

Labour & Trade Union Review

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No 45

Clause Four

The Borrie Report

Labour and Europe

Clause Four of the Labour Party Constitution

National

- 1) To organise and maintain in Parliament and in the country a Political Labour Party.
- 2) To Co-operate with the General Council of the Trades Union Congress, or other kindred organisations, in joint political or other action in harmony with the party constitution and standing orders.
- 3) To give effect as far as may be practicable to the principles from time to time approved by the Party Conference.
- 4) To secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution thereof that may be possible, upon the basis of the common ownership of the means of production, distribution, and exchange, and the best attainable system of popular administration and control of each industry or service.
- 5) Generally to promote the Political, Social, and Economic Emancipation of the people and more particularly of those who depend directly upon their own exertions by hands or by brain for the means of life.

Inter Commonwealth

- 6) To co-operate with Labour and Socialist organisations in the Commonwealth overseas with a view to promoting the purposes of the party, and to take common action for the promotion of a higher standard of social and economic life for the working population of the respective countries.

International

- 7) To co-operate with the Labour and Socialist organisations in other countries and to support the United Nations Organisation and its various agencies and other international organisations for the promotion of peace, the adjustment and settlement of international disputes by conciliation or judicial arbitration, the establishment and defence of human rights, and the improvement of the social and economic standards and conditions of work of the people of the world.

Editorial - Tony Blair & Clause Four

The proposal by Tony Blair to remove Clause Four of the Labour Party Constitution was introduced by stealth and deception. The deception began during the leadership campaign when Labour members and affiliates were supposed to have been given the opportunity to judge the political position of each candidate. Mr. Blair gave no hint of any intention to change Clause Four.

This deception was continued up to his speech at Conference. Only his closest friends knew all of what he was going to say. Even Shadow Cabinet members were kept in the dark. And the existence of the last four pages of his speech was unknown until the speech was made.

Mr. Blair did exceptionally well in the leadership election. Between this election and Conference, he was largely invisible. People could think all sorts of good things about him and rest their hopes for a Labour Government on him. He rode high in the polls, and he came to the speakers rostrum as a kind of saviour.

Clearly he and his friends had come to the

conclusion that the evangelical mood of mass hysteria worked up in the Conference was the ideal atmosphere in which to introduce the notion of selling Labour's soul without anyone really noticing.

As we show in this issue of the Review, there is no good reason for abandoning Clause Four and lots of good reasons for retaining it. Had Mr. Blair's scheme succeeded things would have been bad enough.

But, as was again demonstrated by the recent furore over choosing a school for his son, Mr. Blair is not simply a schemer, he is a bungling schemer.

The euphoria around the speech was short-lived. The Party woke up quickly and Conference passed a resolution two days later defending Clause Four. So the Tories are off the hook for another year as Mr. Blair wastes all of our time and much of his own authority conspiring to rewrite the Labour Party's Constitution. And for what? God knows!

Editorial

Messing About In Europe

Has Labour reverted to Thatcherite liberalism?

One of the many and unconnected reasons given by the Labour Party mod'nisers for scrapping Clause 4 of the Constitution is that the Party needs to get into line with the Social Democratic parties of Europe. This is a nonsense.

European Social Democrats are committed to a continuing assault on the capitalist market. They do this by developing social welfare, state and municipal involvement in the economy, and workers' control in industry and services. If all this isn't the aim of Clause 4, what is?

None of this prevents European Social Democrats from dealing realistically with the market economy as they find it. Just as Clause 4 never prevented Labour from doing likewise. But some of the founders of the Labour Party had the foresight to write Clause 4 into the Party's Constitution as a counter to the dominant Liberal influence in the Party in 1918.

Blair's opposition to Clause 4 has nothing to do with European Social Democracy. It is a reversion to liberalism - or, more accurately, the embracing of 19th century liberalism's late 20th century revival - Thatcherism. And, as we show below, Labour's commitment to Europe is anyway very much a charade.

Maastricht. The Labour & Trade Union Review therefore gave him the benefit of a very large doubt.

The tactic of opposing a measure which you purport to favour in order to bring down the Government and then give a more thorough implementation to the measure which you opposed is justifiable only by success. It did not work for Smith. And there was never any probability that it would.

The Tory Right may be reactionaries but they are not simpletons. They availed of the opportunity given by Labour's opposition to Maastricht to create a long political crisis over Europe, but it was never on the cards that they would bring down the Government.

In the event the Maastricht treat was ratified. But the long delay had effects on European development which made it all very worthwhile from the viewpoint of the Tory Right. And the fact that ratification was carried with the support of the Ulster Unionist Party, which is itself anti-European, was also advantageous to the Tory Right.

The net effect of Labour opposition to Maastricht, on the alleged ground that the British opt out on the Social Chapter made it insufficiently European, was to let some of the steam out of the dynamic of European development, strengthen the influence of the Tory Right, and make the Government dependent on the Ulster Unionists and thereby inhibit its freedom of action with regard to Northern Ireland.

The Ulster Unionists voted in support of Maastricht even though they were anti-EU because they were frightened with the bogey of a Labour Northern Ireland Secretary if the Tory Government was defeated. (One of the frighteners was Kate Hoey MP who leaked a draft document by Kevin McNamara to the Unionists.)

Smith was reported after his death as having given informal guarantees to the Unionists that they had nothing to fear from a Labour Government as he would ensure that the Northern Ireland policy of the party was not put into effect. If he had given that guarantee publicly before he embarked on his anti-Maastricht campaign perhaps the Unionists would not have felt that they had no option but to vote with the Government. If the Unionists were to be

wooned by Labour, the time for wooing them was then.

Smith's campaign against Maastricht was represented as *realpolitik* designed to bring Labour to power immediately. But as *realpolitik* it was half-baked.

And now we have had a re-run of Smith's anti-Maastricht campaign with Blair's campaign against the European funding commitments incurred by Britain at the Edinburgh EU Summit.

But there is this difference, that whereas the Maastricht dispute was over an amendment of the Treaty of Rome, and that amendment might conceivably have been opposed from the standpoint of the European status quo, defeat of the funding commitment could only have the purpose of disrupting the European status quo as agreed by all the contracting parties.

Whatever may be Labour's notional position on Europe, its position *de jure*, it is *de facto* the main anti-European force in Parliament, and if it did not in practice commit itself against Europe, the anti-Europe wing of the Tory Party would not have been able to develop its position as it did over Maastricht.

In order to cut short the European Funding dispute and prevent it from being a repetition of the Maastricht dispute, Major threatened the Tory Party with an immediate General Election in the event of a defeat in Parliament and obliged the very strong anti-Europe group in the Cabinet to put their names to the "suicide pact".

He was ridiculed for this by Blair, Prescott and Cook. Presumably they would have welcomed a long

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Contents

Clause 4	1
Editorial - Tony Blair and Clause 4	2
Editorial - Labour & Europe	2
Origins of Clause 4 by Pete Whiteleg	5
Tony Blair speaks on Clause 4	9
Alan Johnston on Clause 4	10
The Borrie Report by G M Williams	11
Common Ownership by Chris Winch	13
Jobseekers Allowance by David Morrison	15
Employee Share Ownership by John Clayden	16
The Budget & Labour	18
Ireland	19
Open Letter to Tony Blair by Jack Lane	20

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Maastricht-style dispute over European funding with a further erosion of the British position in Europe and/or a further retardation of the political development of Europe.

The division in the Tory Party is not over a matter of no consequence. It is over the matter of the greatest consequence. The Tory Party is currently justifying its claim to be the national party by making itself the forum in which this fundamental issue is fought out. Labour is evading the issue.

Its great object ever since Kinnock turned Thatcherite and made Militant the scapegoat for the defeats suffered because of his own earlier policies (and those of Michael Foot) has been to evade every issue in the conviction that if it ever took up a definite position it would be the wrong one.

On Europe it is certainly not more united than the Tories. It has an anti-Europe wing like the Tories but it is questionable whether it has a pro-Europe wing like the Tories - has it any counterpart of Edward Heath? The Parliamentary position of opposing all European Bills in a way that enables the "pro-Europeans" to say they are doing so because these Bills are not European enough enables it to evade the issue.

If it actually was the case that the reason for its Parliamentary opposition was the Social Chapter opt out, would it not make more sense to ensure that European legislation went through with minimal conflict, minimising the opportunities of the Tory Right, since all they need do to get the Social Chapter implemented in Britain is to win the next election, and since in any case Britain comes indirectly under the influence of the Social Chapter, and the more the European development goes forward the more it will do so? Why not put European development through on the nod and concentrate on developing opposition on domestic policy?

For two reasons. Because Labour is profoundly divided on Europe, and the pro-Europeanism of most of the pro-Europeans is more apparent than real; and because Labour has adapted to Thatcherism to such an extent that working up a coherent opposition on domestic policy has become highly problematical. It now appears most effective as an Opposition when providing a base of support for the Tory

Right.

The trouble with playing an issue both ways, as Labour has been doing on Europe, is that eventually you lose track of which way you are *really* playing it. Your *real* position becomes a mere fantasy.

Jack Straw is presumably a "pro-European". But his desire for a much improved Europe somehow brought him into line with the Tory Right. He appeared on television during the funding debate condemning the CAP like a Tory Right liberal free-trader - and in company with one. And he has declared, as has Gordon Brown, that the CAP has robbed Britain of cheap food. He issued a statement saying that the CAP had added £20 per week to the average family food bill: Teddy Taylor and the Tory Right say it is £28. Since there are a great many families which spend very little more than that in total on weekly food we wonder there is not mass starvation!

"If you want to live off the world you must be prepared to live essentially as a buccaneer, and if you are not prepared to live as a buccaneer you must make other arrangements. France, Germany, Italy and Benelux have made other arrangements."

There was a time when Britain dominated the greater part of the world militarily and industrially, and it arranged for the world to supply it with cheap food. The Tory Right wants to return to that state of things - and the Tory Government, with the tacit support of Labour, five years after the end of the Cold War, maintains an immensely powerful army which is not needed for defence in any ordinary meaning of the term.

Neither France, Germany nor Italy has ever had the luxury of compelling the world to feed them cheaply - though Hitler had a try at it. So they made arrangements which have enabled them to supply themselves with a regular supply of food on reasonable terms by bringing some order into the notoriously erratic agricultural economy. And we doubt that anybody

whose experience goes back thirty years could say that food is dearer now than it was in the latter days of the British Empire.

Douglas Hurd in Moscow with the Queen said that Russians looked up to the British monarchy as the symbol of a country which had never lost a war - and that was a mouthful, seeing how many wars Britain had fought. But is that really an example that others could follow, or that they should be exhorted to follow? If the French had shown a proper spirit we might still be fighting the Napoleonic wars - or we might still be fighting the First World War if the Germans had stuck at it.

Not every country is as much at ease with warfare as Britain was for some hundreds of years. But perhaps it is a difficult way of life to give up. If you want to live off the world you must be prepared to live essentially as a buccaneer, and if you are not prepared to live as a buccaneer you must make other arrangements. France, Germany, Italy and Benelux have made other arrangements. But Britain is still undecided about giving up buccaneering and joining them.

Another difference - which is at the heart of the disagreement over the CAP - is that the Continentals never had a counterpart of the British Enclosures. The capitalist revolution established peasant ownership in France, while in Britain it established free landlord ownership, drove millions off the land by direct action, and set in motion an economic relationship of landlord and tenant which brought about rapid depopulation of the countryside.

And because the workforce for industrial capitalism was supplied by the clearances of people out of the countryside no thought had to be given to establishing civilised conditions of life for the new urban populations at the outset.

Although popular socialist histories - in the days when we had such things in the Labour Movement - usually included a chapter on the inhumanity of the Enclosures, British socialism on the whole took its cue from late 19th century Liberalism, and therefore based itself in practice on the Enclosures and on Liberal Imperialism. It supplanted the Liberal Party so easily in 1918 because it was a Free Trade Party, and it took rural depopulation as an indicator

of progress.

With the rise of Thatcher the Tory Party sloughed off its Tory heritage and remade itself as a doctrinaire liberal party. And one of the reasons Labour was disabled by Thatcher was that at bottom it shared many of her assumptions.

When Thatcher said there was no such thing as society it took the Labour leadership a surprisingly long time to take her up upon the point and say there was. And even when it did take up the point, it didn't quite know what to make of it.

Taking rural depopulation to be an indicator of progress is a large step towards the view that there is no such thing as society. It says implicitly that society only exists in cities and that the vast majority of the country is an agricultural factory or a pleasure park. And the criticism of the CAP says the same thing.

The CAP was designed to make the countries of the European Union self-sufficient in food, to maintain a regular supply of cheap food, and to do so in a way that maintains society in the countryside. And it was well designed.

Jack Straw says in effect that it could be made more efficient by being destroyed. And no doubt it could - for a brief moment.

We are certain that the core countries of Europe are even less inclined to go over to a free-for-all in agriculture than they are in industry.

Major said he wanted to keep Britain at the heart of Europe. Blair now says much the same thing.

Major's disagreement with the Tory Eurosceptics amounts to this: the Eurosceptics want to pull out of Europe, letting it go its own way, and make this sceptered isle once more a great power in the world; Major wants Britain to stay in Europe in order to avail of opportunities to thwart its development, perhaps to play another round of the balance-of-power game, and in this way to improve its chances of once again becoming a great power.

Blair says that he has changed his mind and that he now wants Britain to be at the heart of Europe. His purpose - or at least the tendency of his actions, as it is perhaps excessive to attribute a purpose to him - seems to be similar to Major's. It is only amongst the Tories of Edward Heath's outlook that there has been a full transition from a British imperial hangover to a European perspective.

Great issues are at stake. The world is being re-made. But who would guess it from the way our Labour leaders carry on?

Blair's agenda was now all too clear. Clause 4, the central pillar of Labour's Constitution since 1918, was to go. At the end of his speech, the usual standing ovation. But, as one delegate so accurately put it, the greatest sound in the Conference hall was not that of the applause, but of pennies dropping at the realisation of what Blair had said.

Confirmation, if it was needed, came on the Thursday in a speech given by the outgoing General Secretary, Larry Whitty.

In this "farewell" speech, Whitty made what I can only describe as the outlandish, and false, accusation that the acceptance of Clause 4 in 1918 was the result of a middle class stitch up, perpetrated by a few middle class activists, and was essentially undemocratic because no debate or vote was recorded in 1918.

Clause 4, or to be accurate Clause 4 part IV, (there are seven parts to Clause 4), has been the central constitutional pillar of Socialism within the Party for the past 76 years. And except for one or two occasions (1960 being the last) has only been known to most members as the wording on their membership cards.

Clause 4 was drawn up at the very inception of the Labour Party proper. Until 1918 the Party was a federation of affiliated organisations, each with its own structure and rules. A contemporary press report at the time gives the organisations and their members as: 120 trade unions with 2,400,000 members; 240 trades councils and local Labour Parties; Independent Labour Party, 33,000 members; British Socialist Party, 10,000 members; Fabian Society, 2,140 members; Women's Labour League, 5,500 members; Tunbridge Wells Co-operative Society, 2,608 members.

If the Labour Party was ever to gain power it was necessary to weld these organisations into a single unified body with a single electoral programme.

The Party also had an uneasy and complicated relationship with the Liberal Party. It had participated in Lloyd George's wartime coalition cabinet. That co-operation broke down in 1917 with the resignation of Arthur Henderson. The overwhelming majority in the Party now believed that Labour needed to create its own identity with a clear ideology and a

The Origins of Clause Four

by Pete Whiteleg

This year's Labour Party Conference appeared to be taking a fairly predictable course, no major policy upsets, no damaging personality clashes. In many respects it was looking as if it may be one of the most anodyne Conferences in recent memory. For the most part Tony Blair had remained aloof from the proceedings, with the media mainly fawning over the new "Clintonised" and glowing Cherie Blair. The launch of "New Labour" had appeared blemish free.

On the Tuesday Conference was expecting great things from Tony Blair, his first major Conference speech, his opportunity to outline his political objectives for a re-emerging and forceful Labour Party. Everything appeared to be going exactly according to plan, the spin doctors appeared to have done their job well. Then, about two thirds of the way through the speech came the paragraph that was to send shock waves through the Party and open divisions like never before:

"I believe it is time we had an up to date statement of the objects and objectives of our Party. John Prescott and I, as leader and deputy leader of our Party will propose such a statement to the NEC."

new constitution.

The drafting of the constitution was referred to an NEC sub-committee of eight. The key members of this committee being Arthur Henderson, Ramsay Macdonald (later the first Labour Prime Minister), and Sidney Webb.

Arthur Henderson was now the driving force behind the constitutional developments. Henderson was a Non-Conformist trade unionist (Iron Founders), born in Glasgow but brought up in Newcastle-upon-Tyne. His early political life was as a "Lib-Lab", but his experience of coalition in Lloyd George's cabinet had made him determined to fashion Labour into a separate political force.

Webb, on the other hand, was the intellectual guru of the Fabian Society who, in 1916, had been persuaded to become the Fabian representative on the Labour Party Executive. Webb was soon accepted as a member of the inner core. In Arthur Henderson (who had succeeded Macdonald as Party Secretary) he found someone he could work with effectively, just as he had once done with Shaw in the Fabian Society.

With Henderson and Macdonald he drafted Labour's war aims, and he and Henderson drew up the constitution for the Labour Party, under which for the first time it would be able to recruit individual members and create its own organisations in the constituencies. The sub-committee reported to the NEC in October 1917, and the constitution as a whole was referred to a Special Conference in Nottingham in January 1918.

The main draft of the constitution given to the NEC in 1917 did not concern its ideological outlook but was, instead, concerned with its organisational structure.

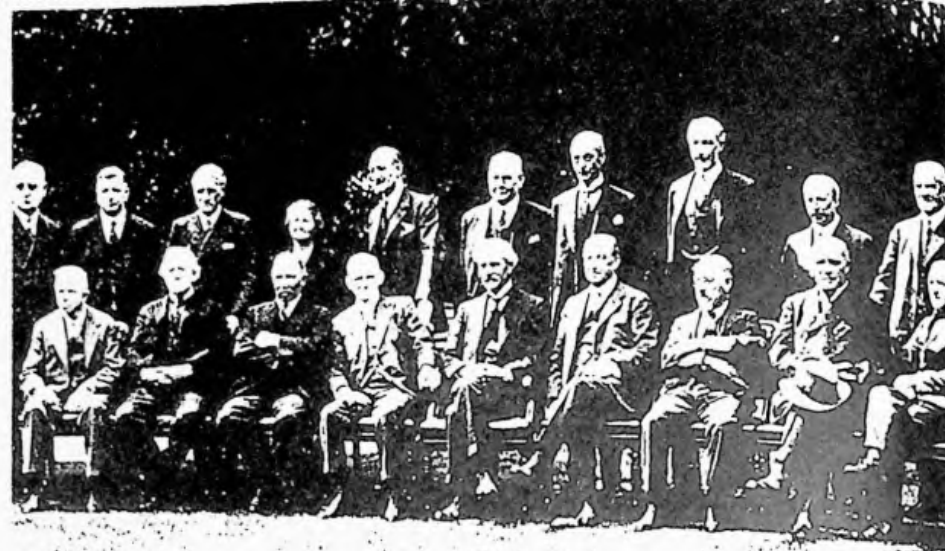
Originally there were two drafts of Clause 4, part IV.

The first being:

"To secure for the producers by hand or by brain the full fruits of their industry by the common ownership of all monopolies and essential raw materials."

And the second:

"To secure for the producers by hand or by brain the full fruits of their industry, and the most equitable distribution thereof that may be possible, upon the basis of the common ownership of the means of



The second Labour Cabinet including - seated from the right - third, Sidney Webb; fourth, Arthur Henderson; and fifth, Ramsay Macdonald.

production and the best obtainable system of popular administration and control of each industry or service."

The first draft was Henderson's and the second was the proposal from Webb, and the one which was finally adopted. However, records of any discussions as to why do not exist, but it was later reported that Henderson was not worried one way or the other which proposal was adopted.

Just as there are no records concerning any discussion of Clause 4 in the minutes of the NEC meeting in October 1917, there are also no records of any debate concerning Clause 4 at the Special Nottingham Conference in 1918.

In fact there were four Conferences held in 1918 - January, February, June and November. The first three were held while Britain was still engaged in the War. At none of these Conferences is there any reference to a debate about Clause 4.

The main debates concerned the Allies' War aims, post-War reconstruction, anti-profiteering, housing and health care. The only debates about Labour's constitution concerned membership and internal organisation.

Changing Labour's constitution to include individual membership was not as straightforward as it sounds. Many, particularly in the trade unions and some Socialist Societies, maintained that there was no need for individual members. It was perfectly possible for people to join a trade union or one of the affiliated Socialist Societies or the Co-op

movement. It was Henderson who pointed out that:

"Agricultural constituencies had very little access to trade unionism or Socialist Societies, and yet they were in dire need of some form of Labour organisation. There was evidence that they wanted Labour candidates. They were only likely to get it if we are able to say, 'come along with us, our platform is broad enough and our movement big enough to take you all'. That was the way to success." [Until this point 78 candidates was the most the Party had managed - there were 750 seats.]

Henderson wanted constituency organisation and candidates in every constituency. He believed, quite rightly, it was the only way to achieve power. One of many arguments in support of Henderson was put from the floor by Mr. G. Oliver (Newcastle LRC).

"It was all very well to argue in the region of generalities, but what were they to do in Newcastle with four constituencies instead of two, with thousands of young men who had no political allegiances up to date, with women who were enfranchised for the first time. Were their early lives to be exploited in the interests of the other parties. If the constitution was not altered these young men and women would be garnered by the other parties. What was happening in Europe to day was making Labour politicians by the thousands. There were new conditions

and new hopes, they were in presence of new responsibilities; and to quote the Scriptures 'the fields are white with the harvest', where are the reapers."

The constitution was agreed.

A Working State

Labour was now able to set its own agenda, distinct from that of the other two parties. Britain had entered the War with a Government firmly attached to the principles of *laissez faire*, free market economics.

Nothing was to interfere with the ability of capitalists to operate in the market place free from regulations or restrictions. But conditions during the War had necessitated change. Inexorably, because of the need to conduct the War, the State had taken control of much of our manufacturing industry, the ports, transport, and labour, and it had rationed food.

The state and its apparatus had grown in size during the four years of war. Departments, which before the War had only a few hundred employees, now had thousands. Through these Ministries millions of workers were either directly or indirectly controlled, and the capitalists were, in part, prevented from making super profits.

In 1918, the Labour Party published a pamphlet by Sidney Webb which in many respects set the political agenda for years to come. An agenda that was only reached by the 1945-51 Attlee Government.

The pamphlet was entitled: **Labour And The New Social Order. Report On Reconstruction.** Much of it deals with the immediate concerns of post-War Britain. But it also contains the kernel of those beliefs embodied in Clause 4:

"[With the aid of the State] we must ensure that what is presently to be built up is a new social order, based not on fighting but on fraternity - not on competitive struggle for the means of base life, but on a deliberately planned cooperation in production and distribution for the benefit of all who participate by hand or by brain - not on the utmost possible inequality of riches, but on a Systematic approach towards a healthy equality of material circumstances for every person born into the world."

Continued page 8

WHAT IS THE LABOUR PARTY?

The chief Objects of the Labour Party are:

To secure for the producers by hand or by brain the full fruits of their industry, and the most equitable distribution thereof that may be possible, upon the basis of the common ownership of the means of production, and the best obtainable system of popular administration and control of each industry or service.

Generally, to promote the Political, Social, and Economic Emancipation of the People, and more particularly of those who depend directly upon their own exertions, by hand or by brain, for the means of life.

—CONSTITUTION, Section III.

The above Programme is, first and foremost, an

Anti-Profiteering Programme.

It calls for immediate legislation to effect a **Drastic Reduction in the Cost of Living in the direct and indirect interests of all the Breadwinners of the Nation**—including workers in every profession—Civil Servants, Municipal Employees, Teachers, Salary-earners and Wage-earners of every class and degree—as well as of persons dependent upon pensions, annuities, and small fixed incomes.

THE LABOUR PARTY

demands that the Supplies of

FOOD AND OTHER NECESSARIES OF LIFE

(especially Bread, Meat, Milk, Sugar, Butter, and Margarine).¹

WATER, COAL, LIGHTING, AND TRANSPORT

by Rail, Steamer, Tram and Bus (now almost entirely controlled by Monopolist Combines, Trusts and Rings) shall be acquired by the State, to be administered, nationally or municipally, solely in the interests of the public and of the consumers without profit. It further demands

THE NATIONALISATION OF ALL LAND,

in order to secure the adequate dwelling accommodation required for the solution of

THE HOUSING QUESTION,

which concerns every class of breadwinner. It also recommends that every grade of

EDUCATION,

from Primary to Technical and University, should be free to every citizen able and willing to make use of it. In International policy it proclaims the ideal of

A LEAGUE OF NATIONS

as a practicable solution of the problem of war, involving the establishment of international courts of conciliation and judicial arbitration for the settlement of disputes between nations, and the setting up of an International Legislature for the developing of international legislation which will definitely bind the consenting States. This International system further implies

DEMOCRATIC CONTROL OF FOREIGN POLICY,

the abolition of Secret Diplomacy and the publication of all Treaties, along with the complete democratisation of Governments and the concerted abolition of compulsory military service and standing armaments.

Membership in the Local Labour Parties which are being established in every Parliamentary Constituency throughout the country is open to

MEN AND WOMEN OF ALL CLASSES

who subscribe to the Constitution and Programme of the Party and pay a minimum of ONE SHILLING per annum for men and SIXPENCE per annum for women.

In the work of organising the constituencies for the return of Labour Members of Parliament the men and women belonging to the Local Labour Parties have an opportunity of doing useful work, and in the choice of Parliamentary Candidates their voice and vote within the local organisations will be decisive, as their energy and devotion will be needed for educating the electors.

THE LABOUR PARTY is the PARTY OF THE PEOPLE

whose labour, mental and manual, produces the wealth which, equitably shared, would suffice to maintain a fair standard of life for all, and pay the cost of reconstructing society in harmony with the principles of justice, equality and freedom.

From the introduction to the Official Report of the 1918 Labour Party Conference

From page 7

Webb goes on to maintain that securing employment for all must be made a "national obligation" and should in no circumstances be handed over to "committees of philanthropists or benevolent organisations". And, he continued:

"It has always been a fundamental principle of the Labour Party that, in a modern industrial community, it is one of the foremost obligations of the government to fund, for every willing worker, whether by brain or by hand, productive work at standard rates".

The Labour Party used to believe that government should take steps to prevent unemployment, rather than allowing unemployment to occur in vast numbers and then devise policies to suit.

The State could therefore ameliorate the wilder excess of capitalism. Britain could become a much fairer and wealthier place to live. The war had shown the Labour Party that the State itself, by controlling industry, could ensure a greater distribution of wealth throughout Britain. Profiteering could be curbed, workers would receive the correct wage for their endeavours and the bosses could not get super-rich on the misery of the workers.

Labour had now established itself as a distinct party with a new approach to politics. In 1932, Arthur Henderson, the prime mover in forming this identity, wrote a pamphlet entitled, *Labour In Action*. It sets out clearly and concisely the ideological backdrop to Clause IV. Below is an extract from the pamphlet.

LABOUR'S AIMS.

"It is with the present and the future that we must concern ourselves.

"It is not only necessary that we ourselves should have clearly before us our aims and policies and the methods by which we propose to achieve them, but we must present them boldly and frankly to the public generally in order that they may understand the purposes we have set before us. We ourselves must now, and be able to explain to others, the broad plans we have decided upon, or may from time to time decide upon, for accomplishing our task.

"In our efforts to obtain parliamentary opportunity and parliamentary responsibility we must constantly endeavour to

impress upon our own supporters and upon the public at large the chief purposes for which Labour intends to exercise legislative and administrative powers.

"What, then, are the aims of organised Labour?

"I use the phrase 'organised Labour' quite deliberately. The Constitution set up by Annual Party Conferences laid down in explicit terms years ago that the Labour Party, in seeking to give effect to the principles and policies approved by the Conference, was to co-operate with the Trades Union Congress and kindred organisations. There must, therefore, be the closest collaboration with the General Council, representing the organised industrial workers, and with the Co-operative organisations, representing the great movement of organised consumers.

"However close and sympathetic that collaboration may have been in the past, we hope, in fact we are determined, that it will become even more intimate in the future, in order that the power of the workers as citizens, as producers, and as consumers may be effectively organised for the triumph of democratic principles and ideas.

"I cannot admit for a moment the suggestion that recent events call for any change in our fundamental principles.

"Indeed, circumstances and conditions - both national and international - have - but confirmed us in our view, have given a new impetus to the need for bold and drastic Socialist remedies. They have made the call to an immediate and definite advance to Socialism more imperative than ever. Hard facts reinforce the essential truth of our position. Our Movement has, over a long period, insisted upon the absolute necessity of approaching national and international problems in a new spirit and with a realist outlook.

SOCIALISM - THE GOAL.

"How could it be otherwise?

"Have we not always recognised that the existing form of organisation both of society and of industry must be changed because it has failed to satisfy the legitimate human needs and aspirations of the majority of the people? Convinced that this was so, the Trades Union Congress - with a knowledge of the long and painful history of the struggle of the Unions to win economic justice and security for the workers - declared long ago in favour of the Socialisation of the

means of production, distribution, and exchange.

"In 1918 the Labour Party included in its Constitution the declaration that one of its objects was to secure for the workers by hand or by brain the full fruits of their industry and the most equitable distribution of those fruits that may be possible upon the basis of the common ownership of the means of production, distribution, and exchange, and the best obtainable system of popular administration and control of each industry or service.

"That surely means that the aim and fundamental purpose of organised Labour is completely to transform the existing system by measures of Socialist reconstruction, to replace it by a new social order, and to substitute co-ordinated planning for the anarchy of individualistic and unorganised competition.

EQUALITY OF OPPORTUNITY.

"We believe that the supreme purpose of an acceptable system of society is to ensure to all its members equality of opportunity not only to contribute to the spiritual, social and economic enrichment of the whole community, but to share in the enjoyment of the fruits of that common and collective effort.

"We cannot be blind to the fact that multitudes of men and women and their dependents are helpless victims of the present system, a system which denies them not only the enjoyment of tolerable conditions, but only too often also the opportunity to make their contribution to the commonweal.

"It dooms them to conditions of existence that are a standing condemnation of the system and a source of injury both to themselves and to the community as a whole.

"It is responsible for what is called the class struggle - a condition of society which inevitably arises from social and economic injustices that are inseparable from the operation of industries and services for private gain, and represent the violation of the principle of equal human rights.

"The Labour Movement must clearly aim at carrying through by legislation and administration in national and local life such changes as are essential to securing a higher standard of human well-being for the people.

"We must seize every opportunity to go boldly forward with schemes of Socialist reorganisation, and in addition,

we must be unsparing in our endeavours to remove by all interim expedients the spectre of want and insecurity which has taken up a seemingly permanent lodgement in the homes of so many of our people."

In the days when Labour was seen as a Socialist Party and a party of the workers either "by brain or by hand", Clause 4 was never seen as a problem. Clause 4 was a constitutional objective to be achieved, not in the lifetime of any parliament, but the long-term objective of the Party.

Socialism was seen in terms of policies and the pronouncements of the Party's representatives. I suspect that the major reason there was very little discussion of the wording of Clause 4 in 1918 is that it was uncontroversial.

The Socialism of the Labour Party was not judged on the basis of its constitution, but by the speeches and actions of its leaders. It was policies that counted. Labour politicians and activists were openly Socialist and they preached Socialism. What did a 52-word Statement matter within Labour's constitution? Labour wanted a new social order.

Tony Blair, on the other hand, does not speak in these terms. He talks in terms of Social-ism, and no doubt Social-ists. His brand of Socialism is talking politics over a nice cocktail party, or one of these expensive dinners at the Hilton with those nice men from the Institute of Directors or the City.

Tony Blair's objective is change without principle, politics of the lowest common denominator. The framers of Labour's original constitution, Henderson, Webb, and Macdonald, believed that a democratic and engaged State had a positive role to play in British society.

For Tony Blair, the ideas embedded in Clause 4 have become an embarrassment. He accepts the Thatcherite agenda of a minimal State and free markets and anything that gets in his way, or reminds him that it was not always thus with Labour, must go. His policies and rhetoric only making passing references to Socialism and, with a quiescent left and a supine National Executive Committee, Clause 4 is the final hurdle in creating 'new Labour'.

Report - Tony Blair Speaks About Clause 4

Below is a transcript of an interview with Blair the day after his speech to Conference. It was broadcast by the BBC just before the afternoon session.

Question: What do you say to those, not just Arthur Scargill, who say that you're actually declaring war on one of the Party's central philosophical tenets?

Blair: I would say that I'm not. What I'm doing is actually defining what the modern Labour Party is about. And I believe that, in order to break through and convince the British people that it is right to change the Government and to vote in a Labour Government, we must be clear about where we stand. That is what this is all about. It is not about dumping or ditching. It's about being clear and precise and offering a radical but sensible vision of the future.

Q: But what about the other argument, that it's an unnecessary distraction? You know people say, well how many people stop you on the door and say, Mr. Blair, 'I'd vote Labour if only you got rid of Clause 4'?

Blair: Well that's absolutely true. But a lot of people do stop us and say, well what is it that the Labour Party stands for: we know that you have changed, but what have you changed to? And our central guiding belief is the notion of a strong and active and decent society, backing up the individual. And you've got to apply that principle to the economy, where we need the public and private sector working together and we need to apply it in terms of social justice, in terms of fairness, getting people off welfare into work. So this principle has to be given the understanding that the Party can then communicate to the electorate.

Q: There's obviously a risk, and you calculated the level of opposition there would be when you made the speech. The last three pages were held back. We didn't see it until you delivered it. Have you been surprised by the level of opposition, or lack of opposition?

Blair: I have been very pleased that most people have seen what I've been trying to do - that I'm not trying to destroy what the Labour Party stands for. On the contrary, I'm actually trying to

express it clearly. And it is that clarity, if it is allied to conviction, that will allow us to win. And of course there will be people that oppose it.

Q: And did you seek to square people beforehand?

Blair: Of course, there are certain people that I saw. But I think that the most important reason why the opposition is fairly muted and is confined to fairly obvious quarters, is because people could see there is a coherent political and intellectual argument for what I'm trying to do.

Q: Why will you succeed now where Gaitskell failed 35 years ago?

Blair: Because I think we live in different times. And we know that we need a competitive dynamic market economy. But we also know that the public sector will have a role to play in that. And, you know, one of the examples I gave yesterday was the absurdity of the Channel Tunnel. I mean, the Government's dogma prevented us getting the best deal for Britain. We're doing the same on other infrastructure projects, on technology, on this whole revolution that's happening in the information super-highways which is going to open up huge opportunities for people. Now you need Government and industry working together. The old way won't do and the new ways can be found, provided that the drive is there to find them.

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Alan Johnston, Clause 4, and the Lack of Principle

We give below a transcript of the speech on Clause 4 made to the Labour Party Conference by Alan Johnston, leader of the Union of Communications Workers. Johnston jumped in with both feet to trample on the principle of public ownership and he appeared to experience a kind of ecstasy while doing so. And he did so in the middle of the campaign being waged by the UCW to keep the Post Office in public ownership.

We would have thought a sense of decency would at least have caused him to stay silent on the issue. But, clearly, his strength of conviction would not allow him to stay silent, or restrain him from delivering a slap in the face to those who were defending public ownership of the Post Office on the ground of principle, rather than in the particular and exclusive interest of the Post Office workers. It must be concluded from his actions that Johnson's conviction is: Privatisation is great—but Not In My Back Yard.

The only words to describe Johnson's demagoguery about "two middle-class Fabians" is two-faced pig ignorance.

What does he think is the class of the man whose whim it is to get rid of Clause 4? Blair does not differ from the Webbs as far as being middle class goes. The difference is that his concerns as well as his personal status are middle class and that he makes Fabian social reformism seem like Bolshevism.

And, in any event, Clause 4 was adopted through the influence of Arthur Henderson, a right-wing trade union leader, who is made to seem ultra-left by Gavin Laird, in whose footsteps Alan Johnston seems to be following.

David Winnick's response to Johnston's destructive tirade was very much to the point. And Denis MacShane's response to Winnick on behalf of the modernisers was incoherent and apolitical. The manner in which Blair sprung the issue in the middle of Conference, with the 'blank pages' gimmick to whet the appetite of the media, was either done with a view to establishing 'opposing trenches' and destroying the enemy in battle, or else it was done on the megalomaniac delusion—perhaps an excusable delusion in the light of all that had happened since the death of John Smith—that Blair had

already achieved dictatorial status within the Party and that he had only to indicate a wish to cause everybody, except a few 'Scargellsaurus', to scurry around doing his wish.

Allan Johnston: Chair, Conference, Alan Johnston, UCW, supporting on behalf of 180,000 public sector workers in the Post Office, Composite 56, and opposing Composite 57.

Public ownership to my members is not some vague concept, it's crucial to the future of the Post Office and to the lives, working lives, of my members. We've been publicly owned for 300 years. We're still waiting for our members, who work by hand or brain, to get the full fruits of their labour.

Comp. 57 is not just about Clause 4. Comp. 57 criticises and undermines this Party's approach to public services. And the members of my union, who sat in the gallery yesterday, were extremely pleased to hear the debate on the Post Office, and more than pleased to hear the speech by the leader on Tuesday, because he committed the Party to public ownership of the Post Office, to changing the Treasury rules if necessary to give the Post Office more commercial freedom, and they worry not a jot about words written by two middle class Fabians in 1918 (prolonged applause) that have about as much relevance to their working lives as a Gary Glitter LP.

And, talking about Gary Glitter, it's 20 years since we last won a General Election, and in those 20 years the command economy has been discredited. Forget about it. It's never going to be restored. And if those people who are worried about a review,

an open review within the Party, of every dot and comma of our Constitution, if they're so worried that they can't defend Clause 4 in open debate, then Clause 4 is not worth defending (applause). We need objectives and principles that are relevant to the 21st century and to working class people. Not principles written, as I say, by two middle class Fabians in 1918. We want to fight the election on policies, not on shibboleths. I oppose Composite 57.

David Winnick MP (Walsall North): I've come here this morning to make a plea that we should not waste the next 12 months on an internal debate about Clause 4. There's no reason why we should be engaging in such a debate. Clause 4 should stand. And I want to say this: I remember in 1960—1959, 1960—we were told then by the arch-modernisers that, unless we deleted Clause 4, we would never win another election. And some of you will remember it. Well we did. We won in '64. We won in '66. We won twice in '74. With Clause 4 intact. And I'll tell you this, Conference: We win when we have confidence in ourselves, in our socialism, and what we stand for. And we stand now examining our navel...

Tony Blair said we shouldn't apologise for our socialism. Indeed, Tony, you're absolutely right. Some of us have never tried to start apologising. Neither is there any need to start apologising for Clause 4. It's a long term objective. We've always recognised it, and we've always recognised it needs the consent and enthusiasm of the large majority of the British people. But it's a nonsense, Allan Johnston, a nonsense to believe that we've been in the wilderness in the last 15 years because of Clause 4. When you go on the doorstep, do people ask about Clause 3? I'll tell you what they talk about—poverty and unemployment, ...they talk about the breakdown of law and order.

And I say this as well to Conference. In that excellent speech that Tony Blair made, except for the last part, he concentrated on what we should be doing in the two to two and

half years left. We're now on the offensive. We've now got the Tories on the run, in the House of Commons, in the country. We're winning elections—Euro-elections, local elections, by-elections. For heaven's sake, why should we spend the next 12 months going through the nightmare, the agony of Clause 4. What sense is there?...

Denis MacShane MP (Rotherham): I invite Conference to come with me on a voyage. We'll take any American airline—5 out of the top 6 airlines in the United States now owned by their employees. I invite you to come to Europe, get into a Renault or Volkswagen—Renault in state ownership, Volkswagen 20% owned by the regional government. I invite you to go shopping in Switzerland, where the main supermarket chains are not in private ownership. Comrades, yes, ownership does not have to be the Thatcherist PLC version. We want as a Party a pluralist ownership. I invite you finally of course, after you've been in Europe, after you've been to

America, to come to Rotherham. Take there one of our mainline buses, also an employee share-owned company. I invite you to come shopping with me and use your co-operative gold card.

This is the new form of ownership, and ownerships in the plural, we should be discussing. John Major sees himself as Chairman of the board of UK, PLC. I don't want Tony and Robin and John Prescott to replace him to become Chairman of the board of a nationalised, state-owned UK. We need a Party of the people and it is the varied needs of the people we should be considering. Now a debate was started on Tuesday. It continues today. And I'm looking forward to it continuing in the constituencies. But a debate in which we don't jump into the opposing trenches to start shelling each other: a debate that begins here and doesn't end here. David Winnick, it seemed to me, didn't want to start a debate in the constituencies. His was a statement of blind faith. Comrades, we are a Party of the people, not a cult of Clause 4. Let us start now a debate. Let us support Composite 56....

Borrie Report

Borrie's Wee Mouse One cheer for the Commission for Social Justice?

by Gwydion M. Williams

Any idiot can radically reform an existing system. The skill is to reform it so that it works better than before. It is a skill that Beveridge had, and which the Thatcherites lack.

The Beveridge Report in 1944 formulated reforms necessary to the survival of Liberal Capitalism. Both Fascism and Communism had met the real needs of ordinary people in an industrial society in a way that Liberal Capitalism had never managed. The hope was to combine the positive aspects of Fascism and Stalinism with democracy and a tolerant society.

That particular package of radical reforms worked wonderfully well. Not only was social justice achieved without any loss of freedom. Economic growth was better than ever before. Classical capitalism in the 19th century had never averaged as much as 2% annual growth over any sustained period. In the 20th

century even this broke down. The new "Keynesian" system easily outperformed the best that classical capitalism had ever managed.

Despite this, people took the new prosperity for granted. They saw only the costs of welfare. And with the USSR looking ever more unattractive in the 1970s, the rich or ambitious decided it was safe to reassert themselves.

In a less regulated market, they could make use of their superior wealth and connections. Some would go under. Some ambitious poor people would sky-rocket into the ranks of the rich. But that was the nature of the "jungle" they wanted to recreate.

Judged by its promises to ordinary people, Thatcherism has been a flop. It has not lowered taxes, only shifted them from income tax to VAT etc. It has not cut down the state sector - tax-and-spend was replaced by tax-and-waste. It has

not restored traditional "family values", which go on evaporating. It has not reduced crime, which goes on rising. And no post-war government has such a bad record for overall economic growth.

But for the Overclass, the rich, people who get paid £50,000 plus or have at least a million in property, Thatcherism has worked out fine. And since no-one can take much more from the poor without risking social break-up, a moderate unambitious Labour government is not seen as a threat.

The Commission for Social Justice chaired by Sir Gordon Borrie seems to accept that the large and growing power of the Overclass can not be sensibly opposed. On the other hand, most Thatcherite "radicalism" has been idiotic and unsuccessful. Extensive "means-testing" would be intrusive, oppressive and would cost far more than it saved. It would also be very unpopular. So the Commission's task turned out to be insignificant. Serious reform would need more boldness than they could muster. A new Beveridge, it ain't.

Surrender to Values of the Right?

The great merit of the Borrie Commission is the things it does *not* say. When it was set up, there was talk of a massive capitulation to Thatcherism. A move was on to endorse means-testing and end universal benefits. Thankfully, events since 1992 have discredited all such foolishness.

Some of what the Commission does say is dismal enough, though. Thus :-

"There is also, however, another image, only too familiar, of social justice as a subtractive and inhibiting force which busies itself, for reasons ranging from asceticism to sheer envy, in taking away things from successful people and giving them to the unsuccessful (minus the considerable bureaucratic costs of doing so). This is not social justice as we understand it. Social justice does indeed attend to the needy - that is part of the point - but in doing so it can be an enabling force for everybody." (Social Justice : strategies for national renewal. Vintage 1994. Page 19.)

If social justice does not mean redistribution, then what the hell does it mean? The Thatcherites argued that the

free operation of market forces is social justice. Each individual is assumed to get what they deserve in free competition, to the benefit of all.

The Commission's own publications document at shows some length how false and absurd this claim is. But then they capitulate to the core values of New Right ideology.

Social Obligation

New Right ideology is the dismal inheritor of the original Liberal world view, the original ideal of *laissez faire*, "let it be". But what it let be was appalling. An unfettered market is deeply polarising, destroying local communities and creating vast differences of wealth.

No one likes paying taxes. No way can one make it "enabling" for those rich enough to look after themselves without regard to the fate of the wider society. Taxes take away money that they could otherwise spend on themselves or on causes that they favour. They will always see tax as a burden and an imposition. The best one can hope for is that they will see tax as a *necessary* burden, the "price of civilisation".

Socialists know that success is never really individual. It takes place within a society that is the collective work of generations. Someone who happens to be doing well within a society has an extra duty to help keep that society in being.

If individual liberty includes a freedom from social obligations, then the society in question will perish. The original Puritan middle classes were too mean to pay the full price for the sort of society they wanted, and just look what has happened to Puritan values! The much laxer values of the modern world are just as much at risk.

The Family

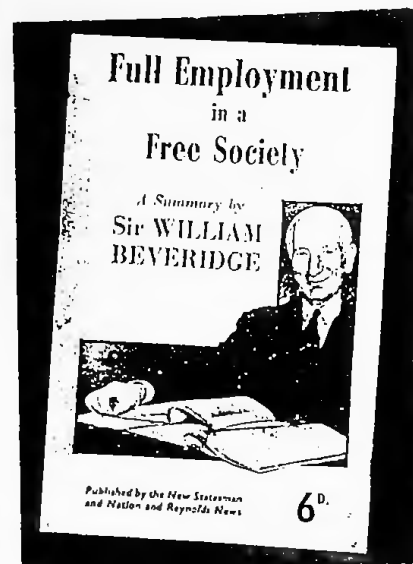
Having copped out on the central issues, the Borrie Commission confines itself to various ideas for administrative improvements, secondary topics. The chance to seriously rethink British social life has been missed.

With the ludicrous collapse of "Back to Basics", the idea of reviving the traditional family is effectively dead. The "nuclear family" has only been traditional since the 1950s anyway. It

was no more than a stage in the break-up of much older and more stable social formations, the extended family and the village or neighbourhood.

Up until the last couple of generations, 90% of the population would live and die in the same place they had been born. Upsetting this with the free play of market forces was bound to change everything. In the real world, the free play of market forces is much like the free play of a bull in a china shop.

The Commission correctly recognises the changed role of women. They are



The Real Thing !

no longer content to be unpaid producers of the most important resource of all, people. The system in which men had paid jobs and supported wives who did essential but unpaid tasks has simply broken down.

The Commission points out that families have polarised. Sometimes both parents work and the children do not get enough human attention. Lower down the social scale, neither parent works and the children are raised in poverty.

But having seen that the dead past can not be revived, the Commission dithers and moves on. Logically, the whole society should pick up the bill for the production of its most precious resource, the basis of its whole identity.

Care and education should be based on the needs and talents of the children, rather than the wealth or resourcefulness of their parents. A much more generous and extensive system of child benefit is

needed, if British society is to continue at all.

But nothing is offered, apart from the mean and minor notion of taxing child benefit for the better-off. Expense-account lunches would still be treated as essential and tax-deductible, while the raising of children would be treated as a personal indulgence.

A Radical Idea

I have been thinking for some time that perhaps *all* expenses and tax deductions should be abolished, with not one single exception. It's a notorious area for fiddles and absurdity, run by a huge and parasitic industry of tax avoidance.

Exceptions and deductions allows the rich to pay rather less than ordinary people, or even nothing at all. In a reformed system, the complexities of tax forms could be replaced by a simple question - how much did you get? There would be no need to investigate private circumstances because none of them would matter a damn. Marriage or other sorts of partnership would be purely personal matters with no bearing on the tax status.

Children would attract a simple and generous child allowance, based on the simple principle that all children have exactly the same needs regardless of who their parents are. That would be a really serious step forward, but I decided that I would be wasting my time putting it to Borrie's crowd. And given their handling of much more modest proposals, I don't think I misjudged matters.

Employment

One interesting idea that is *almost* proposed is for a Citizens Income. (p 262 et. seq.) Everyone would get a basic income, regardless of circumstances. It reads as if the authors of the report would have loved to have proposed such a schema but lost their nerve. I may say more about it in a future article. Also perhaps something about employment, on which they also dither.

"You can't get a quart into a pint pot". People used to say this about education, where the real situation is nothing like so simple. For employment, things really are that simple. If there are more people than

jobs, there will be unemployment. The Commission says a lot about helping people back into work, but matching the right people to available job does not create more vacancies.

A limited amount can be done by training people in skills where there is a genuine shortage. What the Commission says on this is fair enough. But the central problem of job destruction throughout the economy is treated as if it were quite outside the scope of human control.

Measures to help the long-term unemployed must of necessity multiply the number of the short-term unemployed. The principle of full employment is accepted by the Commission. But nothing is done about it. They don't dare say that the 1980s were a total wrong turning, a foolish meddling with a basically sound system.

There is some sensible criticism of the statistical jiggery-pokery behind the apparent success of US low-wage employment policies.

"Among American men between the ages of twenty-five and fifty-four, more than one in eight is out of work, although fewer half of them are officially unemployed.... Amongst younger American men, particularly in the cities, an even higher proportion are completely detached from regular employment, many of them dealing in drugs, involved in other crime and working - if at all - only for cash." (Ibid, p 158.)

But you will look in vain for a fundamental criticism of a society that is lowering the living standards of the majority to the benefit of a flourishing community of a million or more millionaires. Despite the recent disasters of the American Democrats, no one can quite bring themselves to think of America as a failed dream.

Dull Old Wine

The central logic of the report, spelt out in Chapter Three, contrasts three alternate futures. One is "Levellers' Britain" - a *caricature* of the traditional Labour / Beveridge viewpoint. Then there is "Deregulators' Britain", the failed Thatcherite alternative of pushing market forces.

Finally one has "Investors' Britain", the option favoured by the

Commission, an incoherent mix of Thatcherite and traditional Labour notions, a land fit for the Overclass to flourish in.

People talk about the "challenge" of East Asia. But capitalism in East Asia grew only because America and Europe were very keen to see it grow, as a barrier to the spread of Leninism. Between China, Japan and the other nations there is much fear and suspicion, many ancient quarrels.

If Europe were to start advocating a form of world trade that put people first, it seems very likely that they would go along with it. The idea would also find

support in America, and not just from the left. Instead we have "free trade", which means that we insist on them undermining foreign nations's way of life so as to become efficient enough to out-compete us and undermine our way of life in turn.

There can be no social justice without global economic cooperation. If this was not within the "remit" of the Commission, then they should have expanded it and produced something serious. All we have now are a bunch of nice ideas with no overall coherence. As I said earlier, not a New Beveridge. Just some dull old wine in very old bottles.

THE BORRIE REPORT

by David Morrison

Labour's proposals on social welfare have been awaiting the report of their Social Justice Commission chaired by Sir Gordon Borrie, set up by John Smith when he was Labour Party leader. It has been heralded as the most fundamental and comprehensive analysis of the welfare state since Beveridge 50 years ago, as the updating of Beveridge for the modern era.

Its report, running to some 400 pages, was published on 24th October. It produces ample evidence that the rich have got richer and the poor have got poorer since 1979. But it is very short on specific proposals for rectifying that imbalance.

There is not a word about undoing any of the tax changes since 1979 which have been chiefly responsible for this state of affairs. The one taxation proposal we are aware of is that Child Benefit be taxed for families paying higher rate tax, yielding an estimated £300 million a year, a drop in the ocean compared with upwards of £100 billion annual spending on social welfare.

The other definite proposal that we know of is for a minimum wage, albeit set at about £3.50 an hour instead of the Labour Party's longstanding formula of half the male average wage, currently about £4.10 an hour. Aside from that there is a yet another proposal for a job training scheme, this time of Australian origin and called the JET (Job,

Employment and Training) scheme.

How this differs from any other scheme of this kind we do not know. A cynic might say that it benefits from having a pronounceable and positive sounding acronym which is very suitable for the sound bites of politicians who want to give the impression of doing something about unemployment when they are doing next to nothing.

The tone of the Borrie report seems to fit in with the noises coming from the Tories in recent years: that the current level of public expenditure on social welfare cannot be supported indefinitely. Two factors underlie this assumption: first, the fact that the proportion of old age pensioners is set to rise significantly over the next 30 or 40 years, in part, because people are living longer, and the unspoken assumption that something like the present level of unemployment is here to stay even if wages are driven down.

The "solution" hinted at is that people will have to provide for themselves in old age and that benefits in general will have to be "targeted" on those who really need them so as to reduce the overall benefit expenditure by the state. Carried to its logical conclusion that would mean that the abolition of universal benefits - old age pension, unemployment benefit and child benefit.

The government's proposal to replace unemployment benefit for 12 months

with a jobseeker's allowance for 6 months is a move in that direction, as is the Borrie Commission's proposal to tax child benefit.

From a Labour point of view targeting of benefits has the superficial appeal of resources going to those in greatest need. But there are two fundamental reasons why Labour should be in favour of universal benefits.

First and foremost there is the argument of social cohesion: if those who are in a position to pay tax do not get the benefit of paying tax their willingness to do so will decrease and the end result of that will be the development of an underclass eking out a miserable existence on social welfare supplemented by what they can steal.

We have gone far enough down that road already. The other reason is one of efficiency: means tested benefits require a vast bureaucratic machine to decide who gets them; universal benefits do not.

There are signs that the Tories, having toyed with the notion of abolishing universal benefits, have drawn back. Perhaps they have recalled the dreadful row which blew up in the Tory Party a few years ago when student grants were targeted to the detriment of their natural middle class constituency.

On the evening of the publication of the Borrie Report and of the Government's White Paper on the jobseeker's allowance, Peter Lilley, the Minister responsible, appeared on Channel 4 News with Patricia Hewitt who was a member of the Borrie Commission. Peter Lilley defended the idea of universal benefits; Patricia Hewitt offered no such defence.

Naturally, Tony Blair welcomed the Borrie Report while not committing the Labour Party to implementing any of its findings. He described it as "a truly remarkable piece of work" which opened up a second generation of welfare provision aimed at the changing face of work and families in the modern world (The Guardian, 25th October).

Echoing Clinton, he said: "Second generation social welfare is about giving people a hand-up and not just a hand-out. Welfare should be a springboard to success and not a safety net to cushion failure. It should provide

the stability within which families and communities cope with the world of change."

What, if anything, that guff will mean in practice if the Labour Party comes to power, God only knows.

Common Ownership & Popular Administration Why All The Fuss?

by Chris Winch

It is easy to assume that Clause Four and, in particular, part 4, of the Labour Party constitution, represents a kind of Leninist, or, at least, dogmatic advocacy of state ownership of the means of production, distribution, and exchange. Close examination of Clause Four reveals nothing of the sort.

It is hard to see why it should be interfered with, given the useful breathing space that our internal doctrinal debates will give to the Tories, at the very moment when they are in a desperate condition themselves. So here is the non-Leninist, non-statist case for leaving it well alone.

Clause Four, Part 4 refers not to the state or even to the public ownership of the means of production, distribution and exchange. It refers to **common** ownership. As Stephen Pollard (research director of the Fabian Society) points out, in an important sense we already have quite a lot of this:

"There is no point, for instance, in striving for 'common ownership' because, in a sense, we already have it. The contributions of the 11 million people with pension schemes provide £500 bn of capital; 35 million owner occupiers with endowment mortgages and life insurance (as well as property and car insurance) own two-thirds of the shares in UK companies. The funds are the largest source of capital in the economy. Where 30 years ago two thirds of the shares in UK companies were owned by individuals, today the British people already own much of British industry." (Stephen Pollard, *To Be Fair, Clause IV Must Change*. The Independent, Monday 20th November 1994, p.17).

Since this does not solve all our problems, Pollard concludes that Clause

Four should go. (In fact it would make more sense to demand a more democratic form of administration of such funds, which has happened in Australia.)

This is puzzling, if the reason that it should go is, on the one hand, that it represents an out-of-date aspiration towards a statist utopia, how can it also be the case that it should go because it already represents mundane but imperfect reality?

But Pollard is right, we *do* already have a large measure of common ownership and that fact *does not* mean that all is well for British workers and their families. In addition we need to think about other forms of common ownership, such as ownership by trade unions, co-operatives and municipalities. There is no need to get hung up on one particular form of common ownership.

Clause Four Part 4 does not rest content with common ownership, however, it refers also to "*the best attainable system of popular administration and control of each industry or service.*"

We certainly do not have that, and without it common ownership is diminished in value. But popular administration and control can take many forms, ranging from state direction, through co-determination at the national level, to various forms of industrial democracy.

These things are not just desirable in themselves, they have the virtues of increasing worker involvement, enthusiasm, co-operation and productivity, as well as reducing exploitation and injustice.

We had a good chance of increasing popular administration and control when the Bullock Report on industrial democracy was published in 1977. The

report was never implemented because sections of the party and the trade union movement on both the left and the right opposed it. A little bit more attention to the detail of Clause Four at the time might have helped focus the party's attention on what was at stake with Bullock.

There is an irony in this. Much of what I have been advocating was argued for by Anthony Crosland in 1960 in a chapter of his book, *The Conservative Enemy*, entitled *Industrial Democracy And Workers' Control* (published by Jonathan Cape, 1962). But, absurdly, Crosland thought these arguments were a good reason for supporting the Gaitskell position that Clause Four should go.

Clause Four seems to represent a practical and non-utopian objective that is never likely to be fully realised, but is always something to be striven for. Part 5 states that the party exists to "*promote the Political, Social and Economic Emancipation of the people and more particularly of those who depend directly upon their own exertions by hand or by brain for the means of life.*"

This does not look forward to a utopia. The work of emancipation is probably never finished; people will always be treated unjustly, be exploited and ridden roughshod over by bosses and managers and by their fellow workers; such is the way of the world. This does not mean that such things should not be prevented and minimised wherever possible.

Some of the means for doing so lie in diverse forms of common ownership, chosen on their merits according to the situation and made effective by a variety of methods of popular administration and control, again chosen for their merits according to the particular situation.

Clause Four does not call for extreme egalitarianism; instead it talks of 'equitable', i.e., fair, distribution. It defines workers very broadly, as those who depend directly upon their own exertions for the means of life. There is no mention of the industrial proletariat beloved of Leninists and Trotskyists.

It remains the case that, despite a degree of common ownership, most people still depend and will continue to depend on their own exertions for the means of life for the foreseeable future. Neither is there any mention of

abolishing the market. In fact nothing is said about this. Common ownership and popular control have implications for the workings of the market, but these are by no means determinate.

As Pollard says in his article, it is possible to trade in the market for social, as well as purely profit-making purposes and, in addition, there is no reason, apart from dogma, why commonly owned organisations should not trade for profit in the market place. Clause Four raises no barriers to this and leaves the question of the nature of the market and the degree of control that should be exercised over it entirely open. This is as it should be in a party committed to the pragmatic

advance of the interests of the broad working class.

If Clause Four were to be abolished tomorrow, there would still be disputes amongst socialists about the desirability of state ownership or industrial democracy and this is as it should be.

What is so regrettable is an unnecessary controversy about a sensible and practical clause in the party's constitution, which seems to have stood the test of nearly 80 years' politics very well. If the debate draws the attention of members to what the clause really says, then perhaps it will have done some good after all.

The Jobseekers Allowance

by David Morrison

The Government set out its programme for the next year in the Queen's Speech to Parliament on 16th November. The proposal to increase the UK's contribution to the European Union (as agreed at the European Council meeting at the end of 1992) has caused most controversy.

But the most important measure as far as the millions of unemployed (and potentially unemployed) are concerned is the proposal to legislate for the Jobseeker's Allowance.

This is scheduled to be introduced in April 1996. It will be paid for the first 6 months only of a period of unemployment. It will replace unemployment benefit - currently paid for the first 12 months - and will also be paid on a means-tested basis to people who at present receive income support.

The net effect financially will be the reduction from 12 to 6 months of the period during which a universal benefit not subject to means testing is paid to the unemployed. As such it will have no effect financially on those with no resources who qualify for full income support - they will continue to receive a flat rate allowance for as long as they are unemployed as they do at the moment.

Those who now have sufficient resources to have their allowance cut after 12 months when they go on to income support will after April 1996 have their jobseeker's allowance cut 6

months earlier - and will save the Treasury some £200 million in a full year.

It is estimated that some 100,000 will lose their benefit completely because of this. When the White Paper containing this package was announced to the House of Commons on 24th October Michael Portillo, the Secretary of State for Employment, refused to say if they will still be counted as unemployed or whether this was yet another Government scheme for massaging the unemployment figures downwards.

Along with this change in benefit punitive rules are to be introduced to attempt to drive the unemployed back to work. TUC General Secretary John Monks described these proposals as "a thoroughly unpleasant measure based on the entirely false view that the unemployed are workshy scroungers rather than desperate for work" (The Guardian, 17th November).

At the start of a claim, the individual will have to sign an agreement as a condition of receiving benefit, stating what he or she intends to do in order to seek work. During the period of the claim, claimants may be "directed" to undertake a specific activity to improve the chances of getting work, eg attend a course or improve their appearance (get their hair cut?). Failure to obey a directive may result in a 2 week cut in benefit, rising to 4 weeks if the refusal is repeated.

It remains to be seen what this amounts to in practice but it contains within it the potential for arbitrary and dictatorial harassment of the unemployed.

When the jobseeker's allowance is introduced the Government intend to allow recipients to work part time without having all of their earnings deducted from their benefit. It will work as follows. Recipients will be allowed to build up a lump sum of up to £1,000 which they will be paid when they obtain full time work and go off benefit. However, only 50p out of every pound earned will be added to the lump sum - the other 50p will be deducted from benefit.

This raises serious doubts about the number of people that will take up the scheme. How many people are going to volunteer for the scheme when they are going to forfeit at least half their earnings - and will forfeit the lot if they can't get a full time job?

Which brings us to the nub of the problem. No amount of encouragement or harassment of the unemployed to seek jobs or of teaching them to write presentable CVs in Job Clubs will be successful if the jobs aren't available for them to get.

The lack of jobs is the problem, not the fecklessness of the unemployed or their inability to make effective job applications. All the training in the world to assist the unemployed to get back to work will founder if there aren't the jobs to go to. Individuals may succeed in getting jobs but the sum total will remain largely unaffected.

It would be comforting to be certain that the Labour Party had a definite alternative to this nonsense of training, training and more training to fit people for jobs which don't exist. There has been precious little from the Labour leadership even before Tony Blair took over about how to create more jobs.

John Prescott used to be the lone voice, not only advocating full employment, but also having at least one practical idea for doing something modest about creating jobs, namely, that local authorities be allowed to use the income they received from council house sales - which the Government insists they keep in the bank - to build houses for rent.

This should have the double effect of creating jobs in the building industry and thereby saving a modest amount of public expenditure on unemployment benefit and at the same time moving some people out of expensive bread and breakfast accommodation and into houses.

Whether this is an official Labour proposal under the new Blair leadership remains to be seen. The hallmark of the new leadership is extreme caution in making proposals involving extra public expenditure, lest they lay themselves open to the Tory charge of

being the 'high tax' party.

What is more although Tony Blair retains a nominal commitment to full employment, on the BBC Panorama programme on 3rd October (during the week of the Labour Party conference) he stated categorically that it was not the business of government to create jobs.

So the difference between the Tory Party and the Labour Party on this issue is not obvious. In so far as either of them has a policy for job creation it is the hope that economic growth will do the trick.

Employee Share Ownership

Report On Presentation By Unity Corporate Advisers On
Employee Share Ownership Plans
by John Clayden

The presentation was given at the headquarters of the Transport and General Workers' Union in Newcastle on Friday, 4th November 1994 by Robin Blagburn. Unity Corporate Advisers (UCA) is an organisation largely devoted to helping workers with employee buy-out when faced with privatisation.

UCA was originally a department of Unity Trust, it is now a partner. Unity Trust is the UK Trade Union Bank, which was launched in 1984 with the help of the Co-op Bank and the trade union movement.

Robin Blagburn started by stressing that it was important that, when a group of workers is threatened with privatisation, that they seek help well in advance. Some Trade Unions have anti-privatisation policies and don't involve themselves, and some leave it too late. On the other hand, the Post Office Unions have been talking with UCA for the past three years.

The reason why this is necessary is that management would be laying its plans a long time ahead.

UCA only give help to employees, not to management, and it stresses that an Employee Share Ownership Plan (ESOP) is really only of benefit to employees if they can hold a majority of the shares, otherwise they have no control over the running of the company

and it is susceptible to take-overs. This was what happened recently in the case of *Busways* in Newcastle. *Busways*, the former corporation bus company, boasted below its logo that it was an employee-owned company, but the bulk of the shares were in the hands of senior management, so, when a bid was made to buy out the company by *Stagecoach*, a Scottish bus firm, the employees opted to take the money and run.

The situation with London buses had also been disappointing, due to lack of Trade Union involvement. However, the case of *Greater Manchester Buses* was much better. With a £5- million turnover, the employees own 51% of the shares, and everyone, including managers, hold the same size of share holding. In this case, the TGWU has been involved from an early stage.

Robin Blagburn pointed out that, learning from experience, UCA was now able to improve the outcome of buy-outs, provided it was given enough advance warning, and it was frequently shop stewards on whom it relied for tip-offs. UCA does not charge for any work it does, unless the company is a success, and then the payment comes out of the profits.

For the ESOP to be successful, capital must first be borrowed to enable an

Employee Benefit Fund to be set up. This is then used to buy up the shares of the company. As the company continues to trade, profits are put into a Profit Sharing Trust, which buys shares from the Employee Benefit Fund for the employees. The money the EBF thus acquires is used to pay back the bank which has loaned the capital in the first case (see the flowchart).

One of UCA's tasks is to find these sources of capital and it reported that recently there has been a change of heart among venture capitalists. In the past, they sought to impose their own preconceived structures onto the company. This has now changed, and they are now more prepared to lend capital when they know employees are going to hold a higher percentage of the shares; they concede there is more chance of the company succeeding when there is the higher employee commitment to the organisation which this brings about.

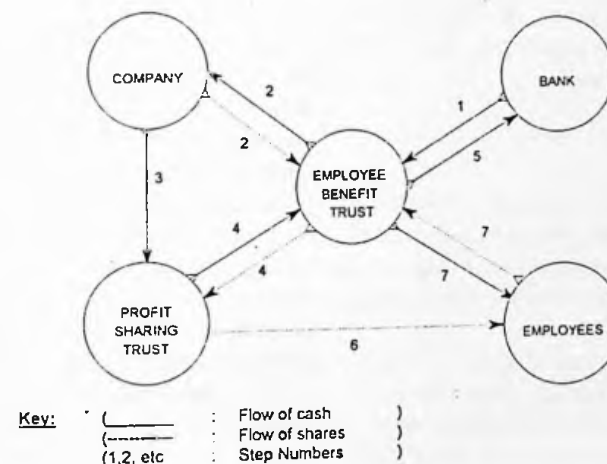
Other points of interest mentioned were that, in addition to cases of privatisation, Employee Share Ownership Plans were also relevant in the case of a business where the owner-manager or family was no longer interested in continuing the business, even though it was viable; in rescue/receivership situations; and at a time of financial restructuring. Robin Blagburn also mentioned that the Scottish NUM was sponsoring Employee Share Ownership Plans in two Scottish pits.

NB: *Unity Corporate Advisers* can be contacted at 4 The Square, 111 Broad Street, Birmingham, B15 1AR (Tel 0121 643 7909). Similar work is also done by a group of Co-operative Development Agencies called *Employee Ownership Solutions*, Riverbank House, Riverbank Road, Alnmouth, Northumberland, NE66 2RH.

UNITY CORPORATE ADVISORS

Advisors on employee ownership and corporate affairs

THE BASIC ESOP - FLOWCHART



Step No.

1. Bank lends agreed amount of money to Employee Benefit Trust ("EBT")
2. EBT uses borrowed money to purchase shares in company. Shares now held in EBT on behalf of all employees on "warehouse" basis
3. On an annual basis, company makes a payment into an approved Profit Sharing Trust ("PST")
4. The PST uses the funds from the company to buy some shares from the EBT ("the warehouse"). These shares are then allocated, normally free of charge, to employees on a democratic basis.
5. The EBT uses the money from the PST to repay the original bank loan.
6. After five years, shares held on behalf of individual employees in the PST, are distributed free of any income tax charge.
7. When employees leave or retire, they must sell their shares to the EBT. Employees will normally receive the current market value of these shares.

Unity Corporate Advisers, 4 The Square, 111 Broad Street, Birmingham B15 1AR Telephone 0121 643 7909

The Budget - from P.18

that will be cut - income tax.

One point Mr Brown made during the mini-budget debate was that Mr. Clarke's allowance of 57p a week for pensioners to cover the 8% increase in VAT on fuel was not enough. £1 a week was needed to cover it.

Of course he should try to get as much as possible for the pensioners. But his claim gives another insight into the world of the Labour leadership. His statement implies that a pensioner's quarterly bill comes to £162.50. He can't know many pensioners. It's a bit like his claim, when cuddling up to the Tory Right, that the CAP costs families £20 a week in their food bills - he must know some very odd families!

Serbs again

It needed ground forces to drive the Argentineans out of the Falklands. Ground forces pushed Iraq out of Kuwait. Ground forces plus massive air power could not defeat the Viet Cong, who were fighting for their own homes. Nor is anything likely to push the Serbs out of lands where their ancestors have lived for centuries.

The US seems keen to fight the Bosnia Serbs down to the last drop of blood, just so long as none of it is American blood. Lady Thatcher supports this call. Major, facing the problems of a small parliamentary majority and a mess inherited from Thatcher, continues to act shrewdly.

Bosnia was never a nation, and no one really cares to make it one. And when it comes to massacres, the Muslims have been just as bad as the Serbs and Croats. Does anyone remember that Bosnia had a Serb majority before World War Two?

Europe Cohering

Norway is a nation that looks away from Europe and out into the vastness of the Atlantic. That they did not add to the hat-trick of successful referenda is a great pity, just like the continuing separateness of Switzerland. The core of Europe is strong and growing.

Just how far it grows is a moot point. Russia is far too large to absorb, far too powerful to be leaned on. The Tories have been noticeably smug and short-sighted. I am rather glad that the delicate matter of handling Eastern Europe has been turned over to a Dutchman.

The Budget and Labour's Response

The central issue in this year's budget was not in the budget at all. Last year's budget increased VAT on fuel by 17.5% in two stages - 8% last year and an extra 9.5% this year.

Labour tabled a procedural motion allowing the second stage to be debated again. This was successful, and rather than go through such a debate, the Government abandoned the second stage, and the Chancellor introduced a secondary budget to make up the £1bn shortfall.

The VAT increase on fuel was not defeated by Tory rebels opposed to the measure though there did indeed exist a handful of such rebels. It was defeated because of another group of Tories who had lost the whip following their rebellion over Europe. Many of these give the impression that they would cheerfully see the elderly poor freeze to death.

But they wanted to demonstrate to the Tory leadership that the effect of removing the whip from them had, far from breaking their spirit or their cohesion, effectively moulded them into a Right-wing Tory Party in exile. And if any compromising needed to be done, it was going to have to be done by John Major.

Labour's spurious alliance with these MPs [see above, page 2] was the main factor in forging them into a cohesive bloc. And unless the Tory leadership compromises with the rebels - i.e. moves further to the right - Labour strategy for the rest of this Parliament will more and more have to revolve around continuing and reinforcing its alliance with the Tory Right.

Labour's own opposition to VAT on fuel was also less a case of principle and more a case of opportunism. There is no argument in principle against VAT on fuel, and the comparison with Europe, which has such a tax, is perfectly valid.

The difference arises in the attitude in Europe and in Britain to family welfare and pensions. Indeed in differing attitudes to families and to the needy in general.

The needs of children, the old and the otherwise vulnerable are catered for much more generously on the Continent. Children, families and the elderly are genuinely cherished in those societies. *Here*, they are a burden on business, on the "taxpayer", on the "wealth creator". Not having VAT on fuel, on children's clothes, etc., was a sop to the needy - never an expression of cherishment.

A serious Labour Party opposition to VAT on fuel would have involved an alternative which favoured a society evolving towards the Continental ethos and a Continental attitude towards benefits. Heaven knows, Mr. Clarke asked them often enough for alternatives.

But a longer term alternative is clearly impossible in Mr. Blair's Labour Party. It would have involved policies, principles and social goals in relation to both the welfare state and to European integration. These, in the current climate, are all regarded as dangerous hostages to fortune.

So the second increase on VAT on fuel was defeated. And Mr. Clarke had to come up with an alternative source of revenue - another £1bn. He did the usual - petrol, fags and booze.

Gordon Brown offered Labour's alternative mini-budget. He proposed a tax on executive share options. While this is unlikely to provide the £200m that Mr. Brown claims, it is nonetheless an important measure. Apart from its revenue potential it goes some way to assuage the understandable public outrage at the way that top directors are enriching themselves - especially the legalised robber barons in the public utilities.

He proposed the abolition of tax relief on private medical insurance and a further blocking of tax loopholes - measures we can have no quarrel with. His figures for the measures amount to £440m in revenue. The remaining

£500m or so must therefore come from his proposal for a windfall tax on the privatised utilities.

Firstly, such a tax would be a one-off and therefore begs the question as to how to raise the revenue in the succeeding years. Secondly, the super profits made by these companies, while to some extent coming out of price rises, were largely made from savings brought about by mass sackings. Labour should be more concerned with opposing the policy that human beings are these organisations' most expendable assets.

Recent freezes on higher charges imposed by the Regulators were met immediately by further mass sackings, so the imposition of a windfall tax under the current lack of control over the utilities would certainly have a catastrophic effect on the workforce.

Labour lost the opportunity to push the Government further on measures to help the unemployed. They had the chance to crow a bit about the Chancellor stealing some of their clothes with the measures that he did propose - grants averaging £200 for tools, new suits, etc.; national insurance breaks for employing long-term unemployed; carry-over of family credit and housing benefit; and so on.

This would have created a climate of political competition between the parties over who was proposing the most - to the benefit of the unemployed. (A bit like the very useful electoral competition in the 1950s over which party promised to build the most houses.)

Labour's over-emphasis on denouncing the Tories as the high tax party is also going to make it very difficult indeed to counter the inevitable tax cuts which will be announced as we approach the next election. And, of course, it will be the fairest tax of all

Contd. page 17

Irish Politics

Political events in the Republic of Ireland in late November and early December bear out the analysis we made of the origins of the 'peace process', i.e., that it originated with John Hume and Gerry Adams and that Albert Reynolds and John Major were provoked or embarrassed by the publicity attracted by the Hume/Adams Talks, and by Hume's definite assertion that peace was achievable on reasonable conditions, into claiming the bandwagon for themselves. If Albert Reynolds had given serious thought to the matter over a period of years, as he claimed, and if the Downing Street Declaration was the outcome of plans laid by him long in advance, he would not have acted as he did in the appointment of the President of the High Court. The disaster he suffered demonstrates how little serious thought this millionaire businessman had given to the implications of the Downing Street Declaration on a practical level and bears out the view that the Declaration was cobbled together in a hurry under pressure from Hume/Adams.

The appointment to the Presidency of the High Court of Harry Whelehan (the Attorney General who caused a European scandal a couple of years ago, in the X Case, by ordering a fourteen year old who was pregnant as a result of rape and had gone to England for an abortion, to return home) was reactionary even in terms of the internal politics of the Republic. In terms of fostering relations of rapprochement with Northern Ireland, it was an act of lunacy.

By virtue of the written Constitution of the Republic the judiciary there has a more than judicial function. It can strike down legislation passed by the Dail, and in recent years it has in effect been enacting legislation itself - making law by 'interpreting' the Constitution.

Whelehan, as Attorney General, by bringing the X Case, had encouraged the judiciary to enact a new law restricting the right of pregnant women to travel, lest by travelling they should avail outside the State of the right of abortion denied within the State. That law was enacted by the High Court, but was in effect repealed on appeal to the Supreme Court under intense political pressure from Europe where it was seen as a breach of the human rights which members of the European Union were obliged to uphold.

The appointment of Whelehan to a strategically important position within the State re-emphasised the sectarian Catholic character of the State at a moment when Reynolds was

supposed to be advancing the 'peace process' by liberalising the State.

His partner in Government, the Labour leader Dick Spring, opposed the Whelehan appointment in Cabinet and suggested the appointment instead of a liberal Protestant judge to the Presidency of the High court, Susan Denham. When Reynolds brushed Spring's opposition aside, Spring went public with it.

Reynolds was encouraged to persist with the Whelehan appointment when Spring's public protest against it received no public support. It received little support within his own party, and none at all from the Opposition parties or supposedly liberal newspapers, such as the Irish Times. In fact, he was reprimanded by all of these. Not even the Democratic Left saw anything wrong with leapfrogging a fundamentalist Catholic, with a disgraceful political record, from a Government position to the top of the judiciary.

When Spring persisted with his opposition to Whelehan it seemed certain that Reynolds was going to destroy him politically with the approval of the Democratic Left, the Irish Times, etc. But at the eleventh hour Spring had an enormous stroke of luck. The business of the extradition—or non-extradition—of a paedophile priest by Whelehan came to light.

If Fr. Smyth had never existed, Spring's case against Whelehan would have been sound. The Smyth case was in a sense extraneous to the issue. But Spring naturally seized on it to save himself from political extinction. Whelehan became the protector of the paedophile priest who had been rampant all over the country for forty years. And Whelehan had himself sworn in as judge after the storm had broken, thinking he could ride it out.

Politicians in the Republic have been increasingly intimidated by the judiciary during the past generation. But suddenly they were criticising one of the most powerful judges in highly defamatory terms. The status of the judiciary was degraded, and it was necessary that it should be degraded if a healthy balance between the legislature and the judiciary was to be restored.

Reynolds is a politician of no depth. His qualities are cunning and adaptability. But, in the critical moment of his political life he was slow-witted. He needed to do an about-face on the instant with regard to Whelehan. But he was slow in appreciating the extent to which the Smyth revelations had discredited Whelehan. At first he thought Whelehan could ride out the storm. Within a couple of days he realised that he himself would be lucky to ride out the storm by denouncing Whelehan. He stood up in the Dail and condemned as unfit for office this judge whom he himself had appointed only a week earlier. But by then it was too late. He had hung onto Whelehan for too long, and then his about-face had not been sufficiently decisive. A week earlier he had been intent on

destroying Spring. Now Spring destroyed him.

When the Coalition was being formed, Spring had chosen the Foreign Office on the ground that his primary concern was with Northern Ireland. If in early December had still been giving primacy to the 'peace process', he would have formed a new Coalition with Fianna Fail minus Reynolds and this would have put him in an immensely powerful position. But, at that point, the Labour Party set about working itself up into a fit of moral indignation about the silence during the latter days of the Reynolds' Government of some Fianna Fail ministers who had no direct responsibility for the Smyth affair, as if a State could be conducted on the same terms as a Sunday School.

As we go to print in mid-December, Labour is negotiating for a Rainbow Coalition with Fine Gael, the Democratic Left and the People's Democracy (a party of Thatcherites). The formation of a Rainbow Coalition presents definite problems for the 'peace process', because Fine Gael, the Democratic Left and the PDs would all have to eat their words about Sinn Fein if the process was to be continued on anything like the terms of the past four months.

In the case of the Democratic Left, much more would be required than eating its words. The raison d'être of the Democratic Left is hostility to Sinn Fein. Its source is the split in Sinn Fein twenty-five years ago. The Democratic Left, by its conduct of Sinn Fein in 1968-9, has central responsibility for precipitating the conflict in the North. Its incompetence in dealing with the situation it brought about in August 1969 led to the formation of a grass roots Republican movement and to the split in Sinn Fein in January 1970. Official Sinn Fein/ the Workers' Party/ the Democratic Left has ever since been motivated by irrational hostility to the Provos, and its outlook is now hardly distinguishable from C.C. O'Brien's. To be in any degree consistent with what it has been saying for ten years, it must insist that the Provos give up their arms as a precondition of any further development of the 'peace process', whereas that process has been conducted up till now on the assumption that the dissolution of the IRA will be the result of a political settlement.

But it might surprise us and decide to sell its soul for a taste of power. Or alternatively, Spring might abort the peace process by accepting the Democratic Left position.

But, for the time being, all the great statesmen in the Republic have put the North out of their minds. And the British Government naturally tried to avail of the opportunity to put the brakes on. It is entirely due to the United States that the 'process' has been developing in recent weeks. When Sinn Fein was cut out of an important economic conference in the North, the White House said, in that case, it would withdraw its delegates and its money. So Sinn Fein councillors were invited to participate, though not Sinn Fein as a Party. The slight to Sinn Fein as a party was countered by the invitation of Gerry Adams to the White House etc.

Tony Blair

"Oh! what a tangled web we weave / When first we practice to deceive!"

The Schools Furore - an Open Letter to Tony Blair

Dear Tony,

I am a Labour Party representative on the governing body of the Catholic Comprehensive School nearest to your home in Islington, St. Aloysius in Hornsey Lane. I would be very grateful if you would advise me on how I can continue to defend Labour Party policy on grant-maintained schools, when the issue next comes up - as it has to at least once a year - on our agenda. What I have heard you say so far would be dismissed by my colleagues as, at best, a lot of gobbledygook.

You say that you do not want to make a choice for your son on the basis of what is 'politically correct', i.e. crazy. Why do you suddenly stigmatise Labour Party policy as 'politically correct' when it does not suit your personal preferences? Does the fact that it does not suit you personally make it 'politically correct'?

You say that "what is important is that we do not deny other people the choice we made and I haven't done that." But, if you come to power on present policy, you will be denying people this right, or has the policy changed without me noticing? Is it possible that you will allow no more 'opting out', but leave opted-out schools effectively as they are? This would be very convenient for you personally. But surely Labour Party policy is not going to be made according to your personal needs?

Party sources rushed to your defence, claiming that "there were only a limited number of Roman Catholic schools in London which Euan would be eligible to attend".

There is no reason that I know of why he could not attend any RC school in London and there are certainly enough of them for the Catholic population.

If your son had any problem, I'm quite certain that our school, a 10-15 minutes single bus-ride from home, would accommodate him.

Apart from anything else would sending your son to your local Catholic school not be an expression of real commitment to your much vaunted community values? Or, are community values also to be disregarded when they don't suit you personally?

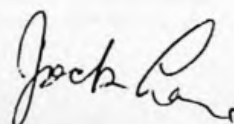
Your colleagues have come up with the argument that choosing a grant-maintained school is no different from choosing a Trust hospital for medical treatment. I'm sure you recognise that this is a mere debating point. There is no valid comparison between hospital treatment and education, as regard choice of facilities available or in personal needs.

So the question remains - why? You have never mentioned academic achievement. The school you have chosen, the Oratory, is very good for the simple reason that it chooses its students to guarantee good results. That is a fact, despite your claiming that it has no selective policy. A selective policy does not have to be emblazoned on the doorway to exist.

St. Aloysius Comprehensive has all human life represented in its 1000 plus roll. Its results could also be made to look very good if it selected, or chucked out a few hundred kids from each exam year. But it's in the business of giving maximum opportunity to all and not selecting a chosen few. It also achieves very good academic results. This year one of its GCSE students got 9 starred A grades and that boy would have some very worthwhile 'added value' (to use the current jargon) to his educational results from getting them in a comprehensive school. So, I don't think you need fear that your son would in some way be prevented from achieving academic success there.

The only distinctive feature of the Oratory and such schools that I am aware of is the snob value attached to them, which is of course an 'added value' for some people. Could it possibly be that this is the real reason you have made your choice? Until you convince me otherwise, I must assume that it is. As I now get a queasy feeling in my stomach every time I hear you, or see you on TV, I hope you can convince me otherwise.

Yours fraternally,



(Jack Lane)