be finalised once the candidate is chosen.

## The primaries.

Instead of some hard thinking about economic reforms, admittedly not easy since reforms are perhaps impossible at country level, the Party plays at organising "primaries" to choose the next presidential candidate.

These will take place in October, and all French citizens on the electoral register can vote (on payment of one euro). The Party is given access to the addresses (and emails) of *all* French citizens on the electoral register, which it uses to invite them to vote and to com-

municate information about candidates and polling stations.

Non-French members of the SP and minors who are members of the SP can vote in the primaries, as well as French people living abroad.

## Not a secret ballot

The UMP, the ruling (coalition) party has attacked the socialist primaries and some conservative town halls and regions have tried to put administrative obstacles in the way. One argument they have not used however is that the mere fact of going to vote will reveal a person's political beliefs, and that goes against the republican principle of the secret ballot. This lack of secrecy is because voters, although in theory anyone can vote, party member or not, will have to sign a declaration of allegiance to "the values of the Left" before they are allowed to cast their vote. To be seen to make this public declaration might not have consequences in large towns, but in the countryside and small towns, people might hesitate to declare their political allegiance publicly.

Perhaps it still matters that one votes Socialist.

## The Green primaries

The new green party, formed of the amalgamation of several green parties, has chosen its presidential candidate for 2012 through primaries. 32 896 sympathisers put their names down to vote and Eva Joly received a majority of those votes. (By contrast, the Socialist Party is hoping for one million people participating in their primaries). Eva Joly represents the ecologists who would vote for the Socialists in the absence of a Green candidate and she beat Nicolas Hulot, whose supporters would vote

UMP as an alternative.

## Libya

On 12 July, the Government put to Parliament the question of the continuation of the French intervention in Libya; this is because article 35 of the Constitution says that if military intervention in a foreign country has lasted more than four months, it must be reviewed in parliament.

The previous day France Inter's evening phone-in programme asked the same question, whether France should continue "its engagement". The panel of four was unanimous in support of the UN resolution 1973, including the spokesman for the Communist, Republican and Left Party MPs, who was there to present the case that intervention should cease. The Gaddafi regime was indefensible, he said, but the escalation of the war and the risk of partition of the country were unacceptable. There should be a ceasefire and the rebels should sit down with the government, at a conference organised by the international community. To be fair, this MP had made a speech in Parliament on 19 March condemning the bombing campaign, and the part on resolution 1973 that called for "any means necessary to maintain an air exclusion zone".

There were congratulations among the panel on the fact there had been no collateral damage and no civilian victims of Allied bombing (*zéro bavure*); someone mentioned the killing of Gaddafi's grandchildren, but that didn't invalidate the argument apparently. In response to a caller, there were more congratulations, this time on the excellent work done by French navy and air force personnel. The presenter talked to

a France Inter reporter in Libya; she said that the rebel forces she encountered were worried about the Parliamentary debate, once she had told them about it. The UMP member of the panel replied there was nothing to worry about, because both main parties in parliament, meaning UMP and SP, would support continuation of the war (Martine Aubry said publicly she would support the yes

vote). Earlier in the day, in a news programme, another French journalist in Libya interviewed a student injured by an Allied bomb who said that the French should go away and leave the Libyans to sort themselves out. In this sort of case, you usually just hear the interviews with locals saying the right thing from the point of view of the French government; the fact that a contrary view was allowed air time shows perhaps that the French are no longer 100 % sure about what they are doing in Libya.

In the event, 482 MPs voted for the prolongation of the intervention of French armed forces in Libya, 27 against and 7 abstained. The foreign minister, Alain Juppé said there was progress on the ground, and a political and diplomatic solution was now possible, with Gaddafi being "set aside".

## Walking Backwards For Justice

She suggests the justice of the victors but her land is the land of fantasy, colonial mindset in hypocrisy, arrogance delivering the dicta.

Amnesty International rides high, delivering conditions for future talks. (peace a bloodied dove nesting with the hawk?)

Meanwhile a swarm of drones glower in the sky.

Agony Aunt scolds the Taliban, sings her dirge to their blood-soaked native soil. (do those fish swim the waters of England?)

Her ilk poisons the water, creates spoil, must unravel her contingency plan.

Among the inept she is their royal.

Wilson John Haire

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# Notes on the News

By Gwydion M Williams

## How Thatcher Made Us Poorer

“Thirty years ago, Britain moved from welfare to market capitalism, on a promise of economic dynamism and renewed efficiency. The result has been rather different. While those at the top have become very rich the disappearance of many middle-paid, skilled occupations and an ongoing squeeze on wages has led to a poorer, more divided Britain. This pamphlet deconstructs the different elements that, together, have led to ‘Britain’s Livelihood Crisis’, before setting out the changes that government, business and unions must make if we are to deliver more wealth and greater equality.” [A]

This is the introduction to a recent TUC report, which was briefly reported and then forgotten about. It should have been mentioned by every Trade Union leader making a protest at government policy, but it wasn’t. The dominant New Right ideology mostly does not get challenged by those who challenge the little bits of it that harm their sectional interest.

Labour and the TUC can make a strong case that the changes of the last 30 years have taken the economy in the wrong direction, made it less equal than it used to be without improving wealth creation. That the Mixed Economy created in the 1940s was a better system than the Fundamental Capitalism that they’ve been imposing on us since. (And which New Labour failed to seriously challenge.) They should remind everyone of the promise of ‘trickle-down’, extensively talked about in the early Thatcher years and then quietly dropped when it turned out to be false.

‘Trickle-down’ was the promise that by letting the rich get richer, the economy would be greatly boosted and that benefits would trickle down in terms of a smaller slice of a much bigger cake. It wasn’t true, except perhaps in China. Contrary to what’s usually insinuated nowadays, the Chinese economy was growing quite fast under Mao, including the final ten years, the Cultural Revolution era. (I say “insinuated” because you don’t find any experts actually saying it: they obviously know it was not so but prefer to leave out such off-message facts and *imply* the reverse.) China under a highly collectivised system grew faster than the UK in the same era and also faster than India. But it is true that it grew even faster under Deng.

Outside of China, ‘trickle-down’ was a myth, and the trade unions should be hammering the point home when they make their grand protest over public sector pensions. There is plenty of money, though less than if we had stuck to the Mixed Economy or ‘Social Capitalism’ that we had from the 1940s to the 1970s. Lack of money for the needs of ordinary people is down to enormous amounts of money flowing to a tiny minority, a fabulously rich Overclass that has mere millionaires as its lowest stratum.

“Many people in middle and low income jobs have barely seen any improvement in their incomes over the past 30 years, a report from the TUC says.

“Low income workers have seen their pay rise by 27% in real terms over the past 30 years but rises for the top 10% of earners have been four times higher.

“Its report found a ‘sharp divide’ in earnings growth between professions.

“While medical practitioners saw a 153% rise since the late 1970s, bakers’ wages fell by 1%.

“Wages grew by over 100% for judges, barristers and solicitors, while they fell by 5% for forklift truck drivers and 3% for packers and bottlers in the same period.

“Its report, called ‘The Livelihood Crisis’ by Stewart Lansley, says there has been a steady growth in ‘bad jobs’, offering poor wages and job security.

“It says there are almost twice as many people now earning a third less than the median compared with 1977.

“It added that a significant proportion of workers have received little if any financial benefit from the doubling in size of the British economy in the last 30 years.” [B]

It also says that Britain could have done better if Thatcher had been a proper conservative and restored the existing system rather than promoting Radical-Right ideas:

“As the proceeds of growth have been very unequally divided, inequality has soared – without the promised pay-off of improved economic progress. Financial crises have become more frequent and more damaging in their consequences.

“This is made clear by dividing the post-war era into two distinct periods. The first is the 23 years from 1950 to 1973, the year of the first OPEC oil shock and the one that perhaps best marks the end of the post-war boom. The second is the 29 years that covers 1980 to 2009, beginning with the first full year of the new economic experiment...

“Growth averaged 3 per cent a year in the UK from 1950 to 1973 – a period dubbed the ‘golden age’ by economic historians because it was characterised by higher and more sustained growth, less unemployment and lower inequality than earlier pre-war periods.<sup>54</sup> While 3 per cent was low by international comparisons – Germany, Japan and France all did better – it was high by historical ones. Since 1980, in contrast, the growth rate has fallen to an average of 2.2 per cent a year.

“This fall in the rate of economic progress has had a big impact on the life chances of significant sections of the population and has been an important factor in the rise of the livelihood crisis. Although the British economy experienced a number of exchange rate and stop-go crises in the two decades from 1950, leading to some quarters of slow or zero growth, GDP (adjusted for inflation) fell only in a handful of quarters. Indeed, this period experienced only one very shallow and short-lived recession (defined as two successive quarters of negative growth). In 1961, output fell by 0.2 per cent over two quarters.

“In contrast, the period since 1980 has brought more frequent and more severe economic shocks and three deep-seated recessions – in 1980–01, 1990–01 and 2008–09. In 2008–09 output fell by close to 6 per cent compared with 2.5 per cent in the early 1990s and 4.7 per cent in the early 1980s

“This pattern does not apply just to the UK. The last three downturns have all been global in nature. As well as these recessions, the last two decades have seen a number of global financial crises – from the Latin American and East Asian crises of the 1990s to the dot-com bubble at the turn of the millennium.

“Market liberals argue that the recession of 2008–09 is not a product of the failure of markets, but of failed monetary policies, especially the loose fiscal and monetary policies carried out by Alan Greenspan, chairman of the Federal Reserve, who allowed the credit bubbles to get out of hand. An alternative view is that the recession can be traced to the deep-rooted economic, social and political upheavals ushered in by unrestrained finance capitalism.

“Central to this explanation of the crash and the wider economic instability of the last three decades is the rise in domestic and global inequality, a trend closely related to the collapse of wages and the hiking of profits. In the UK, the share of national output accruing to wage-earners fell from a peak of 64.5 per cent in the mid-1970s to as little as 53 per cent by 2008, with the slack taken up by soaring profits that reached a near post-war peak in 2008. Similar falls in the

wage-share occurred in other developed economies, especially in the USA...

“According to the annual Wealth Reports published by Merrill Lynch Capgemini, the value of funds invested by the global rich with investable assets of more than \$1 million more than doubled in the decade to 2008 to reach over \$40 trillion. Far from triggering a boom in productive investment and improving economic potential, most of this rising pool of wealth was invested in speculative activity (commercial property, hedge funds, private equity, commodities and takeovers) and at heavily leveraged rates, thereby creating the unsustainable asset bubbles that triggered the credit crunch.” [A]

There is a lot more that could have been said. Remind everyone that Alan Greenspan was praised as a brilliant regulator by almost all of the people who now demand public service cuts. And make it clear what it means to have fallen from 3% average annual growth to 2.2%, Thatcher’s long-term achievement.

I did a quick calculation, and figured that the economy as a whole would be 27% richer if the older system of Social Capitalism had been restored. Of course that would mean much better than 27% for the squeezed middle, if inequality had stayed at 1970s levels. But the richest 1% – the super-rich Overclass who have at least a million and mostly much more – have done very much better than if Thatcherism had never happened.

‘Trickle-down’ was a myth. Most people have got a smaller slice of a cake that is smaller than it should have been. But a rich minority have got an enormously increased slice of this undersized cake, and so want more of the same.

### **The Mystical Concourse of Market Forces.**

J D Bernal, a communist and a distinguished scientist, one referred to the theory of competitive markets finding the true value “by a mystical concourse of wills”. And that it was unlikely to be true, which is simple common-sense. Those who take mysticism seriously are almost always hostile to money as such

and greed as such. Only a decayed version of the Protestant variety of Latin-Christian faith could get the two concepts muddled.

Current economic theory - which is more like economic theology – depends heavily on this “mystical concourse of wills” happening routinely when money is involved, but not at all when public welfare is considered. This is then called ‘Rational Economics’. It is rational in the sense you can express it as algebra, but the core concepts are quite as weird as anything you find in Quantum Mechanics. And whereas Quantum Mechanics makes detailed predictions that are highly accurate and mostly inexplicable by Classical Physics, ‘Rational Economics’ has a history of failing to predict either real-world successes or real-world disasters.

The popularity of this economic theory or economic theology is not based on success at economic prediction or economic management. It is based on being a justification for ‘feed-the-rich’ economic policies. Policies that have restored the sort of inequality that existed before the 1940s.

It is based also on feeding the prejudices of large numbers of ordinary people who inherently distrust the state and are suckers for a propaganda line that persuades them that less taxes and less state regulation will benefit them. Actually the reverse has been the case: the working mainstream are worse off and independent small businesses have been vanishing steadily. But the media are dominated by commercial interests. They are run as businesses and also they get about 50% of their revenue from advertising, with the supply or withholding of adverts being a key element in cover price and long-term survival. And also a lot of them survive while making a loss thanks to banks taking a sympathetic view of them.

(This trend is strongly identified with particular individuals, notably Rupert Murdoch. Actually it is much older and wider and would have been much the same if Rupert Murdoch had never existed.)

It’s easy to create a false impression



by picking out just the failures of one side and just the successes of the other. You can create a very false impression without any specific lies, just by cherry-picking the facts that suit your case. If for instance I were to make random bets in a hundred different horse races on horses at odds of 10-to-1, the most likely outcome is that I would get 7 or 8 winners and make a considerable net loss. But if I showed you a mix of those 7 or 8 with just 30 or 40 of the losers, it would appear that I was making a healthy profit and had some wonderful system that you should copy.

The 1980s system of massive deregulation hasn't really worked. The idea was to keep the state as far away as possible, on the assumption that the free flow of money would find its natural level. In 2008, it looked like that 'natural level' would be the gutter. Anti-state rhetoric was shut down for a time, because only the state had the power to stop a massive collapse. But once funding for the banks was secured, it was switched on again. The crisis has been used to justify more privatisation.

I think we should be making a distinct response - insist that Corporatism works, that the system of the last 30 years has remained Corporatist but adjusted to give most of the benefit to the rich.

I'd also suggest that it was the drastic social changes of the 1960s and 1970s that upset Social Capitalism. Social Capitalism implies a shared set of social values, which was what broke down. The 'golden quarter century' was also a period in which the dominance of white males was broadly intact, if softened and weakened from what it had been. Left-wing parties felt obliged to change this: the right dragged its heels and reaped electoral benefit. They managed to sell the Thatcher / Reagan package by suggesting that 'normal' social relations had been undermined by unnatural corporatism. It was indeed true that the 1950s understanding of 'normality' had been softened and weakened. But when social controls were removed, everything changed faster than ever. If your main aim is to make money, anyone's money will do. The drastic decline in manufacturing undermined the confidence of workers who were mostly white males

with fairly traditional attitudes.

Brooker T. Washington argued against US racism by saying "you can't hold a man down without staying down with him". Sadly, the US South has preferred to stay down in the dirt rather than admit fault or give up its pride in being on top. It looks like Britain and the USA have made the same choice, and the rest of Europe is failing to challenge it.

The most positive thing is that both East Asia and South Asia are rising fast while remaining confidently Corporatist. Latin America is mostly going the same way. This has to tip the balance eventually.

### The Distant Rich

I think the USA will ruin itself rather than change its ways. I think continental Europe will break the Atlantic Alliance within the next 20 years, as the USA gets more intense in its ideology and more blatant in its failures. The inequality that the TUC report described in Britain is much worse in the USA, but the losers are very unwilling to challenge it.

"It was the 1970s, and the chief executive of a leading U.S. dairy company, Kenneth J. Douglas, lived the good life. He earned the equivalent of about \$1 million today. He and his family moved from a three-bedroom home to a four-bedroom home, about a half-mile away, in River Forest, Ill., an upscale Chicago suburb. He joined a country club. The company gave him a Cadillac. The money was good enough, in fact, that he sometimes turned down raises. He said making too much was bad for morale.

"Forty years later, the trappings at the top of Dean Foods, as at most U.S. big companies, are more lavish. The current chief executive, Gregg L. Engles, averages 10 times as much in compensation as Douglas did, or about \$10 million in a typical year. He owns a \$6 million home in an elite suburb of Dallas and 64 acres near Vail, Colo., an area he frequently visits. He belongs to as many as four golf clubs at a time — two in Texas and two in Colorado. While Douglas's office sat on the second floor of a milk distribution center, Engles's stylish new head-

quarters occupies the top nine floors of a 41-story Dallas office tower. When Engles leaves town, he takes the company's \$10 million Challenger 604 jet, which is largely dedicated to his needs, both business and personal.

"The evolution of executive grandeur — from very comfortable to jet-setting — reflects one of the primary reasons that the gap between those with the highest incomes and everyone else is widening.

"For years, statistics have depicted growing income disparity in the United States, and it has reached levels not seen since the Great Depression. In 2008, the last year for which data are available, for example, the top 0.1 percent of earners took in more than 10 percent of the personal income in the United States, including capital gains, and the top 1 percent took in more than 20 percent. But economists had little idea who these people were. How many were Wall street financiers? Sports stars? Entrepreneurs? Economists could only speculate, and debates over what is fair stalled.

"Now a mounting body of economic research indicates that the rise in pay for company executives is a critical feature in the widening income gap.

"The largest single chunk of the highest-income earners, it turns out, are executives and other managers in firms, according to a landmark analysis of tax returns by economists Jon Bakija, Adam Cole and Bradley T. Heim. These are not just executives from Wall Street, either, but from companies in even relatively mundane fields such as the milk business.

"The top 0.1 percent of earners make about \$1.7 million or more, including capital gains. Of those, 41 percent were executives, managers and supervisors at non-financial companies, according to the analysis, with nearly half of them deriving most of their income from their ownership in privately-held firms. An additional 18 percent were managers at financial firms or financial professionals at any sort of firm. In all, nearly 60 percent fell into one of those two categories.

“Other recent research, moreover, indicates that executive compensation at the nation’s largest firms has roughly quadrupled in real terms since the 1970s, even as pay for 90 percent of America has stalled.

“This trend held at Dean Foods. Over the period from the ’70s until today, while pay for Dean Foods chief executives was rising 10 times over, wages for the unionized workers actually declined slightly. The hourly wage rate for the people who process, pasteurize and package the milk at the company’s dairies declined by 9 percent in real terms, according to union contract records. It is now about \$23 an hour...

“According to the CIA’s World Factbook, which uses the so-called ‘Gini coefficient,’ a common economic indicator of inequality, the United States ranks as far more unequal than the European Union and the United Kingdom. The United States is in the company of developing countries — just behind Cameroon and Ivory Coast and just ahead of Uganda and Jamaica...

“What the research showed is that while executive pay at the largest U.S. companies was relatively flat in the ’50s and ’60s, it began a rapid ascent sometime in the ’70s.

“As it happens, this was about the same time that income inequality began to widen in the United States, according to the Saez figures.

“More importantly, however, the finding that executive pay was flat in the ’50s and ’60s, when firms were growing, appears to contradict the idea that executive pay should naturally rise when companies grow.” [C]

Note that the firm in question makes dairy products. Not really open to competition from low-wage foreign countries.

I’d suppose that the important shift was cultural. Up to the 1970s you had authentic conservatism. The rise of New Right ideas encouraged the rich to detach themselves from the society, become an Overclass with more cash and less social control. And this is likely to ruin the so-

ciety in the long run.

Lots of ordinary voters dislike what’s happening to them. But most of them would reject the idea of more state regulation. Some of them even blame ‘big government’ for making big corporations possible. The brief wave of criticism for deregulated capitalism that happened after the crisis of 2008 has been fading out:

“There was always going to be a backlash against more interventionist policies because those who fervently believe that markets never lie, that budgets should always balance and that government is always bad were well dug in on university campuses, in finance ministries and in some central banks.

“Even so, the world has returned to the pre-crisis mindset with remarkable speed. In 2008, policymakers prescribed a strong dose of John Maynard Keynes to stave off a full-scale slump. Today, the solution for Greece, burdened with debts it has not a hope of paying, is belt-tightening and privatisation. The way to bring down global unemployment, which stands at more than 200 million, is wage flexibility. The blueprint for reform of the financial sector is to do as little as possible lest it deter the money-changers from returning to the temple...

“It has to be acknowledged, also, that the forces of orthodoxy have played a blinder. They have constructed a narrative that blames Bill Clinton for the subprime mortgage crisis (he forced the banks to lend money in order to spread home ownership to the poor), and profigate governments rather than unchecked global finance for the worst recession since the second world war. They have been helped in the construction of this storyline by the feebleness of progressive parties, who have given the impression that they too would be more comfortable returning to ‘business as usual’ (or something closely approximating to it) as quickly as possible.” [D]

A relaxation was allowed in 2008 in order to save the system. Just as happened in 1987, though this is almost forgotten. All the talk is of the Soviet collapse two years later, and not how the West very nearly lost the Cold War in

the 1987 financial crisis. It was forgotten that this key failure was kept within bounds by state spending.

Progressive parties are also burdened by an anti-state viewpoint that began with 1960s counter-culture and has become very pervasive. The New Right succeeded because they play up to this, while ignoring it when the public mood is against it, as with ‘law and order’ issues.

The success of Western governments after World War Two happened pragmatically, without any clear ideological underpinning. The most coherent notion was ‘the experts know best’, which wasn’t always the case. What was needed was a clear set of ideas that could say where it was or was not the case. This is still lacking.

## A Global Overclass

“We are not all in this together. The UK economy is flat, the US is weak and the Greek debt crisis, according to some commentators, is threatening another Lehman Brothers-style meltdown. But a new report shows the world’s wealthiest people are getting more prosperous – and more numerous – by the day.

“The globe’s richest have now recouped the losses they suffered after the 2008 banking crisis. They are richer than ever, and there are more of them – nearly 11 million – than before the recession struck.

“In the world of the well-heeled, the rich are referred to as ‘high net worth individuals’ (HNWIs) and defined as people who have more than \$1m (£620,000) of free cash.

“According to the annual world wealth report by Merrill Lynch and Capgemini, the wealth of HNWIs around the world reached \$42.7tn (£26.5tn) in 2010, rising nearly 10% in a year and surpassing the peak of \$40.7tn reached in 2007, even as austerity budgets were implemented by many governments in the developed world.

“The report also measures a category of ‘ultra-high net worth individu-

als' – those with at least \$30m rattling around, looking for a home. The number of individuals in this super-rich bracket climbed 10% to a total of 103,000, and the total value of their investments jumped by 11.5% to \$15tn, demonstrating that even among the rich, the richest get richer quicker. Altogether they represent less than 1% of the world's HNWIs – but they speak for 36% of HNWI's total wealth...

"Generally, HNWIs are most concentrated in the US, Japan and Germany: 53% of the world's most wealthy live in one of those three countries, but it is Asian-Pacific countries where the ranks of the rich are swelling fastest. For the first time last year the region surpassed Europe in terms of HNWI individuals...

"Britain is lagging behind in the league of affluence – it has not yet enjoyed a return to pre-crisis levels of wealth as sluggish economic growth holds back prospects. The growth in the number of rich individuals in the UK was among the slowest in the top 10 nations, showing a 1.4% rise to 454,000 and remaining below the 495,000 recorded in 2007...

"The performance of investments made by wealthy individuals in shares and commodities, and their willingness to take more risks, helps drive their wealth, which in turn fuels 'passion' purchases of multimillionaire must-haves, ranging from Ferraris to diamonds, art and fine wines. Demand for such luxuries is especially high among the growing number of wealthy individuals in the emerging markets." [E]

An unstable economy hurts most people but benefits those with a lot of wealth to shift around. And better information than the ordinary investor.

The hunger for profits encourages managers to look to the short term. If the firm goes bust in 10 years time, it is not their loss if they can bail out in time.

Politically, the dominant element are 3.1 million 'high net worth individuals' in the United States, and another 454,000 in the UK. They've managed to bend politicians to their will, especially in the USA, where unlimited amounts

of money can be spent on election campaigns and the rich are the source of most of the money.

### **Strauss-Kahn and the amazing vanishing rape case**

Last month I said "We may have to wait till the trial to get the facts clear. If indeed there is a trial: I would be less than astonished if the issue somehow vanished and Mr Strauss-Kahn walked free after his main financial and political significance had ended."

At the time of writing (5<sup>th</sup> July), Mr Strauss-Kahn has indeed walked free from bail conditions that amounted to house arrest, though he is still not free to leave the USA. The maid whom he allegedly raped is now being presented as a persistent liar with possible links to drug dealers.

I have no more confidence in this new version than in the old one. There may have been some sort of fix. What it does show is that the USA's justice system is a complete mess. Electing judges at lower levels and politically-based appointments at higher levels skews the whole system. Likewise decisions to prosecute are in the hands of District Attorneys who are often politically ambitious and almost always open to partisan appeals and political pressure.

The immediate effect of the case has been to confirm that the IMF will take a hard line with cases like Greece, squeezing ordinary people and protecting a financial system that is heavily biased towards the rich.

### **US Decline**

The success of the USA's Overclass has been at the expense of its fellow citizens. Manufacturing has been moving out. Even at the high end, the USA is now losing to foreign competition. Including the key market for global aircraft, where Airbus is winning out:

"Airbus has staked a claim to be the world's number one aircraft maker after it notched up a series of deals at the Paris air show that will take its total for

the week to \$57bn (£35.4bn).

"With Boeing struggling in its wake with a mere \$22bn worth of sales for the week, the pan-European manufacturer described the bounty as 'overwhelming'.

"On Wednesday it received an order worth \$16bn for 180 planes from India's low-cost carrier IndiGo. According to reports the IndiGo order will be followed by another huge deal with Malaysia-based AirAsia for 200 of the same aircraft, thought to be worth \$17bn.

"Airbus and Boeing dominate the global civil aircraft market with two brands: the short haul A320 that is familiar to easyJet passengers; and the Boeing 737 that transports millions of Ryanair customers around Europe.

"However, Airbus has stolen a march on its rival by deciding to build the A320neo, a model that retains the fuselage design but installs new fuel-efficient engines with reinforced wings. With a promise of a 15% improvement in fuel efficiency amid soaring oil prices, the revamp has proved a hit with buyers with more than 700 sold this year alone.

"It is also good news for British manufacturing. Airbus employs 17,000 people in Britain at 25 different sites and the aero-space sector accounts for 100,000 jobs." [H]

"Airbus piled up the orders at the Paris air show as it announced the largest single order of commercial aircraft in history.

"Malaysia's low-cost carrier AirAsia is buying 200 of the A320neo jets, in a deal worth about \$18bn (£11bn)...

"Airbus, owned by EADS, has left rival Boeing far behind in terms of orders at the event, as high fuel costs increase the demand for more fuel-efficient aircraft." [J]

### **Thailand Battles For Democracy**

There are many countries in the world where there are multi-party elections and the press is fairly free to criticise the

government, but where democracy has not been established. Britain extended the vote to a majority of adult males living in the British Isles in the 1880s, but I'd not say it was democratic until the election of 1945, when the Labour Party got its first secure government. And in terms of social mobility and the authority of the elite, it was still much less democratic then than it became in the 1970s.

In Japan, the externals of democracy have been there since 1947. Japan had in fact introduced a property-qualified electoral system as part of the 'Meiji Constitution' of 1890. In both Japan and Germany, an authoritarian system was introduced during the crisis of the 1930s with the consent of the existing parliaments.

Japan since 1947 has in fact been run by a combination of business and civil service interests, with most elected politicians seeing it as their job to look after the particular interests of their constituents within an overall system that they largely left alone to run itself. The state role was and remains large, and during the big economic surge there was protectionism and an effective one-party system with the Liberal-Democrats always in office.

Under Western pressure, the system was disrupted in the 1980s and particularly the 1990s. It has worked worse economically, without really becoming any more democratic. Parties sometimes replace each other, but it isn't any more open and is maybe slightly worse at giving people the sort of government they'd prefer. Still, Japan is getting along fine and seems unconcerned at having been overtaken by China as the world's second largest economy. In real terms it was always weaker than the combined power of Western Europe.

Meantime some interesting things have been happening in Thailand. It had points in common with Japan: it preserved its traditional culture while modernising and was never ruled by a foreign power. (Though it was under pressure and maybe survived because the British Empire in Burma and India and the French Empire in Indochina were each against the other taking it.) It gained a parliamentary system rather more messily than Ja-

pan: the Meiji Restoration restored a line of Emperors who had had no real power for centuries, whereas the Kings of Siam were absolute rulers. Thailand in 1932 had a coup or revolution that made it a Constitutional Monarchy, though a rather unstable one. The king who had been absolute ruler abdicated after failing to cope with a series of coups under the new system. His successor was a boy of 9 living in Switzerland, where he mostly stayed until 1945. Meantime Thailand was partly occupied by Japan and then became a Japanese ally, only switching back near the end of the war. The king then returned but was mysteriously murdered. He was succeeded by his younger brother, who is still king at the age of 83.

Thailand never did settle down. Coups were continuous and there was a major massacre of the left in 1976, following the fall of South Vietnam and the abolition of the Laotian monarchy. What was once a strong Communist movement collapsed. The economy grew quite well, though less well than the Asian Tigers.

Moderate reformist policies were carried through from 2001 to 2006 by Thaksin Shinawatra, a rich businessman who was never the less on the left by Thai standards. He was overthrown in a coup in 2006 and charged with corruption. He was prevented from standing, but one of his supporters won the election of 2007. This led to the continuing popular struggle between Red Shirts (Thaksinites) representing the poor and the north of the country against Yellow Shirts representing the south and the bulk of the establishment. In 2008 Thaksin's man was pushed out again, after Yellow Shirt demonstrations and with some MPs being persuaded to switch. In 2009 there was another wave of Red Shirt protest, which however failed to bring down the government. Again in 2010, but with some of the Red Shirts becoming further radicalised and questioning the role of the king. The crisis of 2010 was defused with the promise of another election.

What's now happened is an election won decisively by a Thaksinite party led by one of Thaksin's sisters. Thailand's Constitutional Court has been playing a dirty game ever since the 2006 coup, but it's hard to see how they could prevent a Thaksinite restoration short of an out-

right coup.

As I've mentioned before, the West has been decidedly lukewarm about the issue. The Thaksinites have always been the clear democratic choice, and the West could work with them. But it seems that even moderate reformism has become obnoxious. It's a chance for Obama to do something bold and ethical. But will he

## Taiwan Indicts Another Ex-President.

"Taiwanese prosecutors have indicted former president Lee Teng-hui, the state's first democratically elected leader, on corruption charges.

"Mr Lee is accused of embezzling US\$7.8m in government funds during his tenure as president in the 1990s, and faces possible life imprisonment if convicted. His top economic adviser, Liu Tai-ying, was also indicted. Lawyers for both men were expected to comment later on Thursday.

"The former president is a dominating figure in modern Taiwanese history. Aside from pushing through major democratic reforms, Mr Lee was the first native Taiwanese to head the nationalist Kuomintang party and become president of the Republic of China – the official name for the state of Taiwan.

"Mr Lee, 88, often drew the ire of mainland Chinese communist leaders for pushing democracy in Taiwan and fostering a sense of Taiwanese identity on the island....

"Mr Lee and Mr Liu are accused of siphoning off US\$7.8m after the foreign ministry repaid the funds.

"That money – which was allegedly laundered through Ruentex Group – was used to establish the Taiwan Research Institute, which Mr Liu later headed. Mr Lee is currently the honorary chairman, a post he assumed after stepping down as Taiwan's president.

"Prosecutors said Mr Liu and Mr Lee benefited because the institute used part of the funds to buy luxury apartments for them, which were built by the Ruen-



tex Group. Mr Liu allegedly pocketed US\$440,000 of the embezzled funds.

“Since stepping down from his presidency, Mr Lee left the Kuomintang party and founded the Taiwan Solidarity Union, a political party that advocates for Taiwanese independence. Mr Lee has in recent years also supported the opposition Democratic Progressive party, and is critical of current president Ma Ying-jeou’s pro-China policies.

“Mr Lee is the second former Taiwanese president to be indicted on corruption charges. In 2009, Chen Shui-bian, who succeeded Mr Lee as president from 2000 to 2008, was sentenced to life imprisonment for embezzling government funds.” [K]

A few years back, Taiwan was being cited as an example of multi-party democracy working fine among Chinese. Then the first non-Kuomintang president since the 1920s was jailed on corruption charges. Now they’re out to get the man who moved Taiwan from functional dictatorship to a genuine multi-party system.

Chiang Kai-shek was Kuomintang boss from his military take-over and anti-Communist massacres in 1927 till his death in 1975. (At no time in real control of the whole of China.) Chiang didn’t always bother with the formal position of President: it was held from 1931 to 1943 by a fairly unimportant right-winger called Lin Sen, who died in office. Chiang Kai-shek took back the Presidency but got a major rival called Li Zongren as an unwanted vice-president in 1948 when the Kuomintang was clearly losing the Civil War and there was pressure for compromise. Li Zongren was actually President from January 1949, when Chiang resigned. Except Chiang still commanded most of the various regular or warlord armies, unconstitutionally but without serious challenge. Li Zongren tried to either negotiate a settlement or create an enclave in the far south, but failed and went into exile. Chiang Kai-shek came back as President while Li Zongren was marginalised. In 1965, he became reconciled to Communist rule and returned to China, dying in 1969.

The Chinese Presidency never did count for much after Sun Yat-sen surrendered his own disputed authority to the northern warlord Yuan Shikai, who had betrayed a reforming Chinese emperor a few years earlier. Yuan Shikai tried to make himself Emperor, but the other warlords rejected this and chaos followed. None of the later Presidents before Chiang are worth mentioning: some were decent men who might have done OK if functional politics had been established by someone else, but basically they did not matter.

Chiang Kai-shek died in office. His vice-president completed his term and was succeeded by Chiang Ching-kuo, a son of Chiang Kai-shek and long seen as successor. He had been Chairman of the Kuomintang and actually in charge since his father’s death. He too died in office, and was succeeded by Liu Tai-ying, his Vice-President and designated successor. Liu Tai-ying opened up politics, allowed contested elections and paved the way for the first non-Kuomintang President, Chen Shui-bian. That’s the man who got a life sentence for corruption, barely a year after losing office in a fairly open election.

I’d assume that the background is large numbers of Taiwanese doing very nicely out of trade with China and anxious to conciliate Beijing. Taiwan remains a multi-party democracy: time will tell if the voters mind having ex-Presidents jailed. There are elections due in 2012, the same year that China is expected to start handing power to the next generation of leaders. What I’d expect in Taiwan is that the Kuomintang will be re-elected and a policy of unofficial subordination to Beijing will be endorsed.

I’d suppose that the anti-corruption charges are genuine, despite being politically motivated. Massive corruption is the norm in East Asia. Politicians only get convicted if they make too many enemies.

### **Legalise Heroin?**

The law has failed to stamp out drug abuse: this is given as a reason to legalise it. Should we also decriminalise murder,

burglary and rape, all of which persist despite the best efforts of the law?

Various things have been decriminalised since the 1950s. Almost all of them have become more common and more extreme with the removal of both criminal sanctions and social disapproval. In the case of the acceptance of homosexuality and divorce and the general sexual revolution, I’d say that this made us a better society. But would we be a better society if people consumed more drugs?

Most drug users know they are unwanted and have small prospects. Or else they are successful but under enormous pressure to stay at the same impossibly high level. Surely these are the social evils we need to fix.

There is a major problem, but only among a small minority of the population:

“Forty years after the introduction of the 1971 Misuse of Drugs Act, more than 2.8 million people report using illicit drugs every year in England and Wales. While cannabis remains overwhelmingly the most popular, this Home Office total also includes 800,000 mainly young adults who put the country at the top of the European league table for powder cocaine use.

“There are a further 300,000 people regularly using heroin, crack cocaine or other opiates who are officially described as ‘problem drug users.’” [K]

One solution is simple surrender. This view has its supporters:

“Dame Judi Dench, Sir Richard Branson, and Sting have joined an ex-drugs minister and three former chief constables in calling for the decriminalisation of the possession of all drugs.

“The high-profile celebrities together with leading lawyers, academics, artists and politicians have signed an open letter to David Cameron to mark this week’s 40th anniversary of the 1971 Misuse of Drugs Act. The letter, published in a full-page advertisement in Thursday’s Guardian, calls for a ‘swift and transparent’ review of the effective-

ness of current drugs policies.” [L]

To me, it seems that the key question is how many extra users there would be, if the various illicit drugs became legal. Possibly we could live with a decriminalisation of cannabis, although the Dutch are now toughening up their laws to eliminate ‘drugs tourism’. [M] But any wider decriminalisation, I’d see as part of the errors that the West has made since the 1970s. Freedom in some areas has been good, but not everywhere. People aren’t good at foreseeing the likely long-term results of their own actions, so that’s where controls are needed.

At least one of the pioneers of New Right economics is also a consistent libertarian, also advocating a drugs free-for-all:

“In September 1989 Milton Friedman, the man whose views on economics influenced the policies of almost every government on the planet, wrote to Bill Bennett, ‘drug tsar’ to the first President Bush. As Bennett prepared for a new phase in the ‘war on drugs’, launched by President Nixon 18 years earlier – more police, harsher penalties, more jails, more military action overseas – Friedman wrote that ‘the very measures you favour are a major source of the evils you deplore’. He pointed out how illegality made the drugs industry more, not less, lucrative, how crime had flourished during alcohol prohibition in the 1930s and would flourish more under Bennett’s plans, and how ‘crack’ might never have been invented had it not been for the drugs war.” [N]

Prohibition in the USA was a struggle between the older rural and mostly Protestant USA and the newer and more liberal culture of the cities. US Puritans were and are a neurotic overstressed lot, so they had a lot of alcohol abusers. They might have stabilised their culture if they had banned alcohol, as some of the hard-line Muslim countries have done. But the balance of power was already against them and they lost. They were on weak ground: Christianity has always allowed alcohol while trying to curb its abuse. Jesus repeatedly praises wine and one of his first supposed miracles was making a fresh supply when it ran out at a wedding feast. Wine was also included

in the only Christian sacrament that can be traced directly back to Jesus. So the bible-spouting Prohibitionists were talking nonsense and were rightly scorned.

It’s also a bit of a myth that gangsterism flourished because of Prohibition. There was always a strong underworld in the USA, as there is in most societies. Prostitution, gambling and protection rackets were major areas of business: illegal alcohol was simply an extra and they carried on fine after it became legal again. Gambling remains heavily criminal even where it has been legalised.

Alcohol has become the recreational drug of choice for a great many cultures, precisely because it is fairly easy to control and use moderately. Cannabis is fairly harmless for most users, but does drastic damage to a minority, not identifiable in advance. New drugs can have unexpected problems – even those approved for use as medicines:

“Used safely as a medical anaesthetic and analgesic for decades, ketamine has also risen in popularity as a recreational drug. The first case of severe bladder problems linked with ketamine use was documented in 2007...

“‘It has a major impact on users such that they can be incontinent or have enormous pain,’ says Dan Wood, a consultant urologist at University College London Hospitals, who led the review. He has seen 20 chronic ketamine users with urinary problems in the last three years and had to remove four patients’ bladders.

“The review suggests that heavy users are more likely to suffer symptoms, and about 20 per cent of people who have taken high doses of ketamine several times a week over months to years have experienced urinary tract problems.” [P]

I also wouldn’t be against more controls on alcohol. Maybe a special licence to buy it, which could be taken away for a time or for ever from people who committed crimes while drunk. Or revoked at the request of someone who wanted to avoid being tempted. And the whole vast system of adverts for alcohol could be banned: if it is not there to make people drink, just what is it there for? Changes could also be made to the ownership of

pubs, currently owned by breweries and largely geared to getting people to drink as much as possible. That’s the way I’d like things to go.

## US Hackers Lose Decisively.

I always thought that the Cyber-Liberation crowd had no idea what they’d be running into if they got big enough to be taken seriously. It’s now admitted – contrary to earlier confident forecasts – that China has got its section of the web nicely under control. The web played a role in the overthrow of existing regimes in Tunisia and Egypt, probably because they viewed themselves as safe and Western-protected and were not really on guard.

In the USA itself, it seems that conventional law enforcement methods have been quite enough to deal with a hacker community that has been more concerned with petty fraud than politics:

“The underground world of computer hackers has been so thoroughly infiltrated in the US by the FBI and secret service that it is now riddled with paranoia and mistrust, with an estimated one in four hackers secretly informing on their peers, a Guardian investigation has established.

“Cyber policing units have had such success in forcing online criminals to co-operate with their investigations through the threat of long prison sentences that they have managed to create an army of informants deep inside the hacking community.

“In some cases, popular illegal forums used by cyber criminals as marketplaces for stolen identities and credit card numbers have been run by hacker turncoats acting as FBI moles. In others, undercover FBI agents posing as ‘carders’ – hackers specialising in ID theft – have themselves taken over the management of crime forums, using the intelligence gathered to put dozens of people behind bars.

“So ubiquitous has the FBI informant network become that Eric Corley, who publishes the hacker quarterly, 2600, has estimated that 25% of hackers in the US

may have been recruited by the federal authorities to be their eyes and ears. 'Owing to the harsh penalties involved and the relative inexperience with the law that many hackers have, they are rather susceptible to intimidation,' Corley told the Guardian.

"It makes for very tense relationships,' said John Young, who runs Cryptome, a website depository for secret documents along the lines of WikiLeaks. 'There are dozens and dozens of hackers who have been shopped by people they thought they trusted.'

"The best-known example of the phenomenon is Adrian Lamo, a convicted hacker who turned informant on Bradley Manning, who is suspected of passing secret documents to WikiLeaks. Manning had entered into a prolonged instant messaging conversation with Lamo, whom he trusted and asked for advice. Lamo repaid that trust by promptly handing over the 23-year-old intelligence specialist to the military authorities. Manning has now been in custody for more than a year." [F]

"The FBI agent took over the management of the DarkMarket crime forum frequented by more than 2,000 carders where they would buy and sell personal data for use in credit card fraud. For three years, unbeknown to the hackers who were congregating there, DarkMarket was turned into a sophisticated FBI sting operation.

"Working with an undercover officer from the Serious Organised Crime Agency in London, Mularski's ploy led to 56 arrests across four countries, and brought down some of the biggest names in the world of ID-theft. The catch included DarkMarket's founder, a Sri Lankan-born Briton called Renukanth Subramaniam, aka JiLsi, who was sentenced to five years in prison in the UK last year...

"Kevin Mitnick, dubbed the world's most wanted hacker when he spent three years on the run from the FBI for cracking into banks and telecoms companies, has studied all the big hacker criminal cases over the past 20 years. In almost all cases, he says, hackers have been turned into informants out of the desire

to save their own skins faced with long prison sentences.

"I'd say that 99.9% of informants are doing it because they want to reduce their own criminal sentences. In nearly every case, hackers get scared because they fear the government will throw the book at them.'

"Mitnick knows what he is talking about. In a forthcoming memoir, *Ghost in the Wires*, he tells how his long-term hacking partner, Lewis de Payne, co-operated with the authorities. 'We were close hacking partners for 20 years, so it was disappointing, though not exactly surprising. He had lots of bravado – he wasn't scared, he wouldn't cave – but the moment the Feds came after him, he collapsed.'...

"It is the same time-worn technique applied to drug dealers or mobsters or any other community that stands outside the law – get the little guy to turn on the big guy. But it has been especially effective when applied to hackers who lack the collective resistance to police pressure afforded by a mafia family or organised drug gang. 'Hackers like to talk tough behind the keyboard, but as soon as the handcuffs are slapped on them and they face federal indictment, everything changes,' says Mitnick.

"The system for turning hackers into informants is morally corrupt, in Mitnick's view, because it involves a material inducement. 'The snitch is getting paid in terms of less time in jail in exchange for their testimony. I have a problem with that, it's no different to paying someone \$10,000 for their testimony, it's still payment even if it is in reduced sentence not money.'" [G]

I'm not in the least surprised that "hackers lack the collective resistance to police pressure afforded by a mafia family or organised drug gang". There's no mention of any sanctions beyond calling people bad names, which is no way to run an underground. Any serious underground organisation survives by killing those who betray it, and being known to be willing and able to do this. (The only exceptions are religious, where defectors usually fear Eternal Damnation.)

Hackers never seem to have thought along those lines, or if they did they must have decided that the issues they had were not worth killing for. But on that basis, it was foolish for them to start and even more foolish of them to preen as future liberators from oppressive state systems.

## Big Moon and Little Mars

Twenty years ago, the history of the solar system seemed simple. Rocky planets like the Earth had formed near the sun, where it was too warm for ice exposed to the direct solar glare. Big planets like Jupiter had formed beyond the 'snow line', sucking in vast masses of hydrogen and helium and becoming 'gas giants'. (A term invented by science fiction writer James Blish, which gradually infiltrated popular science.)

It was recognised that the Earth's huge moon was an oddity. Most planets have moons, but the EarthMoon is gigantic compared to the planet it orbits. Only four moons in the solar system are larger than the EarthMoon: three of them go round Jupiter, which is 317 times as massive as the Earth. The fourth orbits Saturn, 95 times as big as the Earth. Most planets are thousands of times bigger than their moons: the Earth is a mere 81 times as big as its satellite. If Jupiter had a moon in proportion, it would be nearly four times bigger than the Earth. Jupiter's biggest moon is Ganymede, about twice as massive as the EarthMoon.

It was for a long time believed that this was a rare accident. Now it looks like such moons are common among rocky planets:

"Last year, researchers from the University of Zurich's Institute of Theoretical Physics in Switzerland and Ryuja Morishima of the Laboratory for Atmospheric and Space Physics at the University of Colorado in the US undertook a series of simulations to look at the way planets form from gas and smaller chunks of rock called planetesimals.

"Our own moon is widely thought to have formed early in the Earth's history when a Mars-sized planet slammed into

the Earth, resulting in a disc of molten material encircling the Earth which in time coalesced into the Moon as we know it...

“About one in 10 rocky planets around stars like our Sun may host a moon proportionally as large as Earth’s, researchers say.

“Our Moon is disproportionately large  
- more than a quarter of Earth’s diameter  
- a situation once thought to be rare.

“Using computer simulations of planet formation, researchers have now shown that the grand impacts that resulted in our Moon may in fact be common.

“The result may also help identify other planets [in other solar systems] that are hospitable to life.” [S]

The best prospects for undiscovered life in our own solar system is Mars. The chances would be greater if Mars were not such a small planet, one-ninth the mass of the Earth. With stronger gravity it might have kept more of its air and water. But it seems now that this is a relic of the very early days of the formation of the planets:

“Mars formed within two to four million years of the dawn of the Solar System, much faster than the Earth which took between 50 and 100 million years to reach its final size, which could explain why Mars is so small, say scientists reporting their discovery in the journal *Nature*.

“Mars is just 11 percent the mass of Earth, yet the dynamics of planetary formation say that Mars should have grown to a comparable size as its bigger siblings Earth and Venus, accumulating mass from smaller planetesimals. But Mars never seemed to make it out of the planetary nursery.

“Earth was made of embryos like Mars, but Mars is a stranded planetary embryo that never collided with other embryos to make an Earth-like planet,” says Nicolas Dauphas at the University of Chicago.

“We thought that there were no embryos in the Solar System to study, but

when we study Mars, we are studying embryos that eventually made planets like Earth,” adds colleague Ali Pourmand of the University of Miami.

“The ratios of radioactive elements hafnium, tungsten and thorium were key players in Dauphas and Pourmand’s derivation of the refined age for Mars. When planets form, they differentiate into an iron-rich core and a silicate-rich mantle. Since tungsten likes to bond with iron, it can be found in the core, while hafnium remains in the mantle, the viscous layer of rock beneath a planet’s crust. Core formation is thought to occur at around the same time that a planet reaches its final mass, so the tungsten isotopic ratio recorded in the core provides its age.” [T]

A separate but compatible study suggests it was all down to Jupiter. When astronomers got hard evidence of planets round other stars, they were astonished to find that many of them were ‘hot Jupiters’, planets as big as Jupiter or bigger, but closer to their star than Mercury is to the sun. It was decided that they must have formed a long way out and then moved in:

“The study of exoplanets has revealed that certain giant planets can migrate near to their star. On the basis of this observation, Alessandro Morbidelli and his colleagues have proposed the hypothesis that the giant planets of our solar system (Jupiter and Saturn) migrated within the solar system before the formation of the terrestrial planets. The researchers based their study on Hansen’s work to envisage the following scenario: before the formation of Saturn, Jupiter could have migrated towards the Sun up to the present position of Mars (1.5 AU from the Sun). It could then have pushed aside or ejected all the material in its path, leading to the formation of a ‘truncated’ 0.3 AU-wide disk of material, with an outer edge at 1 AU (according to the work of Hansen). Saturn, once formed, may in turn have migrated towards the Sun. Under its ‘influence,’ Jupiter could have ‘veered off track’ and migrated until it reached its current position (around 5 AU from the Sun), beyond the asteroid belt.

“Using numerous digital simulations, the scientists have demonstrated that the migrations of Jupiter and Saturn are com-

patible with the formation of the asteroid belt between Mars and Jupiter. In addition, they have succeeded in explaining the coexistence of two types of asteroids in this belt: some very dry, others with high water contents. According to the ‘gas-driven migration’ scenario, Jupiter could have intercepted two populations of small bodies during its migrations. Those now situated in the inner part of the asteroid belt could have come from the zone between 1 and 3 AU from the Sun, whereas those located in its outer part could have come from a separate region, beyond 5 AU.” [W]

The status of Mercury remains uncertain. It is smaller than Mars, and also very dense, so that it may be the inner remnant of a protoplanet that suffered some drastic collision. It’s only now being looked at in detail, and we don’t have any of its rocks to study.

We should soon have more data on the asteroids. NASA’s *Dawn* probe is approaching Vesta, second biggest of the asteroids. On 16<sup>th</sup> July it should start to orbit it and get a close look. The most interesting feature we know about is a gigantic crater than must have nearly shattered it. But thinking back to what the Voyager probes found among the outer moons, I’d make a guess that something even stranger and quite unexpected will also be found.

In July 2012, the *Dawn* probe will quit Vesta and fly on to arrive in 2015 at Ceres, largest of all the asteroids. That too should show something quite unexpected.

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# Parliament Notes

## Dick Barry

### (Sick)ophantic Heights

MPs reached the heights of sycophancy on 8 June when they agreed with David Cameron, "That an humble Address be presented to Her Majesty on the ninetieth birthday of His Royal Highness the Duke of Edinburgh, to assure Her Majesty of the great pleasure felt by this House on so joyful an occasion. That the said Address be presented to Her Majesty by such Members of the House as are of Her Majesty's most honourable Privy Council or of Her Majesty's Household. That a Message be sent to His Royal Highness the Duke of Edinburgh, to offer His Royal Highness the warmest good wishes of the House upon the occasion of his ninetieth birthday, expressing the gratitude of the nation for his lifetime of service to the country and the Commonwealth and praying that His Royal Highness may long continue in health and happiness." A case of over egging the pudding. It would have saved a lot of time and effort if they had simply said, "Cheers HRH, Happy Birthday."

Unfortunately, convention doesn't allow it and so there followed numerous outpourings of deference and sycophancy. This is Cameron referring to HRH's long service: "Since the time of William the Conqueror there has never been a consort who has served for so long at the side of a monarch and, as such, Prince Philip has seen extraordinary events in life from the end of rationing to man landing on the moon, and from the end of the cold war to the beginning of peace in Northern Ireland." Pound to a penny he didn't have a ration book to hand in. But there is something missing here. Since the "beginning of peace in Northern Ireland" we've had the invasion of Afghanistan, Iraq and now, Libya. So why did Cameron omit them when he had described HRH as, "Someone who has defended his nation in time of war"?

Ed Miliband humbly followed Cameron commenting that, "The Duke embodies qualities of duty, loyalty, public service and good humour - great British qualities. He came from a generation who

were prepared to sacrifice everything they had for this country and their values. As he approaches his 90th birthday, I once again pay great and humble tribute to the Duke of Edinburgh for all he has done for Queen and country." Many people, some of them known to me, did sacrifice everything they had in spite of being on the winning side, but I don't recall HRH or any other member of the British Royal Family having sacrificed anything. This was pure humbug on Miliband's part. Miliband also referred to his "unique turn of phrase", which he said had become "a much-loved feature of modern British life". On one occasion he, allegedly, commented to the matron of a hospital he visited in the Caribbean, "You have mosquitoes. I have the Press." Very droll.

And as if to prove that HRH had a point about the British press, Tory MP Michael Ellis said that, "He has borne the vicious cruelty, at times, of the press in this country with dignity and poise, and he has never once in public life done anything to embarrass Her Majesty the Queen or to weaken the dignity or integrity of the Crown - despite the odd controversial remark." Oh, really? One thinks that the last comment rather gives the game away. "The odd controversial remark" was a tad more than controversial, occasionally bordering on racist.

But of course we know he was just joking, don't we? And an anecdote from Labour's Chris Bryant gave us a glimpse of HRH's attitude to trade unions. Bryant recalled that, "Parmjit Dhanda, when he was Member for Gloucester, was invited in 2001, as I think was the current Prime Minister and others elected that year - it was our 10th anniversary yesterday - to Buckingham Palace, and the Duke of Edinburgh went up to Parmjit and said, 'So, what did you do before you got this job?' Parmjit said, 'I worked in a trade union.' The Duke immediately replied, 'Bugger all, then.' Parmjit, somewhat offended and thinking that he would retaliate with force, asked, 'Well, what did you do be-

fore you got this job?', to which the Duke replied, 'Fought in the second world war.' So, notwithstanding the remarks of my hon. Friend the Member for Newport West (Paul Flynn), I think that there are occasions when a little humility from this House towards His Royal Highness is entirely appropriate." Humility, an attitude of mind, was not in short supply on this occasion.

### Remember, Remember

On 15 June Tory backbencher Claire Perry presented a Bill "to designate the Monday after Remembrance Sunday as an annual bank holiday in the United Kingdom with effect from 2012; and for connected purposes." In support Perry said, "This Bill would consolidate and entrench long-term public support for our armed forces. My constituency of Devizes includes many of the Salisbury plain garrison towns and is home to more than 10,000 members of the armed forces and at least the same number of service family members. My father, both grandfathers and my great-grandfather served in the British Army. I am therefore particularly proud to wear a poppy in early November, sport various charity wristbands, attend homecomings and parades in both Westminster and Wiltshire, observe the silence at 11am on Armistice Day, and to lay a wreath on Remembrance Sunday. Indeed, laying a wreath at the Devizes war memorial last November was one of the most solemn and thought-provoking moments of my new career as a Member of Parliament. I am also proud to support armed forces day, introduced more than two years ago and held in late June. I know that in all of this support I am joined by Members on both sides of this House and millions of people across the country."

But Perry is concerned that the current support for the armed forces may wane a little; which is why she is proposing a Remembrance Day Bank Holiday. "I am also concerned", she said, "that while we have seen a real upwelling of support

for the armed forces in the last few years, due in no small part to the tireless work of the Royal British Legion who are Britain's 'custodians of remembrance', as well as the work of charities such as Help for Heroes - headquartered in my constituency - SSAFA and the Army Benevolent Fund, when our soldiers return home from their current operations it may be difficult to keep the momentum going and to ensure that we as a country deliver on our obligations under the military covenant. A day set aside in our busy calendars for remembrance, support and celebration of our armed forces would help to keep the support alive in the future." Perry needn't be concerned. As Henry Kissinger said at the time of the attack on Serbia in 1999, "The British are the last people in Europe who still love war."

She said her's was not "a radical suggestion." "Many other countries pay tribute to their armed forces with a national holiday, including the United States, Canada, Russia, France and Israel. Indeed, among the five countries spending the most on their military budgets, only Britain and China do not have a national holiday commemorating their service personnel - but at least in China soldiers get a half-day off on army day." The list is noticeable for the absence of Germany. Imagine the outcry in Britain if the Germans had the nerve to celebrate their armed forces.

### Picking A Fight

The coalition seems to be preparing itself for another Winter of Discontent; discontent of its own making. Just as Thatcher set a trap for Scargill and the miners, into which the former stubbornly led his members, Cameron, in the shape of Chief Secretary to the Treasury Danny Alexander, is gearing up for a fight with the public sector unions. Naturally, the coalition claims to be willing to discuss the proposed reforms to pensions and the age of retirement, but all the signs are that it is unwilling to move more than an inch or two in the unions' direction. On 15 June, for example, Paymaster General Francis Maude told MPs that, "We are committed to maximum engagement with the public sector unions to seek agreement on essential reforms, and

especially to make public sector pensions sustainable and among the very best available, as Lord Hutton, Labour's Work and Pensions Secretary has recommended. I am sorry that a handful of unions are hellbent on pursuing disruptive industrial action while discussions are continuing. However, we have rigorous contingency plans in place to minimise disruption in the event of industrial action."

If Maude and the coalition believe the reforms are essential then it hardly seems worthwhile for the unions to continue with the discussions. And if rigorous contingency plans are already in place, it would appear that the coalition have decided on confrontation in advance of any conclusion to the discussions. Sure enough, three days later on 18 June the Independent reported that the coalition had "repeated its warning that most public sector workers would have to work longer and pay more towards their retirement." Danny Alexander argued that "there was no alternative to prevent the cost of state sector pensions soaring out of control." The plans are, initially, to raise the pension entitlement age to 66 by 2020 and to increase the pension contributions of all those earning more than £15,000.

On 15 June, Angus Maude claimed that the reforms would be unnecessary if the coalition "had not inherited the biggest budget deficit in the developed world", but its motivation is based more on a determination to reduce public sector pensions to the level of those in the private sector, the so-called 'race to the bottom', than a need to tackle the deficit. (It seems to be a case of: why should public sector pensions be more generous than those in the private sector?). Maude more or less said so when he reminded Labour's David Winnick that "a civil servant on median pay - about £23,000 - who retires after a 40-year career, which is not untypical, will have a pension that would cost £500,000 to buy in the private sector. No one in the private sector has access to such pensions." What; not even Chief Executives?

The current public sector pension scheme is said to be unsustainable in the long run as people are living longer, so the only solution, it is argued, is to increase

employee contributions and make them work longer. Lumping all public sector pensions together is a disingenuous coalition tactic. Teachers have a separate fund that is sustainable, but Alexander refuses to consider this in discussions with the teaching unions. Under the proposals all teachers will pay more into the fund and many will get less out, while having to work until they are 66. Head teachers in particular will be hit hard. The replacement of the current final salary pension scheme with a career average will drastically reduce their pension. The coalition is adamant that incentives are needed in the private sector to recruit and retain the best talent. Why then, is it oblivious to this in the case of the teaching profession? Everyone knows that a good head teacher is worth his/her weight in gold. But it appears that the only gold on offer to teachers is that normally found by a fool.

Coalition language makes it sound as if the proposed industrial action - a one day strike by civil servants, lecturers and teachers was planned for June 30 - was solely the work of union leaders. But the industrial action has the support of most union members. And Tory MPs in particular have no cause to complain, for it was Thatcher and Co. in the 1980s who changed the law, insisting that industrial action/strikes must have the consent of a majority in a secret ballot. Evidence that one must be careful of what one wishes for. It's a moot point whether the unions have picked the right issue for industrial action. One senses that striking to preserve the current scheme of public sector pensions is unlikely to win huge public support, but do the unions have a choice given that the coalition seem hellbent on implementing the reforms?

Public sector pensions are often described as 'gold plated', but this term applies more accurately to MPs. Three years ago an MP's basic salary was £60,675, and with just 20 years service could expect to receive around £30,000 a year after retirement. At the time they were described by the Daily Mail as "far more generous than most public sector 'gold-plated schemes.'" (January 9, 2008). MPs belong to the parliamentary pension scheme - a final salary scheme with a choice of accrual rates. MPs can choose to contribute at 1/40th, 1/50th or 1/60th.

Contribution rates are set at 11.9%, 7.9% and 5.9% respectively. Cameron has hinted that the scheme should be brought in line with the reforms proposed for the rest of the public sector, but to date no details have been made available.

On April 1 2010, the basic salary of an MP was increased to £65,738, and on May 24 2011 responsibility for determining the pay of MPs and setting the level of any increase in their salary was transferred (from MPs) to the Independent Parliamentary Standards Authority. (As a matter of interest, MPs were first paid a salary, of £400 p.a., in August 1911). This body has also been responsible for the regulation and payment of MPs' expenses since the 2010 General Election. Information on MPs' pay, pensions and allowances is set out in the House of Commons Information Office Factsheet M5 Members Series (Revised May 2010), 'Members' pay, pensions and allowances'. In addition to a basic salary of £65,738 - Ministers, Select Committee Chairs, the Speaker and other office holders receive a higher salary - MPs are entitled to allowances. These include accommodation expenses of a maximum of £19,900; constituency office rental expenditure of a maximum of £12,761 for London Area MPs and £10,663 for all others; staffing expenditure of a maximum of £109,548; and travel expenditure in relation to their parliamentary duties. Other expenses are also payable for subsistence in certain, carefully designed, circumstances.

### For The Benefit Of.....?

Osborne's attack on benefits may be linked to his and Work and Pensions Secretary Duncan Smith's view that there are too many recipients. But just how many are there? A Written Answer for 14 June revealed that, as of August 2010, the number of families in receipt of child benefit in the UK was 7,798,290. This broke down as follows: 6,562,705 (England), 621,615 (Scotland), 372,985 (Wales), and 240,985 (Northern Ireland). The number of children for which child benefit is claimed was 11,495,395 (England), 1,031,795 (Scotland), 642,965 (Wales), and 443,110 (Northern Ireland). Anyone seeking further information

should consult "Child Benefit Statistics Geographical Analysis August 2010" at [www.hmrc.gov.uk/stats/child\\_benefit/chb-geog-aug10.pdf](http://www.hmrc.gov.uk/stats/child_benefit/chb-geog-aug10.pdf).

People receiving a disability allowance are also the target of Osborne and Smith. A Written Answer for 16 June showed that in Great Britain in November 2010 there was a total of 3,181,080 recipients of a disability allowance. This included 2,299,750 with a physical disorder and 881,330 with a mental disorder. Of these totals, 1,626,910 received an attendance allowance (1,470,120 for a physical disorder and 156,790 for a mental disorder). Significantly, Work and Pensions Under-Secretary Maria Miller was unable to estimate the number of people with mental health conditions or physical disabilities who have had their disability living allowance withdrawn.

The numbers and costs of benefit recipients clearly disturbs the coalition. In the past five years there have been over 400,000 new disability allowance claimants per year. (430,900 in 2006-07; 448,100 in 2007-08; 472,200 in 2008-09; 483,000 in 2009-10; and 441,300 in 2010-11). Not all of these will have had their claims approved, but the perception among MPs and the public is that the system is being widely abused. Rather than seek work, significant numbers are content to live on benefits which are believed to be too generous. This perception is encouraged by the popular press, particularly the Daily Mail. Duncan Smith therefore intends to move as many as possible off benefits and into work. A tall order given the scarcity of work for able-bodied people, let alone those receiving incapacity benefits.

Health care professionals, employed by Atos Healthcare, a private sector body with a £500m contract with the Department of Work and Pensions, are assessing the ability to work of benefit recipients. Minister of State Chris Grayling told MPs on 27 June that, "A decision on employment and support allowance benefit entitlement is made by a DWP decision-maker, based on advice from a specifically trained health care professional from Atos Healthcare, who are able to provide independent and robust advice regarding an individual's

functional ability." However, this "independent and robust advice" is driven by a necessity to declare fit for work as many claimants as possible. In other words, it is target driven. For example, a number of blogs suggest that Atos Healthcare have, in the past, 'massaged' information from benefit recipients in order to make them appear capable of work.

Note: Atos Healthcare is a division of the French conglomerate, Atos Origin. Its website boasts that "Atos Healthcare is a UK leader in the delivery of disability assessment and occupational health services." It claims that, "If you want a rewarding job combining your healthcare skills with regular hours, Atos Healthcare offers the best of both worlds. Over 2,000 registered doctors, nurses and physiotherapists have joined our clinical team already. If you've got at least 3 years general medical experience, you could work full or part-time hours with no shifts, nights or compulsory weekends." The benefits (perks) of joining Atos Healthcare, including private medical care, are set out, but there is no indication of salaries which are probably personally agreed.

On 20 June, Maria Miller was asked what support is planned to "provide people moving from incapacity benefits onto employment and support allowance and job seeker's allowance in finding employment." Miller's reply was interesting for the choice of words. "Moving onto more active benefits will give our customers a real opportunity to get back to work. Whether on employment and support allowance (ESA) or job seeker's allowance (JSA), we will ensure that they receive all the support they need, tailored to their particular circumstances." But "a real opportunity to get back to work" means forcing them to seek work by reducing their benefits. In the words of Ian Duncan Smith, uttered at the time he introduced his welfare reforms: "We will make sure that work always pays."

Further clarification on work capability assessments was provided on June 21 by Work and Pensions Minister Chris Grayling who told MPs, "Everyone who claims employment and support allowance (ESA) will undergo periodic work capability assessments (WCA) to as-

certain whether they still meet the conditions for the benefit. This is because entitlement to ESA is based on an individual's functional ability rather than the condition itself. Even individuals with lifetime impairments may be able to adapt to those conditions and take up some work." This is clearly intended to sift the bogus claimants from the genuine.

### Extremism: A Hard Definition

On June 7, after six months deliberations, the coalition delivered its strategy to, in the words of Home Secretary Teresa May, "stop people becoming terrorists or supporting terrorism." Teresa May told MPs, "Last year I launched a review of the existing counter-radicalisation strategy known as Prevent. That review found that the Prevent programme that we inherited from the previous Government was flawed. It confused Government policy to promote integration with Government policy to prevent terrorism. It failed to tackle the extremist ideology that not only undermines the cohesion of our society, but inspires would-be terrorists to seek to bring death and destruction to our towns and cities. In trying to reach out to those at risk of radicalisation, funding sometimes even reached the very extremist organisations that Prevent should have confronting. We will not make the same mistakes.

Our new strategy is guided by a number of key principles. Prevent should remain an integral part of our counter-terrorism strategy, Contest, a full up-date of which we will publish later this summer. Its aim should be to stop people becoming terrorists or supporting terrorism. Prevent should address all forms of terrorism, including the extreme rightwing." May went on to say, "The majority of Prevent resources and efforts will therefore be devoted to stopping people joining or supporting al-Qaeda, its affiliates or like-minded groups. But Prevent must also recognise and tackle the insidious impact of non-violent extremism, which can create an atmosphere conducive to terrorism and can popularise views that terrorists exploit."

The Prevent strategy will have three

objectives. First, "Prevent will respond to the ideological challenge and the threat from those who promote it." Secondly, "Prevent will stop individuals being drawn into terrorism and will ensure that they are given appropriate advice and support." Thirdly, Prevent "will work with sectors and institutions where there are risks of radicalisation." This is all very well, but how will it actually work in practice. Where is the detail? It seems to be based more on hope than experience. How, for example, will the coalition, the police or the security services, know when an individual has joined al-Qaeda or supports its objectives? Do they carry membership/supporter cards? If al-Qaeda is an ideology, how will it be eliminated? It seems that people who merely express extreme views will be singled out for special treatment. If so, will this include members/supporters of the BNP and the English Defence League? May said Prevent should address all forms of terrorism, including the extreme right wing. This sounds as if May believes that holding extreme right wing views is a form of terrorism.

Tory backbencher Julian Lewis drew a distinction between breaking the law and holding extreme views when he said, "During the cold war, Governments of Labour and Conservative persuasions differentiated between communists who were subversive and broke the law and communists who preached a totalitarian philosophy. Does my right hon. Friend agree that it is the job of the police and of the Security Service to deal with those Islamists or, as I prefer to call them, un-Islamic extremists who break the law, but that the job of Prevent must be to destroy the philosophical basis of the perversion of the religion that they seek to convey?" Quite how one destroys the philosophical basis of a religion without actually destroying the religion may be a challenge too far for Prevent.

And Labour's Tristram Hunt sounded a note of caution on defining British values to which May constantly referred. "May I urge the Home Secretary to proceed with caution on defining British values? The history of Britain also involves the denial of democracy, the denial of the rule of law and the denial of equal rights in many nations around the world, and for the Home Secretary to define what

is and is not British values is treacherous territory." But May and Tory backbencher Sajid Javid would have none of this. The latter pleading with the Home Secretary to "make it absolutely clear that this Government will only work with and fund groups that accept the British way of life, our democracy and our values?" Just how we can know that every funded group accepts the British way of life is not clear. And who is to be the arbiter? The police, the Security Services or the Home Secretary? Weaning people away from terrorism is a laudable objective, but let's not pretend it is anything other than supremely difficult. Politicians who support the invasion of Muslim countries ought to know this better than the rest of us.

### Cameron's Animal Tendency

MPs voted on 23 June for a ban on performing wild animals in circuses. This may not appear to be an issue of monumental political significance to readers of PNs; they're just animals after all, aren't they? It did however reveal an authoritarian streak in David Cameron that has been publicly absent to date. In the wild, animals can look after their own interests. But in a domestic setting such as a circus, someone or some body has to care for the animal's interests, which are not necessarily best served by circus owners who, by necessity, keep them caged outside working hours. However, the question is whether we approve of humans deriving pleasure from the exploitation of wild animals. Henry Williamson, author of 'Tarka the Otter' and other animal stories, once famously said that he was not sentimental about animals. This was erroneously assumed that he was indifferent to cruelty to animals. But it was said in reference to the behaviour of animals in their natural setting where, to the human eye, acts of cruelty are perpetrated.

The Commons debate itself was not without cruelty or controversy. Tory MP Mark Pritchard, one of the three cross-party signatories to a motion to direct the Government to introduce a ban, was threatened by Cameron's office with a life sentence on the backbenches if he went ahead with his support for a ban. But showing more backbone than any of his Labour equivalents had displayed during



New Labour's regime, Pritchard refused to be cowed. His comments during the debate included an attack on Cameron and deserve to be read in full.

"It has been an interesting few days. It remains a mystery why the Government have mounted such a concerted operation to stop a vote on this motion, or indeed a vote on any amendment that would allow a ban on wild animals in circuses. I was flexible on amendments." At this point Labour's Denis McShane intervened to say, "I am grateful to the hon. Gentleman. Will he confirm that he and his Conservative colleagues who are in favour of helping the lions and tigers have been put under pressure not just by the lance corporals of the Whips Office, but directly from No. 10, the heart of Government?"

What is it with our Prime Minister that he should have no affection for the lions and tigers waiting to be released from caged imprisonment?" Pritchard told McShane, "All I can say is that 64% of Members of this House support a ban on wild animals in circuses. I cannot speak for the Prime Minister; he can speak for himself. It has been an interesting week. This is a Government who have said from the outset that they want to reassert the authority of Parliament. This is a Government who have said they want to listen to people. Some 92% of the British public want a ban on wild animals in circuses. More than 200 Members of this House have signed an early-day motion supporting a ban, and in a YouGov poll for Dods, 64% of Members of this House have said that they want a ban, so why are the Government not listening to the will of this House and, more importantly, the will of the people?"

At this juncture Lib Dem Don Foster asked, "On the hon. Gentleman's point about the Government wanting to reassert the importance of this House, will he explain why they still appear to be claiming that Europe could somehow intervene and prevent us from acting? Will he also confirm that the relevant commissioner said only a few days ago that responsibility for the welfare of circus animals remains in this country, with this House." (Foster was referring to a Ministerial answer given the same

day to a question from Labour's John Spellar. Minister of State Jim Paice said, "The very strong legal advice that we have received is that a total ban on wild animals in circuses might well be seen as disproportionate measure under Article 16 of the European Services Directive 2006 and a breach of Article 1 Protocol 1 of the European Convention on Human Rights which was incorporated into United Kingdom law by the Human Rights Act 1998.") Later in his speech, Pritchard rejected the Government's view on the European Services Directive, claiming that the European Commission had denied that a ban would be in breach of it. And he challenged the Government to test its opinion in the courts that a ban might breach circus owners' property rights under the Human Rights Act.

Following this further interruption, Pritchard carried on to say, "I want to focus on the interesting past few days. On Monday, in return for amending my motion, dropping it or not calling a vote on it - and we are not talking about a major defence issue, an economic issue or public sector reform; we are talking about the ban on wild animals in circuses - I was offered a reward, an incentive. If I had amended my motion and not called for a ban, I would have been offered a job. Not as a Minister, so those who are competing should not panic. It was a pretty trivial job, like most of the ones I have had - at least, probably, until 30 minutes from now. I was offered incentive and reward on Monday, and then it was ratcheted, until last night, when I was threatened. I had a call from the Prime Minister's office directly. I was told that the Prime Minister himself had said that unless I withdrew this motion, he would look upon it very dimly indeed."

"Well, I have message for the Whips and for the Prime Minister of our country - and I did not pick a fight with the Prime Minister of our country, but I have a message. I may be just a little council house lad from a very poor background, but that background gives me backbone, it gives me a thick skin, and I'm not going kowtow to the Whips or even the Prime Minister of my country on an issue I feel passionately about and on which I have conviction. There might

be some people with other backbones in this place, on our side and the other side, who will speak later, but we need a generation of politicians with a bit of spine, not jelly. I will not be bullied by any of the Whips. This is an issue on which I have campaigned for many years. In the previous Parliament I had an Adjournment debate and I spoke in the passage of the Animal Welfare Act 2006. I have consistently campaigned on this issue, and I will not kowtow to unnecessary pressure, disproportionate pressure."

**Footnote.** Mark Pritchard was elected to Parliament for The Wrekin in 2005. He is a joint secretary of the 1922 Committee of backbench right-wing Tory MPs. One of Cameron's earliest moves was to seek to abolish the Committee, which he regarded as an irritant. Pritchard's main political interests are listed as defence, cyber-security, homeland security, foreign relations and counter-terrorism. Such narrow, interlinked interests may be partly due to The Wrekin being home to a range of key military establishments. These are: RAF Cosford; the Defence College of Aeronautical Engineering; MOD Donnington, which houses the Defence Support Group, one of the country's largest defence equipment support providers; the Defence Storage and Distribution Agency; and the Army Base Repair Organisation. His Parliamentary voting record includes, opposing a wholly elected House of Lords; supporting greater autonomy for schools; supporting an investigation into the Iraq war; opposing the introduction of ID cards; supporting a replacement for Trident; and opposing more EU integration. His official website displays a smiling Pritchard against a Union Jack background.

## Truth And War

Foreign Office Minister Alistair Burt was asked on 23 June what plans he had to impose further sanctions on Syria. Given the dire situation in Syria, widely reported by the press and visually presented on TV, Burt's response was deeply disturbing. He told MPs, "The Government, together with our EU partners, are working to expand restrictive measures on the Syrian regime with a view to achieving a fundamental

change of policy should the Syrian leadership choose not to change swiftly its current path of violent repression against the civilian population. The Government have taken a prominent role in introducing an EU travel ban and assets freeze on 23 individuals, including President Assad, in the Syrian regime. We utterly condemn the indiscriminate violence perpetrated by the Syrian regime against peaceful demonstrators. President Assad's speech on 20 June was disappointing and unconvincing. If President Assad is to restore any credibility the Syrian people need to see concrete action, not vague promises. We have been clear that rapid and real implementation of substantial reforms, addressing the legitimate demands of peaceful Syrian protestors, is what is urgently needed. There must also be an immediate end to violence by Syrian security forces, the release of all political prisoners, an end to the torture and abuse of those who remain in detention and access given to international humanitarian agencies."

If Libya was substituted for Syria it is unlikely Burt would adopt the same pleading attitude. Burt must be aware, as anyone following the situation in Syria would be, that Assad has no intention of conceding the protestors' demands. He must also be aware that at least 11,000 Syrians, who lived close to the Turkish border, are now being sheltered in Turkish refugee camps, and that, according to human rights groups, around 1,400 (unarmed) civilians have been killed since the protests began in March this year. Now contrast this with Britain's stance on Libya where a civil war is being fought, with Britain arming the rebels who are demanding exactly the same as the protestors in Syria. And read the stories, many of them manufactured, about the brutality of Gaddafi's regime. The journalist Patrick Cockburn has written extensively on this. In *THE INDEPENDENT* on 24 June he wrote, "Human Rights organisations have cast doubt on claims of mass rape and other abuses by forces loyal to Colonel Muammar Gaddafi, which have been widely used to justify Nato's war in Libya. Nato leaders, opposition groups and the media have produced a stream of stories since the start of the insurrection on 15 February, claiming the Gaddafi regime has ordered mass rapes, used foreign mercenaries and employed helicopters against civilian protestors. An investigation by Amnesty International has failed to find evidence for these human rights violations and in many cases has dis-

credited or cast doubt on them."

And writing in *THE INDEPENDENT ON SUNDAY* on 26 June, under a heading 'Don't believe everything you see and read about Gaddafi', Cockburn told how difficult, if not impossible, it was for journalists to get into Bahrain, Syria and Yemen. Libya on the other hand is slightly easier, Benghazi being reachable from Egypt. Journalists can also go to Tripoli where, Cockburn reported, "the government allows a carefully monitored press corps to operate under strict supervision." "Having arrived in these two cities", he said, "the ways in which journalists report diverge sharply. Everybody reporting out of Tripoli expresses understandable scepticism about what government minders seek to show them as regards civilian casualties caused by Nato air strikes or demonstrations of support for Gaddafi. By way of contrast, the foreign press corps in Benghazi, capital of the rebel-held territory, shows surprising credulity towards more subtle but equally self-serving stories from the rebel government or its sympathisers."

Cockburn wrote further about the skill of the Libyan insurgents in dealing with the press. "The Libyan insurgents were adept at dealing with the press from an early stage and this included skilful propaganda to put the blame for unexplained killings on the other side. One story, to which credence was given by the foreign media early on in Benghazi, was that eight to 10 government troops who refused to shoot protestors were executed by their own side. Their bodies were shown on TV. But Donatella Rovera, senior crisis response adviser for Amnesty International, says there is strong evidence for a different explanation. She says amateur video shows them alive after they were captured, suggesting it was the rebels who killed them."

Cockburn concludes his piece with the following: "There is nothing particularly surprising about the rebels in Benghazi making things up or producing dubious witnesses to Gaddafi's crimes. They are fighting a war against a despot they fear and hate and they will understandably use black propaganda as a weapon of war. But it does show naivety on the part of the foreign media, who almost universally sympathise with the rebels, that they swallow whole so many atrocity stories fed to them by the rebel authorities and their sympathisers." Cockburn's caution could

equally be applied to British Government Ministers and many MPs. But in war, as in peace, many of us prefer ignorance to facts, when the latter are too much to bear.

## The Unemployment Scourge

The demonstrations across the Middle East and North Africa were also driven by economic factors, with high unemployment and low job prospects affecting young people in particular. A Written Answer for 7 June revealed the varying levels of unemployment (and poverty) in 19 countries in the region. In alphabetical order, the rate of unemployment (in the year stated) and the proportion of population below the National Poverty Line, was as follows: Algeria 11.3% (2008) and 22.6%; Bahrain 15% (2010) no poverty figure provided (npfp); Egypt 9.4% (2009) and 16.6%; Iran 10.5% (2008) npfp; Iraq 17.5% (2006) and 22.9%; Jordan 12.9% (2009) and 14.2%; Kuwait 1.6% (2010) npfp; Lebanon 9% (2007) npfp; Libya 30% (2004) npfp; Mauritania 7.3% (2008) and 46.3%; Morocco 10% (2009) and 19%; Oman 15% (2010) npfp; Occupied Palestinian Territories 26% (2008) and 21.9%; Qatar 0.5% (2007) npfp; Saudi Arabia 5.4% (2009) npfp; Syria 8.4% (2007) npfp; Tunisia 14.2% (2008) and 7.6% UAE 4% (2008) npfp; and Yemen 15% (2008) and 41.8%.

continued from page 16

[F] [<http://www.guardian.co.uk/technology/2011/jun/06/us-hackers-fbi-informer>]

[G] [<http://www.guardian.co.uk/technology/2011/jun/06/feds-versus-hackers-recruit-informers?intcmp=239>]

[H] [<http://www.guardian.co.uk/business/2011/jun/22/airbus-notches-up-huge-sales-at-paris-air-show>]

[J] [<http://www.bbc.co.uk/news/business-13884433>]

[K] [<http://www.ft.com/cms/s/0/b396e670-a2d4-11e0-a9a4-00144feabdc0.html>]

[L] [<http://www.guardian.co.uk/society/2011/jun/02/drugs-drugspolicy>]

[M] [<http://www.torontosun.com/2011/06/29/dutch-courts-move-to-curb-drug-tourism>]

[N] [<http://www.guardian.co.uk/commentisfree/2011/jun/01/ease-human-misery-legalise-drugs>]

[P] From issue 2817 of *New Scientist* magazine, page 12.

[S] [<http://www.bbc.co.uk/news/science-environment-13609153>]

[T] [<http://www.astronomynow.com/news/n1105/31mars/>]

[W] [<http://www.sciencedaily.com/releases/2011/06/110615080207.htm>]

# New Lanark

Mark Cowling

New Lanark is a wonderful and inspiring place to visit! The chief attraction is a World Heritage Site based on the factory run by Robert Owen. Owen is described in Engels' Socialism, Utopian and Scientific, as one of the three main utopian forebears of Marx and Engels. However, Owen was the least utopian of the three, and tried virtually all the possibilities available to someone wanting to better the lot of working people around the beginning of the 19th century. The factory at New Lanark was the place where he first made a name for himself. The factory itself was a fairly conventional cotton mill, based on the water power supplied by the Clyde falls. I had an image of a grim place at the side of a wide, polluted river, but the Clyde at New Lanark is better thought of as a very large stream. It runs through a most beautiful wooded valley. It still supplies power to New Lanark, but today it does this by powering a turbine which produces electricity.

Owen secured backing from Jeremy Bentham and from Quakers, who agreed to take a lower cut of profits than could be made from cotton manufacturing at the time. He used the freedom that this gave him to run his factory in a decent way. No physical punishment of workers was permitted, contrary to the practice at the time. Instead he had a system where above each workstation there was a cube coloured differently on each of the four visible sides, and the overseer would arrange that the side appropriate to the worker's performance would be displayed. This doesn't sound much of an incentive, but apparently worked very well. Factory owners at the time frequently paid workers in part or in whole in tokens which could only be retained at the company store, where, typically, shoddy goods were sold at high prices. At Owen's store good quality merchandise was on sale at just a little over wholesale prices, and any profit from the store was distributed to

the customers. Although this was not actually the foundation of the modern co-operative stores, the principle was similar. The actual store can still be seen at New Lanark today, together with a range of merchandise similar to that on sale in Owen's day.

Owen also provided decent housing for his workers, with two rooms per family instead of one. He took great pride in the school room that he set up for the children of the workers. It can still be seen today and was a lovely airy room with lots of visual displays and pleasant views of the river and wooded valley outside. Visitors came from all over Europe to see New Lanark and were particularly impressed by the way that the children were healthy, natural, graceful, and, of course, better educated than would normally be the case for the children of working people at the time. Owen's workers also got medical attention. Because I am disabled I get care from a care agency, and shamefully it offers the people who work for it conditions which in many respects are worse than those provided by Robert Owen two centuries ago.

Visitors can see some of the original machinery in operation. A further attraction is Robert Owen's house, which although considerably larger than those of his workers, is quite modest by the general standards of mill owners, and is just up the road from the mill. If you get bored with all the history there is a beautiful walk through a wooded valley along the side of the Clyde.

The information about the factory, community and about Robert Owen himself seems designed for school-children. Little is said about Robert Owen's subsequent career, which is a shame. He spent a great deal of time

lobbying the unreformed Parliament for legislation to improve working conditions, which eventually resulted in the Factory Act of 1819. This was a landmark insofar as it was the first legislative attempt to improve working conditions, but it was so diluted by the time it reached the statute book as to be useless. This led to Owen focusing on alternative ways to ameliorate the lot of working people. He first became involved in setting up utopian communities, of which the main one was at New Harmony in the United States. He sank most of his fortune into this experiment, which rapidly failed. When he returned to England he became involved in the setting up of the Grand National Consolidated Trades Union of 1834, which was the first serious attempt at setting up a general trade union. This also failed quite rapidly. Owen advocated his early socialist views in a series of writings.

Some of the factory has been converted into a hotel, which is a very pleasant place to stay, and charges about £89 for two people sharing a double room with a full Scottish breakfast. New Lanark is about a twenty minute drive away from Glasgow, so the hotel could also be used as a base for touring the attractions of Scotland's second city.

I am not sure of the effect on other visitors, but my brief stay at New Lanark left me feeling angry that we can't do better than Robert Owen two centuries later, despite the vast increase in wealth since that time. Admittedly some of the arrangements at New Lanark were a bit paternalistic, and people these days expect secondary and university education as well as primary education, but one feels that if Owen could return he would not be overly impressed with social progress since his day. The struggle for socialism, let alone that against the idiocy of the coalition government, remains thoroughly worthwhile.

# Manningham-buller

## National Security - an overview

The National Security Strategy assesses “international terrorism” to be the greatest threat to Britain today. Other Tier One threats are “cyber attacks”, “a major accident or natural hazard” and “an international military crisis between states, drawing in the UK”. (How the latter can be regarded as a threat is a mystery, since the UK has a perfect defence to it, namely, don’t be drawn in.)

Tier Two: The National Security Council considered the following groups of risks to be the next highest priority looking ahead, taking account of both likelihood and impact. (For example, a CBRN attack on the UK by a state was judged to be low likelihood, but high impact.)

- An attack on the UK or its Overseas Territories by another state or proxy using chemical, biological, radiological or nuclear (CBRN) weapons.

- Risk of major instability, insurgency or civil war overseas which creates an environment that terrorists can exploit to threaten the UK.

- A significant increase in the level of organised crime affecting the UK.

- Severe disruption to information received, transmitted or collected by satellites, possibly as the result of a deliberate attack by another state.

Tier Three: The National Security Council considered the following groups of risks to be the next highest priority after taking account of both likelihood and impact.

- A large scale conventional military attack on the UK by another state (not involving the use of CBRN weapons) resulting in fatalities and damage to infrastructure within the UK.

- A significant increase in the level of terrorists, organised criminals, illegal im-

migrants and illicit goods trying to cross the UK border to enter the UK.

- Disruption to oil or gas supplies to the UK, or price instability, as a result of war, accident, major political upheaval or deliberate manipulation of supply by producers.

- A major release of radioactive material from a civil nuclear site within the UK which affects one or more regions.

- A conventional attack by a state on another NATO or EU member to which the UK would have to respond.

- An attack on a UK overseas territory as the result of a sovereignty dispute or a wider regional conflict.

- Short to medium term disruption to international supplies of resources (e.g. food, minerals) essential to the UK.

The Strategic Defence and Security Review, entitled *Securing Britain in an Age of Uncertainty*, [7], published on 19 October 2010, is supposed to set out the means of achieving the ends laid down in the National Security Strategy.

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0.5 The National Security Strategy of the United Kingdom is: to use all our national capabilities to build Britain’s prosperity, extend our nation’s influence in the world and strengthen our security.

0.8 This strategy for maintaining British security and influence in the world is characterised by the new National Security Council. ... The National Security Council has reached a clear conclusion that Britain’s national interest requires us to reject any notion of the shrinkage of our influence.

0.9 We must be a nation that is able to bring together all the instruments of national power to build a secure and resilient UK and to help shape a stable world.

2.1 Britain will continue to play an active and engaged role in shaping global change.

SDSR extracts

Our country has always had global responsibilities and global ambitions.

We face a severe terrorist threat that has origins at home and overseas.

We will continue to be one of very few countries able to deploy a self-sustaining, properly equipped brigade-sized force anywhere around the world and sustain it indefinitely.

2. Tackle at root the causes of instability. To deliver this we require:

- an effective international development programme making the optimal contribution to national security within its overall objective of poverty reduction, with the Department for International Development focussing significantly more effort on priority national security and fragile states

- civilian and military stabilisation capabilities that can be deployed early together to help countries avoid crisis or deal with conflict

- targeted programmes in the UK, and in countries posing the greatest threat to the UK, to stop people becoming terrorists.

- defending our interests by projecting power strategically and through expeditionary interventions

A Queen Elizabeth-class carrier, operating the most modern combat jets, will give the UK the ability to project military power more than 700 nautical miles over land as well as sea, from anywhere in the world. Both the US and France, for example, have used this freedom of manoeuvre to deliver combat airpower in Afghanistan from secure carrier bases in the Arabian Gulf and Indian Ocean.

Vichy Britain: the truth exposed by WikiLeaks (by Neli Clark)

<http://www.thefirstpost.co.uk/72400,news-comment,news-politics,wikileaks-has-exposed-vichy-britain-and-our-pro-american-elite-special-relationship>