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Blair & the CBI

French Strikes

Labour & Education

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**Newsnotes
Trade Union Diary
Parliamentary Diary**

Editorial

New Labour Small Minds Big Egos

When socialism as a realisable ideal is killed off, what remains as a social ideal for the mass of the people?

If the only prospect is the law of the jungle continuing and intensifying indefinitely, what incentive is there for the great body of people who will necessarily be the victims in the jungle warfare to abide by the rules made by the victors?

England is now living through the first generation for which socialism as a realisable ideal has been killed off. It was killed off by the only people who had the power to kill it - the Labour Party Left which became the leadership of the Labour Party - the Neil Kinnocks, the Jack Straws, the David Blunketts, the Clare Shorts, the John Prescotts, and all the rest who in flight from their own inner emptiness have given rise to that extrovert, performing emptiness called Tony Blair.

It would have been understandable, in the light of the past 16 years, if the Labour leadership had decided to keep a low socialist profile in the hope of winning the next election merely by not being the Tory Party. The present leaders do not know how to be socialist in a way that is sensible enough to win it an election.

It would not for them have been a mean ambition to win an election by being considered harmless. They had brought the Party to the brink of disaster as an electoral force.

It would have indicated a welcome degree of self-knowledge if they had applied their limited abilities to trundling the Party through to the next election with its traditions and ideals intact, though undeveloped, in the hope of winning it because they were seen as a harmless alternative to the Tories.

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Editorial - from page 1

But self knowledge is not their strong point. When Jack Straw said, with great feeling, that he was fed-up with being in opposition - he said it on Any Questions a couple of months ago - the meaning was clear enough: that it was intolerable that an exceptionally able person like himself should be out of office, and that whatever was needed to get him into office was justified.

(That was a couple of weeks before he died on his feet at the Dispatch Box in his confrontation with Michael Howard. But that humiliating experience does not seem to have made him humble.)

These Bevanite leaders, having brought the Party to the brink of disaster by their unrealistic way of being socialist, were much too egoistic to try to restore the Party to something like the condition in which they found it. Under the *status quo ante* the socialism of the Party might have been inert but it was not defunct. But such a modest ambition was beneath them.

Socialism had failed them: and since they were what mattered, that meant that socialism had to be taken off the agenda so that they might use the Party to win power on other grounds and for other purposes.

These people are, of course, all "radicals". Any half-competent socialist leadership of the Party would have been able to contain Arthur Scargill within it.

Wilson won elections with plenty of Scargills in tow. Of course no party could win with Scargill's programme. But Scargill's view of the world is the view of a significant proportion of the English working class, and a party which is unable to contain, and in a sense to dominate, what Scargill represents, has no real claim to the title of "British Labour Party".

We campaigned actively against Scargill during his strike. We said that the attempt to force a general miners' strike without a ballot was intolerable. And we said that his refusal at a critical point to accept the offer of a compromise which would have given the miners a substantial points victory was cretinous.

But the truly outrageous thing was that the Kinnock leadership said not a word in criticism of Scargill during the

strike - gave it tacit support in fact - and then started to revile Scargill after the collapse, and that the Blair leadership began dropping broad hints that they'd be glad to see the back of him.

Even worse is the way the Party leadership has in recent years been attacking Labour Party socialists around the country. With the current drive against the socialists in the Walsall

Labour Party - spearheaded by Clare Short: who else? - we are in the region of thought police.

The radical leaders of the Labour Party, having radically failed to make a god of socialism, are now applying their radical energies to rooting socialism out of the Party in the hope that this will cause their individual careers to prosper.

Editorial

Our Supine Leader Tony Blair's speech to the annual conference of the Confederation of British Industry on Monday 13th November 1995

There used to be a tradition in this country that when politicians addressed major representatives of civil society they spoke about wider social interests. An address to the CBI for instance was not an opportunity for campaigning or for securing votes. Nevertheless the politician would treat the CBI seriously and the CBI would treat the politician seriously. Tony Blair said "We want to exchange views and ideas".

That is not what happened. He prostrated himself before them, anticipating their every wish and apologising for any views he had which may appear to be a variance with theirs. New Labour delights in bullying the weak - single mothers, the homeless - but it is spineless and supine before the strong - Murdoch, B.T. and the CBI.

New Labour will not repeal any anti-trade union legislation of significance. In fact it seems embarrassed by its historic connections with the trade union movement. They will have a target for inflation but not one for employment.

They blame the poor for their own poverty. They will not renationalise the railways or the prisons. Though they bleat on endlessly about the salaries of utility chiefs they do not believe in an incomes policy. Privatised monopolies will be dealt with by "tighter regulation". But for all that a Labour victory would be an important and valuable achievement.

At least Labour is committed to a national minimum wage and to the implementation of the Social Chapter, rights which are taken for granted throughout most of Western Europe - or would they?

"The real fear is that by being part of it [the Social Chapter] we may in future agree to the import of inefficient practices to Britain. A Labour government will not pursue such a course." Like much of Blair's posturing, when examined more closely it turns out to be nonsense. The Social Chapter does not have a pick 'n' mix facility. If Blair is really concerned about "inefficient practices" he should begin by supporting the anti-Europeans in Parliament and he should congratulate Major on securing the opt-out in the first place.

On the minimum wage: "The charge is that [it] will place unsustainable burden on costs and deter inward investment". But don't worry low-paying employers. Mr. Blair is examining ways to capitulate still further. "...we have committed ourselves to set up ... a Low Pay

Commission with business representation ..." Any other representation is not mentioned.

Whatever the outcome of this Low Pay Commission, much of the damage has already been done. In the end minimum wages and indeed social chapters are not merely a matter of legislation. They are about establishing loudly and clearly that certain terms and conditions are unacceptable in a civilised society and that no-one seeking a job should expect to be offered them.

Sweat-shop employers can never be completely removed. But they can be shamed. Not though, if it is clear that Mr. Blair has real doubts about his authority to set limits on the operation of the market. No doubt in some other speech Blair will talk about social justice as if it has some meaning.

The CBI speech was important because of Blair's shift to a more anti-European stance. This was predicted and commented upon in this magazine some months ago. Blair had *nothing* good to say about Europe. Instead he talked in terms which Thatcher would be proud of. "Reforming the CAP both because it is right and as a necessary pre-condition to the enlargement to include the countries of central and Eastern Europe". "We must construct a sensible policy on Europe that protects and promotes our national interests". "I have made it clear that the test for Britain is one of national economic interest".

In the 70s and 80s many on the Left opposed the European project because they saw it as capitalist and would hinder their domestic plans. If that view ever made sense it is palpably absurd now. Yet Blair is continuing Britain's historic role to disrupt stability and political progress on the Continent. Presumably he can only be doing this because it is too *socialist*.

Blair's hostility to Europe is part of a wider problem. His view of capitalism is blinkered and simplistic. In fact he thinks that Thatcherism is capitalism.

And he thinks the only route to power is to take advantage of the demoralisation of his Party, indeed to promote it (he *boasted* to the conference "By the time of the next election over half of our membership will have joined since the 1992 election), in order to accommodate to Thatcherism thoroughly.

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That produces the topsy-turvy situation in British politics in which not only is Blair not a socialist he is not even a social democrat. A great opportunity was missed at this conference. Tragically, we think it is very unlikely for that opportunity to arise again until Blairism has run its course.

Without the spinelessness which he displayed he could have begun the formation of an alliance with the CBI. There is a great deal of unease in the CBI about the anti-industrial economics of Thatcherism. The ideologues on the right of the Tory Party do not seem to realise that the business interest in such an open economy cannot operate while cut off from Europe.

More than that, among larger firms which operate on a European scale there is no fear of the Social Chapter or the

minimum wage. European multi-nationals have works councils in their plants in this country. Though business-men are happy to hear Tories (and Tony Blair) become lyrical on the subject of dynamism, vigour and the risks of a global market-place because this is ego-boosting for them, they are basically interested in stability. Not just of monetary policy. But of economic and political conditions in general.

That is why businessmen like to become monopolists. The larger the firm the less meaningful the Thatcherite language of cutting costs in the short term is, the less important market signals are and the more important establishing long-term financial and employment relationships is.

"Government should not try to run business. The days of 'picking winners' are over", Blair insists. It may be that

because for so long the Labour Party's attitude to business was a grumbling distrust of earning profits combined with accepting management's right to manage, when they collapsed ideologically they could do nothing else but repeat Thatcher's mantra. The idea that the market is a thing in itself and that the government is a thing in itself, and that they exist independently, is naive.

Yet Blair talks of "removing the drag on the economy of social costs like unemployment and related welfare benefits." Whether Blair wishes to admit it or not, the market in a complex industrial society cannot operate without the State. And a serious attempt to reduce the "drag on the economy" by ensuring that the unemployed are unable to consume as well as unable to work would have extremely detrimental effects on the market, the health of which seems to be his only criteria for judging policy.

He is opposed to taxation, not just because of the "burden" which it

imposes, but also because apparently he believes that what is wrong with the economy is that individuals are not working hard enough and that greed is what makes them work harder.

This analysis seems strangely familiar. Oh yes, and when these individuals do work harder everyone will benefit, a sort of trickle down effect. "Britain needs successful people in business who can become rich by their success, through the money they earn."

Blair ignores the realities of the state's role in affecting the financial system and its role as a very large employer and a very large buyer. He believes the role of the state should be limited. This means, unfortunately that he is reduced to lecturing people as a form of politics: "Some of our firms are the best in the world, but too many are not", he says sternly.

Pull your socks up. Teachers must try harder too. And pupils. And parents. But especially workers: "the workforce of the future should be thinking for itself: flexible, multi-skilled", he demands.

Editorial

David Trimble and Orangeism

The new Ulster Unionist leader, David Trimble, whose election was welcomed by Democracy Now founder/leader, Kate Hoey MP, won the leadership of his Party on the strength of his ultra-sectarian posturing during the conflicts of the Orange marching season. He was the hero of the "Siege of Drumcree". He played the part of a "bold Orange hero" in that "siege", and a special Orange medal was struck for him.

The siege in question was of a Catholic housing estate on the outskirts of Portadown, in which the residents objected to the local July 12th Orange march passing through.

The Orange marchers, led by Trimble, parked themselves on the road outside the estate and put it under siege. The confrontation went on for two or three days. A call was sent out to all Orangemen around the Province to rise up in support.

In response to the call, the Orangemen at Larne, supported by local Unionist MP Roy Beggs, blockaded the port and broke the connection with the "mainland" for about twelve hours. The Catholics in Portadown, under intense pressure, agreed to let the Orange march

through, and so there was a great Orange victory, and Trimble won the Unionist leadership a couple of months later.

However, the victory was gained only on the condition that the Orange bands should pass through in silence - and an Orange march without the stirring music is not the real thing.

What was the point of it all? It was to generate bad feeling through sectarian confrontation.

Trimble makes a hollow pretence of standing for a kind of Unionism which Catholics might support, and there is

even some talk of reducing the organisational connection between the Orange Order and the Unionist Party. And that is enough of a fig-leaf for Kate Hoey. She does not ask how the siege of Drumcree was supposed to gain Catholic support of Unionism.

The formal connection between the Orange Order and the Unionist Party is of little real importance. This is shown by the fact that the hero of Drumcree is not a leader of the Orange Order, and that the leader of the Orange Order, Rev. Martin Smyth, MP, has been doing his best to avert confrontations rather than seeking them.

Because of his moderating role this summer, the heroes of Drumcree have been trying to depose him. A protest meeting against his leadership was recently held in the Ulster Hall. This large Hall was packed and the rhetoric was strong and the resolutions were unequivocal. But a month later Smyth was re-elected Orange Grandmaster.

For better or worse "Orange" is what it is, and there is no prospect of immediate fundamental change in its cultural make-up. Given that the greater part of Protestant Ulster lives within Orange culture, and that the supercilious middle-class element which affects to disdain Orangeism still depends on it for support, reducing the representation of the Orange Order on the Unionist Council would have little practical effect.

And, seeing how the Orange Grandmaster is the moderate and the Unionist leader is the ultra, what little effect it did have would probably not be for the better.

The Orange Order has often been described as fascist. Two hundred years ago - this year it celebrates its bicentenary - it was certainly a fascist movement of the Anglo-Irish Ascendancy designed to put down rebels and strengthen the Irish Parliament.

(The fact that the main opposition to the Act of Union on 1798-1800 was mounted by the Orange movement for the purpose of preserving terrorist rule by the aristocracy through the Irish Parliament is not well remembered these days.)

But in the course of the 19th century it developed into something else. And today its Grandmaster is very unlike a fascist leader.

On the other hand, some time ago,

there was a Unionist movement that could be described accurately as fascist. It was the Vanguard Movement developed by William Craig after the abolition of Stormont in 1972, and which threatened for a while to become the dominant force in the Protestant community. It was through that movement that David Trimble entered political activity.

About a year ago we published extracts from Trimble's speech to a meeting of a branch of the Apprentice Boys formed in the City of Westminster

(with the patronage of Kate Hoey). It was evident from that speech that his purpose was to offer the greatest possible resistance to the peace process with a view to a resumption of the war. All his actions since then have been consistent with that interpretation.

The peace process had almost reached the end of its tether when Bill Clinton put his foot down and insisted that Whitehall should move sufficiently to ensure that his visit would be a triumphal tour. It is strange how the "special relationship" is working out.

approval would be required and that, in any case, Labour was not interested in the whole package, but would take a pick 'n mix approach. Such an approach is, by the way, not possible under European rules - which suggests that Blair has already decided that he is going to drop the Social Chapter idea as soon as he is elected.

New Labour also shares the Thatcherite free trade position which expects British workers to compete with the conditions of workers in the developing world - a policy which will make us increasingly worse off, more exploited and less secure. To quote Mr. Blair: "We all have to face up to fact that for many people the days of a job for life are over".

Ian McCartney's fine words butter no parsnips - and under a New Labour Government we won't even be able to afford the parsnips themselves.

Labour & the Minimum Wage

Another Labour proposal we are likely to hear less and less about is the minimum wage. Tony Blair made it clear at the CBI Conference that the proposal was nothing more than a vague aspiration.

At the Labour Party Conference there may have been some excuse for not setting an exact figure - though in this age of very low inflation there wasn't much of an excuse. But New Labour's refusal to even countenance some formula, such as a percentage of average wages, indicates that they are not serious about the matter at all.

Blair is terrified of upsetting the bourgeoisie. But he has fallen behind even their thinking. The employers organisation, the Institute of Personnel Development, surveyed over 2,000 of its members. 806 said that they were positively in favour of a statutory minimum wage. 722 said it depended on the level set. And only 502 were against.

A few months ago a European cleaning firm, ISS, lost its contract at Terminal One at Heathrow. The company was paying above average wages. It lost out to a British low pay company. The head of ISS, Waldemar Schmidt, said: "This country needs a minimum wage... If you have decent pay then you can enter the positive circle where you train people, they

Trade Union Diary

by Dave Chapel

Bill Morris and Incomes Policy

Bill Morris had the following to say about Incomes Policy in the New Statesman at the end of October:

"I think there's sufficient experience around to show that an income's policy doesn't work. And I would be amazed if people wanted to put their feet in the footprints of 1979.

"The reality is that the best made bargains are the ones made at the point of production, not the ones made in Whitehall or anywhere else.

"The failure of the past is that only one element of the total agenda has been addressed, where employers or governments have come along and dictated that, irrespective of whether you have training or employment insecurity, or all of the other considerations - like the social wage, what the relationship between tax and benefits should be, all of that - we have decreed that your pay shall only rise by a certain amount or not at all. If you go down that road, you're dead in the water."

This is pretty mind-boggling stuff! The world of 1995 is transposed to that of the 1970s and the policies proposed in the 1970s are rejected as though Mrs. Thatcher had been in power since 1945.

What was on offer in the Social Contract of that last Labour Government, and supported by Mr. Morris's predecessor, Jack Jones, was an opportunity for the trade union movement to be at the centre of all economic and social decision making, including the determination of both the

total wage bill and relative wage rates. Imposition by "Whitehall or anywhere else" was not a part of the Contract.

Along with the Social Contract, proposals for Industrial Democracy offered the trade union movement power. The trade unions rejected that power. And the world that Mr. Morris describes was a direct result of the trade union conservatism of the 70s.

Back then, the problems that Mr. Morris refers to, such as lack of training or job insecurity, had all but been eliminated in the 1970s. The proposals for Incomes Policies then made perfect sense. Now we have an incomes policy. Not the one proposed by Harold Wilson or Jack Jones. But precisely the one that Bill Morris describes. I'm amazed that he hasn't noticed - his unfortunate members certainly have.

Labour & the Social Chapter

Government figures reveal that 10% of British workers now get no paid holidays. In the case of part-time workers the figure is over 30%.

Labour spokesman, Ian McCartney, said at Christmas: "These figures should make ministers choke on their turkey with shame".

And what will Labour do about this exploitation? Continue with the fine words. When Tony Blair spoke to the CBI recently, he made it quite clear that the introduction of the worker protection measures of the Social Chapter was by no means a firm policy.

The employers were assured that their

become more motivated and you produce a better product".

The thing about employers is that they are in daily contact with workers. They may exploit them but they generally have nothing personal against them. The likes of Tony Blair take great pains to insulate themselves and their families from any meaningful contact with working class people, apart from servants.

And so we are this great ogre in the eyes of the New Labour set. For them legislation to do with us will be less and less about social welfare, and more and more about law and order.

Slave Labour in Norfolk

Michael Howard's original immigration proposals brought an interesting reaction from some sections of the employers. Periodical raids resulting in the arrest and deportation of a few unfortunates was one thing.

But Howard was now proposing that employers could themselves be prosecuted for hiring illegal immigrants. A source of cheap and docile labour could dry up.

Companies like Staffing Solutions in Norfolk could have a real problem. They organise the recruitment of East European labourers to work on farms for about £10 a day. Out of this they pay £30 rent - no!, not for a room, but for space in a tent in an employer's garden. Officially, the immigrants are here learning English!

Some Labour politicians made a fuss, quite rightly, about the racial implications of Mr. Howard's plans. But I am not aware of a peep in support of the plan to penalise the exploiters of slave labour.

Arbeit Macht Frei

Gordon Brown recently heralded Labour proposals for a crackdown on the unemployed. These were firmed up by Tony Blair in a London Evening Standard article in December stating that an unemployed person who did not agree to submit himself or herself to one of four New Labour schemes for the workless would have all their benefits taken away.

This policy of blaming the unemployed for their unemployment is

not new in Britain. Between 1929 and 1939, 120,000 long-term unemployed men were sent to *British* labour camps. This was certainly not Belsen, but it most certainly was Dachau.

All documents relating to the camps and their inmates were deliberately destroyed by fire when the matter could become embarrassing in the propaganda war with the Germans.

These long-term unemployed men, especially redundant miners and farm workers, were looked upon as the equivalent of shell-shocked soldiers cashiered for what was officially called "lack of moral fibre."

These facts are related in a book called *Labour Camps* by Dave Colledge, Sheffield Popular Publishing, 1989. Though the introduction was written by the then General Secretary of NALGO, John Daly, the book was snubbed by almost all elements in British society. Some myths have to be maintained at all costs.

For the record, the following is a list, how complete I do not know, of

Britain's Labour Camps: Weeting Hall, Suffolk; West Tofts, Suffolk; Cranwich Heath, Norfolk; High Lodge, Suffolk; Swanton Novers, Norfolk; Haldon, Devon; Culford, Suffolk; Carshalton, Surrey; Shobden, Herefordshire; Fermyn Woods, Northamptonshire; Rendlesham, Suffolk; Bourne, Lincolnshire; Brechfa, Carmarthenshire; Treglog, Carmarthenshire; Coed-y-Brenin, Merionethshire; Dovey, Montgomeryshire; Langdale End, Yorkshire; Gilling, Yorkshire; Allerston, Yorkshire; Hamsterly, Durham; Kielder, Northumberland; Kershope Foot, Roxburghshire; Carstairs, Lanarkshire; Glenbrentar, Argyllshire; Glenfinart, Argyllshire; Glentress, Peebles; Knapedale, Argyllshire.

As an afterthought, how many members of Labour's Front Bench, or indeed of the Parliamentary Labour Party, ever did an honest day's work in their lives?

Blair's Education Revolution

by Michael Morrison

Tony Blair launched New Labour's education policy document, "Excellence for Everyone" in an article in the *Daily Mail* entitled "My Blueprint for a school revolution". It was described as a "radical reappraisal" of Labour's education policies.

This was in December. Labour's last policy document on education entitled "Diversity and Excellence" was described by the *Guardian* as Labour's "most radical education package for 30 years". That was in June.

If this pattern continues we should be due another radical reappraisal some time before next summer. But radicalism and revolution are easy. The Tories have been radical and revolutionary in education for ten years now. (No doubt Labour radicalism is of a different kind). The difficult thing is changing something for the better so that it stays that way.

In order to do this the first thing is to establish the need for change. Thirty per cent of schools have failed, we are told. "If we are to compete in the new global market we must have an educated workforce." Bad teachers must be sacked and bad schools closed down. "We will not tolerate failure, nor will we condone incompetence", thundered a policy

document from a political party which has lost the last four elections consecutively.

It then emerges that the source of these bloodcurdling analyses, a six-year old Ofsted (the schools Inspectorate) report, in fact said that thirty per cent of lessons were "unsatisfactory" and only two per cent of schools have "failed",

whatever that means.

No matter. Further demonstrating signs of megalomania Blair trumpeted: "There will be zero tolerance of failure from any government I lead".

David Blunkett seemed to be taking a bit of a back seat in the announcement of this particular radical policy.

Unless an explanation is given of how these new radical plans will work in practice there is a danger of the Labour Party descending into Government by Prime Ministerial lecture.

The trouble is that a great deal of responsibility is now being heaped onto Ofsted. Blair states simply: "underperforming teachers will be identified by the inspection agency Ofsted". (There is no mention of returning this body to having proper accountability to Ministers).

Teaching unions have pointed out calmly that even poor teachers have employment rights. Any attempts to sack teachers will have to be on the basis of an Ofsted methodology which is capable of withstanding scrutiny from a court.

My view is that that methodology does not exist and that Blair is talking nonsense. An legal examination of the issue might examine some of the questions below.

What Is Failure?

From the point of view of an individual teacher what exactly does failure mean? Does it mean getting six out of ten, or four out of ten according to some measure? Or does it mean getting nine and a half out of ten? ("Zero tolerance of failure"). Presumably it depends on the objectives set. Mr. Blair helps us.

They are: "Teachers must ensure that every child is literate and numerate. They must be able to maintain discipline. They must be able to use new technology. They must get the balance right between traditional and progressive teaching."

But what is "traditional" teaching? What is "progressive" teaching? Is the correct balance one-third: two-thirds perhaps? Or the other way round? If the "balance" is one-third - two-thirds will a balance of, say, one fifth - two-fifths constitute "failure"?

Mr. Blair offers some more objectives: children's "special talents

must be identified and helped to flourish." How much helping is enough? "It is important that children are taught to think for themselves?" Should this be done immediately? Or perhaps it will take a couple of years before children have reached this stage?

Does the quality of their thoughts matter at all? If so, what quality of thought constitutes success. If readers are getting a bit impatient with me I make no apologies. Mr. Blair has publicly advocated sacking teachers who are "bad". People's livelihoods have been threatened by the man who will probably be the next Prime Minister. Not only will they be sacked, Mr. Blair declares: "If things go wrong, action will be taken quickly."

On the other hand in the previous policy document the Labour Party declared that school closures should not take place without a public inquiry).

Where Do Labour's Ideas Come From?

The most well known thing Tony Blair has said is: "Tough on crime, tough on the causes of crime." In the short time between this bon mot's first appearance and the publication of "Excellence for Everyone" the Labour Party's position on social policies has come increasingly to resemble that of the American Right which seems to be the source of any of their ideas which they don't get from Margaret Thatcher.

For instance Jack Straw merely attacks "squeeze merchants" and beggars without considering if their existence has got anything to do with the fragmentation of the society which the Labour Party no longer has the ambition to reverse. Similarly Blair's analysis of the problems of education is restricted to a failure of firstly teachers and secondly parents.

However, the Labour Party has attacked the Tories not for offering league tables as a solution to the problems of schools but for offering league tables which do not adequately reflect the complexities of education. Demands for value-added league tables, beginning with "base-line" assessments at five-years old, implies an awareness of the fact that the quality or motivation of teachers are not the only factor in determining the "outputs" of the league tables.

The blindingly obvious fact that

teachers in schools in poorer areas will have a tougher time cannot simply be brushed aside just because a small number of middle class parents have a right of exit and can send their kids miles away to somewhere better.

Evaluation

But for the purposes of a proper evaluation it's not good enough to acknowledge that parental income and expectations have a role to play in a child's success. How big a role must be evaluated. And the effects must be subtracted from the calculus that determines if a teacher has "failed" and will therefore be sacked.

If we must go down Tony Blair's route teaching unions will have no option but to demand ever more complex information about a child's background, despite the costs of collecting this, so that they do not take unnecessary blame when the outputs of the education production line do not meet the approved quality threshold. More resources will be needed to prepare these value-added tables.

Blair is threatening individual teachers. The value-added tables should be prepared for each child. This is a mammoth task but not one which the Labour Party should shirk since education will be the "passion" of their government. Care must be taken to consider the effects of changes in a parent's circumstances and expectations after the child's "base-line" evaluation. Indeed this must be monitored throughout the child's whole education (which could of course extend well into adulthood, if the Labour Party's "education bank" proposals are implemented).

The Ofsted inspectors must be on the look out for teachers who try to understate the base-line evaluations in an attempt to make it easier to add value. (I am not suggesting that teachers are naturally dishonest but with constant pressure to meet targets at the risk of losing their jobs this must be a temptation.)

Indeed I wonder to what extent teachers can be trusted to provide any of the input or output information for the performance evaluations. Certainly this information should be audited much more carefully.

Assuming that proper objective criteria for the evaluation of the

multiple objectives have been established (plus any acceptable trade-offs among the objectives e.g. perhaps it is reasonable for a child to be a bit better at "thinking for himself" but lacking slightly in "flourishing talents") it then must be demonstrated that the Ofsted inspectors will be able to determine whether these criteria are met.

Blair's Audit Fraud

A fact which auditors don't like to advertise when justifying their fees is that an audit report does not provide a guarantee of anything. It merely states that in the opinion of the auditors a company's accounts provide a "true and fair view". A true and fair view is not defined in any company legislation.

It is generally taken to be that the accounts follow a substantial corpus of accounting standards and are therefore not misleading.

A guarantee cannot be provided because an auditor does not test every transaction that has taken place in the year. Nothing like it. He tests a sample which is sufficiently large so that a professional judgement can be made. But of course they get it wrong.

Being a partnership and therefore having unlimited liability, the partners of Binder Hamlyn, a medium sized accountancy firm, are likely to be made bankrupt because the firm agreed that accounts which gave an asset value of £100 million were true and fair. It emerged that the assets were worth £40 million. The accounts of Robert Maxwell and Polly Peck were also "signed off" by their auditors.

To say that auditors make mistakes does not mean that there shouldn't be any audit. But it does mean that their judgements cannot simply be accepted as gospel.

Ofsted should say what level of confidence they are operating to. They should say how long they spend in a particular classroom. Is it always enough to judge the peculiarities of each child? Are they confident that what they observe is not affected by their presence in the room?

Private sector auditors have powerful incentives to be cautious and to perform their work to a high quality. There are sanctions from within the profession as well as the prospect of litigation. What are the equivalent sanctions if Ofsted

inspectors make mistakes?

What incentives do they have to make correct judgements? Indeed as an agency, having to maintain a high profile, they have an incentive to find that at least some teachers have "failed". When asked on the Today Programme what measures he would recommend to improve standards in schools the head of Ofsted suggested more inspectors would help.

Market Driven Education

Tony Blair made no mention of teachers having a public service ethic. He made no mention of them being motivated by anything other than the risk of external evaluation. If Blair really believes this then the head of Ofsted is right - a lot more inspectors are needed. There are tens of thousands of schools in this country. Years could pass by without a single inspection.

Assuming there are enough inspectors to do a decent job in weeding out the incompetents what about the final solution which Blair is advocating ie closing down schools which are deemed to have failed? Not so long ago the Labour Party attacked the Tories for proposing this. And with good reason.

Closing down the school for "failing" (as opposed to because it has falling rolls) is explicitly mimicking market sanctions. A book by American management consultants (Osbourne and Gaebler) called "Reinventing Government" which has been influential in both the Clinton and Blair camps makes this recommendation repeatedly and with a staggering degree of naivete about what a market actually is.

At no point do they acknowledge that the freedom of choice they wish to see exercised by parents could have damaging repercussions for other people.

Market sanctions can often be an extremely wasteful and socially destructive method of bringing about change. All the more so when clumsily applied to organisations like schools which communities, if they are in any way thriving, have strong attachments to. (One reason why so many schools opted out was to avoid closure, thereby preventing a more sensible use of their resources).

Sack 'em It's the only language they understand

Even if objective criteria for failure can be found, even if Ofsted inspectors can provide evidence for this failure, even if some people respond in a positive way to the fear of job loss, any benefits have to be weighed against the administrative, social and emotional costs of closing a school down.

But what benefits are these exactly? Blair advocates that a school should reopen with a different set of governors, a new name and with only the "good" teachers reemployed. Regrettably, from the point of view of efficiency, it will have the same pupils.

The teachers who aren't "good", presumably most of them since we are dealing with a low status, low morale school which is so bad it has been closed down, will be replaced by "good" teachers. But where will they come from, I wonder? Perhaps they are unemployed and live in the area?

Perhaps they will be poached from other schools (an appropriately market orientated response) - and what will the other school do then? If even 2 per cent of schools have "failed", hundreds of schools might have to close. What happens if these "failed" schools are concentrated in particular areas (dare I say it - areas of poverty).

It will make it even more unlikely that "good", but conveniently unemployed, teachers will materialise in sufficient numbers.

It seems that Mr. Blair believes that performance targets are not enough and that the threat of being sacked is necessary to motivate people. The implications of this behavioural theory go much further. For consistency a similar severity should be applied to millions of other doctors, nurses, prison warders, tax inspectors and bureaucrats generally.

The trouble is that in the Thatcherite terms it is couched this does not add up. Like it or not many people became teachers or civil servants because they are public spirited and because they preferred to earn a lower salary than was available in the private sector in return for greater job security. Instead of promoting job security in both the public and private sectors for reasons of welfare and macroeconomic stability

Mr. Blair, whether knowingly or not, seems content to import private sector job insecurity into the public sector.

(When I talk about private sector insecurity I am referring to Britain; it is less a feature of more successful economies like Germany and Japan).

He complained of head teachers in his article in the Mail: "It is hellish hard to remove them." If this is to be done teachers (and others) must be paid more to compensate them for the decline in their welfare. So when Nigel de Gruchy responded to Blair's comments by saying that "There is not a snowball's chance in hell of realising these plans without substantial additional expenditure", I think it was more than just a trade union asking for more money.

But this is impossible because Labour is the low tax party! It mocked Ken Clarke for only reducing tax by only 1p in the pound. It is also against borrowing. Therefore its spending must be tightly controlled.

If anything teachers' pay will have to go down. This is in order to pay for the substantial spending commitments which Blair has made - reducing class sizes in primary schools, introducing the new qualification for head teachers including the costs of training them, introducing foreign language teaching in primary schools, introducing "Advanced Skills Teachers" who will presumably be paid more, retraining staff who are threatened with redundancy, and introducing "roving Professors" (an idea from June's policy document).

Parental Responsibility

Margaret Thatcher said famously "There is no such thing as society". In contrast, Blair often talks about "community" and the responsibilities we have to it. In a world of "the new global market" (the reason, apparently why our children must do 30 minutes of homework every night when they are seven years old) one of the few ways in which a community expresses itself is via parents organising to support and improve their local school.

By taking advantage of his privileged position to send his child to a posh school half-way across London and then expressing petulance that anyone should think this was in any way surprising, Blair lost his moral authority to lecture

people about community.

Thatcher may not have believed in society but at least she believed in families. This policy document contains a very warped view of the family from a man supposed to be motivated by Christianity. Does he really believe there is a parent anywhere who will change from being unconcerned about his child's education to an attitude of responsibility and interest as a result of signing a "school-home" contract.

(It demonstrates the dangers of chasing after the latest American fads, since Newt Gingrich is already out of favour.) If there was such a parent what could that responsibility and interest possibly amount to?

The implications of this document are that as far as New Labour is concerned there is no such thing as a public sector

spirit or ethic. New Labour has adapted to one of the nastiest aspects of Thatcherism.

This is deeply regrettable. Market sanctions are and always will be a nonsense in education because teaching children is not making widgets.

Teachers will have to defend themselves against the suggestion that they will not work hard in the absence of threats of sacking. But equally there is a danger that a culture of external evaluation will encourage some teachers to not worry about teaching and simply worry about getting good results in terms of the external evaluation.

If a public service ethic is not permitted the only way forward is for teachers to develop professional bodies comparable to those of doctors, lawyers and accountants.

Notes on the News

by Gwydion M. Williams

InterNet a global Postman Pat

"In Britain the business infrastructure and mindset are totally different... In Silicon Valley [California's computer territory] there is so much opportunity. Take, for example, the travel time... In the Valley, everyone is within 15 minutes drive and those who are further afield came to us, because although we were small, they would see us on their rounds to bigger companies in the area." (Computer Weekly, November 9th 1995, describing the success of a British-born entrepreneur.)

Note that nothing is said about faults in British workers. It is only the unsuccessful British "business infrastructure" that finds anything wrong with working-class attitudes. Having created a world in which they are revealed as second-rate outside of the financial sector, the British Establishment blames everyone except themselves.

Through Thatcher, they hit out viciously at everyone else. And since the "business infrastructure" was never reformed, Britain has not been even slightly improved by all of the changes of the Thatcher era. It remains quite unready to face the future.

A future that was supposed to include a rapid transformation to a "global village" via the InterNet. Of course the "global village" was also just about to happen in the 1960s, when it became possible for anyone to telephone anyone else. Most likely causing vast annoyance because you have forgotten about time zones and are disturbing them at some unearthly hour.

All that really happened was a minor new link in the long integration that has been happening ever since Western Europe put all of the other parts of the world in touch with each other.

The InterNet is a great outlet for anyone too shy to talk to another human face to face. It allows foot-fetishists to interact happily while their feet are thousands of miles apart - surely more hygienic than old-style fetishism. It allows you to study in detail whether or not Kennedy was really assassinated by the Archaic Conclave of Mouldiwarp.

But as for serious social interaction, not yet, probably not for some time. It is still much more important to be in a place where "everyone is within 15 minutes drive" and people will actually talk face to face over a cup of coffee.

An endangered Newt

I said at the time that the "Republican Revolution" was a gesture of political disgust by a misused American population. And that the Republican mixture of nihilism and noisy conventional piety would soon disgust them even more. And so it seems to be.

Newt Gingrich offers the Newt Gingridge Bomb, that would have destroyed people while leaving property intact. Reassuringly, the American public did not like it.

It now seems likely that Clinton will be the first Democrat since Roosevelt to be elected President and then reelected after four years of government. Maybe there is more to him that meets the eye.

Belle Curves

White America is a pathologically racist society. In its Constitution, it grandly declared that all men were equal - no one then thought anything about women being equal. Yet even though there were no official differences, public attitudes were not reformed.

The abstract asocial American Constitution was assumed to be protecting a White Anglo-Saxon Protestant way of life. And this assumption was and is more important than what the constitution actually says.

Most of the non-WASP immigrants were able to gain acceptance by changing their names and their lifestyles so that they approximated to the WASP ideal. They melted invisibly into the "melting pot". It was Afro-Americans who were the great exception.

Whereas other non-WASPs were largely encouraged to stay out, they had been compelled to come in via the slave trade. There was never any intention of having them as citizens, just as unfree docile labour.

Yet once slavery had been abolished, citizens is what they officially became. Abraham Lincoln had some ideas of shipping them all off to Liberia in Africa, but the incentive was lacking.

Segregation was a rational solution to the gap between the USA's abstract constitutional principles and its actual beliefs. Liberals in the 1960s broke down segregation, in the belief that proper integration could be achieved. Maybe it could have been, but not in the face of Liberalism's moral failure in

Vietnam.

Republican right-wing populism created a new form of segregation based on geography - what you are is based on where you live. White people live in the suburbs, prosperous black people live in other all-black suburbs and the inner cities are left to poor blacks with a nihilistic self-oppressing culture.

Every failing culture prefers to blame it on Mother Nature. Books like *The Bell Curve* say that Blacks have failed to find a place in America due to biological inferiority, and not because WASP values could not include them.

The polarisation of US society is not seen as the fault of a dominant Republican party that has very deliberately tapped into the White Racist vote among ordinary Americans.

Interestingly, though, the position of the sexes is not the same. "*Black women are closing the gap with white women much faster than black men are with white men.*" (*The Economist*, 4th November 95).

No explanation is given as to why this is happening, at a time when women in general are also closing the gap with men - any even half plausible idea would be just too embarrassing for a magazine that makes a business of massaging the prejudices of business people.

They are no more likely to offer hard facts than the other sort of masseur is to tell one of her clients that he's a nasty little rat who shouldn't be doing in private what he condemns in public.

But *The Economist* is also a place for hard facts, such as that "*among 20-24-year-olds, the suicide rate is 20.7 for every 100,000 black men but only 1.8 among black women. Black men are four times more likely to die of accidents and violence.*" It is all a matter of social acceptance.

Colin Powell's full stop

If you read the last item, you should not need to ask why General Colin Powell decided not to seek the Republican nomination. His high poll rating reflects in part the fact that most Americans do not like to be seen as racists these days.

Saying that you'd vote for a black man with most of the right attributes for President is one thing. Actually voting might prove to be another matter.

Polish Socialism 52, God + Mammon 48

Lech Walesa was never a politician. The art of politics is to sensibly compromise, find the common ground between a whole range of people who will not agree on everything. Walesa was fine as a leader of resistance, just because he was no compromiser.

Unlike De Gaulle, he shows no signs of being able to learn anything else.

Tanks and police alone would never have allowed Leninism to hold and reshape Eastern Europe. There was also a widespread understanding that the old order had been bad and unsuccessful and needed to be reshaped.

It was only when it became obvious that Western Europe had been even better at the reshaping that things started to fall apart.

Walesa's people offered a mix of old-fashioned Catholic social values and old-fashioned (if briefly resurgent) free market values.

By choosing to copy the nihilistic public ideology of the Thatcherites, Eastern Europe suffered far more than was necessary. They will enter the European Community as supplicants and dependents, not in any sense as partners.

East Europe's "Communists" have been wanting to reshape their economies along market lines ever since Khrushchev. What held them up was a desire to combine this with Leninist one-party dictatorship, which proved an unworkable blend.

Now that the Right have done the nasty part and been discredited, things can flow more smoothly.

Smaller Serbia

Everyone except the Americans and the Bosnian Muslims knew that Bosnia was an artificial creation. Something that worked only for as long as it was part of some larger unit.

Three populations in one territory are not likely to find any common goals. Each looks to a completely different wider world - Catholicism, Orthodoxy or Islam. Only some strong outside power could keep this mix from disintegrating into civil war.

America was willing to talk as if it would support a unitary Muslim-dominated Bosnia. Plans for a

rational and fairly bloodless partition were held up because the Muslims thought that the world's last superpower would step in on their behalf.

The Vance-Owen partition and similar schemes were not so very different from what the Americans are now imposing. The difference is that the Americans are now there to impose it, rather than keep various false hopes alive.

A few facts that were previously "unfacts" are now being mentioned in the media. One was always given to

believe that the Serbian siege of Sarajevo was pure malice.

But now it has been "suddenly" discovered that Sarajevo's Serbian population has always been unwilling to be governed by neighbours who were physically and ethnically close but culturally in another world.

No one has yet mentioned Kosovo. The current agreement would seem to give the Serbs a free hand to hang on to it forever regardless of the wishes of its Muslim Albanian majority.

Ayes To The Left

Pater Hain and the contradictions of Blairism

by Michael Craig

[Editorial Comment: Two years ago this magazine interviewed Peter Hain. Hain had been something of a disconnected individual. He came to Britain a white political refugee from South Africa. He joined the Liberal Party and was a thorn in the side of the then increasingly irrelevant Jeremy Thorpe leadership as leader of the Young Liberals.]

Later he switched to Labour and gradually began to develop something of a coherent socialist position in an atmosphere where former ultra-leftists were purging the Party of its principles for careerist reasons. (That interview with Peter Hain is available on request to readers.)

Mr. Hain's personal moment of truth came on the day after Tony Blair made his anti-Clause Four speech to the Labour Party Conference in Blackpool. An emergency motion was put to Conference (and passed) supporting Clause Four.

Some of us from this magazine were outside the Conference Hall lobbying on a different matter altogether. Mr. Hain was approached by a couple of people to sign a petition in favour of Clause Four. Unlike some of the passing power dressers, he couldn't affect not to see the petitioners. He spoke to them and lamely excused himself from signing.

There are moments in life when decisions have to be taken which determine how you go on from here. Peter Hain now has a job in Tony Blair's Whip's Office. Below, Michael Craig reviews Hain's political obituary as a socialist.]

Peter Hain's book, *Ayes to the Left*, published by Lawrence & Wishart for the Labour Party Conference, shows all the signs of being written quickly. It deals almost entirely in generalities. But Hain is not an economist, or an historian or a political scientist. He is a politician. The fact that it is not the product of detailed research is not a fatal flaw.

For a book like this to work, however, it needs to have a coherent theme which is sufficiently powerful that the reader is happy for the details to be worked out later. I did not find Hain's central theme even remotely convincing. Worse still, he entirely fails to integrate it into the body of the book with the result that it is as unputdownable as a 250 page long shopping list.

Before getting to grips with

"Libertarian Socialism", Hain's big idea, I'll outline some of the things which he does *not* believe in. It is plain to him that "command economies" have "failed". (p208) He goes on to say, "Not just command economies but also international capitalism has failed". (p217) "Social democracy...has also failed". "...as an ideology it too is exhausted", he asserts. (p39)

"The decentralisation of the economy requires a market mechanism: there is literally no alternative". (p35) But there is failure here too: "An ideological crusade is required to challenge old failed free market ideas". (p219) and "only socialist interventionism offers a solution". (p83) On the other hand "markets can be enabling mechanisms which allow consumers to influence production". (p35)

He also warns against certain kinds of intervention. Ones that are "suffocatingly bureaucratic" (p212) should be avoided. He does not "concede the case for market socialism" though. (p36) You may wish to read that paragraph again just to get things clear.

Hain's Big Idea

His core idea is that "the old statist left...disfigured" and discredited socialism". This is because "state socialism neglected the importance of individual choice and individuality" (p36) The implication is that the "socialist interventionism" which he recommends should not be at the level of the State. For example he insists "there is also quite rightly a refusal to accept the 'big daddy' paternalism of welfare provision delivered centrally, unresponsive to individual wishes or needs" (p84)

But this "does not mean a passive role in the economy". Oh no. "It should intervene in markets to steer economic activity towards social or strategic objectives" (p37) "Corporatism of the 1970s cannot and should not be reincarnated". (p223) That's clear enough. But naturally he is in favour of prices and incomes policies. (It starts to become a bit tiring after a while. But we'll press on.)

"These issues (minimum wage, pay policy, collective bargaining) cannot safely be left to the whims of 'free collective bargaining'. ...But there should be no sanctions against

collective agreements which breach what may be deemed as the "going rate" "...A new approach is needed: one which preserves the autonomy of unions and their ability to bargain effectively with employers, but within an overall policy context based, where possible, upon agreement between government, unions and employers about national economic objectives". (p151)

But make no mistake, let there be no doubt "Nobody can credibly promote a return to statutory pay restraint or old style centralised incomes policies". (p150) Certainly not. That wouldn't be credible. Hain doesn't trouble himself much with history, taking the following classic Blairite position: "The left can only succeed if it anticipates the future rather than dwelling on the past".

He does offer a comment about incomes policies indicating that he is not impressed by the analysis of this magazine "although trade unions complied with incomes policies until they blew apart in the 1978-79 winter of discontent, the 'other side' of that social contract was never adhered to". (p223)

"Individual freedom is at the heart of Libertarian socialism", he says. More than that it involves "a refusal to accept that collectivism [means] subjugating individual liberty". (p12) I just can't understand why no-one thought of this before. "Labour," he argues "should favour the general interest" (p 238) although "it is nonsense to suggest that a Labour government should stand neutrally in the middle between capital and labour". (p238) Nonsense indeed.

It should be clear by now that Mr. Hain is determined to have his cake and eat it. He wants to have the whole bakery and eat that too. (This bakery, ideally should be planned, but only in a market sort of way so that it wouldn't be bureaucratic. Probably.)

But he is impatient with people who don't share his clarity of vision. Some "on the left merely seek to ameliorate the consequences of the global market". When in fact "the world is crying out for a radically different agenda of international intervention and regulation for the common good". (p185) He also argues that Labour lost the 1992 election because "the electorate didn't know what Labour stood for anymore". (p240)

The book is based on an entirely false distinction that he draws between

Libertarian Socialism and state socialism. Institutions do not naturally operate at the level of the state. This has to be a product of political will. And without that political will the public will have to accept lower standards of health care or education simply as a result of an accident of geography.

Clearly that is not what Mr. Hain has in mind, "Creating a more equal society is not a moral imperative but a practical one". (p77) (This would probably arise eventually from the normal development of a non-bureaucratic planned free market economy).

And on the subject of health: "The wholesale reinvention of the NHS as a market in 1990 by Conservative ideologues has resulted in massive upheaval, chaos and demoralisation, and an uneven distribution of facilities across Britain". (p90)

The wholesale reinvention of institutions which Hain is advocating so passionately is no doubt different in character from the Thatcherite wholesale reinvention. Although it is hard to escape the notion that given that he is so determined to break up "bureaucratic statist" forms he must have quite a lot of respect for Thatcher, in much the same way as Tony Blair does.

I think I have already demonstrated that Mr. Hain has a strange idea of what a market is. He feels he has come across a great truth when he quotes academics, Cowling and Sugden's response to the observation that "a free market economy is a socially inefficient economy".

"This is not a problem of markets per se rather a problem with the way markets are used by the powerful to further their own interests". (p208) A market is a social mechanism for arbitrating between buyers and sellers whose outcome is *always* determined by relative power. His attacks on state socialism for being "bureaucratic" seems to imply that he is advocating a mechanism for distributing resources which is neither market based nor bureaucratic.

The whim of a dictator perhaps? But he also wants resources to be distributed equally, advocating the promotion of "equality not just of opportunities but of resources as well". (p219) How about a particularly benign and well informed dictator?

New Left for New Labour

Hain sees himself as representing the "New Left" for "New Labour". This involves an abuse of the term Left. "Left" for Hain is not about socialism so much as radicalism. And what could be more radical than a determination to disrupt those elements of the society not comprehensively disrupted by the Thatcher revolution viz. the Constitution?

Hain devotes 2 pages to the subject of full employment. He devotes 33 pages to changing the monarchy, the House of Lords, devolution of power, compulsory voting, the public financing of politics, parliamentary and electoral reform.

I would feel more sympathetic to this project if he could point to practical examples of what actual injustices have resulted from the current system. The instances where ordinary people's lives have been made so much worse by the character of the House of Lords (which opposed some of the most reactionary aspects of the Conservative revolution, charges for eye tests springs to mind). Injustices which are so glaring that they require New Labour to devote its first term, not to undoing a small part of the social vandalism of 16 years of Conservative rule but in complex constitutional reform.

But that is not Hain's approach at all. "The cumulative democratic deficit, and many consequent abuses, can be directly attributed to the ancient structure of British democracy". Get rid of it because it is old. Another classically Blairite position.

What I find truly offensive about Hain is that for all his super-democratic posturing, his instincts are profoundly undemocratic.

While attacking the Tories for politicising the Civil Service, one of their most damaging legacies, Hain sees this as an opportunity: "Incoming Labour Ministers will be faced with a thoroughly Thatcherised Civil Service... The fact that Thatcherites have brought in outsiders from industry... means a precedent has been established for appointing at a senior level individuals sympathetic to or members of Labour". (p230).

For all his radicalism practically all Hain's programme for constitutional change is already Labour policy. Rather

than simply restating it he would have better employed his time attempting to sort out some of the unresolved contradictions in the programme.

As is his practice elsewhere in the book, he simply ducks hard questions. What should be in this Bill of Rights? Surely this matters. It is not a thing in itself. Less than a page is devoted to this thorny subject. He proposes that in the third year of a Labour Administration "a Bill of Rights would...(follow) the establishment of an all-party commission to present jointly agreed proposals". (p222) Therefore anything which ends up in the Bill of Rights will be so socialist that the Tories will be willing to accept it.

I am sceptical as to whether such rights will cause rejoicing among the millions of people that are unemployed and marginalised. He does not go into any detail as to how future Parliaments would be prevented from removing these rights which are created. Possibly Parliament itself needs to be abolished. He does however address the question of the transfer of powers to an unelected judiciary which such a system involves: "The Bill should however be framed so as to limit the power of the judiciary to 'make up' law by interpreting it in a reactionary way". (p53)

I think the Bill should also contain details of the shape of square circles. After that is done travelling back in time should be a fairly simple matter. War could then be ended and simply called "peacekeeping operations".

Central to Hain's conception of the new constitutional arrangements is devolution both to regional assemblies and to smaller bodies, indeed even down to the level of the individual, all part of that Libertarian Socialist idea. State socialism has failed, we are told.

If that really is the case, policy ought to be, partially at least, indeterminate. If people are going to have powers thrust towards them, what meaning can that have unless they are then free to use them? Who can say what they will do? Presumably they will do something very different from what is currently being done. For all his determination to take powers away from the state because "socialism springs from an individual morality" (p30) he has an almost totalitarian view of what the state could and should do.

"Like other forms of inequality,

racism can *only* be tackled by government intervention" (my emphasis) (p113). "Socialism" (in contrast to the removal of inequality), he argues "cannot in practice be achieved unless it springs from below by popular demand". (p26)

Labour as the Low Tax Party

Although Hain is extremely 'leftwing' indeed he does not argue for higher taxes (as those even more extremely leftwing chaps in the Liberal Democrats do). Instead he marks out his political ground with conviction. "Repositioning to rebut charges of being a 'high tax' Party is sensible and was adroitly accomplished after Labour's tax debacle in the 1992 general election."

It seems he wrote this line when he was in a low tax sort of mood. Other parts of the book were written when, for whatever reason, he was in a high tax mood. (I'm beginning to see why he's so keen to take power away from the Westminster Parliament. It seems to be populated by very unbalanced people). With health care "The key to reform must be adequate funding" (p98) and "There is no dodging the reality that conquering ill health means implementing some basic economic measures such as a shift to a redistributive taxation system" (p97). No dodging that at all.

On education "Properly funded, high quality education from nursery level throughout adulthood is an economic necessity if Britain is not to decline still further. And that means a willingness by the left to argue for the necessary funding, including by extra taxation." (p106)

On the question of full employment Hain advocates "A massive programme of public expenditure driven investment in infrastructure, training and skills", (whatever that is) which could "be easily financed by a combination of modest extra borrowing, specified tax reforms, a training tax on companies and by mobilising wasted or idle resources" (p148)

Maybe extra taxation isn't necessary after all if "modest extra borrowing" would do the trick. Once in government Hain argues "that it is vital to ensure 'a feel good' recovery without which Labour might not get re-elected."

(p224) although it must be remembered that "Labour cannot afford to enter government in give-away mode" (p222) Forget the windfall tax.

Once Ken Clarke gets his hands on these proposals the Tories are home and dry.

Free Trade

Perhaps the most interesting and worthwhile chapter is the one devoted to the global economy. Hain deserves support for challenging the orthodoxy of global free trade in a way which is very rarely done on the Left, and certainly not from Tony Blair whose foreign policy consists of trade sanctions against Nigeria and supporting GATT (according to his article in the Evening Standard last month.)

Hain makes it clear that free trade "is an ideological force which advances certain dominant interests at the expense of the rest. This is, fundamentally, because free trade always favours those who are in the strongest position". (p198) Despite his impassioned attack on free trade he also attacks the Common Agricultural Policy for its wasteful surpluses (Surpluses which exist more in the minds of the editors of Tory tabloids than in reality). This is yet another example of the inconsistencies which riddle the book. It also is an indication of the grudging nature of his Europeanism.

Though nominally pro-European he attacks the E.U. partially because of the monetarism of Maastricht which I think is justified but also because of his insistence that "the driving force of European integration is a capitalist one" which is a nonsense. And it is a particularly absurd complaint coming from New Labour.

His analysis of free trade is also marred by the fact that he sees multinational corporations as universally malign institutions (in much the same way a Thatcherite would see them as universally benign).

He makes no distinction between large companies in America, Britain, Germany and Japan. His more lurid attacks on capitalism also reflect this lack of concern for social or cultural detail. And yet he attacks Marxist-Leninism for being "anti-political" and "mechanistic" (p30).

Indeed for all his talk about empowerment and the promotion of the

individual his politics seem arid and asocial. His solutions to problems tend to be based on the need for institutional changes. He wants markets "to be regulated and controlled". He wants tighter regulation of public utilities. He wants the U.N. to take over economic leadership of the world.

He wants new "democratic institutions to counter the power of Euro-bureaucracy and Euro-capital". He wants a raft of constitutional changes. Even with the Labour Party itself he says "The National Executive Committee needs to be reformed" (p234)

When complaining about the power of global capital he doesn't see the European Union as any kind of bulwark against it. But that is one example of a wider flaw in his world view. His proposals for change are not based on a conception of the world as it is; or a historical perception of how it got to be there. Rousseau-like he sets out his

blueprint as if the world was starting afresh.

This reduces the book to a ludicrous vanity exercise. I can't see how it could make any contribution to stemming the lurch rightwards of Blairism. The fact that Hain is now in the Whip's office is probably an indication that Blair himself feels the same way.

Hain concludes by saying: "The scale of the challenge is awesome: nothing less than a total economic, social and constitutional transformation is needed". (p218) There is no room for ambiguity there.

At least when Thatcher was disrupting the society comprehensively she was doing so on the basis of a project which was identifiable. I have absolutely no idea what Hain's project is. And I have really tried to find out. He seems to want to disrupt society for no good reason at all.

Parliamentary Diary

by Kevin Brady

Why Vote Labour?

Last month's act of defiance by ten Labour left-wingers against the official party line to abstain in the vote on the 1p cut in income tax was welcome, but it will do nothing to change things. Labour is so obsessed with getting the Tories out that it is prepared to sacrifice every principle it has ever stood for.

We now have a Government and an Opposition for whom anything goes, so long as can hang on to or gain power.

What is so repulsive about Labour, however, is the number of left-wing candidates elected in 1992 who now fall in meekly behind the leadership. They have clearly been taken by Blair's (and before him Kinnock's) line that there is no point in having policies unless you have the power to put them into practice.

The problem with Labour is that many of its policies, including low taxes, are more or less the same as those espoused by the Tories. So, can anyone tell me, what is the point of voting Labour?

Tory Tax Claims

It is amazing how media commentators allow Tory ministers,

such as Michael Heseltine, to get away with claiming that the average family (2 parents, 2 children) is £700 better off than it was at the time of the last election in 1992.

It is even more amazing how he can repeatedly say, with unswerving certainty, that this year the average family (on an average wage) will be £9 a week richer thanks to the Government's handling of the economy and the 1p reduction in income tax.

The actual effect of the budget will be to make the average family a little over £2 a week better off. The other £7 or so will only fall into their wage packets if a number of economic forecasts come true, none of which the Government got right after the 1994 budget.

It is also based on the assumption that wages will rise by around 4%, significantly higher than the rate of inflation. So, go on you workers, make Hezza's day and accept nothing less than 4% this year.

Tribune And Scargill's Party

Writing in Tribune on 17th November, Paul Anderson criticised Arthur Scargill for sounding out support

for a new left political party. Anderson suggested that Scargill's timing was wrong just like it was, he argues, when he "launched a miner's strike when coal stocks were at a record high".

Scargill's efforts to set up a socialist party in opposition to Blair's New Labour will almost certainly fail, but he shouldn't be criticised for it, least of all by the likes of Anderson.

I don't recall that Anderson criticised Scargill in 1984, when he was at the height of his power. Now that Arthur is no longer a force, Anderson puts the boot into the man. But then, that's typical of many on the left these days.

Laissez-Faire (Or I couldn't care less)

Over 40,000 jobs have gone from the electricity industry since it was privatised in 1990, while executive directors have become stinking rich and shareholders have reaped massive rewards from dividends. All of this has been the result of the structural changes that have occurred, including a number of mergers and takeovers by, among others, foreign and multi-national companies.

The industry is barely recognisable compared with what it was when it was privatised, never mind when it was under State ownership.

Where will it all end? Nobody seems to know or care. Least of all Tim Eggar, the Energy and Industry Minister, who told the Adam Smith Institute in December: "I have no idea where this structural creativity will all end, because ultimately that depends on what the utility industry and prospective investors in it, want to do".

It must be the first time that the destruction of thousands of jobs has been described as creativity, particularly when many of those affected will find it extremely difficult to find alternative work. Perhaps Tim Eggar expects them to go huntin', shootin', and fishin', just like the kind of people who vote for his Party.

What the utility industry, meaning those who run it, and investors want is to make as much money as possible. And if it means running the industry on a skeleton staff, so what? They, at least, will get their pound of flesh.

As long as electricity, or any of the other essential services such as gas and

water, are in the private sector, then they'll be run primarily in the interests of shareholders. No amount of tinkering by Labour will alter that fact.

Off The Rails

Following last month's decision by the Court of Appeal on the Government's rail privatisation plans, Labour's transport spokesman, Brian Wilson, said: "pressure will continue to mount for the Government to scrap the whole thing".

One would gather from that statement that it is Labour's intention, assuming that they form the next Government, to reverse the privatisation process and return the rail system to the public sector. One would, however, be wrong to draw such a conclusion.

The French Strikes

by Pete Whitelegg

It must surely be a record for a politician that within 6 months of being elected into the highest political office, not only have you managed to alienate most of your supporters, but you have managed to upset most of the entire planet. Jacques Chirac must be wondering what happened.

Back in May M. Chirac narrowly won the Presidential election ahead of the Socialist candidate Jospin. After seeing off his main Gaullist rival, and former Prime Minister, Eduard Balladur, in the first round, Chirac must have thought the second round would be relatively straightforward.

It had appeared that the Socialists were a spent force. But Jospin put up an unexpectedly strong challenge, forcing Chirac to take a far more popular stance.

Chirac eventually won by combining two distinct strategies. Firstly, his already well known attachment to French honour and sovereignty, particularly abroad. Secondly, by responding to the social programme of Jospin - concern about unemployment, homelessness, and the widening social divisions within French society.

There would be tax cuts and government spending on programmes to help the unemployed and the homeless!

Almost as soon as Chirac became President he began to renege on the promises given during the election. He also began to look increasingly accident prone. Nuclear testing and another run in with Greenpeace, threats of an international embargo together with almost universal international condemnation, French troops taken hostage in Bosnia, all gave the

It is Labour's intention to let the rail franchises run their full seven-year course, after which the position "would be reviewed". Whether they would be renewed would depend on their performance over the period of the franchise.

That is simply a way of evading the question of public ownership and of ensuring that the rail system stays in the private sector. It is also identical to the Government's position!

Who is to know if there will be a Labour Government seven years from now? And if there is, it is likely that it will have failed to deliver to the voters of "middle England", who will then return the Tories to office about six months before the franchises expire.

This was all adding to the belief of the French people that their politicians were no longer to be trusted. With discontent rising, Chirac urged his Prime Minister to "send out more signals" on austerity to avoid monetary disaster and a weakening of the Franc.

In November Alain Juppe left the speaker's rostrum in the National Assembly to the sound of a standing ovation after outlining his Government's plans to reform France's social security system. This, it was hoped, would put the country's finances in order and therefore strengthen the Franc.

It was by all accounts his finest hour since becoming Prime Minister in May. Congratulations came not only from his supporters, but from some unlikely quarters in the press, from a section of the trade union movement, and from some independents and elements on the left.

The path Juppe and Chirac had chosen did not appear to be that dangerous at the time. Nobody saw the extraordinary popular resistance to these moves. Only the trade unions opposed the changes.

The proposed changes concerned France's beloved health and social security system, known as the Secu. The most important change was the subordination of the Secu's management and budget to Parliament. Something that will require a change in the Constitution.

At present the Secu is funded mostly by contributions from workers and employers and is managed by a council of doctors, trade unions and employers' organisations. Its virtual autonomy allowed it to run up debts with no reference to the national budget which had to service it.

Under Juppe's plan the council will be directly accountable to Parliament and will have a statutory spending limit set by Parliament.

There is also a new tax, introduced as a "temporary" measure, for a period of 13 years, and levied at a rate of 0.5% on an individual's total income, including any benefits and pensions. This will be used to pay off Secu's debts. From 1997 the Secu is expected to pay for itself.

Health spending is also to be capped, with a national ceiling to be set on spending by hospitals and doctors. This was to be combined with a "renegotiation" of the public sector right

to a full pension after thirty-seven and a half years, as opposed to the private sector right to a pension after forty years. This was on top of wage freezes for public sector workers.

All these reforms were seen as necessary to put France's finances back in order and bring its public deficit under control as a prelude to the single currency. Although both Chirac and Juppe have maintained that France's Public Sector Borrowing Requirement (PSBR) needed to be brought under control regardless of monetary union, the driving force behind these moves is the Franco-German heart of Europe.

There have been some dissatisfied murmurings in the French Parliament that this is not totally a French policy but comes instead from Bonn. The Germans certainly have a major stake in the outcome, as does the rest of Europe.

According to the Maastricht Treaty, any country wanting to be part of the single currency must have a budget deficit of no more than 3% of its GDP by 1997 if the single currency is to go ahead by 1999.

At present France's debt is around 5% of GDP. To reduce it to the required level in time, the Government is not only banking on pushing through its austerity programme, but also a GDP growth of 2.9% this year and 2.8% in 1996. But the austerity programme, by considerably reducing government spending, will have a knock on effect on spending within the private sector, and further reduce growth.

Most independent economists in France already believe that the prospects for growth are limited and the country will be lucky to reach 2.5% this year and 2% in 1996. This in itself leaves a considerable problem.

With the deadline for monetary union getting ever closer, even greater cuts may be necessary in 1996 to meet the criteria in 1997. With the current mood of the French public, pushing through any such measures will be problematic.

The French Government hopes for a solution resting on the ability of the French to force the EU to declare which governments are eligible for the single currency in 1997. This would ensure that no economic data was available for that year. But Germany is reluctant to let this happen, maintaining that a decision should be taken in 1998, and that full financial disclosure is made

prior to any decision.

Many in France see these attacks on their welfare pensions as a Europe gone mad on the market - an Anglo-Saxon attempt to rationalise the welfare state and the economy in favour of the rich.

The leader of the union, Force Ouvriere, said that his organisation would continue to fight M. Juppe's plans in order to stop the drift to "an Anglo-Saxon society of ultra liberalism, selfishness, inequality and social exclusion".

And Jean Jacques Rosa, Professor at the Institute of Political Studies says: "From a strictly economic point of view, the state debt and public deficit are not unsupportable".

It has not only been the streets of France that have been echoing to the sounds of disquiet and discontent concerning the run up to monetary union.

Belgium, like France, meets almost all the convergence criteria except that its national debt is about twice that allowed by Maastricht. Belgium's Social Democrats and socialist trade unions have fired the first shots in a campaign to get Jean Luc Dehane to abandon sweeping budget cuts of up to £2 billion in 1996, with some 60,000 taking to the streets.

As in France, it is the railway workers who have taken the lead. Belgium's rail workers have already taken action over planned restructuring of the national railway system - a process which they believe will lead to 10,000 job losses.

These concerns may become more prominent right across Europe as we move closer to European monetary union. If moves towards a single currency become more pronounced, and the convergence criteria remain the same, then an increasing number of countries are going to have to do much the same as France.

Spain and Italy are two such nations which will have to drastically reduce their national debt if they want to join the single currency.

But the signal delivered by the French and Belgian workers and the victorious Socialists in Austria point to the fact that "downsizing" may not be an option.

There is a view that Europe should and can support the welfare state and move towards closer integration even if it means debt and higher taxation. But it could also mean that these tensions may wreck any attempt at further integration and Maastricht could become the straw that broke the camel's back.

Andrew Rothstein, His Heritage by Brendan Clifford

A rather sad event took place on September 25th at the Marx Memorial Library. It was either a lecture about the late Andrew Rothstein or a memorial service for him - those conducting it were unsure which it was, and their uncertainty communicated itself to the small audience.

The lecture or sermon was delivered by a John Foster - at least I think Foster was the name I heard. As the meeting was breaking up I asked my neighbour, who appeared to be an old Party stalwart - a stalwart who had outlived the Party, who the speaker was. He replied that he supposed he must be a lecturer or professor of Marxism at some University. I think in fact he was addressed as "Professor".

The speaker took us through Rothstein's life, from his boyhood in the Social Democratic Federation - which was in fact a pre-1914 Marxist party - to his early manhood, middle age and old age in the Communist Party.

A second platform speaker, whose first name was Marge, and who was

considerably older than the main speaker, reminisced about the personal side of Rothstein's life.

It seems that he was at Balliol College, Oxford, when Britain made war on Germany in 1914; that he joined the army but refused a commission, though he consented to become a lance-corporal; that he kept up a lifelong connection

with Balliol; and that he caused the attempt to establish a post-war reunion, in uniform, of Balliol men who had served in the war to be abandoned by attending it in his lance corporal's uniform. She described him as a coming together of the English gentleman and the hard Bolshevik.

I would say that the high point of Rothstein's life was when he disrupted the Balliol reunion with his lance-corporal's uniform. But Professor Foster (if that is his name) thought it was in the mid-1980s when he launched a struggle against the liquidationist tendency in the Communist Party of Great Britain, even though he failed because the Party leadership used "administrative methods" against him.

I know nothing of his struggle against the liquidationists. My acquaintance with him, such as it was, had ended fifteen years before that. That acquaintance consisted of a number of sharp disputes on the subject of political economy almost thirty years ago.

At the time I held him chiefly responsible for the liquidation of Marxist political economy, which I thought was the soundest thing, if not the only sound thing, in Marxism. I had encounters with both him and J.R. Campbell. Campbell was still in the active leadership of the Party, and perhaps that was why I found his duplicity and his deliberate stringing along of people physically repulsive.

I did not find Rothstein repulsive, perhaps because he had been put out to grass as guardian of the Marx Library and was one stage removed from the political process. But when you look at it objectively, that makes Rothstein's culpability much greater than Campbell's, or even Dutt's, for reducing Marxist political economy to gibberish.

My first encounter with Rothstein was at a great international Conference which he put on in 1966 to mark the centenary of the first publication of Capital. I got to speak because by the mid-afternoon of a long day the Conference had begun to run out of steam. I explained why I thought the new line of Soviet doctrine, and the new mentality of "creative Marxism", had reduced Marxist political economy to a kind of magical gibberish. And I said I thought that the Conference, far from

celebrating Marx's best book, was intent on burying it.

That gave a fillip to the rest of the afternoon. The Sam Aaronovich's, etc., took it in turn to ridicule my Stalinist fundamentalism, the lack of subtlety and nuance in what I had said, and to give expression to the great feeling of liberation that followed - not to mention the improved career prospects - when one adopted a more flexible attitude in these matters. But nobody cared to explain what sense the "socialist commodity" made in terms of Marxist political economy.

My point was not to do with any particular economic policy. It was about the nature of economic categories, and whether the categories by which Marx analysed the commodity system were sound. I was not arguing against extending commodity circulation, only about how it should be described, i.e. whether there was now a commodity with a "transformed nature" which might be called a socialist commodity, or a commodity whose influence was limited by the framework of socialist institutions.

What Rothstein and his colleagues were saying about the socialist commodity was, in terms of Marxist political economy, pure gibberish.

If they had said they thought Marx's political economy was essentially illusory and that we should begin to think in entirely different terms, I would have been happy to listen to their reasoning. But they did not say that. What they did was reduce the categories of Marx's political economy to a meaningless jargon.

I took the matter up with Rothstein. When it was evident that he didn't want to think about it I let him be.

In the early seventies I chanced to make the acquaintance of somebody in Belfast, James Ford Smith, who turned out to be Rothstein's nephew. He was attached to the Fine Arts Department of the Ulster Museum. I don't know that he was ever connected with the Communist Party - for that matter, neither was I - but he became interested in this matter of political economy.

He saw the coherence of my position - which I had developed in a rather large pamphlet* - and he told me that he put it to Andrew because he thought that

Andrew surely must have some reply to it. But he found that Andrew just didn't want to know - didn't want to hear.

I continued to use the Marx Library occasionally, but since I regarded it as intellectually dead, I treated it strictly as a lending library. And over the years I sometimes noticed Rothstein looking at me with a kind of puzzled wonderment as if I were a creature from another planet.

He gave up the soundest thing in Marxism thirty years ago, and then he seems to have followed every twist and turn of Soviet fashion during the next twenty years, not rebelling until the whole house of cards was collapsing and rebellion was futile.

And if the Aaronovitches or their children have ended up spouting Blair gibberish, is it any wonder. The Rothsteins had reduced Marxism to gibberish anyhow. And by using the Blair gibberish they might end up running the country, to their own benefit if to nobody else's.

***The pamphlet referred to was Marxism & Market Socialism (Study and criticism of Liberman, Kantorovich, Voznesensky, etc.) This has been reprinted in two volumes of the magazine Problems of Communism and Capitalism Nos 29/30. Available priced £3 from the address on page 3.**

Cautionary Tales

From time to time the L&TUR receives complaints for going over the top in our criticism of New Labour. We cannot be true to ourselves and to the cause of socialism and mute our criticisms. We take no pleasure in having to point out what are for some the unpalatable facts which demonstrate that our Party is led by the worst band of opportunists, charlatans and liars in the history of our movement.

There are a lot of decent people in the leadership of the trade unions and even the Labour Party who have deluded themselves that things will get better after Labour wins the election. That's their business. But they are in practice also deluding everyone else and we will not be part of that deluding process.

"We'll Negotiate a withdrawal from the EEC, which has drained our natural resources and destroyed jobs."

"It is a disgrace that we should be debating today the taking away of fundamental freedoms for which British trade unionists have fought... We shall oppose the Bill [to make strike ballots compulsory], which is a scandalous and undemocratic measure." - Tony Blair, 1983. - to be continued.

Why Inheritance?

Does passing on family wealth make any sense in the modern world?

by Gwydion M. Williams

Budgets can neither create nor destroy wealth. They simply shift it about a bit within the society. Tax "savings" under the Tories have done nothing to add to the total amount of wealth in the society, which grows rather more slowly than in the "disastrous" mixed-economy period before Thatcher.

What the Tories have achieved is to slow or stop the previous steady rise in the living standards of the poorest. And while looking after most of the working mainstream of society, they also let the top 10% to get far more than their fair share of the growth in national wealth.

The biggest recent gift to rich people was the raising of the threshold for inheritance tax. There is talk now of abolishing it completely: a gigantic free gift to a small number of people who can already expect huge dollops of unearned wealth.

Not many people can expect to have more than £154,000 to pass on to their children, which was where the old threshold was drawn. Anyone who's done that well out of the complex interactions of a modern society could well afford to benefit the public as well as their own offspring (or whoever else they may chose to leave their money to).

But thanks to the recent budget, tax at 40% only applies to an estate of more than £200,000.

The raising of the threshold on inheritance amounts to an outright gift of £18,400 to anyone inheriting an estate of £200,000 or more. At a time when poor people are suffering and vital investment is being delayed, what is the sense in this?

One doesn't have to wonder much as to why the Tories are doing this. It is popular with their sort of people, the kind who usually do have that sort of money to pass on. And it seems to be acceptable to the other sort of Tory voter, the person who will obviously never see such a sum but who thinks that the prosperity of the rich is in some way socially useful.

The logic of having some sort of threshold is clear enough. If a person has only a few personal items to pass on, there is no sense in the state taking a cut. And for small amounts of money, it may be cheaper not to waste

time collecting it. But that would suggest a very low threshold - £5000 say.

Beyond that, one is certainly dealing with marketable commodities. And inheritance tax is also a very simple and painless form of tax, since legacies are always unexpected and sometimes even unwanted (leaving aside the unpleasant cases of those who kill to get hold of an inheritance).

Tory Justification

What are the justifications for the Tory softness on unearned inherited incomes? Firstly, it is described as fairness, letting people do as they please with their own money. Secondly, it is supposed to encourage hard work, motivated by the prospect of handing on a fortune to one's children. Thirdly, it apparently encourages family values, which are seen as dependent on cold cash.

Regarding *fairness*, almost every state in history has claimed a cut in the inheritance of the rich, even where income as such was not taxed. It is rather an odd principle that children should get a large cash bonus upon the death of their parents.

Also quite a lot of inheritance is from fairly remote relatives, applying rather randomly and creating much bitterness in those who somehow get left out. When families were genuine collective entities, it made some sense.

But modern commerce and modern transport have long ago undermined local collectivism, where the "head of the house" held property on behalf of the kin-group as a whole. Since most wealth is purely personal, it is not

unfair to tax its passage from person to person, which applies to all other such transactions.

What about encouraging hard work? Again, very doubtful, especially among the higher-income professional and business classes. "Providing for the children" is a great excuse for all sorts of folly and wickedness.

Quite often a justification for delaying going home to actually encounter the little horrors. Yet unmarried or childless people will work just as hard, or perhaps harder.

Alfred Nobel risked death with the experimental industrial chemistry that created dynamite and other commercial explosives. He never married, being dogged by the fairly reasonable suspicion that any woman who might seem to be fond of him would actually be after a cut of his wealth.

Instead he created the Nobel Prizes, which have been used as a reward for great scientific achievements that would almost certainly have been done anyway. While the money may be well deserved, scientists usually get it *after* they have done most of their good work.

Also the main thing is the honour and prestige - so much so that economists have invented their own "Nobel Prize" which they award to each other, even though Alfred Nobel did not include economists among his list of "benefactors of humanity".

Andrew Carnegie is another interesting case. His fortune was not passed on to his children, since he thought that such unearned opulence would be bad for them. Given the common behaviour of heirs to vast fortunes, he was probably being a good parent by letting his descendants return to the ranks of ordinary citizens.

It is certainly good that he gave away all his cash to libraries, universities etc. Except that this is exactly the sort of thing that could just as well have happened via the tax system. Nor is there any reason to think that a stiffer inheritance tax would have made Carnegie work any less hard at becoming a famous industrialist.

Bill Gates, the software tycoon, who is now one of the richest men in the world, was not even married when he was building up his fortune. He was priding himself on his 7-hour "turnaround", putting in regular 17-hour

days, for no better reason than a desire to be King of Software.

The work ethic of his company, Microsoft, has been utterly destructive of family ties - unlike the old IBM, which was a genuine source of strength to 1950s technocratic and family values.

Even though Gates now has a wife and has some children scheduled if not yet actually born, it is doubtful if this ever had much to do with his work ethic.

It might also have been better for the world if the destructive live-for-work ethic of the modern software industry had not been so successful. Exactly the same work could have been done by a rather larger number of people, creating employment in an economy that is increasingly discarding ordinary hard-working individuals as not wanted for anything.

Family Values

Which leads on nicely to family values. The old stable structures of family firms, the basis of British capitalism, turned out to be second rate when exposed to open competition in a world market.

The system that the British had insisted on imposing on everyone showed conclusively that Britain's rise had been an historic fluke that the British ruling class then used foolishly.

Industrialism killed off small craft traditions. Free trade in food had killed the British family farm - itself a remnant of the property-owning peasantry which had been broken by Enclosure and ruling-class power. Supermarkets killed off the tradition of the respectable little family shop. What is there left that might be worth preserving by large cash gifts to the well-off?

The landed gentry were the clear and intended target of the Death Duties that the Liberals introduced back when they were a serious governing party. For this and for many other reasons, that class is now gone, surviving only as occasional targets for tabloid journalists.

When there is no stable coherent entity to be passed on from generation to generation, inheritance becomes a total oddity. A random cash bonus that the less needy get upon the death of their parents.

And these windfalls, which no one would miss if there were no prospect of getting them, can be the source of endless brooding and misery.

A family that only stays together because of the prospect of an inheritance would be much better if it were dispersed. And one hears of many cases where passably happy and loving families get blown apart by a legacy that another member of the family sees as unfair.

In contrast to this, families where no one would have £5000 or even £500 to pass on may work very well, on the basis of simple liking and kin ties.

The raising of the thresholds in the latest budget is an abomination, a sop to disappointed Tory right-wingers. Abolition of inheritance tax would be a gigantic gift to a small number of

people, a sum that would add up to quite a lot, and would have to be squeezed out of our underfunded schools, hospitals etc.

A low threshold and a steeply rising rate would be a far better policy. If rich people started spending more time with their children rather than accumulating cash for them to inherit, this would be no bad thing.

As for the remnants of genuine 'family property', such things can be a horrible burden, trapping children who find that they have very different talents and interest. As I said earlier, it worked OK in a gentler less competitive era. It made some sense where an established business person with useful social connections could survive without much raw talent.

In an increasingly individual and depersonalised world, this no longer applies, except perhaps for farms. And an easing of the tax on inheritance does nothing to stop the heir selling up and getting out, as happens very often nowadays.

Call this particular tax "reform" a gift from Kenneth Clarke to his back-bench Yahoos. There is no other sense to it.

It's Only A Game

by Kenny Brown

If Labour wins the next election, football fans at least will have something to smile about. Or will they? Labour Charter for Football - "A new framework for football" - sets out its ideas for improving the game from a range of angles. What it proposes to do about the game's shortcomings can be summed up in a familiar phrase: Tough on Football. Tough on the causes of Football.

There is a lovely paragraph in the Charter's introduction which goes to the heart of the problem, but what is proposed will do nothing to solve it. Displaying its New Labour colours, it says, "Labour rejects an excessive reliance on market forces. Instead, we aim to work in partnership with all interested parties to breathe new life into the game".

Can we take it that *excessive* reliance on market forces is a reference to the clubs' dependence on high admission prices, sponsorship and television for their income? And if Labour plans to get rid of the excess, so that only *normal* market forces operate, what does it think will happen?

And how will a partnership with the game's interested parties (officials, players, fans, etc.) breathe new life into the sport? The Charter doesn't tell us, because Labour doesn't know. It's simply an example of talking tough, but being able to deliver little.

Talking tough and backing up the forces of law and order is something else Labour now has in common with the Tories. It is pretty clear from what the Charter says

about police powers, that the authors didn't talk to the working class young men who make up most of the support at every game.

"Labour will ensure that the police are given all *necessary* powers to carry out their duties of crowd control and the detection of crime" (my emphasis).

That sounds ominous, not for the hooligans, but for the mass of well-behaved football fans. They are already treated as if they were hooligans - abused by police and stewards alike.

(This writer has seen police lines at the back of the stands at White Hart Lane, a ground hardly renowned for hooliganism, goad fans throughout the match, and run into the crowd and assault people in order to provoke trouble. Fans, including the MP for Hartlepool, know this. But the Charter is not for fans - it is for Mr. Blair's dinner party fodder who believe that they need protection from working class "types", rough, uncultured people you wouldn't wish your children to go to school with.)

For years, Labour were saying that the police had enough, and in some cases too much, power. Now they want to give them more. Although hooliganism still exists, it is nowhere near the problem that it was in the 1970s and early 1980s.

The police already have sufficient powers to control crowds and to eject and arrest troublemakers. Even stewards have powers to curb unruly behaviour and to search fans (for weapons) on entering the ground. Just what extra powers are needed? It seems that Labour is simply pandering to ignorance and prejudice.

An Open Letter To Tony Blair

Walter Cobb asks why it is that only poor powerless people are being blamed for a lack of social responsibility

I heard you on the radio, talking about social values. Talking about the breakdown in communities. Talking about the need for more responsibility, which is fine in itself. But you have also taken pains to explain on other occasions that there is no intention of asking rich people to accept the modest levels of responsibility that were once imposed. No return to the old and *successful* policy of tax-and-spend.

People living in a community may decide spontaneously to break out of it. But not often. If old socialising communities have broken down, it is because they were put under pressure by rich characters who bitterly resented even the smallest social obligation when it was laid on themselves.

Old well-established systems of production are freely broken up because they are not found to be sufficiently profitable, or may even demand some contribution from the rich to keep them in being. So coal mining is now mostly gone. And Britain's merchant fleet. Railways are likely to follow. Health too is being restructured as a cash-generating machine.

Lecturing ordinary people on responsibility is pointless, when the most successful and respected people are precisely those who ignore customs and bend rules. Your preaching differs from "Back to Basics", only in as much as you have made it clear that you have no intention of actually restoring the vastly more restrictive and responsible social order that existed before the 1960s.

Given the mauling that the Tories got when they began to preach what they blatantly did not practice, this was a wise limitation. But it also creates a void where a set of policies should be. You are not about restoring pre-1960s morality. Very few people would wish you to be. But then do you not have a responsibility to say just what you mean by responsibility?

Very few people approve of irresponsibility as such. They simply have very different ideas of how wide or how narrow their responsibilities should be. No community or society can work unless it decides what it really wants to impose on people. And then does actually impose it, regardless of whether it may be seen as a restriction on freedom. Responsibility and freedom will *always* be at cross purposes.

We do not yet have an Underclass on the American pattern. Merely an expansion and worsening of the traditional *lumpen* fringe on all social classes.

But we do have an "Overclass" of rich irresponsible characters who are as greedy and callous as any street-corner mugger or home-wrecking burglar. This Overclass does far more damage than the Underclass. They have soaked up the resources that previously kept society decent and manageable. And the desire for profits is quite literally unlimited. They can never be satisfied. They will go on and on demanding more and more.

In the USA, they have stopped ordinary people getting any share in economic growth over the last 20 years. And yet they want still more cuts in spending and tax.

Right-wing economists tell you that if the Overclass created fantastic wealth by its free irresponsible actions, this would be good for everyone. As an abstract idea, this is true enough. In the same manner, pigs might fly if they were given enormous powerful wings.

But the lesson of the 1980s is that an Overclass rampaging freely like a gang of teenage hooligans does not do any good for real social wealth-creation. Still less for authentic human happiness, which is not identical to growth in GNP.

Any idiot can produce a radically new system. The trick is to produce a radically new system that actually works. Arguably, you have done this with your drive to make Labour a party fit for government. With certainty, the Tory radicalism of the 1980s has not at all worked out as the Tories expected.

The frightening barbarism of money-markets can reduce a sovereign state to helplessness without a single shot being fired. We saw that, when the speculators destroyed Britain's position in the European Monetary Union.

We saw it again, when France's position was repeatedly attacked. So that now the French government is being forced to take away part of the social security of its citizens to satisfy the money men.

Terrorists with guns and bombs are suppressed. Terrorists with dollars are praised, protected and treated as wealth-creators. The liberties of a small number of rich money-traders have been allowed to take priority over simple human needs.

A "free" market is free in the sense that it has been freed from traditional social responsibilities. Small amounts of such freedom is indeed productive. Too much - we currently have massively too much - sets an example of irresponsible power. A successful barbarism that impressionable young people will copy in their own small way, mostly by becoming criminals.

Most modern crime is market-driven. Including drugs, which make fortunes for people who would otherwise be poor and useless. Including protection rackets, which is what poor Mr Lawrence was killed for opposing. But when market forces are unleashed in a society, why should there be a stopping point?