

# **Labour & Trade Union Review**

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## **Maastricht**

## **Labour's 'New' Way Forward**

### **The New world Order Free Market Nihilism**

**Kate Hoey - a Labour Unionist**

*plus*

**Notes on the News  
Trade Union Diary**

# **Maastricht: Labour Skates on Thin Ice**

It is not clear that the Maastricht debate in parliament is actually a debate about the Maastricht treaty. The Labour Party has chosen to use the debate as an occasion to maximise party political advantage and, in doing so, has given new wind to the vociferous anti-European Thatcherite tendency within the Tories.

We do not know what effects the various Labour amendments to the bill now passing before parliament might eventually have because the government seems to be within its rights in not publishing the opinions of its legal officers. There appears to be at least the possibility that Amendment 27, removing the protocol on the Social Chapter, might necessitate the re-ratification of the treaty by the other member states. As things stand, the wrangling could continue for many months to the increasing annoyance and bewilderment of our "partners". And we are told that the Foreign Office is "comfortable" with Chancellor Kohl's recently expressed indignation.

The Labour leadership assures us that whatever else might happen it will vote with the government on the third reading of the Maastricht bill. It is content in the meantime to watch gleefully as the Conservative party tears itself apart on the question. We commented sympathetically in L&TUR No 32 on the re-emergence of competent opportunism within the Parliamentary Labour Party. Though we had our doubts about using the debate on an important issue of principle such as Maastricht as a stick to beat the government with, there was the possibility that the vote on the issue could have exposed Tory divisions on Europe and left the government weakened during a time of great economic and social upheaval. In the event, by turning that vote on the second reading of Maastricht into a vote of confidence, which the Tories, being above all else Tories, made sure they won, Labour handed Major a bye into the next round.

Had the passage of the rest of the Maastricht Bill been relatively uncontentious then attention could have been focussed on the many other issues on which this government is in trouble and which the current, no doubt highly entertaining, if largely irrelevant, debate in parliament is serving to obscure. Instead, the other Europeans are having to watch their economies slide into recession whilst a protectionist America reasserts itself and Britain blunders around not sure which continent it belongs to. In the midst of all this the Danes are faced with the crucial task of reversing their previous position with regard to the treaty.

It is not possible to say at this time, despite the assurances of Messrs Major and Smith, that Britain will finally ratify the treaty. The ranks of sceptics on the conservative side appear to grow daily, their hand strengthened by the collapse of the ERM and the alleged, though barely noticeable, recovery said to be its consequence. Meanwhile Labour's very own Euro-sceptics, whose influence was certainly detectable in forcing John Smith's ill-advised stance in the debate on the second reading, are now beginning to find their voice in the uproar. Brian Gould, emboldened by his new-found admirers in the Thatcher/Tebbit/Daily Telegraph camp, claims to have up to sixty fellow travellers on the Labour benches who might yet follow Teddy Taylor's rebels into the Nay lobby when the final vote takes place. The time has come for John Smith to take control of his party if it is not to suffer a split potentially much deeper than that which has riven the Conservatives.

The issue which is at stake over Maastricht is whether Britain is to enter into a political and economic union commensurate with the customs union established by the Single European Act. The notion of the Thatcherite Right, that Britain can enjoy the benefits of free trade established by the SEA whilst refusing to participate in the political and economic structures necessitated by it, is either naive or malicious; both attitudes from time to time manifest themselves.

It is true that Britain could for a time use its position outside a currency union but within the free trade area to obtain relative trading advantages, but it is inconceivable that

such a union could allow that position to obtain for long. Recognising Britain's threat, stupidly made explicit by the Tories in recent months, to manipulate Sterling so as to disrupt progress towards full union, the other countries will be forced during the course of their future deliberations to establish countervailing mechanisms: it is a safe bet that minds in Paris and Bonn are applying themselves to the problem already.

At Maastricht enormous concessions were made to British, or at least Tory, sensibilities in the form of the "opt-outs" on monetary union and the social chapter. Monetary union is central to the treaty however and it was never intended that Britain should have the right *permanently* to opt out of it, merely that it could do so until such time after January 1st 1999 when it would be politically possible for it to opt in by means of a vote in parliament.

The opt-out granted in respect of the social chapter is trivial by comparison with that on monetary union, since it is obvious that uniform social provision within the community will always have to proceed with reference to the ability of its poorer members to pay for such provision. In addition, its ambit is limited and matters relating to social security, protection of workers on dismissal and worker representation will all still require unanimous decisions if they are to become European Law.

Nevertheless it is the social chapter which has quite wrongly exercised the imagination of the Labour Party in parliament and the far greater question about monetary union has scarcely been touched on. In the present confusion that is now liable to change.

In an article in *Tribune*, (Feb 26), Peter Hain MP (like Gould, still finding his feet in the mother country) resurrects the "Bankers' Europe" argument of an earlier age. The argument, especially as put forward by Hain, is largely gibberish, but it is necessary to deal with it as it, or a version of it, is accepted unthinkingly by many on the left. He says, "*the debate on whether the planned new European Central Bank [to be established under the Maastricht Treaty, L&TUR] should be democratically accountable is critical.*"

*During the high tide of monetarism in the late eighties, European policy-makers hatched the idea of making it independent. It was to drive Europe uncompromisingly towards monetary union by enforcing price, currency and interest rate stability."*

Many central banks are "accountable" in the sense that their policies on interest rates, exchange rates and inflation are determined by the day-to-day exigencies of their governments. A country which has such a central bank, Britain for example, can virtually guarantee that its economy will be regularly buffeted by wild fluctuations in all of the above variables as each ideological whim of its government comes and goes.

Germany, which has long had an "unaccountable" central bank, has been characterised during the entire post-war period by an incomparable degree of economic stability growth and social progress. Only when Helmut Kohl decided to override his bankers and admit the East German Mark into the West German system at parity, did stability and growth begin to falter. We are all still living with the adverse consequences which resulted.

According to Hain, "*The European Central Bank will be single-minded in its dedication to low inflation virtually regardless of the consequences for jobs and social equality. Furthermore, it is specified that national central banks will be subordinate to the unaccountable ECB and not to their elected governments. Indeed, if the timetable is strictly adhered to, the Bank of England would have to be privatised by 1999.*"

The reference to "privatisation" here is simply bizarre and can only be taken to be a spin that Hain himself has put on the accepted notion of central bank independence. It is quite true that the ECB will be committed to the maintenance of price stability and it is generally taken as axiomatic that price stability is a desirable goal of economic policy.

Hain appears to be wedded to the notion that this is incompatible with increased employment and even social equality; it is not. In an advanced industrial economy it is a prerequisite of both as the economic

record of the UK over the last twenty years testifies eloquently.

For him then to say that national banks will be subordinate to the ECB is either to misrepresent or misread the relevant provisions of the treaty.

The governing council of the ECB will be made up of the governors of the national central banks together with the executive council of the ECB itself. The latter will consist of only six members, a President, Vice-President and four others, appointed "by common accord of the governments of the Member states at the level of the Heads of State or of government, on a recommendation from the Council (of Ministers) after it has consulted the European Parliament and the Governing Council" (Art 11 of the Protocol on the statute of the European system of Central Banks and of the European Central Bank) and its function will be to implement the decisions of the governing council.

Thus six very accountable executive council members will join the twelve central bank governors, each of whom is appointed by his own government, to frame the policy of the ECB as its governing council. Given this we wonder how he can then say that "It simply beggars belief that socialists in Europe have not only charged the bank with pursuing purely monetarist objectives but have effectively enforced a self-denying ordinance preventing democratically elected politicians from even questioning these faceless bankers." Perhaps he should take a look at Article 109b of the treaty which obliges the President of the ECB to present an annual report to the Council of Ministers and the European Parliament and provides for both him and the other executive members to be heard before the competent committees of the parliament at the request of the parliament.

Finally it becomes clear that whatever treaty Peter Hain has read, it is not the one that was signed at Maastricht. For him "Representation on the ECB's executive board (sic) will not be equal among member states (difficult to see how it could be since there are only six places on the board and twelve states): there will be a bias towards the larger countries with

monetarist muscle. (?) Votes will be weighted by the size of the population and the size of the gross domestic product of each country. So the German bankers will have an in-built majority. Bundesbank rules will apply."

This is all utter fantasy on Hain's part. German bankers appear here like the Creatures of the Id: dark manifestations of the Maastricht sub-consciousness that seem to threaten his very sanity. Properly considered, central "bankers" are not bankers at all; they are paid government officials and lest he is in any doubt about the matter let him try cashing a cheque in Threadneedle Street. Britain for the last fifteen years has been completely in thrall to real bankers who are indifferent to the social needs of the society they exploit.

Hain in his article attempts to sow deliberate confusion based largely on his own prejudice and ignorance. He can be excused, as can anyone, of a degree of economic illiteracy, but literal illiteracy and deliberate misrepresentation are another matter. The executive council will exist in order to implement the policy decisions made by the governing council of which it is but a subordinate part.

A widespread misconception, which he attempts to propagate, is that the so-called "Protocol on the Excessive Deficit Procedure" irrevocably limits all government deficit spending to 3% of GDP. Hain compares this to Britain's present budget deficit which is running at around 7%. Such spending is very precisely defined in the Protocol, much more so than it is in

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our own budget and it specifically excludes what it terms as "commercial operations" from its ambit. In doing so it allows, indeed practically *oblige*s, governments to intervene in their national economies in order to ensure that the overall level of economic activity is such as will sustain government spending without resort to an excessive deficit. Additional provision is made in any case for deficits which are "*exceptional and temporary*".

The fear among many on the left in Britain that economic and monetary union spells disaster for policies aimed at employment growth and social progress is illusory and founded upon a gross distortion of the role of a central bank. The notion, in any case, that a single country might be able to embark on a programme of reflationary growth without reference to international conditions is absurd. A co-ordinated programme of growth among the states of an increasingly self-sufficient and powerful union however, is not. The question is whether or not Britain will actually find itself in such a position.

Under the terms of the Maastricht Treaty monetary union is to proceed in three stages. The first, the Exchange Rate Mechanism, was proceeding apace until Norman Lamont, whether by accident or design, failed to negotiate an orderly devaluation of Sterling within the system and, pledging to "re-enter as soon as possible", suspended Britain's membership. Subsequent British interest rate cuts then forced further revaluations by other member states bringing the entire ERM into needless disrepute.

We have heard no more since about Lamont's pledge and Gordon Brown, inscrutable throughout, has not seen fit to remind him of it. Britain's continuing participation in the ERM was assumed when the treaty was signed and it is quite difficult to see how we can possibly make further progress along the road to union outside it.

Meanwhile, the second stage of the union process is due to commence on January 1st 1994 with the setting up of the European

Monetary Institute, a transitional body aimed at strengthening co-operation and co-ordination between the national central banks and member states in the run up to union and Britain is already committed to participate.

The third, final and most important stage must start by January 1st 1999 and will mean that the ECU will become the single currency of the community. It is at this point that the British opt-out will become effective and it is at this point that the parliamentary "mother of all battles" will have to be fought to bring Britain into the system.

The government, in order to appease its rebels, is letting it be known that for all it cares this step could be postponed for twenty years and the Labour leadership though committed in principle to monetary union (as it was once committed to the ERM) is cheerfully allowing John Major to hang himself on the ratification process. John Smith is playing a dangerous game of brinkmanship which could turn against himself, Maastricht and the entire process of monetary union in the future.

It is now quite conceivable that Major will come under such pressure over Maastricht that he will be forced to call a referendum especially as it becomes plain that both parties are split on the issue. John Smith will have only himself to blame if that should happen. He had the opportunity to both severely damage the Tories over Maastricht and press home the advantage by exposing their continued incompetence in economic management. Instead their management of the economy has taken a back seat as Labour has sought to extend the Maastricht wrangle interminably.

There is now nothing to gain for Labour by prosecuting the matter further but there is potentially everything to lose. There is every chance that the treaty will not be ratified at all either by Britain or Denmark. Even if it is and Smith should find himself prime minister after the next general election, as seems increasingly possible, he can guarantee after this performance

that the Tories, pro-Europeans and all, will pursue him right down to the wire on monetary union and relish every Labour split that they can cause.

The speedy ratification of the Maastricht Treaty is a necessary, but not sufficient, condition for any eventual European union that includes Britain. It is consequently the single most important constitutional issue that parliament has faced in several hundred years. It will at a stroke supercede all the the frivolous constitutional tinkering that has been the intellectual left's only stock-in-trade for the last fifteen years, and which, lacking any base in social and economic reality, has amounted to nothing more than navel-gazing at the expense of the constituency the party is elected to serve.

We have said before that everything depends on what John Smith does at this juncture. It is the moment of truth both for Labour and the country and it is time for him to lead. □

## Labour Speeches

*Speech after long silence* - that is what we are now hearing from the leading stratum of the Labour Party. And after long silence it is not surprising that speech is incoherent and rambling.

Ten years ago there was garrulity on the wrong basis. Realising that the Bevanite framework of thought was electorally disastrous, and having access to no more realistic mode of thought, Kinnock reduced his colleagues to subordinates and shut them up. He also tried to shut himself up, but it was not feasible for the party leader as well as the party to be silent. So he tried to collect a stock of safe things to say, and he said them with as much plausibility as he could muster.

Kinnock has now admitted - or was it a boast? - that he didn't believe half of what he said. He said on a chat show that he

overcame the problem of belief by learning to waffle. And what better occupation could there be for a waffler than conducting chat shows and being a guest on them?

But in truth nothing was really revealed by his revelation. The whole world knew that he was a waffler. That is why the election was lost.

English political life has degenerated to such an extent that the choice at the election lay between a simple-minded, but honest, Tory and an implausible confidence trickster. And in its moment of truth at the ballot box England plumped for honest, inane simple-mindedness.

When Kinnock made an entirely unnecessary public admission, that, as leader, he had not believed half of what he said, one would have thought that would have been the end of his political career. It is hardly the sort of thing anybody who thinks he has a political future would say. Yet there have been unmistakable signs in the past month that Kinnock is on the way back. Such is the degree of John Smith's failure to make an impression on political life.

It seems that salvation is not going to come from north of the Tweed after all.

Just over two hundred years ago Edmund Burke decided that the French Revolution could not realise the hopes that were being placed on it because it had put the conduct of the state in the hands of lawyers. That insight seems to have stood the test of time very well. The Labour Party is now in the hands of lawyers, and they haven't got the foggiest idea what to do with it.

A barrister without a brief is like an actor without a part - he doesn't know what he is or where he stands. In periods of stability and routine barristers function well enough as politicians. The agenda is set for them and it guides them much as a brief does. But today there is no agenda. The old agenda has been discarded, and a new agenda can only be constituted by original political thought and action. Party leaders face the kaleidoscope of raw reality. Order and purpose will not be discovered in it by market research. The function of

political parties is to impose order and purpose on this state of confusion by bringing a definite political position to bear on it. And this is not work that the habits of the Bar prepare him for.

John Prescott is the only member of the present Labour leadership who holds a political position. He is therefore the only possible party leader in the proper sense of the term. With Prescott leading it Labour would again be a party. It would assert a political position and set about giving it social force. And then there would be some prospect of the prevailing social chaos being brought to order. But there seems little prospect of Prescott becoming leader. The Kinnockite flotsam which constitutes the leading stratum wouldn't hear of it.

At this juncture it is almost irrelevant to discuss *policy*. In order for policies to have an effect on social life they must be the policies of an organisation which is active in social life. The Labour Party is not now such an organisation. Its basic problem is existential, not strategic. There is little point in devising strategies for a non-existent force. When the problem is what to be, it is not very useful discussing what to do.

The play *Six Characters In Search Of An Author* seemed only an ingenious theatrical idea thirty years ago. But is was nothing like as odd as the present condition of the Labour Party. A year ago it almost became the Government. It had little idea of what it was then, and it has less now.

Think Tanks have been in fashion during the past ten or fifteen years because Thatcher had a couple of them, and made use of them. But Thatcher had a purpose. And her intellectual hot-houses were dedicated to her purpose as surely as the Institute of Red Professors in Russia sixty years ago was dedicated to Stalin's purpose.

In political life thought is only effective when it is governed by a purpose. Thatcher's purpose may have been the pursuit of a mirage, but is carried all before it because it was the strongest purpose in British political life. It was credited with

realism by those 'Left' intellectuals like Martin Jacques who were swept along by it. But in fact Thatcher's object was entirely unrealistic. It was the object of the French Enlightenment of the 18th century - social harmony through universal egoism - pursued without regard to the experience of the French Revolution. It was a great delusion pursued with great conviction. She succeeded because she was opposed by delusion which lacked conviction - by leaders who didn't believe half of what they said - and nature abhors a vacuum.

Her think tanks devised means of eroding the welfare state established by Attlee and Bevin and consolidated by Macmillan, by oblique methods which ensured that the issue of the welfare state was never put to the electorate.

The Thatcher slogan of the late seventies was: Let the tall poppies grow! Thatcher Toryism represented itself as the party of industrial capitalism. In actual fact it was no such thing. It was only a party of capitalist propaganda. And what the Think Tanks did was give her capitalist-sounding things to do in Parliament which generated great ideological excitement, and apparently changed everything while actually changing very little so far as ordinary experience of life went. And the tall poppies have not grown.

Labour Think Tanks have differed from Tory ones in that they have not been set a definite task. They have been empty imitations. Or, to put it another way: organs or pure thought. And pure thought is no thought at all.

G.B. Shaw, who packaged and marketed himself as a socialist intellectual, produced one of the silliest plays ever written: *Back to Methuselah*. It was his *magnum opus*. Shaw disliked most kinds of human activity, including sex. In this long play he depicted human destiny as a development towards asexuality and pure thought. In the final episode people come out of eggs and immediately engage in purposeless intellectual chit-chat - thus anticipating Baroness Blackstone's Think Tank.



# Adam Smith, free-market nihilist

by Madawc Williams

Free-market systems are by their very nature self-destructive. The cash nexus denies and negates all other social values. Every society that tried to contain such a system has found itself warped out of all recognition, turned into something quite alien to the ideals of its founders.

Smith's great contribution to the Industrial Revolution was to spread false reassurance. He told the ruling class and the thinking minority that all was well. The social and economic transformations of the time were in his eyes a simple matter of 'improvement'. The vast upturns later called the *Agricultural Revolution* and the *Industrial Revolutions* were not expected to produce any comparable political changes. For Smith, all that was happening was the creation of a rational prosperity, the clearing away of a nonsensical chaos.

Smith absolutely rejected the view that it was ripping apart social traditions that would never again be re-created. Nor did he suppose that 'improvement' might go beyond what he thought proper - that it might change the balance of the constitution, for instance.

Smith was a decent, honest, good-hearted fellow who really believed all of the things that he was saying. But he was quite wrong. He wanted wage workers well looked after, given a fair share in the new prosperity. Yet the very economic principles that he endorsed ensured that this would not happen. And this led in turn to the rise of an independent working class and the growth of democratic power - developments that would have utterly appalled him.

We in Britain are the end-product of some two and a half centuries of free-market warping and transformation. As end products, we naturally see many of the changes as great improvements. The spread of democracy, the equality of the

sexes, the replacement of hierarchy and inherited privilege by relative equality, a much reduced role for hereditary wealth - all of these seem good to us.

To the 18th century gentry who oversaw the start of the whole process, 'democracy' was a dirty word. Most of them saw equality of the sexes as an abomination, a breach of the natural order. Hierarchy and hereditary wealth meant everything to them. Privilege was the basis of civilised life.

I said that we in Britain are end-products of capitalism and the free market. So should we worry? We should, if we have any sense, because we are actually no more than the most recent end-product. The process shows no signs of stopping or finding its own level. It may not in the long run even be compatible with human survival.

If we are fool enough to carry on with free markets, and if this can be done without killing off the planet, then it is certain that the world of the 22nd century will be quite different from anything that we today would think acceptable. It might not even take that long: history these days moves a great deal faster.

*"You can't buck the market". Right-wingers have taken up this remark by Mrs Thatcher to be an undeniable truth. In reality, most societies for most of human history have very much bucked the market. By doing this they limited their chances of accumulating wealth, but also preserved their own distinct cultural and social values. 18th century Britain was very much the exception in letting rip the unpredictable forces of unfettered commodity production. In a short time this process had turned Britain into a much richer society, but also a society with some very new and alien cultural and*

*social values.*

When dealing with market forces, it is question of "buck or be bucked". Control your own destiny, or surrender everything to the accumulation of wealth.

Thatcher's remark should in any case have been "We can't buck the market". The difference is not a matter of pedantry: it exposes the very heart of New Right misunderstanding of the capitalist system that they try to operate. Thatcher's notion of free markets has always included the supposition that market forces could simply be switched off where they didn't suit her purposes. The laws of supply and demand were seen as absolute truths most of the time, but not all of the time. At a minor level, market demands for illicit drugs or hard-core pornography could supposedly be suppressed by state action, at the very same time as all traditional social restraints were being destroyed elsewhere. More significantly, she was determined to preserve British distinctiveness at a social and political level, while abolishing it in the sphere of economics. The *national* economic plan and *national* wage agreements and the *British* Broadcasting Company and *nationalised* industries like *British* Rail and *British* Gas and *British* Airways are all being tossed into the melting-pot of free-flowing multi-national capitalism.

When people are eagerly promoting social forces that are bound to destroy them, and are wilfully blind to this fact, what else can you call it but nihilism: the pursuit of nothingness?

## The Division of Labour

Adam Smith builds his theory on the Division of Labour. But look carefully at what he's saying, and you find he's building upon sands. Every human society had practised some sort of division of

labour. It is in no way specific to capitalism or free markets. And what was happening in Smith's time was not really a *division* of labour. Rather, it was a double process of fragmentation and combination.

The **Wealth of Nations** opens with the statement:

*The greatest improvement in the productive powers of labour, and the greatest part of the skill, dexterity, and judgment with which it is any where directed or applied, seems to have been the effects of the division of labour.*

After a paragraph of general remarks about workmen and workhouses, he gives his most famous example, the manufacture of pins. He does not claim to be the first to observe it. But on the other hand, he says nothing specific about what earlier thinkers had had to say on the matter. Sir William Petty is generally credited with being the first modern writer to understand and describe the division of labour. He did this almost a century before Smith, in his **Political Arithmetic**. Petty was also the first person to conceive of modern industrial society, to see that it was possible and indeed likely that a nation as large as Britain might become predominantly urban.

Unlike Smith, Petty treats the division of labour as a fairly minor matter, part of a general pattern of development. Smith says nothing about Petty in **The Wealth of Nations**, even though most people recognise him as one of the most notable writers on economic matters before Smith. In his published writings, Smith does not seem to have referred to Petty at all, apart for an obsequious reference in a letter to Lord Shelburne, one of Petty's uninteresting aristocratic descendants. (**Correspondence**, Letter No. 30). Smith hardly ever refers back to earlier writers on political economy, so that his own work seems much more original and brilliant than it actually is.

The **Wealth of Nations** also sounds much more plausible, thanks to Smith's style. You get very few indications that there are other sensible opinions besides those Smith presents you with. And the subject is generally treated as if all was darkness before Adam Smith appeared. Quite who first wrote about the division of

labour in pin manufacture, I don't know. Smith gives no indication. What he does say is:

*To take an example, therefore, from a very trifling manufacture; but one in which the division of labour has been very often taken notice of, the trade of the pin-maker, a workman not educated to this business (which the division of labour has rendered a distinct trade), nor acquainted with the use of the machinery employed in it (to the invention of which the same division of labour has probably given occasion), could scarce, perhaps, with his utmost industry, make one pin a day, and certainly could not make twenty. But in the way in which this business is now carried on, not only the whole work is a peculiar trade, but it is divided into a number of branches, of which the greater part are likewise peculiar trades.*

With pedantic enthusiasm, Smith describes how the manufacture of a pin has been fragmented into a series of essentially mindless semi-skilled tasks:

*One man draws out the wire, another straightens it, a third cuts it, a fourth points it, a fifth grinds it at the top for receiving the head; to make the head requires two or three distinct operations; to put it on, is a peculiar business, to whiten the pins is another; it is even a trade by itself to put them into the paper; and the important business of making a pin is, in this manner, divided into about eighteen distinct operations which, in some manufactories, are all performed by distinct hands, though in others the same man will sometimes perform two or three of them...*

This system brings massive gains in productivity, to use the modern terminology. Smith considers the case of ten men working together in a pin 'manufactory':

*Each persons, therefore, making a tenth part of fourth-eight thousand pins, might be considered as making four thousand eight hundred pins in a day. But if they had all wrought separately and independently, and without any of them having been educated to this peculiar business, they certainly could not each of them have made twenty, perhaps not one pin a day.*

This presupposes a fairly wealthy society with a well-developed network for the distribution of goods. Only such a society could make it possible for several groups of ten or more persons to devote their lives exclusively to the production of pins. Smith does not ask if it is in fact an improvement for men to have their whole lives taken up with manufacturing one part of a pin. Nor does he mention women and children, though they too were probably part of the workforce. This lack of concern for the de-skilling of work etc. is a constant throughout **The Wealth of Nations**.

Smith also never considers the possibility that changing the basic work of a society might change the whole of the society in unpredictable ways. This was what was actually happening, but Smith has not the least inkling of it. He was one of those people who assume that the society they grow up in is the only *natural* way to live, a norm that the rest of the world will be eager to adjust to as soon as they see the light. The economic take-off of 18th century Britain was very much what Francis Bacon had imagined in **A New Atlantis**, and which the Royal Society had promoted in a thousand different ways. The take-off was occurring after many decades of government intervention designed to produce just such a development, and it had no real precedent in human history. But for Smith:

*This division of labour, from which so many advantages are derived, is not originally the effect of any human wisdom, which foresees and intends that general opulence to which it gives occasion. It is the necessary, though very slow and gradual consequence of a certain propensity in human nature which has in view no such extensive utility; the propensity to truck, barter, and exchange one thing for another... (I. ii. 1)*

When ten men work on the different stages of pin-making, they do not normally sell the part-finished pin fragments to one another. Occasionally they may be co-workers in a cooperative. Much more commonly they are employees, labourers controlled by a minor capitalist. This was the norm for manufacturing in late 18th century Britain, but it is not the only possibility. Highly complex divisions of labour can be found in such social

formations as a mediaeval monastery, an army regiment or a ship at sea. The unit as a whole may or may not trade, but the division of labour within the unit is normally fixed without regard to any cash exchange.

Whole societies can be run on such a basis. In ancient Egypt, the Pharaoh taxed the farmers and used the proceeds to maintain scribes, craftsmen, priests, soldiers etc. Similar systems existed in other early civilisations, with actual trade playing a marginal role. On the basis of a modernised version of this very old system, the USSR was able to industrialise, defeat the hitherto invincible armies of the Third Reich, build atomic weapons, put the first satellite into orbit and launch the first man into space (as well as the first woman). The disintegration of the USSR began when Khrushchev decided to 'improve' the system by combining market forces with state ownership. The 'improved' system was an unhealthy hybrid that went into a long slow decline before collapsing just recently.

Smith simply does not talk about social systems which have the division of labour without market forces. Most of the world was still run on such a basis when he was writing, but he refuses to take note of the fact. He goes straight from brute beasts to market traders, without acknowledging that other options also exist. He might have argued for the merit of market systems, but he prefers simply to ignore the fact that complex and sophisticated societies could exist on a non-market basis. In this way he gains simplicity, readability and plausibility, at the expense of intellectual honesty. Everything seems to follow logically from first principles:

*In almost every other race of animals each individual, when it is grown up to maturity, is intirely[sic] independent, and in its natural state has occasion for the assistance of no other living creature. But man has almost constant occasion for the help of his brethren, and it is in vain for him to expect it from their benevolence only. He will be more likely to prevail if he can interest their self-love in his favour, and show them it is for their own advantage to do for him what he requires of them...*

Smith is quite correct to see humans as just another race of animals, anticipating

not only Charles Darwin but even Erasmus Darwin. Smith's work is inherently evolutionary and non-Christian, though he did believe in God. Smith's close friend James Hutton, pioneering geologist, is a good candidate for the honour of the first scientific evolutionist. But most recent writers on Smith seem to have no clear idea of who Hutton was, and have no interest at all in his ideas. He is mentioned in passing as one of two executors of Smith's will. (The other was the Ulsterman Joseph Black, who greatly advanced our understanding of heat, and also found the time to give some helpful advice to an obscure young engineer named James Watt. But that's another story.)

To return to the main theme. While Smith can readily compare humans to other races of animals, he is wrong about the details, and wrong in fairly obvious ways. Most creatures form some sort of social association in the wild. Birds flock, wolves are found in packs, horses and cattle form herds. Ants, bees and termites create very complex societies, and are famous for their social cooperation.

Here and elsewhere, Smith shows himself to be a clever propagandist. The more so since his work reads as a dry academic tome, sounding very scholarly and impartial until you notice the huge number of short cuts and evasions used to get the 'right' answer.

*It is not from the benevolence of the butcher, the brewer or the baker, that we expect our dinner, but from their regard to their own interest. We address ourselves, not to their humanity but to their self-love, and never talk to them of our own necessities but of their advantages...*

Real life is more complex. Most actual social relationships have a mix of benevolence and mutual self-interest. In particular, business people always strive to develop some sort of friendship to go along with hoped-for mutual advantage. In Smith's time, most people would have had some sort of friendly social relationship with their butcher, brewer baker candlestick-maker etc. Only in a modern supermarket has all social connection been stripped away. And even supermarkets spend quite a lot of money trying to give themselves a more human face.

A social system in which everyone single-mindedly looked after their own self-interest would be a nightmare world. A nightmare that is an entirely logical and self-consistent outcome of Adam Smith economics. Two hundred years of capitalism have not yet stripped us of the notion that we are actually members of a society, with a duty of at least minimum benevolence towards each other. Adam Smith himself would flip-flop between the two views, praising benevolence in his other major work, **The Theory of Moral Sentiments**. But this work, though much admired in the 18th and 19th centuries, has remained a dead letter. Only **The Wealth of Nations** played a major part in reshaping the world.

Smith was a conservative nihilist. He was all in favour of a complete overturn of the forms of production, and of stripping the poor of various customary rights, most especially the right to live their lives as their parents had lived them. Yet he also managed to convince himself that there would be no social cost to all this overturning. People who had been humble and knew their place were supposed to go on being humble even after that place was taken away from them.

Events ever since have been showing just how wrong he was. □

## The Bursting of the New Right Bubble.

### Articles on Thatcherism from the Labour & Trade Union Review, 1987 to 1992

(Price £2)



# Notes on the News

by Madawc Williams

## Clinton's High Noon

The 1980s saw no net rise in living standards for ordinary Americans. The whole growth of prosperity in the economy went to the very rich, the million or so millionaires who have conned the rest of the society into letting them accumulate more and more. And a lot of it was based on borrowing, debt that keeps on and on accumulating. This is the problem that Clinton must overcome.

It seems he may do it, too. Even rich Americans are gradually realising what a stupid binge the 1980s were. The New Deal formula basically works, and the New Right modification basically does not. The more complex the society, the greater the amount needed in the common social fund to keep the society afloat. Reagan and Thatcher never actually managed either to reduce taxes or to cut overall state expenditure. They simply shifted it to less useful purposes, reducing social stability in the process.

The dispute over Boeing and Airbus highlights the role of the military-industrial complex in giving the economy a period of relatively fast stable growth. Growth of a sort that just didn't happen when the country was closer to the minimum-government ideals of its founders. The military, and to a lesser extent NASA, have been reliable big-spending customers interested in novel inventions and high technology. Thus, supported by the state, American companies have been able to develop all sorts of interesting ideas and then apply them to civilian production. This was the source of the whole microchip revolution. And it has also helped Boeing to become the dominant force in building large passenger aircraft.

Airbus has been mildly subsidised so as to keep some sort of civil aviation industry going in Europe. Without that government intervention, everyone would have to buy their airliners from an American company. This, of course, is what the Yanks would regard as a 'level playing field'.

## The Armed Forces and other Public Services

A recent survey revealed that the armed forces are just about the only public service that Britons are still proud of. They and the police are the only public services that the Tories have shown any affection for, and the police have suffered from the general social breakdown that has occurred under Thatcher. Thatcher believed that society does not exist, and she went quite some way towards realising this notion.

It is not just cuts in funding. A public service is mostly as good as the idealism of its people. Constant sneers from the people in charge do nobody any good. Public services that were actually quite good were treated as if they were disaster areas. 'Reforms' were forced through on the assumption that things could not get any worse. So naturally things have got considerably worse. And the Tory response is to call for more of the same.

'Radicalism' was originally a creed that desired to rip up everything by the roots, in order to bring a new society into being. It did indeed destroy the orderly hierarchies of 18th century Britain, and produce a society utterly unlike anything that had ever been seen before. An inhabitant of an ancient Mesopotamian city like Ur or Babylon would have felt less out of place in 18th century London, than an 18th century Londoner would have felt in late 19th century London, let alone the London of today. Radicals had an aim, and it was achieved.

Thatcherism is a different sort of animal. It disrupts all existing institutions, in the hope of restoring old-fashioned values that were slowly fading in the pre-Thatcher era. Under Thatcher, and now under Major, those same values are fading even faster. What else would you expect, when everything is overturned by people who have no clear idea of what they are doing or why they are doing it?

The only Victorian values that Thatcher has restored are begging in the streets, hungry children, petty theft by the needy and people sleeping rough who are not chronic alcoholics. And perhaps also the traditional eleven-year cycle of boom and slump.

Having the armed forces as our only decent public service won't do us any good at all. American businessmen were enterprising enough to apply new ideas from military uses to useful civilian products. British businessmen are less capable. Mostly they eat up huge chunks of public money, giving back nothing and providing nothing useful. And British foreign policy seems to be dictated by the need to find the army something useful to do. Never mind sorting out your own problems - there is a whole world to mess around with!

## Russia

Remember the fears of a tidal wave of Russians and Ukrainians supposedly surging all over Western Europe? It seems it isn't going to happen. Minorities have been pushed out, in particular Jews. Russia has been anti-Semitic for as long as Russians and Jews have been in contact. Communism was the only force that ever managed to check this feeling, even though it too was infected towards the end. When the Soviet Union fell apart, it was conclusively shown that popular democratic anti-semitism was even worse than the official sort. So the Jewish minority is being pushed out by those they would have wished to help, and might have helped a great deal. But the solidity of the basic Slavonic communities seems to be intact.

Attempts to make Russians into free traders are getting nowhere. Privatisation values have been issued, but it seems that a lot of people are trading them to prostitutes, the one group in Russia to have really keyed into the true spirit of the West.

Meanwhile 'Mickey the Mouse' Gorbachev has been put in charge of the Cancer and Leukemia in Childhood Trust. Given the way that everything vanishes after he is put in charge of it, it may prove to be an inspired choice. □

## TRADE UNION DIARY

By Dave Chapel

### The NUM

There has been a certain outcry about the NUM ballot on industrial action - but not much. Mr Heseltine has blustered, but he is listened to even less than poor old Arthur Scargill was seven or eight years ago.

The NUM has received massive public support and sympathy in recent times. But such support is nothing like sufficient to stop the pit closures. The government, the Coal Board and the electricity and gas industries are spending their energies conspiring to implement the original plans one way or another, later if not sooner.

If the miners had presented themselves as helpless victims, throwing themselves on the mercy of an unpopular government, their cause would have failed.

They have shown that they are prepared to fight, and this time they have done the thing properly. They have also skillfully forged an alliance with the railway workers. Co-ordinated days of industrial action could show that they mean business. And if it came to an all-out confrontation, this weak and wobbly government couldn't be at all sure of winning. The country appears to be in the mood for a fight and the NUM is reading that mood correctly.

The fly in the ointment is the UDM. Given what happened in 1984-5 the formation of the UDM was inevitable and was the fault of the NUM. The UDM was portrayed as a tool of the government. It wasn't, but that seems to be what its new leadership wishes to make it.

Scargill has climbed off his high horse and called for unity. Not being the most tactful man in the world his terms may have been objected to. But it was the *principle* of unity that the UDM rejected.

If they think that *their* pits will be saved while the NUM pits will be closed, they are living in a fantasy world. The plans of the greedy people who run the gas and electricity companies and the equally greedy people who want to run a smaller, private coal industry, make no distinction between NUM and UDM areas. They are

simply happy that a split exists.

If the NUM and the railway workers give them a fight, they may even feel that it is *easier* to go for Nottinghamshire.

### Is NALGO a trade union?

The case of Veronica Bland's compensation for the effects of 'passive smoking' was according to her union NALGO, going to break new ground in the area of union protection of members. So far it has not, and we should be grateful for that.

A NALGO spokesman predicted that the case would open the floodgates. Six weeks later no-one else had sought to bring a similar case. One single telephone enquiry was received by the union and to date this has not been followed up.

To the case itself. The dangers from passive smoking are at most unproven. The causes of Ms Bland's condition could be related to smoking only in the most circumstantial terms - smoking occurred at her place of employment. Stockport Council, especially after losing its shirt on BCCI, couldn't afford even the slightest risk of contesting the case, with the further possible claims if a real precedent were set.

Trade unions are right to concern themselves with working environments. Modern offices with central heating and air-conditioning which is sealed off from real air (even that of our modern towns) are notoriously unhealthy places. They also virtually guarantee the spread of whatever ailments affect workers.

NALGO should be tackling the general problems of the modern office - and this would also deal with any problem of staff objections to smoking. One is indeed forced to suspect that the NALGO case had as much to do with the current self-righteous witch-hunt of smokers as anything else. (Another example of this is British Rail's abolition of smoking compartments after lying about surveying passengers, and its waste of transport police

time in enforcement.

Then there is the question of suing the Council. Suppose the Bland case really did open the floodgates, and not just on the passive smoking issue? Councils would be brought to near bankruptcy. This is no way to treat the public's money.

NALGO has already shown, by its demands to keep the extra staff needed to police the wretched poll tax, that it sees local authority funds as a bottomless trough. Its members are hardly the most popular workforce in the country. If they find themselves privatised they can hardly count on a great wave of public support.

If the policy of suing Councils is pursued, especially over cases which pit the interests of one set of members against another, Councils will be forced to protect public funds by making alternative arrangements for administration and for the provision of services. Arrangements in which Nalگو will not figure. I suppose Nalگو could look to its future and start organising the lawyers.

### Victory at Ford's

It has been fashionable for quite some time to say that industrial action is, or should be, a thing of the past. 'Other means' should be used to resolve disputes. The trouble in recent years is that disputes have seldom been resolved at all. The will of the employer has been imposed.

Reason and negotiation should of course take precedent over strikes. But the time has come when industrial muscle must be exerted in many areas if only to bring about a climate where reason and negotiation become possible again.

Many of the media pundits held up their hands in horror when Ford workers were balloted on strike action over redundancies. But the unions knew what they were doing.

The ballot was timed for the run-up to the launch of the new Ford Mondeo. Redundancy proposals for manual workers have been cancelled.

Ford cannot publicly acknowledge defeat on this one and claim that an increase in demand means redundancies are no longer needed. The increase is almost negligible. But that is all to the good. Because after the launch, Ford can hardly go back on their decision. We may now at last be seeing some green shoots of recovery in trade unionism. □

# Labour History Reprints

Extract from **Socialism & Society**

By Ramsay MacDonald

*Labour & Trade Union Review* will henceforth carry as a regular feature a reprint of some piece of literature from the history of the Labour movement. Until the 1960s there was in the Labour movement some general sense of where it had come from, what the main strategic decisions were that had caused it to develop as it did, and what the arguments were that preceded those decisions. But during the past twenty years the Labour mind has been wiped clean of all historical sense. This was done in the first instance by the rise to dominance of leftist doctrine. This provoked and facilitated the rise in the Tory Party of a counter-dogmatism, which was equally simplistic but more vigorous. After the third successive Tory victory the distinctive of Labour collapsed utterly and there was wholesale adaptation to Thatcherism by the leftist demagogues of the period around 1980.

The historical literature of politics is a means of political thought. We are therefore putting some of the labour literature of Britain back into circulation, without regard to the particular tendency from which it emerged, just to show that before the era of Foot, Thatcher and Kinnock there was mental content in Labour politics.

We begin with a chapter from Ramsay MacDonald's *Socialism and Society*, published by the Independent Labour Party in 1905:

What, then, are the forces in present-day Society which Socialists should regard as making for Socialism?

The Marxian answer is that a war of classes is going on which one's eyes can see and one's ears hear. On the one hand is the exploiter, the person who accumulates surplus value, on the other, the exploited, the person who sells his labour power for a price which tends to sink to a bare subsistence level. The opposition between those two classes grows in intensity. It will continue to grow until the workers become class conscious, seize political power, and establish the Socialist state. In the words

of the *Communist Manifesto*: "The proletariat will use its political supremacy to wrest by degrees all capital from the bourgeoisie, to centralise all instruments of production in the hands of the state, i.e., of the proletariat organised as the ruling class."

Such a view is both inaccurate as to facts and misleading as a guide for action.

In the first place, it is not true that there are only two great economic classes in the community. Marx was so anxious to separate himself from "bourgeoisie" economists that he determined on no account to recognise the conflicting interests of the receivers of rent and of profits. Some of his followers, without allowing for the admission in their systems, concede the antagonism, as for instance when Mr Hyndman describes the trinity of labourers, farmers and landlords as being "as compact a little set of antagonisms as any in our society," and later on when he states that "the only results of the confiscation of competitive rents or royalties by the State...would...be the strengthening of the hands of the capitalist class." This is true only on condition that there is an economic antagonism between landlords and capitalists as well as between capitalists and workmen, and that the "class war" is carried on not between two but three armies, between any two of which there may be treaties of peace and offensive alliances.

But any idea which assumes that the interests of the proletariat are so simply opposed to those of the bourgeoisie as to make the proletariat feel a oneness of economic interest is purely formal and artificial. It is a unification arrived at only by overlooking many differences and oppositions, which have been growing for some time rather than diminishing. For although, in the earlier years of the Factory System, the line between workman and employer was not clearly drawn, and men could reasonably hope that by saving and by procuring credit they could become masters, to-day there is still a goodly number of workmen who cross the line and become employers or employing managers, whilst the great thrift

movements, the Friendly Societies, the Building Societies, the Co-operative Societies, connect working class interests to the existing state of things. In addition, there are considerable classes of workers in the community whose immediate interests are bound up with the present distribution of wealth, and who, obedient to class interests, would range themselves on the side of the *status quo*.

Of course it may be said that all these sections, in refusing to help on the change towards Socialism, are making a mistake from the point of view of their own interests, and that if they were properly enlightened they would see that they belong to an exploited class, one and indivisible. That may be true, but a mode of action which is ineffective until men are "fully enlightened" is a chimera. Moreover, it is equally true that if the capitalist were fully enlightened, he too would embrace Socialism on account of the great blessings which it would bring to him. Thus all that the class war, when used to indicate the opposing armies whose combat is to usher in the reign of Socialism, means, is that an enlightened proletariat, not blinded by its immediate interests but guided by its permanent ones, will be Socialist. But so also will a similarly enlightened bourgeoisie; hence the value of the class war as an uncompromising statement of hard economic fact becomes a mere semblance. It is nothing but a grandiloquent and aggressive figure of speech.

It is an indisputable fact that the wage earner and the wage payer have interests which are antagonistic, and in the nature of things cannot be reconciled. The supposed identity of interest between capital and labour, which is assumed to be proved by the discovery that unless capital pays high wages it will not be able to command efficient labour, is no identity of interest at all. The efficient labour which high wages produce is still bought and sold by capital, is still employed or rejected as it suits the convenience of capital, is still underpaid to enable capital to accumulate high dividends, is still treated not as something possessing rights of its own but as something which ministers to the interests of others. This opposition may be expressed as a class war. But it is only one of the many oppositions tending to modify social organisation, and it is by no means the most active or most certain in improving that organisation.

There is, for instance, the opposition

between consumer and producer. This opposition is peculiarly complex, because a man is a producer one hour and a consumer the next. The most valid objection that can be taken to Trade Unionism (if it can be substantiated) is that it sacrifices the interests of the consumer to those of the producer. This has been illustrated in agreements between capitalists themselves and also between capital and labour. Combinations of capital to raise prices, or to monopolise the market, and agreements with workpeople to share in the benefits of artificially high prices on condition that they support the pool by refusing to work for any firm outside it, are examples of this rivalry between the consumer and the producer. Sometimes the rivalry takes the form of a war between capitalists, as when the German producers of pig iron damage the interests of the German steel manufacturers by dumping the rawer material in England. In other words, trade rivalry is as real and more forceful as an impulse of the day than class rivalry. Sometimes capital and labour in combination fight against a class consuming certain commodities, as in the building trades where the increased price of labour has influenced costs of building and consequently of housing accommodation. The conflict of economic interest between the consumer demanding cheapness and the producer desiring to sell the use of his labour or the use of his capital at the highest rates, is also an economic conflict which must not be overlooked or smoothed away in a formal generalisation. And it must be emphasised that the opposition is not one whit more unreal because the same man may belong at the same time to both the opposing classes.

Certain modern developments are tending to break up into well defined economic sections this "uniform" proletariat class. Of these the Co-operative and Building Societies are the most important. In the first of those movements, the wage earner becomes an employer - or, as it presents itself more familiarly to him - he is a receiver of dividends which, in part, are profits from other people's labour. All day, at his work in the factory or mine, he thinks of himself as the victim of the exploiter, as the loyal trade unionist, as the wage earner. But he comes home in the evening, washes himself, puts a better coat on his back, goes to his Co-operative Committee and immediately undergoes a fundamental change. Psychologically, he is a different man. He is no longer a wage

earner and a trade unionist, but a capitalist employer, who has been known to join in the anathema against labour combinations.

This does not mean that wealth is being better distributed, but rather that the psychological basis of class is being undermined. The boast of a control of "millions of money" which is made at every Co-operative congress, and the threat that capital and trade will leave the Stores if this or that regenerative policy is decided upon, inculcates the capitalist frame of mind in the worker, and though his sovereigns may be few, it is not the actual possession of riches which determines with what class a man associates himself. Imitation, as well as identity of economic interest, determines for practical purposes the class to which a man belongs. When a Primrose League dame shakes hands with an elector on polling day, she may or may not leave behind the shake of a £5 note. But she certainly removes for the time being the psychological props upon which class feeling has been resting. Down it tumbles, and the elector goes and votes for his "class enemy". Patronage and charity have the same effect.

But the point is best illustrated by certain recent developments of co-partnership, which as an industrial theory is admirable, but as a sociological influence may be most reprehensible. The South Metropolitan Gas Company a few years ago determined to put an end to the organisation of its men, and considered expedients for doing so. It decided to try co-partnership, and it succeeded. It bound its men to itself in precisely the same way as the proverbial man bound his donkey to his will by hanging a carrot in front of the animal's nose. Hoping ever to reach the carrot, the donkey romped home, and the driver's end was cheaply accomplished.

It is interesting to work out the financial equivalent of the class solidarity of the proletariat, and this gas company's experiment throws some light on the question. The co-partnership scheme has been in operation for fourteen years, 4,000 men are affected, and their total holdings are £170,000. Hence, in fourteen years under the scheme a man can save a little over £40, or about £3 per annum; and as his active working life does not average thirty years, this scheme allows the average man to save altogether something under £100. For this the men have given up their right to combine and their freedom of action, and have consented to place themselves absolutely at the disposal of the employing company. The result has

been that, whilst nominally they are receiving specially good treatment, in reality specially good profits are being made out of them.

By the second of those organisations - Building Societies - the interests of the working classes become identified with those of the landowning classes, and are opposed to every attempt of the community to enter into possession of the value which it imparts to land.

There is also another aspect to this. The interests injured by our present social state are not merely those of the wage-earners. Considerable classes of people depend on the wage-earners, more particularly the small shopkeeper. His social grade sympathy, however, unites the small shopkeeper with the *petite bourgeoisie* and divorces him from his economic supporters - the working class - and thus rebukes the theorists who see in social motive little more than economic motive. Then there are those whose comfort and success under existing conditions are but precarious - the bankrupts, the struggling business people, those engaged in industries which are passing under the control of trusts. All those are in economic positions which expose them to the allurements of the Socialist ideal. But they are possessed by a pathetic desire to attach themselves to the classes which rest in economic calm and bask in a blaze of social sunshine above the tempests and shadows in which the lower strata live, and from the depths to which they sink they cast an adoring eye upon the villas of suburbia, and in the midst of the desert of their ruin they bow the knee to whatever bears the approving stamp of respectability.

At this point we are able to strike at a vital defect in the "class war" conception of progress. When we appeal to class interests what do we do in reality? A man's class interests surely appear to him to be only his personal interests, - not his interests as a member of the wage earning class, not his interests as a citizen, not his interests as a member of a community, but his individual interests from day to day. There is no principle of social reconstruction in this feeling. There is the motive of a scramble or of class defence and preservation, the motive to secure big wages, short hours and favourable conditions of work. But that is all. The tug of the class war is across, not upwards; there is no constructive value in a class war. □



# But is it Civilisation?

**Michael Alexander considers the logic of the *New World Order* in the light of last year's Iraqi arms scandals and the current Somali intervention.**

Does anyone remember **The End of History**? The fall of the Soviet Bloc was supposed to lead to a peaceful world in which there was really nothing to quarrel about, only peaceful trade and economic growth. Some hope.

Trade has sometimes brought prosperity, but never peace. Success in trade generally means success in destroying somebody else's livelihood. Build a better mousetrap and you ruin the existing makers of mousetraps, destroying the way of life of people who have never done you any harm. But you are under no obligation to worry about this. You can pocket the profits from your invention - or, more probably, some smart venture capitalist gets the lion's share. The public get a better mousetrap. The plight of obsolete manufacturers is nobody's problem but their own.

Trade and free-market production are the most subversive forces the world has ever seen. Radical movements stop and become conservative when they have built a society that is more or less in line with their founder's ideals. Free-market production has no definite aim and no stopping point. It is total chaos. Even though most of its practitioners devoutly wish everything to stay the same, production for profit guarantees that nothing at all stays constant for very long. Industries shift from country to country, continent to continent, causing untold disruption in the process.

International politics are based on sheer greed and power - what is commonly called the Law of the Jungle. The phrase comes originally from Kipling's **Jungle Book**, in which it refers to a basic honour-code that the fictional jungle animals use to ensure some sort of rough justice. In common usage this meaning has been utterly reversed, to become a system with neither honour nor justice.

Honour and justice are not market

forces. They survive for a time, since people are slow to change their habits. But a world mainly devoted to the freedom of market forces does indeed gravitate towards the Law of the Jungle, a constant war of all against all.

Bush and Thatcher didn't even wait for trade to start disrupting things. They had it in their power to establish a real system of international law - a system which all world leaders, themselves included, would be obliged to obey. They chose not to do this. Anglo-American military power would be used as they saw fit. It might be clothed in the formalities of international law, as in the Gulf War and Somalia. Or it might be naked and direct, as in the US invasion of Panama. Or the formalities of international law would be allowed to remain limp and ineffective, as in Haiti, East Timor, Burma, Tibet, Somalia, South Africa and most especially Yugoslavia.

The US has even been subverting the established norms of international law. The Supreme Court upheld the kidnapping of Dr Alvarez Machain, a Mexican gynaecologist suspected of being involved in the torture and murder of an undercover agent of the US Drugs Enforcement Agency. The formal logic behind this judgment was that the US's extradition treaty with Mexico doesn't actually say that suspects cannot be kidnapped. By this same formal logic, the British government could now kidnap IRA suspects hiding out in the USA. The real logic is that the US can override and ignore the sovereignty of third world nations. Also that they need plenty of foreign scapegoats for their own continuing weakness in failing to say no to drugs. (The judgment remains in force, even though Alvarez was later found not guilty and returned to Mexico, after briefly being threatened with prosecution as an illegal immigrant.)

Yugoslavia is a prime example of the inability of Anglo-American power to

create a stable world. The Federation was doomed when the Serbs got away with stripping the Yugoslav Albanians of Kosovo of all of their established rights. Albanians are mostly Muslim, and have few friends in the West, so nothing was done for them. It was conclusively shown that justice and the rights of minorities mean nothing when Britain and America take no interest in the matter. Might makes right. Naturally, the Croats, Bosnian Muslims and Slovenes reacted by trying to get out of the Serb-dominated state as quickly as possible. Equally, the Serbs decided not to let them go easily. In particular, they would not allow the large Serbian populations in Croatia and Bosnia to be carried off into new states where they would be unprotected minorities.

The United States, which fought a bitter civil war to prevent some of its own federated states from seceding, and also helped the government of Nigeria crush the secession of Biafra, is quite happy to ignore this principle when there might be some momentary advantage in so doing. A new principle has been invented - autonomous units in federal states may in some cases secede, and may do without the agreement of their minorities, and without any redrawing of the borders, no matter how recent, unfair or untraditional these may be. This is the rule today, though it was not the rule yesterday, and may not be the rule tomorrow. Also it will not actually be enforced.

The Serbs must have calculated that there would be no Iraq-style terror bombing against them. Serbs are white, Christian and European; public opinion in Britain and America would not stand for them being killed like Arabs. They acted on the assumption that American policy-makers are racist chauvinists with a deep prejudice against all Muslims. Nothing that has happened so far suggests that this was a misjudgment. The much vaunted 'no-fly zone' might as well be a 'no-cockroach zone', for all the practical difference it will



make to the war.

Possibly something is about to happen. I don't rule it out. But it is rather more likely that hints are being dropped to keep America's Muslim allies happy until things have settled down a bit and every last raped Bosnian woman has had her little Serb bastard. Only a very few people could know the inner truth of the matter, and all of them are liars.

Under Anglo-American hegemony, international law simply hasn't functioned. It would have been possible to set up some impartial body to partition Yugoslavia. Instead you had the disorderly secession of the regional administrative units that Tito established back in the 1940s. No authoritative judgment was ever made. Naturally, all sides grabbed what they could. New nation-states are being created by violence and massacre, not law or fair judgment.

Slovenia was a simple case, overwhelmingly Slovene with no large minorities that wanted to get away. But Croatia was chaos, with Serbs refusing to be ruled by Croats. Croats had massacred Serbs within living memory, and were using the very symbols of the Croat fascist government which had done the massacring. Had there been a large-scale pro-Croat intervention, people might have remembered what Hitler had to say about the matter:

*"If the Croats were part of the Reich, we'd have them serving as faithful auxiliaries of the German Fuehrer, to police our marshes. Whatever happens, one shouldn't treat them as Italy is doing at present. The Croats are a proud people. They should be bound directly to the Fuehrer by an oath of loyalty. Like that, one could rely on them absolutely. When I have Kvaternick standing in front of me, I behold the very type of the Croat as I've always known him, unshakeable in his friendships, a man whose oath is eternally binding. The Croats are very keen on not being regarded as Slavs. According to them, they're descended from the Goths. The fact that they speak a Slav language is only an accident, they say." (Hitler's Table Talk, 29th October 1941).*

Having reached a stalemate in Croatia,

the war moved on to Bosnia. 44% of this very mixed population are Muslim Slavs, converts from the period of Turkish rule. These Muslims have lost out very badly, with most of their territory taken over by Serbs or Croats. No one seems interested in defending their rights, or undoing the de facto partition of their land between their larger neighbours. In the New World Order, European Muslims are not even second-class citizens. And the British authorities have made even Germany seem very liberal in its treatment of the mostly-Muslim refugees.

Bush and Thatcher must have decided that the fall of the USSR meant that things could get 'back to normal', a policy that Major has gone along with, and Clinton also seems to support. 'Normality' means curbing third world independence. Not only did the Gulf War break the power of one of the third world's strongest armies. It also reduced Saudi Arabia to the status of a Western lackey. Kuwait and similar places have always been lackeys, the equivalent of Bournemouth becoming a sovereign state under the protection of Japan. But the Saudis up until the Gulf war had been functioning independently. Their claim to be the guardians of the true spirit of Islam were taken very seriously in much of the Muslim world. Yet what are they now? They had a choice between trusting Arab traditions and the God of their fathers, or else trusting the visible military power of the USA. They chose the latter. They allowed a war in which Arab lives, even the lives of women and children, were treated as a negligible matter compared to the lives of Western troops.

Muslims in general seem to have been classed as the 'bad guys' of the new world order. While Christianity continues to disintegrate, Islam shows strong signs of reviving and even spreading in some parts of the world. It remains a serious religion, while Christianity continues to lose purpose and authority. All mainstream churches have capitulated to liberal-democratic and free-market values. The Catholic hierarchy continue to insist on their right to regulate the sex lives of their 'flock'. But beyond this, they no longer represent anything in particular.

It could well be that Islamism will be the means by which the Muslim world

modernises itself. Western industrial civilisation was in large measure made by people who were just as devoted to their own understanding of religion. For instance Michael Faraday, pioneer of electricity, was a member of a small obscure sect that tried to live completely according to the literal text of the Bible. Among other things, this led them to cut out most of the paraphernalia of Victorian funerals, for which there was no good Biblical support. And it's a fact that the Islamists, "Fundamentalists", are much more willing than most moderate Muslims to accept scientific knowledge and the latest computer technology. They simply want to assert it in the context of their own civilisation, not as a second-rate copy of the West.

On the other hand, there seems little chance of Islam expanding itself, except perhaps in Africa. Both Christianity and Hinduism proved resistant to Islam even when ruled by Muslim lords with a superior culture. Christians and Hindus cannot become Muslims without denying their own culture, which only a small minority are ever likely to do. East Asia also seems quite content with its own diverse cultures, mostly non-Muslim. The more Islam asserts its distinctiveness, the less it is likely to be able to assimilate other strong cultures. Only three creeds have been able to spread themselves into the most diverse of cultures - Capitalism, Socialism and Leninism. With Leninism effectively dead - China's rulers are committed to opening up to the free market, despite keeping Leninist one-party dictatorship - only Capitalism and Socialism remain as serious contenders.

The strength of post-war Capitalism has been its lack of social ideals and its internationalism, combined with a gloss of ineffective conservative values. Socialists assumed that they could combine moderate but continuous growth with the preservation of various distinct national ways of life. This was a perfectly workable system, but was unable to compete with a free-flowing, unprincipled and multinational capitalism. The businessmen operating this disruptive capitalism were of course committed in principle to preserving the various distinct national ways of life. They did not desire to undermine the world as they knew it, any

more than a drunken driver belting along at 100 MPH desires to have a car-smash or run over a mother and child. Desires mean nothing when they do not lead to sensible actions that are likely to lead to the desired outcome.

'Conservative' governments in the 1980s have undermined most of what they wanted to preserve, simply because they were sold a load of New Right fairy-tales. Adam Smith's famous book is mistitled - it should be **The Wealth of Nations**. Nations that want to preserve distinctive ways of life have to put severe curbs on trade. This was the pattern in China and Japan right up until the 19th century, and might have gone on for ever. But Europe and America forced them to open up, wrecking China and compelling Japan to adopt many Western ways. America imposed a lot of its own way of life on the world via trade, but is in turn being altered and losing its distinctiveness. Trade is integrating Europe, and played a large part in disintegrating the Warsaw Pact.

The New Right have maybe ten years to come up with a form of politics that will actually preserve something, rather than simply speeding up the process of disintegration. So far they have managed only a moderated version of 1980s politics - milk and cyanide, rather than cyanide straight. A real New World Order - one that would actually be orderly, and governed by impartial laws fairly administered - is only likely to come from socialist politics. This is the challenge and the opportunity.

I began by asking 'but is it civilisation?'. You may or may not remember this as the catch-phrase of Sir Kenneth Clarke, father of the Alan Clarke who featured in the Iraq arms scandal (though nothing to do with the Kenneth Clarke who was involved in the same murky business). One thing I remember about Sir Kenneth was his total refusal to take proper notice of the nine tenths of humanity who were not West Europeans. He minimised the role of contact with the Islamic world in raising the cultural level of mediaeval Christian Europe. (Things like the pointed arch, the key to Gothic architecture. Not known to the Romans, known for several centuries in the Islamic world before its first use in Western Europe,

first used there at a time when many Muslim ideas were being copied, but probably a separate and spontaneous West European invention, according to Sir Kenneth.)

For most of history, Western Europe was a fringe area of a great civilised belt centred on Mesopotamia, the land where civilization began. Mediaeval Europe learned much from Arab civilization - an influence shown by words like algebra and algorithm and admiral and zenith. Also 'Arabic' numerals, which had actually begun in India; Chess, which came from either India or China; gunpowder and the printing press, both of which were definitely Chinese. China was a separate civilised zone in its own right. China had been an empire as large and powerful as Rome, and while Rome fell, China re-united and carried on a more or less unchanged civilisation. Marco Polo had been overawed by its wealth and power, and the tales he brought back seemed impossible to his fellow West Europeans. Even in the late 18th century, Adam Smith saw China as a richer country than any part of Europe, though stagnant while Europe was progressing.

18th century Europe had seen itself as one civilisation among many. 19th century Europe, boosted by the power of steam, gunpowder and iron, redefined itself as the only true civilisation, with a duty to impose itself on 'lesser breeds without the law'. In this spirit, both China and Japan were forced to open up to Western trade. China gradually fell into chaos, while Japan very successfully rebuilt itself on the model of Western Imperialism. Meanwhile Britain was losing its role as "workshop of the world", mainly because the ruling class preferred to play at being country gentlemen instead of ensuring that manufacturing remained strong. And Germany, which had lived contentedly for centuries as a jumble of tiny states, was forced in a changing and dangerous world to become a strong nation-state in its own right.

At the dawn of the 20th century, it should have been obvious that Britain's brief period as number one nation was doomed to come to an end. The British Empire would only have been stable if it had incorporated large parts of continental Europe, something that the ruling class

had never seriously tried to do. British policy had always been 'balance of power' - playing off one nation against another so as to ensure general and enduring instability. France and Russia were traditionally the great enemies, the rival imperial powers. 'Jingoism' actually began as an anti-Russian movement. From this perspective, there was some logic to aiding the rising imperial powers of Germany and Japan. Even from a principled liberal-democratic viewpoint, there was little to choose between the alternatives. Except that no nation oppressed as many nationalities as Russia, which well deserved Lenin's description of it as the 'jailer of nations'.

Britain began with an alliance with Japan, covertly helping them to win their 1904 - 1905 war against Russia. From a viewpoint of preserving the Empire, this was a damned stupid thing to do. Japan's victory proved conclusively that white people were not superior to the rest of humanity. It confirmed that the 19th century advantage was merely a brief historic blip that might very easily be altered. It encouraged Asian nationalists - including the young Mao Tse Tung, who had not yet heard of Communism. But if the intention was to gradually shed the burden of empire and rebuild the world on a liberal-democratic basis, then it was quite a clever and successful move.

But if that was the intention, then Britain committed an act of utter folly in suddenly joining Russia and France against Germany and Austria, and turning what might have been a fairly ordinary European war into a world-wide disaster. Had Britain stayed on the sidelines, France would have soon had to make a separate peace, and Germany could have broken up the Russian Empire on a more or less orderly basis, producing something fairly similar to what has now emerged, seventy years late and after immense bloodshed and suffering.

The immediate cause of the war was the Serbian claim to Bosnia, a claim that Austria and Germany were resisting. 75 years on, Germany has the same policy, but Britain and France have reversed theirs, treating as monstrous a claim that they once started a world war to defend.

The Great War shattered the stability

and moral authority of the old order. It became clear that millions had died over fairly minor issues - oil wells in Iraq and the like. Germany had actually offered peace when the initial breakthrough failed, a simple acknowledgement that a stalemate had been reached and that everything should go back to how it had been. It was the British ruling class that blocked the one possible way back to the world they had grown up in.

Having won the Great War, Britain and France built a peace that was doomed to failure. New and unstable nation states were created on the principle of self-determination. But the principle was repeatedly bent by Britain or France choosing to play favourites. One instance was the Kurds being included in the new state of Iraq, with which they had little in common, whereas the small coastal city of Kuwait was kept separate, even though it did logically belong with Arab Iraq.

Between the wars, Britain and France

first oppressed and humiliated the Weimar Republic in Germany, even though it was doing its best to adjust to that particular 'new world order'. They then appeased Hitler, whose basic incompatibility should have been obvious. There was a 'cunning' scheme to use Hitler to destroy the USSR: they ended up having to do the very reverse.

After World War Two, the Labour Party came in as complete outsiders and imposed two policies that were to prove fairly successful. India was given independence, ensuring that the rest of the Empire would have to be gently wound down. And the policy of Cold War and the NATO link was evolved to deal with the USSR, when the 1948 Leninist take-over in Czechoslovakia made it absolutely clear that there could be no easy coexistence.

With the end of the Cold War, British foreign policy is returning to its old folly, meddling on an unprincipled basis, and often with a very speedy and unpleasant come-back. Argentina's right-wing

dictatorship had been helped and sold all the arms it wanted: the Falkland War was the fruit of this policy. Iraq was built up as a counterweight to Iran (which would never have gone for Islamic extremism had not Britain and America ruined moderate Iranian democracy in the 1950s.) But having been built up, Iraq was then knocked down again in the Gulf War. It's an astonishingly repetitive pattern, and one from which no one seems to have learnt any lessons.

Is it civilisation? Hardly. The sophisticated sleaze of British and American power-politics sets a horrible example to the rest of the world, and it mainly creates disruption. All the manoeuvres of British politics in the 20th century have simply accelerated the decline. America seems intent on learning from Britain's errors, and repeating them with an appalling exactness. □

## Bevin Society Pamphlets

Published in association with **Labour & Trade Union Review**

In the months leading up to, and following, the Gulf War, the Bevin Society produced a unique series of pamphlets. They alone criticised the war *at the time* on the grounds that the Vetoist Powers in the UN, effectively America, Britain and France, were poisoning the concept of international law by using it as a cover for self-interested power politics. Now that George Bush and Douglas Hurd plan to "paint the map blue", ie, enforce wherever they see fit an 'international law' which does not apply to themselves, these Bevin Society pamphlets have become more relevant than ever.

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## John Smith's Way Forward

Martin Seale reviews John Smith's vision for the Labour Party

Some years ago, when the prospects of a Labour Party victory under the leadership of Neil Kinnock seemed particularly bleak, there was a suggestion that John Smith should challenge Kinnock for the leadership. Smith declined the opportunity. Indeed he went further than that. John Prescott, one of Labour's most effective anti-Thatcherites decided to challenge Roy Hattersley's position as deputy leader. Smith allowed himself to be made leader of the campaign to re-elect Hattersley. John Smith's behaviour then was instructive. It showed that he did not want the leadership of the Labour Party. Had John Smith had a different view of the role of the Party than Kinnock he would have wanted to be its leader. He did not have a different view from Kinnock. He felt no need to be leader. There was little he would have done differently.

All this was despite the fact that Kinnock had led his party to two resounding election defeats. When a third election defeat followed Kinnock did the decent thing and resigned. Smith was given the leadership almost by default and without any great enthusiasm as has subsequently become so painfully evident.

The Kinnock strategy was, as we have observed many times in the past, to pretend that there was no great difference between Labour and the Tories. The Labour Party was simply the Tory Party with a human face. It must be emphasised that this was pretence. It was precisely because it was pretence that Kinnock and the Party became so ineffective. They mouthed words which their public relations people told them the electorate would listen to. Their hearts initially told them other things. The electorate felt there was a difference between the parties but was uncertain of its nature. They understood the Tories. They were confused by Labour. They did not trust Kinnock. Reluctantly they re-elected the Tories.

John Smith's speech on February 7th to Labour's local government conference in Bournemouth continued the Kinnockite strategy. The speech was titled "A New Way Forward". That is most definitely not what it is. There is no clear policy in it.

The first section engages in a bit of reasonable Tory bashing. Easy to do these

days. Then it moves on to make some general statements of political philosophy. Large tracts of this section could have happily been delivered by John Major. Consider the following:

*"What we need is a new political approach for a new political era. A new politics that puts people first, that rejects dogma, and embraces practical common-sense solutions. A new Labour politics that commands popular support by translating our enduring values of freedom, democracy, responsibility and justice into a programme of renewal for the benefit of all our citizens."*

*"And let us be clear about this. Labour's goal must be about the advancement of individual people - about their freedom and their autonomy, about their ability to participate and their capacity to prosper - which we believe can only fully be achieved in the context of a strong and supportive society."*

This kind of verbiage is all very well when it is accompanied by the "practical common sense solutions". Mr. Smith, however, fails to give us even a clue to these solutions. He moves quickly on to consider the question of privatisation and nationalisation.

*"...for years we have conducted a largely sterile debate about the ownership of industry and services as if privatisation and nationalisation were the only conceivable choices in economic policy". Ownership today is therefore largely irrelevant. ....it is education and training that are the commanding heights of the modern economy."*

Smith then proceeds to immediately contradict himself by saying that the privatisation of the railways, the post office, the coal mines and the water in Scotland are absurd acts. Why if ownership is irrelevant are these absurd acts? The fact is that ownership is not irrelevant. With ownership comes certain legal rights and usually control. If the State owns the railways they can implement a transport policy like encouraging industry to use railways for freight transport more easily than if the railways are privatised. Smith proceeds:

*"We know it is through the effective combination of dynamic markets and active government that we can achieve both*

*prosperity and social progress. What makes both work best is active citizenship."*

This is political verbiage at its worst. Political change in the UK comes about through the political parties. The political consensus from 1945 to 1979 was set largely by the Labour Party. Thatcher, who was to destroy this consensus, was not an active citizen. She was a determined and capable member of the Tory Party. Smith is here really trying to shirk his responsibilities. The causes of prosperity and social progress will be much better served by an active and competent Labour Party opposition than by some vague idea of active citizenship. Smith waxes lyrical on the wonderful society which he wants to be created through active citizenship, ending with the remarkable statement that *"...what we have in this country at the moment is not real democracy, it is elective dictatorship."*

Elective dictatorship is generally used in the context of country's which have sham elections in which the electorate have no real choice. Opposition candidates are not allowed to stand or are prevented from advertising their policies. This is clearly not the case in the UK. Labour has had ample opportunity to develop and promote its case. It has failed to do so and so the Tories have been elected by default. They will be re-elected again if John Smith does not get some decent policies together which distinguish Labour from the Tories. Smith continues in this vein for a page or two and then comes up with possibly the worst passage in the whole sorry speech. *"The British people are yearning for a new sense of direction and purpose. They want practical and common sense ideas that will build economic success and social progress. Labour now has the opportunity and the overwhelming responsibility to fill the void that been left by the Conservatives. All they can offer is yesterday's answers to today's problems. It is up to us to provide the new ideas and approaches that Britain needs as we prepare for the twenty-first century."*

Who writes these speeches Mr Smith?. Our advice to you is to get rid of them fast. It is not the Conservatives who have created the void. They have an agenda which they are mindlessly implementing regardless of the consequences. It is Labour who have created the void by backing away from everything they once stood for and conceding argument after argument to the Conservatives.

Mr. Smith should trumpet his policies not his principles. □

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now is greatly inferior to the NHS. But with the great uncertainty hanging over the NHS, and the reforms being undertaken in the Republic, the difference does not loom as large as it once did.

The **Campaign for Labour Representation** began campaigning for the British Labour Party to end its boycott of Northern Ireland about 17 years ago, when the labour Party was a much more vigorous and substantial political force than it is now. The CLR case was both constitutional and political. The constitutional case was that British representative government is caricatured in Northern Ireland because the parties seeking a mandate to govern do not contest elections there. The province is a region of the state and the parties seeking a mandate to govern the state should contest Northern Ireland constituencies as they do all other constituencies in the state. The political case was that the party boycott locks the two communities into communal routines which are called politics, but which have no real political function - politics being intimately related to the business of governing. The political conflict over strategies of government which overrides regional and religious differences in other parts of the state simply does not operate in Northern Ireland. Since there is nothing to override the communal division it remains the major division in the society - the only division of practical importance in its public life - communal division means communal conflict. And in the particular circumstances of Northern Ireland communal conflict necessarily takes the form of an attempt by various means, to shift the province from the UK to the Irish Republic.

In these conditions the anti-partition conflict cannot be resolved. The Catholic community is left with nothing to do but be anti-Partitionist. It lives in a very political culture and there is no possibility that it will settle down to a sort of resigned

vegetation. Nor will it on the whole be content to go on indefinitely voting and manoeuvring for a united Ireland and being checked by the vote of a Unionist majority which is both smug and politically incompetent - incompetent in the sense that during the fifty years of subordinate government at Stormont and the twenty years since, it has shown no awareness of what is required by the political process of representative government.

A 60% political majority achieved in the cut and thrust of party political conflict in a situation in which there was a large middle ground to be won would be rightly described as "a vast majority". But a 60-40 majority in a communal set-up, in which there is virtually no floating vote, is something else.

In this case the 40% is a coherent community held in the UK against its will while the rest of its nation has been engaged in the adventure of establishing its own state and asserting itself in the world. It has been held in the UK and deprived even of the opportunity of participating in the normal British political activities. And it is neither surprising nor unreasonable that a significant part of that 40% treats the democracy of Northern Ireland as a farce and resorts to direct action.

The impulse behind the CLR came chiefly from the Catholic side. Its object was to see whether, within the structures of British politics, a region of common political ground could be established across the communal division. The *right* to participate in the normal politics of the state was indisputable in principle - and has never been seriously disputed - and there were indications that there was considerable political potential to be realised once the structures were available.

But the CLR never said there was more than a *potential* which *might* be realised if the thing were done properly. There was never any talk of vast majorities for the Union. But then the object of the CLR was never to consolidate the Union. It was to provide for working class political development on a non-sectarian, or non-communal basis, within the Labour Party which was the party of the state for the time being.

The possibility of a significant development within the framework of the British Labour Party lay in the fact that the SDLP could not be taken seriously as a party of Labour. It was a middle class nationalist party whose function was to be a recipient of the communal vote. But there has always been a strong Labour sentiment in the Catholic community in Northern Ireland. And this sentiment might have gone into the development of a region of the British Labour Party, provided its United Ireland sentiment was not affronted in the process.

The policy position of the British Labour Party - United Ireland by consent, recognising that the achievement of consent was impossible without reform in the Republic - was well suited to the CLR purpose, and an extensive network of supporters drawn from both communities was built up.

For ten years or more Kate Hoey was either opposed to the CLR campaign or was indifferent to it. She seems to have been part of the Labour Left of the Ken Livingstone era in London. Then a few years ago she suddenly became interested in the CLR and remained loosely attached to it, though doing little to advance its cause. Her expression of interest in the CLR coincided with the collapse of the Labour Left ideology, and was possibly an attempt to find a substitute.

Then last year in the Spring and Summer she made a furtive attempt to wreck the CLR, and finally came out in open hostility to it at the Labour Party Conference.

She made no criticism of the CLR to the CLR, though apparently she told some people that its lobbying methods were too aggressive and that if more subtle methods were adopted there were 47 MPs willing to declare their support.

She had her own group of lobbyists at the Party Conference, with Conference passes issued by her and wearing "Democracy Now" badges. And it was presumably in accordance with her wishes that they spent the week indulging in hooligan Unionist behaviour, including disrupting fringe meetings of groups opposed to Partition.



In the course of the summer she made personal approaches to a number of people in Northern Ireland (all of them Protestants) in an effort to draw them away from the CLR and bring them under the wing of Democracy Now. She had remarkably little success. The Democracy Now group at Conference therefore consisted chiefly of embittered Unionists who had never been members of the CLR, or who had once been members but succumbed to the gravitational pull of Unionism. The most energetic of her supporters was Boyd Black, who resigned from the CLR a few years ago, specifically because he disagreed with Labour Party policy, and who published a remarkable agitational leaflet entitled **Ulster Will Fight**, that consists chiefly of a long extract from the 1886 speech in Belfast of Lord Randolph Churchill in which he played "the Orange card".

Democracy Now's support in Northern Ireland is limited to the phantom "South Belfast Constituency Labour Party" which has never made itself publicly visible in South Belfast. It includes Boyd Black, Derek Peters, Erskine Holmes, Jeffrey Dudgeon and a couple of others of a similar disposition. (The active Labour organisation in South Belfast, also called the South Belfast Constituency Labour Party, is affiliated to the CLR).

Last month a public meeting was called in North Belfast for the purpose of establishing a constituency Labour Party there. It was attended by Derek Peters and Erskine Holmes of the phantom South Belfast party. When it was proposed that the meeting should specifically endorse Labour Party policy in Northern Ireland, Derek Peters (formerly a leader of the Communist Party) expressed vigorous opposition, saying "If I wanted to join a united Ireland Party I would join the SDLP."

A great number of Catholics of a Labour outlook, who are United Irelanders in sentiment, want the British Labour Party because they are acutely aware that the SDLP has nothing at all to do with Labour politics. Derek Peters, and Democracy Now's supporters in Belfast, are mirror images of the SDLP in that they are Protestant Loyalists wishing to use a Labour title but their predominant interest is not Labour.

There is no future at all for a "Democracy Now"- type Labour Party in Northern Ireland. Catholics wouldn't touch it and it would attract no more than a handful of eccentric Protestants because there are already two strong Unionist Parties. That is why the Protestant support of the CLR held firm despite Kate Hoey's best efforts.

One can only speculate about Kate Hoey's motives for doing what she has done. It might be explained in terms of the 'spirit of the age'. The collapse of leftist ideology has in recent years in many parts of the world brought ethnic impulses into play which had previously been latent. And that might be what happened in this instance.

But there has been another development in recent months. Democracy Now appears to have virtually merged with **New Consensus**, and both now appear to be conducted by the *eminence grise* of New Consensus, Gary Kent, who is the research assistant of Harry Barnes MP and who rather fancies himself as a Peter Mandelson figure - a public relations manipulator. And until Democracy Now came within his sphere of influence he was for many years a frank opponent of extending Labour Party organisation to Northern Ireland.

New Consensus was a front organisation set up by the Workers' Party when it was in its prime a few years ago - before a bungled Leninist manoeuvre precipitated a major split of the organisation into a Workers Party rump and a rival party called **Democratic Left**, and before the Kremlin opened its account books to let the world know just who had been in receipt of Moscow gold. The most definite object of New Consensus was the deletion of Articles 2 & 3 of the Irish Constitution which assert national sovereignty over the whole of Ireland, and its best known activity was the Peace Train.

With the Workers' Party falling into disarray, the British wing of New Consensus was disoriented, and in search of a new orientation it linked up with Democracy Now, and, because it commands a certain degree of manipulative competence, took it over in effect.

Gary Kent was one of the Democratic Left lobby at the Labour Party Conference,

who had Democratic Left credentials, and saw the hooligan Unionism of Democracy at close quarters. And he is not an ordinary research assistant, but is a member, along with Harry Barnes, of the remnant of the Independent Labour tendency.

It must be assumed that Kate Hoey, with her Northern Ireland background, knew exactly what she was doing last year when she tried to draw Protestants away from the CLR. But it cannot be assumed that Gary Kent and Harry Barnes have any notion that they are doing more than playing a game on the margins of Parliament. It passes the time and provides opportunities for role-playing. The games have little or no effect in the real world beyond Parliament. But it so happens that, because of what Northern Ireland is, this particular little game has had far-reaching effects, the tendency of which is to throw the province back into sectarian simplicities.

If the cross-community Labour development in the province, which was fostered by the CLR and has now achieved some structural stability in the **Council for Labour**, is to survive it must understand that survival must be achieved despite 'friends in Parliament'. No MP will help them against Kate Hoey, Harry Barnes and his energetic assistant, Gary Kent. They should accept that there is a freemasonry amongst backbench Labour MPs, and set about helping themselves. The only prospect of success is to deprive these MPs of any base in Northern Ireland beyond Derek Peters and a few other opponents of Labour policy.

In the 1940s there was a strong cross-community labour movement in Northern Ireland, based on an agreement to let the question of the Union rest. It was disrupted by the Anti-Partition League which succeeded in bringing that question to the fore. This time round the disruption has come from the Unionist side. but we think that the Nationalist disruption of 1948 was better calculated to serve the Nationalist interest than the Unionist disruption of 1992/3 is to consolidate the Union. □

# Wayward Hoey

*Kate Hoey M.P. is disrupting progressive developments in Northern Ireland politics  
as our Correspondent explains*

We pointed out in a recent issue that Kate Hoey MP had been appointed to the Labour Party Front Bench while continuing to lead a Unionist group opposed to Party policy. Some readers thought we were over-stating the case. But a statement made by Kate Hoey when appearing on **Question Time** on February 25 confirms what we said.

The question was about the appointment of a U.S. fact-finder to Northern Ireland. The relevant part of her answer was:

*"I do believe that it is important for any fact-finding tour of Northern Ireland that they listen to all sides and they listen to the ordinary person in Northern Ireland who has a very different view perhaps from what sometimes comes across on television. And I hope also that the Unionist community will treat this in a very sophisticated, sensible way and are actually open to any fact-finding tour that comes and don't try to boycott it or anything like that because I'm absolutely convinced that anyone who goes to Northern Ireland and listens to the majority of people in Northern Ireland will understand that the vast majority of people in Northern Ireland want to stay part of the United Kingdom and until they decide otherwise, then that will not change".*

This is clearly a statement made by somebody whose parameters are Unionist. And the source of the actual problem about the governing of Northern Ireland does not figure at all in it.

The source of the problem is that a very large minority of the population of Northern Ireland feels no sentimental attachment to the Crown, the Union Jack, and the jingoistic ceremonial symbolism of Great Britain, and that ever since 1921 it has been denied the opportunity to participate in the more substantial and attractive aspect of the political life of Britain, which is its party politics.

It is very likely that a great proportion of

the Catholic minority would have become involved in British Labour politics if the Labour Party had been operative in Northern Ireland. And if they had become involved in Labour Party politics they would have tolerated the ceremonial symbolism of the state, taking it with a grain of salt, as Labour supporters did in many parts of Britain.

But in the absence of the party-political life which made Britain tick, the ceremonial symbolism of the state was actively repellent to them.

Kate Hoey's assertion that "the vast majority of people in Northern Ireland want to stay part of the UK" is a wild misrepresentation of the facts of the matter. We do not say it is a deliberate misrepresentation, because we know how ingrained in Unionist culture is the belief that in the Catholic community there are multitudes of "ordinary decent citizens" who would lie down and be quiet within the existing political framework if it wasn't for the "evil men of violence", the "godfathers of crime", who keep stirring things up. That is a delusion.

There are indications, both from opinion polls and from the experience of real life, that if the real politics of the UK had been open to them a great many Catholics would have joined in, and thereby possibly have become British by implication. But the real politics of Britain has never been open to them - it is now a matter of doubt whether Britain has real politics - and therefore the vast majority of the Catholics have remained participants in United Ireland political culture.

Catholics have for about forty years had the opportunity of voting Unionist and have declined to do so. The Unionist practice of leaving seats with large Catholic majorities uncontested ceased in the early fifties. But, with the very doubtful exception of Enoch Powell, the Catholic

vote has never caused a Unionist to be elected. And that possible exception only proves the point, because although Powell declared himself to be a Unionist he did not conduct himself as one - not, at any rate, until the signing of the Anglo-Irish Agreement of 1985.

It is said that Paisley, too, gets a Catholic vote, and that this is demonstrable in the votes from Rathlin Island. But Paisley's seat is absolutely safe on the basis of Protestant votes. And he is reputed to run a highly efficient Constituency service which makes no distinction of Catholic and Protestant.

The Catholic vote for Unionists has been insignificant. But the Protestant vote has twice within the past thirty years been significant in the election of a Nationalist - Gerry Fitt in the mid-sixties and Joe Hendron last year.

These deviations from communal voting are, however, marginal either way. Protestants vote OUP or DUP and Catholics vote SDLP or Sinn Féin. Kate Hoey's "vast majority" is not discoverable in actual voting or in sentiment.

A generation ago there was a great discrepancy between social welfare provision in the Republic and in the UK, and that tended to damp down the United Irish sentiment of Northern Catholics who had experience of life in the South. But there is now something close to equality in social welfare, the difference if anything favouring the Republic. And the Labour Party in the Republic suddenly seems to be in better shape than the British Labour Party.

Medical provision in the Republic was developed on American lines, and, as of

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