

Labour & Trade Union Review

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TUC's last chance

**Is attacking planes
against the law?**

The Irish famine

**David Blunkett before
New Labour**

**Trade Union Diary
Newsnotes**

Beyond the minimum wage

**... and whatever happened
to stakeholding?**

When the TUC meets in Blackpool this month perhaps delegates will take Dr Kim Howell's advice: "Brothers and sisters embrace competition". Perhaps, like Peter Mandelson, they will view unemployment as an "opportunity". Perhaps they will agree with Tony Blair when he argues that "the real change in industrial relations is the recognition that the threat from outside competition is greater than disagreement with management", sentiments which were echoed in New Labour's draft manifesto. Perhaps, recognising that the "workforce of the future should be thinking for itself: educated: flexible: and multiskilled" (Mr Blair at the CBI), delegates will welcome Blair's declared decision to carry on where Thatcher left off. Perhaps they will enthuse about his post-Thatcherism: "The control of inflation through a tough macroeconomic policy framework is even more important than the Tories have said".

On the other hand perhaps trade unionists' opinions will be closer to the that of the general public as indicated by a TUC opinion poll whose findings were reported in *The Observer* (25 Aug). A minimum wage is supported by 87 per cent of people questioned, 82 per cent felt employers should be obliged to pay for training of their workers and 86 per cent favoured part-time and full-time employees having the same rights. With many unions committed to establishing a specific level for the minimum wage it seems likely that the conference will be a scene of confrontation between the industrial and political wings of the Labour Movement.

Nevertheless it is a real wrench for trade unionists to attack the Labour Party. No matter how it has changed and no matter how much some of its senior figures may seem to have contempt for them. Strong bonds of loyalty remain. New Labour are relying on these. "Sources close to Blair" have said publicly that

their calculation is that trade unionists have nowhere else to go. The trade union movement has been patient in not judging Blairism too quickly (although this may have been to do with its own demoralisation.) But surely ample evidence has mounted since the last TUC conference of the anti-trade union and anti-working class bias of New Labour. Anyone concerned with the health of trade unionism must welcome a line being drawn in the sand over the question of the minimum wage. Arguments about not being able to decide on a figure until after the election convince few people. A lack of political courage - one of the defining features of New Labour - is surely the real reason.

New Labour have not just delayed a decision on the level of the minimum wage. They have delegated it to a Low Pay Commission, falsely giving the impression that the minimum wage is a technical puzzle which should be solved by experts. It is not. It is a political question. And it is a moral question. Although Blair has argued publicly that his leftwing (later radical centre) political convictions arose from his Christianity, there has been no sign of the minimum wage being treated as a moral question. It has been treated as an embarrassing policy legacy from John Smith's leadership, which has been harder to get rid of than the 26 other major policy reversals (as of the beginning of the summer). This does not merely affect the level of any minimum wage that may be agreed. It substantially undermines its potential impact.

If the labour market is characterised as a social construction where various exchanges between individuals and groups take place then it is perfectly reasonable that society should seek to impose conditions on the results of that exchange. When the powerful face the powerless it is likely that the results will be socially unacceptable. A minimum wage will be effective not because there will be inspectors and cheat hotlines to see that the law is not broken. A minimum wage will be effective because social pressure means that no-one will expect to receive a wage below this level and an employer will be ashamed to offer it.

If, on the other hand, market forces are elevated in the political arena to laws of nature, then to impose conditions on the operation of the the market is de facto unnatural. (The fact that markets are

already socially controlled, not least by the presence of a welfare system and a National Health Service which do terrible things to "incentives" and "flexibility", is not an argument much heard from the New Labour bunker. On the contrary, one of the Truths which are held to be self-evident by New Labour is that the Welfare State is no longer sustainable.)

When not talking about the minimum wage New Labour spokesmen plead their impotence in the face of market forces which are allegedly immutable. Dr Kim Howells went unrebuked when he said, "Forget industrial policies which have state subsidies as the knee-jerk remedy for every ailment ... Forget the prospect of recreating huge ministries designed to second-guess the markets by favouring one sector against another. Forget the temptation to use the privatised utilities' regulators as substitutes for public ownership... My message is simple: the days of continual meddling in Whitehall in the sharp end of the market have gone and they must not return."

Any entrepreneur wishing to pay his employees "market rates" of £1 per hour, can hear this "simple message" and feel comfortable that he is merely doing what has to be done. It may sometimes be unpleasant but as the woman said There Is No Alternative. Thus, one reason to be suspicious that New Labour would like to retreat further from their commitment to a minimum wage is that it jars completely with the rest of their world view. And they show no signs of changing their world view so that a minimum wage makes sense within it.

More subtle thinkers will know that market forces aren't as simple as the Thatcher/Howell propaganda says. The Tories realised a laissez-faire approach can involve a great deal of, often brutal, intervention. The Tories passed 9 Employment Acts to allegedly return the labour market to a state of nature - proper market competition in all things. New Labour's draft manifesto accepts this approach: "the key elements of the trade union legislation of the 1980s - on ballots, picketing and industrial action - will stay." It also says of industrial relations - "we need a sensible balance: rights and duties should go together". Yet what kind of balance can there be when *all* changes in company law have been ruled out completely? It seems that concentrations of power among employers and financiers

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are acceptable while trade union power is held to be anti-social.

At the beginning of the year Tony Blair announced with much fanfare that he was converted to a thing called "stakeholding". Some people imagined this meant that companies had to acknowledge wider social responsibilities, just as unions had been forced to do. That social costs couldn't merely be dumped on those least able bear them. That pension companies would be denied their right to exercise power without responsibility. That it would be made more difficult to rip companies apart in order to set off group tax liabilities. They were encouraged in this view by the popularisation of the term in Will Hutton's bestseller *The State We're In*. Pretty soon we were told by Tony Blair that stakeholding has no legislative implications. Company law would not be

altered. Alastair Darling, before he was promoted to the Shadow Cabinet, declared that it is pointless passing laws to affect the behaviour of companies. (Companies, it seems are more powerful than states. Trade unions are not.) Pressed to define stakeholding Tony Blair could only say what it was not: "The idea that we are going to give power back to the trade unions is an absurdity". In less than two years he had moved a considerable distance from the position he adopted during the leadership election campaign. "Strong, democratic and accountable trade unions are at the heart of a healthy democracy and a productive economy", he argued then.

The minimum wage policy is at odds with New Labour's new world view. It is also at odds with their election strategy, which is, they have made clear, more important than any world view. This strategy has been to capitulate to sources of private power in order to get elected, (while at the same time claiming that it is against vested interests.) Two major examples are the deal that was sown up with BT at the last Labour conference (in a speech in which privatised utility bosses were referred to as "robber barons") and the opposition to Tory proposals to restrict cross-media ownership (a stark reversal of previous policy) which was done primarily with the interests of Rupert Murdoch in mind.

And yet New Labour characterises itself as the One Nation party. It offers no "favours" to the trade unions who fund it. It seeks to govern in the interests of the whole country (with special emphasis on a place called Middle England, though, not, it seems Middle Scotland). For instance Tony Blair has written that the minimum wage policy is to be "carried out for the good of the country". However the claim to be governing in the interests of the whole country must be treated with suspicion unless, as seems unlikely, the interests of everyone accord with those of business. In Singapore Tony Blair called New Labour the "party of business". Speaking to businessmen he called it the party of "responsible deregulation". Gordon Brown has called it the party of "small business".

Of course, this is all spin to avoid facing facts. Though it may have quite complicated secondary effects, a minimum wage is at heart a very simple matter. It is a transfer from employers

who pay poverty wages because they can get away with it to those who previously received poverty wages because they had no other choice. One party is made worse off. One party is made better off. For it to be effective employers must be made to accept that the money they make is not done in isolation from the society in which they make it. That is not being done. Instead, every time the minimum wage is mentioned by New Labour spokesmen it is made clear that it will be set in agreement with business interests. Wages are *already* set as a result of the (im)balance between business and labour interests. It is clear who has the upper hand.

New Labour have largely succeeded in reducing trade union opposition to their "project" to the issue of the minimum wage. This is a major achievement. It distracts attention from retreats in broad areas which are linked to, but much more important than, the minimum wage. The fact that the Labour Party has abandoned the 1945 White Paper on Employment's commitment to "full employment" deserves to receive more attention. Clearly, in a full employment economy it becomes impossible to pay poverty wages.

The economic problem shifts from one of the failure to produce enough goods (in a society in which they are abundant) to the distribution of those of goods. A full employment society cannot operate without mechanisms to prevent the self-defeating exploitation of the new-found power of labour. In other words some form of social contract. New Labour know they can continue to publicly humiliate trade unionists because they know there will be no need to develop a social contract. They can only know this because they have no intention of running a full employment, or anything like it, economy. Youth employment has been identified repeatedly as a great evil to cover the retreat from the 1945 White Paper position. Inflation, Blair has argued, is the number one enemy. But the only tool judged acceptable for its control is permanent mass unemployment.

The expression "full employment" does not appear anywhere in the Labour Party's draft manifesto. More ambitiously it is also being written out of history. For instance, neither the concept nor the historical fact features in Mandelson and Liddle's "inside account of New Labour's plans for Britain" - *The Blair Revolution*. (which claims to be "part history"). New

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Labour spokesmen never refer to the post-war period of high growth and full employment as a model to follow. They assert that you cannot go back to the past. The millions consigned to unemployment can expect neither explanation nor hope of something better. The picture New Labour paints of the world is one in which things have got unambiguously and substantially worse for a newly created underclass.

To be unemployed in a society with a thriving community and family life is to be poor in money terms. To be unemployed in a society in which the market is the dominant organising force is to be cut off from that society. New Labour not only favour a market based order but they demand more and more furious adaptation to its demands. Indeed their claim to be distinct from the Tories is that they will organise an adaptation which is more

effective and more complete. They have stated that this aim will dominate their foreign policy, defence policy and education policy. This includes not only passiveness in the face of the Tories' massive extension of the scope of the market but, speaking to *Sunday Business*, Tony Blair has said he cannot rule out further privatisations.

For the current Labour leadership to have abandoned the goal of a full employment economy is something which they should be ashamed. But worse still is the intolerance which refuses to permit the idea being kept alive elsewhere in the party. If this was done, and the present regime were to dig itself into the same hole that Thatcher did, then the recreation of a social democratic full employment society could become a possibility again some time in the future.

Both Margaret Beckett and John Prescott fought their leadership campaigns promoting the goal full employment. "We can, and must, begin to put our people back to work", Prescott argued. Elsewhere he explained, "The electorate understands that putting millions back to work in one period of government will be most difficult. But they will not accept the government's projection that unemployment at 3 million will stay with us into the next century."

Recently he made a criticism that was trivial compared to the jobless millions. He argued that, as a reward for voting for Shadow Cabinet members who made them "sick to the stomach", backbench MPs should have been spared lurid threats about the consequences of their failure to toe that week's line. A week later Prescott retracted these comments. Point being: he has long since given up representing that section of the party that voted for him. He has long since given up representing that part of the society that New Labour has abandoned.

So, full employment has been abandoned. But more has occurred than just a scaling down of the Labour Party's ambitions. Economic policy, indeed practically all of New Labour's politics has been reduced to the repeated insistence that people need to be trained more, need to start school earlier, need to do more homework in the evenings and need to go to university in larger numbers. It is held that job security, levels of employment and economic growth (which in turn will fund welfare provision) will all benefit

from this "skills revolution". More Truths which are held to be self-evident.

In fact they are not remotely self-evident. Training may simply produce greater competition for existing jobs. Alternatively, divorced from the world of work (Labour proposes an *individual* training account and refuses to impose a training levy on businesses), it may simply lead to the sort of pointless displacement activity Labour accuse the Tories of offering. (They are committed to getting rid of the "failed" Youth Training Scheme. And replacing it with a youth training scheme!)

But there is an ideological as well as a practical issue at stake here. The obsession with training is not mere naive, but harmless, nonsense. The story which is told about unemployment matters.

If unemployment is a consequence of a lack of aggregate demand regionally or nationally then individuals are suffering because of economic forces which are beyond their control. If, on the other hand, unemployment is a result of individuals not being trained properly, training which is their own *lifelong* responsibility (as New Labour claims) then the blame for that unemployment has shifted dramatically. It follows that the individual has brought misfortune upon himself. What sympathy, then, does he deserve from the rest of the society? Mandelson has characterised the "inefficient" as the "enemies" of the "hard-working majority". What reason is there to give money to one's enemies?

Speaking to the CBI a year ago Blair did not justify the payment of unemployment benefit either as a moral obligation to those who have been buffeted by market forces. Nor did he justify it in a pragmatic pro-business way, as a mechanism for supporting demand for the benefit of the businessmen he was addressing. No, he described it as a "drag" on the economy. Unemployment was a problem, not because of the isolation and distress which it caused, but because it increased taxes. Taxes, which, the Labour Party has argued for 4 years now are far too high.

This type of argument is by no means novel. The unemployed are responsible for their unemployment. Beggars for their begging. And squeegee merchants for their anti-social window-washing. Their selfishness imposes costs on the rest of us. That is the implication. No wonder, then that Jack Straw seeks to demonise them.

What is to be done?

The observations made above are just some milestones in the Labour Party's collapse which the *Labour and Trade Union Review* has, sadly, been documenting in the last year. Most trade unionists meeting in Blackpool will be aware of these developments and will have discussed them privately. In public, however, they are in denial because, quite naturally, the facts are hard to face. But they must be faced.

Employers have not bowed before Tony Blair even though they are convinced that he will be the next Prime Minister. They have fought their corner. And they have extracted concession after concession from him. In stark contrast New Labour have made it abundantly clear that the unions can expect nothing from a Labour government. They can do this because the unions have indicated that they are prepared to support and finance New Labour *unconditionally*. The 1996 TUC conference is the last chance to lay down a few conditions. The trade union movement is capable of applying pressure on the Labour leadership to stem the collapse. For decades the contributions of millions of trade unionists have kept the Labour Party in being. These contributions currently pay the substantial salaries of the spin doctors and the PR men. The trade union movement is entitled to have an influence on the development of the Labour Party which was, after all, set up to further its interests in the Parliamentary sphere. Currently the Labour Party's ideological free fall is the consequence of a particular leadership and the ex-Communist advisors around it. If after an election victory state funding of political parties is introduced, the way will be clear to turn this temporary cleavage into a permanent, irreversible, institutional one. "Sources close to Blair" have said this is being actively considered.

Speaking to a major accountancy firm which sells tax avoidance policies and consultancy on the fragmentation of public assets, the *Financial Times* reported on May 14 that Mandelson "bluntly pointed out that Mr Blair had made trade unions a less influential force in Labour affairs and that trend would continue."

David Blunkett: Out on Parole for the Day

Conor Lynch uncovers the decent man behind the New Labour headlines

David Blunkett was interviewed on *Ruscoe on Five* (BBC Radio 5) on August 21. He gave interesting, if harrowing, accounts of working conditions, education and old peoples' homes as they were when he was growing up and as they affected his parents and his wider family. He agreed that what he and his family experienced radicalised him.

"These events in life, like the death of my Dad made a big impression, and the struggle that my Mum had. My grandfather lived with us until he was too ill and had to go into hospital. Even there... it made an impression on me because they were terrible places in those days. They weren't well staffed and pleasant old people's homes. They were geriatric units of the worst order. And again I was determined I was going to do something about it. When I was on Sheffield City Council, when I became Chairman of Social Services, I had the chance to do something about it, and I did."

Asked what satisfaction that gave him, Mr Blunkett replied: "It was really being able to put into practice something that I'd waited a long time to be able to do. Create an environment for old people at home, not just in residential care. To give the facilities and support for people to stay at home as long as possible. To massively expand the home help and home warden services... All those things I'm proud of. And in the four years I had that particular job I think I really did make a difference. And I'd like to be able to do that again."

This, I suppose, could be called vintage Labour. We see what motivated a man to get involved in politics. Stories like that were well known to the public at one time. Many people sympathised. And many many more empathised. The electorate was motivated to vote for obviously decent people who had made themselves known

to the voters. They were respected.

David Blunkett could also have spoken of his time as Leader of Sheffield Council. In the South Yorkshire Metropolitan Area he established the finest transport system the country has ever known.

Mr Blunkett who went to a school for the blind, was told by his head that qualifications were no use to blind children. He went on: "... the idea in those days that I shouldn't take 'O' levels was absurd. It took me six years to get 'O' level and 'A' level qualifications and a business studies qualification to get into university and that was a long hard grind. So it certainly made an impression on me which says that no child should be written off. No child should have low expectations. Because everyone has something they can excel at."

Mr Blunkett outlined his policies for education when questioned about the Blair/Harman choice of schools. He trotted out the usual excuse for them - parents doing the best for their children. (He himself did not take the easy way out but, like Alastair Campbell last year, sought to improve his children's school and thereby the position of other children.) The interviewer pressed him further: "But David, it can't be helpful to you when you're trying to put forward your policies, and people at the top of the Party are doing something that I know lots of mums and dads would see as well... 'wait a minute, what do they stand for, if they're sending their children to selective schools?'"

Mr Blunkett, at this stage, probably felt like saying: "they stand for bugger all." He didn't. We got the mantras and dissembling. The Labour man's interview was almost over. New Labour had to be appeased. He said:

"They stand for excellence. They stand for equality of opportunity. And offering to the many what previously has only

been available to the few. And I would say to people, my children in an inner city comprehensive school, the experience I had as a youngster, lead me to believe that education is literally the ladder out of disadvantage."

One had the impression that David Blunkett enjoyed most of the interview. Enjoyed the chance to come as near as he dared to speaking his mind. He is one of those frontbenchers that the modernisers believe must humiliate themselves in public periodically. Short denounces Liz Davies. Prescott puts Short down. Blunkett has to defend Mandelson and co. against Hattersley and Brian Sedgemore in the *Guardian*. That kind of thing.

Earlier in the interview he was asked about changes in the political climate.

"We live in an era now which is quite different to 20 or 30 years ago when I first joined the Party where you could have a much more open, knock-about discussion. But now it is interpreted as division. Every single word is weighed in a fashion that tries to compare what you said to someone else, and naturally I think that is leading to a kind of bland politics. Sometimes I am bored."

This did not go down well in the Millbank Bunker. That evening Blunkett was forced to issue the following statement. "If anything this seems to illustrate more clearly than anything else the point I was making about the way in which the media seek to find splits in the most innocuous of interviews. I made no criticism about debates within the Party." 'Course not!

New Labour people can never make themselves known to the public - they know the voters might retch. Indeed they hide themselves as much as possible. They pay large amounts of money to public relations experts to have an image of themselves sold to the voters. And as with purveying soap powders this image is constantly altered - New Daz, Young Persil, Improved Blair.

All of this is bad enough. But the honest and decent self-exposure of other Labour politicians must be curbed or, if possible, suppressed. Otherwise the image trick won't work. People would be in a position to make comparisons.

We rarely, if ever, hear John Prescott talk about the "old days". Occasionally David Blunkett pops out of his box - only to be stuffed back in again and given the usual humiliation to teach him a lesson.

Hawks into Ploughshares

analysis

Four women from a pacifist organisation called Ploughshares were recently found to have acted legally in damaging a British Aerospace Hawk aircraft bound for Indonesia and for possible use in East Timor. In the light of this Brendan Clifford explains the failure of Western commentators to understand the implications of the Nuremberg Trial.

At the moment when anti-Serb enthusiasm has made chatter about international law fashionable again, an unexpected intrusion of international law into British affairs was met with dense incomprehension by media commentators and high-minded Bishops. A group of women in the Ploughshares organisation damaged a military plane with a hammer. They argued that their action was lawful under international law because the plane had been sold to Indonesia and was likely to be used by the Indonesian state as an instrument of genocide. The Nuremberg Trials had outlawed genocide. The obligation not to participate in it applied regardless of a state's domestic law. On the basis of that plea the jury found them not guilty of the criminal charge brought against them.

On the evening of the verdict one of them was interviewed on *Newsnight* by the smirking Jeremy Paxman. He was apparently unable to get his mind around the verdict because he kept asking questions which assumed that they had broken the law. It was patiently explained to him that a not guilty verdict meant that they had not broken the law. But it was no use. They had damaged property that was not their property, and if such things were allowed civilisation would collapse. And whatever tricky arguments they might drag in to try to confuse the issue, damaging a plane that was the property of British Aerospace was a criminal act, regardless of a perverse jury verdict.

A day or two later another of the Ploughshares women appeared on Radio

Four's *Moral Maze* programme to be cross-examined by the intellectual elite. She explained about international law and the responsibilities of the individual, and said "that's what the Second World War was all about to try to prevent genocide".

As a matter of mere fact, that is *not* what the Second World War was all about. Britain did not make war on Germany because of Nazi race policy. Nor did it make genocide a war issue in the heat of the conflict, even though the Polish resistance went to a great deal of trouble to inform London and Washington of what was being done at Auschwitz. No attempt was made to inhibit the genocidal activity of the Nazi regime, or to inform the German population of it and hold them accountable for it, until the war was over.

After the war the Allies made a great propaganda issue of Nazi genocide, and thousands of ordinary Germans were compelled to go into camps and look at heaps of corpses, and reflect on how evil they must be to have allowed this to be done. The attitude of the Allied authorities to the German populace was: you say you did not know that this was being done. But we find it incredible that you did not know. You *must* have known. And you just let it happen. So now we insist that you look closely at your handiwork.

I think there is no doubt that the vast majority of Germans did not know. The extermination camps were operated by the SS, mostly outside Germany, and the intention was to keep them secret so that ordinary Germans would not be damaged

by knowledge of the dreadful things that were being done for their welfare. And the Allied authorities, who got to know this secret through the Polish resistance in 1942, chose to keep it a secret until 1945. And then in 1945 they demonised the Germans: why didn't you prevent it?

The military conquest of East Timor by Indonesia in defiance of a UN Security Council Resolution is not a secret, nor is the genocide conducted in East Timor in order to consolidate the conquest. The deaths in Auschwitz were not reported on the German news. The deaths in East Timor have been reported on the British news.

Portuguese Timor became independent in 1975, and was annexed by Indonesia as its 27th province in 1976.

The UN Security Council, on December 27, 1975: "Recognising the inalienable right of the peoples of East Timor to self-determination and independence in accordance with the principle of the Charter of the UN..."

"Deploing the intervention of the armed forces of Indonesia in East Timor..."

"1. Calls upon all states to respect the territorial integrity of East Timor as well as the inalienable right of its people to self-determination..."

"2. Calls upon the Government of Indonesia to withdraw without delay all its forces from the territory..."

This is Resolution 384, adopted unanimously by the Security Council, with everybody understanding that Indonesia would not withdraw voluntarily and that the Security Council had no intention of compelling it to withdraw.

Three years later (December 13, 1978) the UN General Assembly adopted a Resolution on the issue:

"Recognising the inalienable right of all people to self-determination..."

"Deeply concerned at the continuing critical situation in the Territory, resulting from the persistent refusal on the part of the Government of Indonesia to comply with the provisions of the relevant resolutions of the General Assembly and the Security Council..."

"Draws the attention of the Security Council... to the critical situation in the Territory of East Timor and recommends that it takes effective steps for the implementation of its resolution 384 (1975) and 389 (1976) with a view to securing the full exercise by the people of

East Timor of the right of self-determination and independence".

A year after that the General Assembly "reaffirmed" the position on East Timor again but didn't waste its breath calling on the Security Council to act.

The General Assembly continued "reaffirming" annually until 1982, but after that it seems to have let the matter drop. It was not dropped because the process of conquest and assimilation had been fully accomplished and East Timor had been broken in to life as a province of Indonesia. Timorese resistance continues to this day, and around 1990 it was widely agreed that a third of the population had been killed in the effort to subdue it.

The word "genocide" is now generally used to mean both the destruction of a social culture with the purpose of incorporating a people into another society, and the physical destruction of a people. The Indonesian state in East Timor has for twenty years been engaged in genocide in both senses. It has been killing the Timorese in great numbers with the purpose of compelling them to become Indonesian.

What the Indonesian state is doing in East Timor comes under the heading of genocide if you look at it through United Nations categories. But looked at from the viewpoint of the Indonesian state, what is being done in Indonesia is nothing unusual.

The Indonesian state in the early sixties bore a strong resemblance to Weimar Germany. Two great political forces, Communist and Nationalist, were operating freely under the largely illusory Constitution represented by President Suharto. That highly volatile situation was brought to an end, and a stable structure of state was established, by the drastic action of President Suharto, who still rules the country.

At the time I could not see that the Suharto regime was workable. It was in fact not a regime, any more than the Weimar government was a regime. Suharto established a regime, and he did it in much the same way as Hitler. But the domestic political slaughter through which the Suharto regime was established was a hundred, perhaps a thousand times greater than the domestic political slaughter through which the Hitler regime was established. (When one looks into the detail of German affairs between 1933 and 1939, with a mind whose expectations

have been formed by the propaganda of subsequent times, the surprising thing is how little killing was done, and how much was done by cultural influence. It is the other way about Suharto's Indonesia. The view of him propagated by what is called the "international community" is so reassuring that the pressure to forget how much killing he did is all but irresistible.)

General Suharto saved that whole region for the West at a moment when it was finely balanced between Anglo-America and Mao's China. And what would happen to that great cluster of islands if the Suharto regime crumbled is far from clear. Therefore, to keep their paper world of ideology looking good, the Western Powers on the Security Council agreed to a Resolution condemning the annexation of East Timor, but assumed that it would not be acted upon.

But we all know that genocide is being committed in East Timor - or if we do not know it is because we prefer to avert our minds. And we all know that the British state and British companies are supplying the Indonesian state with weapons which are very likely to be used in East Timor. And we all know - our memories having been refreshed by anti-Serb and anti-Hutu propaganda - that genocide was decreed to be a crime against humanity by the Nuremberg Tribunal, and that where war crimes and crimes against humanity are concerned international law was declared to be binding on the individual and action in accordance with domestic law was declared to be no defence.

The *Moral Maze* intellectual liberals were confronted with these things by Ploughshares on August 1st. And their minds boggled.

Janet Daley of *The Times* declared that damaging the war plane to prevent it going to East Timor was "a publicity stunt"; a ridiculous act: "So there is one fewer plane!" She declared roundly that "British Aerospace was not in fact breaking the law". (Neither were the manufacturers of poison gas for Auschwitz, if the only law in question is domestic law, as it clearly was for Janet Daley.)

"Your activity is parasitic on the rest of us who obey the law", she said. And she referred to "the rather self-indulgent life that you lead," because of their concern for rather obscure events on the other side of the world. The problem, she said, was

that Indonesia was not a democracy. But we are a democracy. And so there is no excuse for criminal activity in Britain. (It seems to be implied by this line of argument that genocide carried out by a democracy is OK.)

Rabbi Gryn, who had barely escaped Auschwitz, was not entirely at ease with the issue. The respectable British citizen in him was struggling with the Continental Jew. The British citizen won. He said that if people took the law into their own hands like that it would lead to anarchy. And he asked: "How will you take the people with you?" He was not satisfied with the reply that Ploughshares was doing what it could to obstruct genocide, and doing it lawfully under the law proclaimed to the world at Nuremberg, and that it was up to other people to do likewise.

Dr Starkis of LSE said that they had smashed property, which was a serious crime. But if they had to do it, they should have done it as a moral protest, admitting that they were breaking the law, and taken the consequences.

All of them found acts done in the name of international law very disturbing. And the jury verdict was treated as perverse because it set aside domestic law in favour of international law.

Fifty years ago a number of books on law were written by lawyers and Professors of Law, under the immediate impact of the Nuremberg Tribunal, which took international law as being for real.

Oppenheim and Lauteprecht (International Law, 1948) quoted the Nuremberg declaration of September 30, 1946, that international law applies not just to states but to individuals within states and commented: "The increasing complexities of modern international relations, in particular having regard to the unlimited potentialities of scientific weapons of destruction, may call for far-reaching extensions of individual responsibility expressly declared by International Law" (p310).

Nothing of the kind has happened. Not until Ploughshares decided to do it. The baffled response to their strictly legal argument - their brazen assertion that an act which would be criminal if judged under domestic law, is lawful under international law, and by implication its domestic law is aiding and abetting a great crime - shows how little all the media chatter about Bosnia and Rwanda has to do with thought.

Economical with the Irish

Gwydion M Williams explains how *The Economist* promoted policies in the 1840s which exacerbated the mass starvation in Ireland after the failure of the potato crop

In the early 19th century, the Catholic Irish were quite content to be a minority within the British Isles. Their position had not been separatist since the Stuarts became Kings of England. The Stuart dynasty had ancient Irish roots and was regarded as the legitimate monarchy by the Irish. So while the Irish were often at odds with the government ruling in London this was always in support of some alternative government for the whole of the British Isles.

By the 19th century the Stuart line was extinct and Jacobite rebelliousness was dead. The notion of separation from the 'Three Kingdoms' had been briefly considered by the mostly Protestant United Irishmen. It was then forgotten again, and both Protestant and Catholic Irish seemed ready to be loyal subjects of the monarchs of the United Kingdom. The Catholic Irish peacefully demanded the removal of religious penalties, and this was eventually achieved. But when it came to the Potato Famine of the late 1840s, English Liberalism decided that the starving Irish were nothing to do with them. The richest nation the world had ever known did not think it could or should spend money on feeding people who had been hit by an inexplicable natural disaster.

This is not an abstract historical matter. *The Economist* played much the same role then as it plays now. It combined useful commercial information with smug self-righteousness. It always and without exception insists that everything that seems to be just for the good of the rich actually benefits everyone. Likewise anything that seems to be for the good of the poor and needy will in fact be bad for

them and ruinous for national wealth. The rules of accountancy and "return on capital" are assumed to be the Law of Nature.

Capitalists developed accountancy to keep track of how far their existing wealth was either growing or diminishing within a complex society. This in itself is fair enough. And policies that promote the growth of national wealth are also likely to be of benefit to most individual capitalists. But this does not mean that individual profits create national wealth any more than a weathercock created the wind or a surfer creates the waves. By capitalist rules casinos and pawn shops and porn shops generate wealth. Schools and libraries and museums waste wealth, except in as far as they can charge fees. From the viewpoint of an individual trying to get rich, this is true enough. But to identify this with the enrichment or impoverishment of a nation as a whole is lunacy. A lunacy that The Economist has been promoting for all of its 150 years of vigorous existence.

James Watt developed his notion for an improved steam engine while working for Glasgow University. Its development as an industrial device proved difficult, and his first partner had in fact to give up the struggle. With his second partner, Boulton, Watt asked for and received special state protection in the form of an extended patent conferred by Act of Parliament. Similar special protection had applied to the earlier Savery/Newcomen steam engine, which had been working as useful devices pumping water out of mines for a couple of decades before Watt was even born. This just one illustration that

the history of industrialisation is a mix of private enterprise, capitalist based investment, state sponsorship and help from non-profit making institutions. Many of its pioneers were motivated by a desire to make famous products, with money a mere means to that end. This was true of Henry Ford, it is true of the Japanese electronic giants, it is true of Bill Gates. The complex processes of a successful industrial society depend on many other things besides accountancy.

Britain's breakthrough as an industrial society occurred during the Georgian Era, 1714 to 1830. Wars under George the Second established Britain as the dominant power in the wider world beyond Europe. This rather uninspiring monarch presided over the process that gave Britain control of both India and North America. George the Third as a young and popular monarch encouraged the drastic 'agricultural revolution' that broke away from subsistence farming and made a large manufacturing population possible.

Pitt the Younger weathered the storms of the French Revolution by a mix of basic welfare and relative political moderation. The noted radical William Godwin was left free to publish *Political Justice* as a theoretical basis for a new social order. Young men who had sympathised with the early stages of the French Revolution were left alone to sort themselves out freely - with unexpectedly good results in the case of individuals like Wordsworth and Coleridge, potential revolutionaries before they took to poetry. And the basic needs of the population were taken care of through 'outdoor relief' - basic food for anyone who could find no work in a fast-changing, uncertain and cyclical economy. Meanwhile the Corn Laws ensured that new prosperity were shared by the rural population.

By the tail-end of the Georges, things were beginning to change. During the Victorian era, a rising middle-class applied laissez-faire with a literalness and a dogmatism that earlier aristocratic rulers had shrunk from. The Victorians made Britain much more solidly capitalist and individualist - but did not thereby improve it. Improvements happened, of course, as the processes begun in Georgian times continued to generate wealth. But the Victorian middle classes were at war with both those above them and those beneath them. Malice to those less fortunate than

themselves was shown in the infamous Workhouses, and also in the neglect of the Irish in the late 1840s.

"Laissez-faire - a belief that the public good is best served by leaving individuals to look after themselves, since government interference in economic affairs tends to upset the natural checks and balances of wealth creation. Wilson's *Economist* [James Wilson - the magazine's founder and first editor] was to be perhaps the most influential disseminator of this doctrine, through the prism of which it examined and pronounced on the topical issues of the day; its greatest test was to be the Irish famine." (*The Pursuit of Reasons: The Economist 1843-1993* Ruth Dudley Edwards, Hamish Hamilton 1993, p3)

There you have it - natural wealth creation requires that Irish paupers be left alone to die. *The Economist's* official historian celebrates this fact. It was not an accident or a misunderstanding. It was absolutely central to a world view that has carried on to this day.

"Wilson might have become a member of the Church of England, but when it came to religion, he was very much a product of his Quaker background..." (Ibid. p47)

This is simply untrue. While Quakers did capitulate to commerce, in most ways they remained serious Christians. They stuck to the actual principles of the Gospels in a way that most Protestant sects did not. They trusted God enough to remain pacifists, rather than invoking random bits of biblical text to justify their own violence and malice. And whereas other Protestants disgraced their cause by promoting "souperism" among the starving Irish, proper Quakers obeyed the actual words of Jesus and gave help to the needy without regard for sect or doctrine. Unlapsed Quakers were the opposite of Wilson's "starvationism".

"It was unusual for Wilson to invoke the deity: certainly, when it came to the greatest issue of his editorship - the Irish famine - it was Adam Smith, not Jesus Christ, whose he reluctantly followed." (Ibid. p47) Nice of Ms Dudley Edwards to admit that the two doctrines are as different as chalk and cheese. Smith was part of a circle of Scottish Deists who were pro-Establishment but anti-Christian. Almost all of Smith's modern biographers evade this point.

"Did the existence of widespread

starvation not prove impractical the abstract principle that a government should not meddle with the subsistence of the people? On the contrary, it demonstrated "the propriety of rigidly adhering to non-interference", for it was interference in the shape of the Corn Laws that had caused the problem in the first place. Similarly, it was no part of a government's duty to feed any or all of the people. Since its only funds came from taxation, it could feed one section of the population only by depriving another." (Ibid. p58)

It is hard to see how corn laws could be blamed for a potato blight. Nor could regulations on food imports have much to do with Irish overpopulation, which was the deeper cause of the disaster. Ireland was a food exporter - even throughout the famine. Though it is said that four times as much food was imported as was exported, any exports from a famine zone was both wicked and stupid.

The wickedness is obvious enough. People rich enough to pay taxes are not likely to be dying of want, and their comfort ought to be secondary to the simple survival of other sections of society. It was also stupid, because Britain was to suffer enormous loss for its failure to behave with simple decency in the 1840s. A fair and generous effort to help the starving Irish perhaps might not have saved many extra lives. But it would have left the Irish still feeling part of a wider British Isles identity, an idea that was gravely weakened after the famine. Having been graphically shown that the dominant English middle-class did not accept them as part of the nation, the Irish went off in their own direction. This separation contributed greatly to the decline and fall of the British Empire and the English middle-class way of life. The best chance of actually establishing a long-lasting and secure "empire on which the sun never sets" was lost.

Only characters like James Wilson could have been crazily self-righteous enough to go public on the desirability of leaving part of the United Kingdom population to starve to death. Like the Mr Bulstrode character in *Middlemarch* they were not generous enough to live virtuously, but not cynical enough to avoid being exposed as hollow shams. Had Bulstrode been a complete hypocrite he would have been able to save his reputation

by lying after he committed an indirect murder. Likewise a British government composed of intelligent cynics would have known that it was necessary to at least appear to be doing everything they could for the starving Irish.

"At the root of all the evils of Ireland lay the relationship between landlord and tenant." Of that, the prevalence of a great corruption of religion, with an extended power possessed by a priesthood, so opposite to the general progress of mankind, is a consequence." (Ibid. p59)

Elsewhere in Europe, Catholic ruling classes could be correctly blamed for a great many evils. This was not true in Ireland, where priests were powerless and landlords were all Protestant. The Irish suffered because they chose to stick with a religion that the English puritan middle classes had always been at odds with. To be fair, it was not only the Catholics who suffered from the self-righteous greed of Liberal England in its heyday. British soldiers were horribly neglected in the Crimean War in the 1850s. And while the wealth of the nation increased, the health of the working class was in many ways ground down. It would have fallen further had Wilson's ideas been more rigorously applied. Even more of the Irish would have died had not the government engaged in some feeding and public works and assisted emigration.

The context of the Irish Famine must include the Great Exhibition of 1851, in which the dominant groups showed off the wealth that they would not share with the poor and needy. Also the Crimean War of 1854, in which they were almost as callous to their own soldiers. "Laissez-faire" was a mere phrase: it did not apply when the middle class when middle class concerns were involved. The intention was that the middle class should be protected and everyone else pushed to the limits of human endurance, to make them self-reliant. This was a gibberish ideology, since it did not apply to those protected by personal wealth, much of it inherited. No wonder many poor people rejected mid-19th century Liberalism and preferred the old aristocracy, who had some concern for the rest of society.

Gwydion M. Williams

Notes on the News

Baby Love

The human infant can exist only if allowed to develop in the womb of a female. And this is true of all mammals. No one has raised as much as a mouse outside of some parental womb. Eggs from some creatures, turtles for instance, need no more help after they are laid. But complex organisms like mammals need very elaborate help to become functional adults in their turn. The more complex the animal, the more parental help and feeding, on the whole. A human baby, in its first year, is more like an unborn ape than one of their newborn, which becomes fairly independent quite quickly. And it takes another ten years minimum to humanise and socialise the child. Maybe twice that to get a complex and interesting person.

Religions ought to be Organised Virtue. In most non-European societies they are just that, most of the time. But in Western Europe from Mediaeval times, the religious authorities kept invading the secular sphere, and then denying that the resultant chaos had anything to do with them.

The protests at the destruction of unclaimed or unwanted fertilised eggs was aimed at killing off a technique which has produced many happy health babies now growing up normally. It would not have been right for doctors to let these potential humans be "adopted" without the specific agreement of the parents. In some cases, the parents had a very definite opinion that they did not want the spare eggs to be raised as children among strangers. In another case, a man would not allow his ex-wife to raise a child fertilised with his sperm, now that she had chosen to reject the rest of him. And so where no opinion was known, consent could not be assumed.

SPUCers and other anti-abortion campaigners often show no real interest in the real welfare of either mothers or children. They seek only to defend an esoteric and fairly modern doctrine that a

human soul is automatically attached to every fertilised egg. From a religious point of view, one might wonder why such souls would be attached to human tissue with no future as human life. It would be just as sensible to suppose that God knows in advance and does not waste souls on organisms that do not have at least a fair chance of making it as far as full human status. Fertilised eggs often fail in the natural course of events. They do not implant, or are rejected by the womb before the woman herself suspects any pregnancy has begun. Catholic tradition in earlier times had been quite willing to accept that a very early embryo did not have a soul and was only given one when it had some sort of human form. One suspects that the whole point of this change of view was to find a convenient new issue in the war against modernism. It was conflict that was very specifically desired. The resultant human misery was seen as necessary for Very Holy Purposes.

As I write, eight potential humans seemed doomed to death as embryos even though their mother does currently want them. The whole "pro-life" propaganda has apparently persuaded her to try something that is quite beyond human capacity. (The woman also seems to be motivated by the prospect of financial gain). The human womb is not well adapted for multiple births, and even twins are more at risk than single babies. Sextuplets are the most that have ever been born alive.

Gynaecological decisions are tough but necessary. The recent debate included the sorrowful tale of a woman pregnant with quintuplets who rejected medical advice that in her particular case, only one could survive. She went ahead and tried for all four, and all four died.

Demons and rascists

Where I live, the same billboard that had had the New Labour Sinister Red Eyes had a very different

advertisement following it. It was one of those surreal Guinness adverts, and it quoted H.G. Wells as saying "Advertising is legalised lying". What an odd coincidence!

The very successful negative campaigning that gave the 1980s to the American Republicans was based on clever covert appeals to racism. But these dirty tactics worked because it is an undoubted fact that liberals within the Democratic Party destroyed a racism that the white majority felt very comfortable with. For as long as Democrats could be linked with Black crime, or even with the simple matter of Blacks insisting that they were part of the society, the Republicans were home safe. Which is why President Clinton was so keen to associate himself with the execution of a brain-damaged black murderer, of course.

Over here, the Labour leadership is clearly forearmed. They will not be seen as "soft on crime". Every nasty whim of the floating voters will be well catered to. Mind you, the Tories have not yet dared to be quite as blatantly racist as the American Republicans, and might well lose votes if they did.

Mad Cows and Marconi

Politics had long relied on deception, a practice that, no doubt goes back to Antiquity. A good example at the beginning of the century was the Marconi scandal. Ministers who awarded a contract to English Marconi had bought shares in American Marconi. They did this knowing full well that the "miracle of the market" caused the shares in these two separate companies moved up or down in harmony. Technically, they were in the clear.

For a time Lloyd George and the other ministers involved in the deal did successfully deceive the House of Commons. They relied on carefully worded answers. If they had said they had no shares in Marconi, or had had no personal benefit from the deal, that would have been a clear lie. If they had said no shares in English Marconi, the deception would have failed at once. So they said they had no shares in "the company", a clever ruse that almost came off.

Who knows what other tricks did work successfully across the decades? By definition they are the ones that never get exposed.

In the world of today, ministers defend their various mistaken policies on Mad

Cow Disease by saying that they were following the "best scientific advice". "Best" for them excludes anything they do not wish to hear until solidly proven. They have repeatedly ignored wise and correct scientific warnings. But in public, and perhaps even in their own minds, they have always virtuously followed the "best scientific advice".

The pro-mad-cow ministers are not acting for personal advancement, of course. They were merely acting as part of a stratum of people who condemn state spending in the abstract and live off it in practice. Consultants who charge fees of millions to discover that there are no very sensible savings to be made. Managers who miraculously double the value of a company within a few months of making it their personal property. A minister who promotes this culture may retire to a range of well-paid jobs within that same culture. As long as there is no excessively close or personal link, they are not judged corrupt.

The Marconi ministers were personally corrupt, but then Marconi scandal did not threaten public health. The sale of peerages did help undermine the prestige of that body, but for someone of Lloyd George's background this was a welcome byproduct of a profitable little racket. The Liberal government of which they were a part did do a lot to improve the country, undermining inherited privilege, giving some basic welfare to the poor. Between them and the present bunch of Tories, I know which I prefer.

Res Publica

There has been loose talk about the end of the monarchy. I am not expecting it just yet. Monarchies that have successfully evolved into ceremonial "Presidencies" tend to keep this position.

Republics that exist are either new entities, maybe an expression of difference by revolt against foreign and royal power. This occurred in opposition to the British monarchy in both America and Ireland. Australia is contemplating a republic mainly to emphasise its separation from Britain. Other republics have no serious monarchy in their tradition, like Switzerland. Several countries have thrown out dynasties that misbehaved and were a source of disorder, as in Greece or Italy.

But barring some really drastic misbehaviour I see a diminished British

monarchy lasting for a good while yet.

Street Wise and Foolish

In response to last month's police proposals to allow prostitution to operate legally under licence, the "English Collective of Prostitutes" has said no. Their alternative was to call for the legalisation of what is already legal, the actual act of prostitution. Presumably what they mean is that street prostitutes should be allowed to ply their trade when and where they please.

The "English Collective of Prostitutes" are the sort of Feminists who will not take Yes for an answer. They want to protest about wicked world, not to change it. And since one cannot sell other things on the street (except for snack foods), a simple legalisation of streetwalkers is absurd.

There might be a sensible suspicion of legalised brothels where the women would become simple employees. So why not try something different. A Sex Market, done in sleazy-style street format, inside a warehouse where no one would see it unless that was what they wanted. Some big company could provide facilities for a fixed rental, but would not be connected with actual sales. Prostitutes would remain independent and work or not as she choose, but must pay the rent and be medically checked. Would this make any sense to people?

Merry millennium

The *Book of Revelations* speaks of a thousand-year or millennial reign by the newly risen Jesus, after which Evil will have another innings. Since it is generally agreed that Jesus Christ has not yet put in an appearance, the impending dawn of the Third Millennium should be no cause for religious concern.

When it comes to computer problems there is good cause for worry about numerical coincidences. It is not the machines themselves that will go wrong, or at least not often. Most modern machines are already ready for the change, as are some videos. The problem lies with the "software", the carefully written rules that the machines apply with great speed and precision and with not even a grain of common sense.

Supposing you needed to look at peoples date of birth. You have one rule if they are 25 or less, another if they are over 25 but under 65, a third if they are

65 or more. You write this as a software rule, one rule hidden among hundreds and maybe expressed in some odd computer language.

Suppose someone was born on 3rd March 1968. The current date is 1st September 1996, so they are 28 years old, clearly over 25 and under 65. On the same date in the year 2000, they would be 32. But would the computer know it?

Someone who was thinking ahead might have told the computer to subtract 1968 from 2000. No problem. But a lot of people saved space by only using the last two digits of the year. So the computer might try 00 minus 68, and decide that this person in their thirties was 68. Or perhaps it would class them as *minus* 68 years old, and thus clearly under 21.

One such error is not so hard to find and fix. But there are millions of lines of "software", and any change may have unexpected side effects. People who know what they are doing will overcome the problems, but not everyone does. So expect a merry millennium.

The changeover from 1999 to 2000 will also be enlivened by arguments as to whether the Christian calendar is still in its 2nd millennium, since there was never a Year Zero. Such is life without full forward planning.

The bugs that fell to Earth

Life as we know it may well have started out on Mars. Life of a quite sophisticated sort is found in some of the oldest rocks on Earth. These blue-green algae have lasted without visible change across three and a half billion years, and are closely related to organisms that provide the greenness in plants. To get to such sophistication seems a bit odd and it may well be that life on Earth is merely a grand blossoming of something that started on Mars and then died out there. (Mars itself is an almost airless desert with perhaps a few stray bugs living far underground.)

Perhaps the Martian Meteorite may turn out to be nothing much. Nevertheless, I am fairly sure that we are not alone. We may well find some flourishing colonies of microscopic bugs on Mars eventually. Perhaps also on the distant moon, Europa, which is suspected of having oceans of icy slush or even liquid water.

Dave Chapel

Trade Union Diary

Minford and the Minimum

In mid-August a debate took place between the rightwing economist, Patrick Minford, and Gordon Brown's senior advisor, Ed Balls, on the subject of the minimum wage. In attacking the proposal Minford cited the potential knock-on effects on wages. For example if a cleaner was paid £4 an hour a head waitress would demand to maintain differentials. Mr Ball's response had nothing to do with the right to a decent wage or even the economic benefits of a high (or at least higher wage) economy. Instead he pointed out that now that trade unions were powerless (a situation he seemed to assume would be permanent) the head-waitress wouldn't even know what the cleaner was earning!

Minford reasonably replied that in an unfettered market differentials take on an even greater importance in people's lives, and that in strongly unionised conditions there was an equalising process with the unions acting as a dampening influence on wage differentials.

Minford is correct. The reason he is against trade unions is because of this very effect. It is the same reason as why socialists used to be in favour of them. Mr Balls appeared to have no strong views on the matter.

Minford's central point was much the same as the one New Labour regularly makes. "The global market" means that people must become more "efficient" or rising wages will mean that jobs will be exported. This may indeed happen in some cases. But the minimum wage will have little effect on the most exportable jobs. Car workers, engineers etc are rarely if ever, paid less than the various proposed levels for the minimum wage. It is not possible to export the work of cleaners, head waitresses, dinner ladies, hospital ancillaries etc.

Alan Johnson's Total Quality leadership

I find the conduct of the Post Office dispute rather puzzling to say the least. The leader of the Communications Workers Union (CWU), Alan Johnson, claimed to have reached an agreement with the Post Office and then claimed his Executive rejected it.

But he admitted that the Post Office said that no agreement could exist until all proposals went before the CWU Executive. I have to wonder whether Mr Johnson did not know the views of his Executive and is therefore not much of a General Secretary, or he knew their views and tried to steamroller the proposals through against their will by calling them an *agreement* publicly.

The core of the dispute concerns the introduction of the faddish system of Total Quality Management. (See L&TUR no. 56) for more details of this system which was copied from the US Postal Service who have since abandoned it as a dismal failure.

Mr Johnson did not get a compromise on this issue - the core of the dispute - and rejection by the Executive was inevitable. I cannot but suspect that the ardent New Labourite, Mr Johnson, was simply desperate not to have a dispute still going on during the Party conference season.

Readers may remember that Alan Johnson was one of the driving forces behind the abolition of Clause 4. And this at a time when his own union was fighting, successfully to defeat the Government's plans to privatise the Post Office!

The position taken by Tony Blair's house magazine is interesting. The editorial in the August 9th edition of the *New Statesman* effectively tells the postal workers that what was good

enough (or rather bad enough) for other workers in recent times is good enough for enough for them, "... too many of us have been through the trials of modernisation to have much patience with those who refuse to countenance carefully negotiated change."

The *New Statesman* holds out the threat of privatisation. "It might well feature in the next Conservative manifesto." And such privatisation "might even kill off that hallowed and genuinely popular principle of a universal service at a uniform tariff... The existence of such a service helps to define what it is to be a nation."

Far from viewing the prospect of privatisation as an argument for supporting the postal workers the *New Statesman* seems to treat it exactly the same way as the Tories - as a threat to keep the workers in line.

TNT and the free market

When the Government suspended the Post Office monopoly for a month because of the dispute, a representative of the giant carrier, TNT, was interviewed on Radio 5.

He said that a short suspension was of no interest to his company because it wouldn't be worthwhile gearing up for letter distribution only to have the Post Office monopoly restored. He urged, the Government to abolish the monopoly completely. Not an unreasonable suggestion, one might think, from his point of view.

The interviewer naturally asked if this meant he was in favour of throwing the letter delivery system open to competition. Well, not exactly. He thought maybe a duopoly - the Post Office and TNT - would be a healthier arrangement. After all, he explained, it would be a bit of a waste having ten postmen delivering letters in every street.

But, wouldn't it be a waste, albeit a lesser one, to have two postmen delivering on every street, asked his tormentor.

Actually, exclaimed our friend from TNT, what we'd really like would be for the Post Office to contract out the deliveries to us. That would be ideal. And who said the free market isn't a marvellous a thing?

Nice Ms Roddick's stakeholding

In a letter to the *Daily Mail* Anita Roddick, head of the *Body Shop*, purported to defend stakeholding. She was replying to an article by Sir Stanley Kalms, Chairman of Dixons.

Kalms, who hails from the wilder reaches of industry, assumes that Tony Blair means something when he talks about stakeholding - and that there would be a legal system of workers' rights. He decries this as "handholding" and argues in favour of a deregulated labour market.

Mrs Roddick's line is that companies should consider their employees as stakeholders, along with customers and shareholders. Then she cited as caring, sharing companies - NatWest, Marks and Spencer, as well as her own *Body Shop* Group.

Nat West! The leading "downsizer" around. Indeed, only a fortnight before Mrs Roddick's letter Nat West announced the closure over the next four years of 300 branches with the loss of 10,000 jobs. Since 1990 they have already sacked 22,000 of their much valued staff. I seem to remember a couple of years ago Marks and Spencer giving 300 of their junior managers an hour to get out.

And, of course, Marks and Spencer and the *Body Shop* will not tolerate trade unions. M & S told Tony Blair this less than a year ago. And Mrs Roddick is on record as saying that her workers didn't need trade unions because trade unions were only needed "when management were bastards".

In other words, "stakeholding" for Mrs Roddick means workers' right to have her be nice to them when she feels like it. The prerogative of tyrants everywhere. I think I'd prefer to deal with Sir Stanley.

Alastair Campbell's principles:

"There are few, if any, circumstances I could envisage that would lead me not to vote Labour, but if I thought Labour would not spend more on health and schools, or that they would not adopt a more interventionist approach to the economy, or that they would not raise my taxes, then I would have to think a bit. This is not an 'irresponsible shopping list'. It is the absolute minimum, surely, that the public will expect of Labour."

source: *Spectator* 30.4.94
and quoted in *Tribune*

Economical with the Irish

continued from page 9

What was the self-justification of this class? The basic idea was that modern civilisation and progress depended totally on the prosperous middle-class being left free to do as they pleased. They saw life as inevitably awful. It was all "nature red in tooth and claw" - a phrase Tennyson coined before the publication of *The Origin of the Species*, symptomatic of a wider view that distorted the scientific understanding of evolution. "Survival of the fittest" is not the same as conventional dominance. The antelope and the hedgehog have better long-term prospects than the lion or tiger.

The idea that the ruthlessness of the Victorian Middle Class was some sort of grim necessity is total rubbish. The whole breakthrough into modern industrial civilisation occurred in the Georgian era. It happened under a lax and cynical but broadly well-meaning ruling class. In as far as the Victorians messed about with the Georgian legacy, they mostly did no good. With "reforms" like the workhouse system, they actively harmed their fellow-citizens. Even the Empire was in substance an inheritance, won back in the "wonderful year" of 1759, dressed up in absurd pomp and wasted during Victorian "greatness". The Victorian era is nothing to be proud of.

Sir Robert Peel, the Tory Prime Minister who believed in Adam Smith's theories and who repealed the Corn Laws, also made an honest effort to look after the Irish during the earlier and milder stages of the disaster. But he was succeeded by a Liberal administration that quietly tried to carry out a policy that can only be called "Liberal Genocide". Though no one was specifically killed, there was a hope to solve the problems of

Ireland by removing the poor and unproductive Catholic Irish. The British Puritan Middle Class had a strong wish that people who did not fit their pattern were "just not there". There was a widespread and in some cases quite open feeling that "people unlike us had no right to live."

People will doubtless take exception to talk of "Liberal Genocide", with its overtones of the Nazis. But please remember, the Nazis had originally hoped to clear out their unwanted Jewish population by the English methods of ill-treatment and neglect. It was their hope that most Jews would run away or die without the nasty necessity of killing them. Only once it became clear that most of Europe's Jews would not spontaneously vanish was the policy of mass murder became.

Ill-treatment of Jews in Germany began in 1933, and did not inhibit a large section of the Tory Party from approving of Hitler. The specific decision for mass-murder was not made until 1941, during a World War that was obviously a life or death struggle for their whole ideology and world view. The distinction between "Liberal Genocide" in Ireland of the 1840s and Nazi Genocide in Europe in the 1940s is uncomfortably small and limited.

By Adam Smith's rules, the Irish population was utterly unproductive and undeserving. By his rules (though he himself was no dogmatist and might well have been shocked by such a thing) it was entirely right and proper to leave them to starve.

One the basis of what Adam Smith had taught, the decision was made that the richest and fastest-growing society in the world could not undertake famine relief. The Liberal government in London felt it had no obligations towards poor and starving people who were officially classed as part of the same society. Taxing rich people to save the lives of poor people would be an intolerable interference with the rights of the prosperous. That briefly dominant Puritan Middle Class also regarded it as necessary and positive that Irish paupers should starve. It was genocide for cowards.

Fool's gold

analysis

Michael Morrison reports on the "big ideas" deep inside the Blair Bunker and (on the facing page) at the Blair house magazine

Before the advent of New Labour the *Labour and Trade Union Review* proceeded mainly by examining and commenting upon the words of elected politicians and trade unionists. That is an increasingly difficult thing to do. Because only a select band of politicians seem to matter anymore in the Labour Party.

Anyone who persists with the increasingly worthless activity of reading the papers will know that what passes for politics is conducted via unattributable briefings by unelected aides, or "sources close to" or advisors or spin doctors. Roy Hattersley and Clare Short have both complained about this. Meanwhile New Labour aides or advisors insist that the Labour Party is more democratic and more open and more accountable than ever before.

It is in this environment that I turn to the words of Mr Liam Byrne, a management consultant who works in Tony Blair's office. Mr Byrne begins by complaining that the Labour Party seems to have lost interest in stakeholding. He is perfectly correct in this. My own dogged pursuit of the subject looks increasing eccentric now that New Labour spokesmen have stopped talking about what used to be known as the "big idea". They seem to prefer mounting expensive "positive" advertising campaigns attacking the Tories for mounting expensive "negative" advertising campaigns.

Mr Byrne, however, sees the subject in apocalyptic terms. "The planting of stakeholding marks the end of twentieth century British politics." Then he added, mysteriously, "But, not so as you could tell." This concern for the end of the century is one which he shares with his employer. When Mr Blair returned from his holidays he spoke in a blitz of interviews of his determination "to take Britain into the 21st century". None of his

interlocutors questioned him on the likelihood of this central ambition being achieved particularly in the light of David Blunkett's declaration in *The Times* on August 16 "Tony Blair has taken us into the early 21st century where we have to be, one step ahead of the Conservatives. It's a game of chess."

Writing in the summer edition of a Fabian magazine *Anticipations* Byrne sets out the problem with a precision which probably arises from his training in management consultancy. "Saloon bar polling reveals that the concept of stakeholding is very much alive in the minds of the British public, but regarded as leaving a bad taste in the mouth."

He worries that there is confusion over the meaning of the term. "Labour's politicians desperately need to explain that their version of the big idea constitutes a new politics in Britain: an unequivocal philosophy, a people-focused process, and a strong, distinctive position in the centre-ground of political life. A world removed from the fool's gold of Will Hutton and his fellow micro-economists."

Byrne refers to this "fool's gold" as the "alpha version" of stakeholding which he summarises sneeringly, without references to any writings or speeches, as the insistence that people be "nicer to each other". This is dismissed for two reasons. Quite simply it is not new - "we knew all about this ages ago." (Confusingly in the previous paragraph he employs his limited gifts for metaphor as follows: the "idea is nothing more than a new vaccine for traditional British diseases").

Secondly, he asserts "the private sector hasn't bought it." The undiscussed implication is that "the private sector" is an homogeneous group with a veto on any development in the society. He does not offer an opinion on whether their decision to veto "alpha stakeholding" is a wise

one. Readers who feel that the above analysis is risible may be interested to know that Mr Byrne concludes his article with the declaration that Labour must "be far more intelligent than it has before" (sic).

Thirdly, he makes an appeal to history, which may be an indication that he has not been working for New Labour for very long and does not yet realise how things are done. "If history is any guide at all, the current wave of "downsizing" and "reengineering" so castigated by stakeholder economists as a violation of trust but which has so improved productivity and profitability may still translate into higher wages in the future." This is a truly breathtaking observation. There are real reasons to doubt whether the Labour Party has a long term future if its Leader's office, almost the sole source of power in the party, can accommodate people with views more vicious and anti-social than the worst of the Thatcherites. Mr Byrne is celebrating downsizing a matter of months after the American responsible for introducing the ugly and evasive word into the English language, a Mr Roach, has publicly admitted the error of his ways.

So, in less than a page Mr Byrne has dismissed Hutton's version of stakeholding to his satisfaction. He then turned to what he describes as "Labour's" version of stakeholding, without citing any policy documents or giving his authority to speak for Labour. "No longer do today's socialists agree with their forebears, men like GDH Cole", he declares. "Rather than seek equality by redistributing income and ownership (life's outcomes), now we level up the individual's prowess and ambitions (the outputs)."

For Thatcher there might have been no society but at least there was family life. New Labour seem to have reached the point of total subordination to the market. The whole of life is judged by the property which is accumulated.

New Labour speaks casually of levelling up people's "ambitions" with a zeal for social engineering which is surely rare among the most enthusiastic totalitarians. Yet Mr Byrne is more circumspect about interfering in the economy. At least I think he is talking about the economy. "Labour may sometimes share a concern with Conservative sceptics that the outcome of our actions may be unpredictable. But this concern is sometimes over-ridden by

moral demands that we innovate... Labour does not think that tradition and free markets do necessarily give the individual a platform on which they can realise themselves." (I wonder if Mr Byrne is a man who has realised himself.) Yet the "power of combination to support the individual when they are weak (sic) requires some careful analysis. Traditionally Labour has underestimated the strength of the individual and sought to "protect" them when they were (sic) quite able to do it themselves."

So trade unions are (probably) unnecessary. Sometimes. But he goes further. He asserts that "maintaining people in uneconomic jobs is not supporting the weak, it is sapping their strength to adapt in a changing world." What place can someone with a view like that have in a socialist party? The only conclusion to be drawn is that the Labour Party is not a socialist party and that the rich can sleep easily in their beds in the knowledge that trying to help the poor will only make things worse for them.

His comment on the policy implications of stakeholding is gobbledygook. "In policy terms, that means a focus on people, not process." His comment on the Labour's beliefs is also gobbledygook. "We retain a belief in the power of positive, rather than negative liberty."

A brief recap. Labour has developed a new "unequivocal philosophy". It does not necessarily favour free-markets. It does not necessarily favour combinations of "individuals". It operates by altering "the individual's prowess and ambitions". Although "distributive justice is dead" it favours the Social Chapter and a statutory national minimum wage. The philosophy is based on "moral demands" and is inspired by the Old Testament. But this is a New Old Testament in which morality is an empirical business. Politics "is driven by an analysis of the empirical world."

Labour & Trade Union Review

Labour Party
conference PUBLIC MEETING

Is there a future for stakeholding?

Rosemount Hotel
83-86 Palatine Rd
Blackpool

Tuesday 1 October
8.00 pm

The New Statesman declares the German miracle is over

The *New Statesman's* first response to the Labour Party's conversion to stakeholding was cautious. They argued, quite correctly, that because it was presented as a bolt from the blue, as coming from nowhere except Tony Blair's head it was hard to figure it out. They demanded editorially that the vagueness surrounding the Labour Party's intentions be cleared up.

Meanwhile, as the stakeholding debate developed, the loss making *New Statesman* was taken over by Geoffrey Robinson, the millionaire MP who has ambitions to become a Cabinet Minister. He issued a ritual declaration of the magazine's independence from New Labour. And indeed it has been the source of much summer trouble for the Blairites printing cries of pain from Clare Short and Joy Johnson and Austin Mitchell. In the end this is just froth. As far as the big issues of the day are concerned the *New Statesman* has been careful to echo the New Labour orthodoxy as it unfolds.

It soon became clear that with stakeholding Labour had got out of its depth and wished to retreat. Shadow Cabinet ministers, and more importantly, Mr Blair stopped talking about the subject. John Lloyd, the *New Statesman's* Associate Editor and minder for Blair, printed an article which tortuously prepared the way for the magazine's capitulation. In order to do this he had to say that stakeholding was the "big idea" it was proclaimed to be in January, also say it wasn't the "big idea" it was proclaimed in January and conclude that he wasn't really sure what it meant.

The *New Statesman's* editorial of 23 August had the classic New Labour title: "Sloughing off the old ways." It began as follows: "Stakeholding, this week, looks less like an idea whose time has come than a practice whose usefulness is running out." There was no reference to previous views which the magazine held on the subject.

The reason why stakeholding must be abandoned is that Germany is failing. Germany is not the direction that things are going in. (At other times stakeholding is attacked because the lessons of other countries do not apply in Britain.)

This has huge implications for any development in Britain other than a Thatcherite one. The *New Statesman* contents itself with the following anecdotal evidence. "Earlier in the week Werner Stumpfe, head of the German engineering employers' federation - the heart of the country's post-war "miracle" - called for the role of unions to be "restricted". By the beginning of the next paragraph the comment of an individual has been expanded to a broad statement of fact. "Stumpfe's members are no longer the socially conscious, socially democratised industrial managers of German's (sic) fatter postwar years."

By the next paragraphs this broad statement of fact stretches backwards in time. "These observations are not new." The implications then become wider. It is part of an inevitable world-wide process of union decline, the premier magazine of the Left insists without further consideration. "Unions have been and are being weakened all over the world, and while they have not given up, their achievements in stemming the tide that has been running against them, have been minor."

New Labour politics is not about shaping events or markets. Politicians are impotent spectators. All they can do is identify what the inevitable direction of things is. And follow it. "New Labour has tried to grapple with these trends," they explain.

But some people try to swim against the tide. The *New Statesman* knows that this is impossible. New Labour's "critics have not [grappled with these trends], resorting instead to simple-sounding solutions such as import controls, which would threaten the post-war open-trading consensus and provoke trade wars." No mention is made of the fact that a matter of months before the *New Statesman* itself was among these critics.

Predictably, the alternative to social democracy (more education 'n' training) is also not subject to debate. Any "party aspiring to government must, if honest, do the kind of accounting Labour has done and must conclude that welfare can only survive by being reformed radically." The magazine is not a forum for debate. There are no alternatives to consider. When a new idea comes along there will be no alternatives to that either.

In its promotional literature the magazine refers to itself as *New New Statesman*. I wonder if this is intended to be ironic.

Leader
 Tony Blair
 Deputy Leader
 John Prescott
 Duchy of Lancaster (Public Service)
 Derek Foster, Richard Caborn
 Treasury and Economic Affairs
 Gordon Brown, Alistair Darling, Dawn Primarolo, Mike O'Brien, Alan Milburn
 Foreign Affairs
 Robin Cook, Joyce Quin, Tony Lloyd, Derek Fatchett
 Health
 Chris Smith, Tessa Jowell, Kevin Barron, Ann Coffey
 Home Affairs
 Jack Straw, Alun Michael, Doug Henderson, George Howarth
 Social Security
 Harriet Harman, Henry McLeish, John Denham, Malcolm Wicks
 Education and Employment
 David Blunkett, Stephen Byers, Bryan Davies, Peter Kilfoyle, Estelle Morris,
 plus Ian McCartney, Peter Hain (concentrating on employment)
 Food, Agriculture and Rural Affairs
 Gavin Strang, Elliot Morley, Llin Golding
 Trade and Industry
 Margaret Beckett, Adam Ingram, Stuart Bell, Nigel Griffiths, John Battle, Dr Kim
 Howells, Geoff Hoon, Barbara Roche
 National Heritage
 Jack Cunningham, Mark Fisher, Tom Pendry, Lewis Moonie
 Transport
 Andrew Smith, Keith Bradley, Glenda Jackson
 Northern Ireland
 Marjorie Mowlam, Tony Worthington, Jim Dowd, Eric Illsley
 Scotland
 George Robertson, John McFall, Malcolm Chisholm, Helen Liddell
 Wales
 Ron Davies, Wyn Griffiths, Rhodri Morgan
 Overseas Development
 Clare Short, George Foulkes
 Environment and London
 Frank Dobson, Hilary Armstrong, Nick Raynsford, Keith Vaz,
 with Graham Allen (health and safety)
 Defence
 David Clark, John Reid, Paul Murphy, John Spellar
 Leader of the House
 Ann Taylor, Jeff Rooker
 Environmental Protection
 Michael Meacher, Joan Ruddock
 Disabled People's Rights
 Tom Clarke, Gordon McMaster
 Law Officer
 John Morris
 Lord Chancellor's Department
 Paul Boateng
 Women
 Janet Anderson
 Election Planning
 Peter Mandelson, Brian Wilson

Whips Office
 Chief Whip, Donald Dewar
 Deputy Chief Whip, Nick Brown
 Pairing Whip, George Mudie
 Whips, Dennis Turner, John Cummings,
 Joe Benton, Jon Owen-Jones, Eric
 Clarke, Bob Ainsworth, Eric Martlew,
 David Clelland, Jane Kennedy, Greg
 Pope, Bridget Prentice, Tommy McAvoy,
 Kevin Hughes, Angela Eagle, Clive Betts.

Shadow Cabinet Election Results

Diane Abbott MP: 'I'm loyal to my Party and I'm loyal to my Party's policies. I think the problem for me with that is that you wake up on a Monday morning, switch on the *Today* programme and find the policies have changed.

"Harriet Harman is going to have her own Assisted Places Scheme. You can go on holiday early if you hand over your ballot ... If you have to have ballot boxes stuffed to maintain your position, and I'm not saying it's true, but if it is true that they're stuffing ballot boxes, that's not a sustainable position in the long run."

Frost: "Is she [Harriet Harman] going to make it?"

Diane Abbott: "If they stuff ballot boxes then yes of course she is. In a straightforward secret ballot I don't think she would. It's a very difficult issue. It's hard to do the best for your child. But there's a sense some people think she was absolutely seething with arrogance. And I also sense a more profound problem that she made the Labour Party look as if it was calling to do one thing and say another and actually 99% of Labour MPs send their children to comprehensive schools.

"The story is that they're asking people to hand over their ballot papers in return for people being allowed to go home early. Of course when whips get proxies to cast those ballot papers they will make sure Harriet Harman's name is on them"

source: Breakfast with Frost 21.7.96
 no of proxy votes cast 46
 no. of proxy votes cast for
 Harriet Harman 40

Brian Sedgemore MP wrote to the *Independent* (17.8.96) as follows:

"No one should be in any doubt about what happened in the Shadow Cabinet election. Some candidates were threatened into not standing, others were offered favours and, if that was not enough, the proxy voting system was abused."