

Labour & Trade Union Review

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The State HM Opposition is in

Lord Jenkins's PR Recommendations

Fairness at work

Notes on the News

Parliamentary Diary

Don't Worry... Be Tony

There is little sign of the Tories becoming an effective opposition, let alone an alternative government. They haven't been able to construct a coherent alternative to New Labour on the economy. Their fundamental problem is that as a party they have refused to accept that New Labour has stolen their ground and that it is impossible to get elected on a programme which is further to the right.

New Labour has stuck, more or less, to the Conservative spending programme for the first two years in government. Leaving aside the windfall tax on the privatised utilities, which was in their manifesto, and the tax on insurance companies which wasn't, they haven't put up tax rates to any significant degree. They are certainly not going to put up income tax rates, even for people with enormous incomes. They have reduced corporation tax rates. There is no significant difference between New Labour and the old Conservatives on taxation and public expenditure.

Nevertheless, the Tory front bench continues to treat New Labour as a party devoted to increased taxation and public spending. Or at least a section of the front bench does, which is part of their problem.

This was illustrated most clearly when on 14th July Gordon Brown announced the Government spending plans for the next 3 years, after the so-called Comprehensive Spending Review. This included an extra £21 billion on health and an extra £19 billion on education over the next 3 years. That was Gordon Brown's story. It was a very good story. It made excellent newspaper headlines. It was received with rapture by Labour backbenchers delighted that the spending constraints of the first 2 years in Government had come to an end apparently. And if confirmation were needed that Old Labour was reawakening, there was Angus Maude, the Shadow Chancellor, flaying the Chancellor for being "pushed around by every

crony in every spending lobby" and predicting massive increases in tax and/or public borrowing.

Gordon Brown managed to pull a fast one. He suckered the Tory front bench into portraying his spending plans as the product of Old Labour enthusiasm for public spending; New Labour had reverted to type apparently. In fact, public expenditure in this Parliament will be less in real terms than in the last Parliament if the spending plans announced last July are adhered to. Had Major been re-elected he would have spent about the same over the lifetime of the Parliament.

And as for the headlining grabbing 'extra' money for health and education, 'extra' has a very particular meaning. For example, the 'extra' £19 billion for education comes about as follows. Next year, 1999/2000, spending will be £3 billion more than this year, 1998/9, at this year's prices. It will be raised a further £3 billion for 2000/1 and a further £4 billion for 2001/2 at this year's prices. So where does Gordon Brown's £19 billion come from? By adding together the additional spending for each of the next 3 years compared with spending for this year, 1998/9, that is, 3+6+10=19. It's not *extra* in the sense of being additional to the programme planned by the Tories. It's not *extra* in real terms; it takes no account of inflation. But it's a very impressive number, as is the £21 billion *extra* for health. Nobody would guess that health spending is due to rise in real terms at a lower rate than in the early Major years.

Brown scored a spectacular triumph for New Labour. Thanks the gullibility of the Tory front bench, they have acquired an undeserved reputation as big spenders, particularly on health and education. They are in a 'no lose' situation. Public spending, particularly on health and education, is popular in the party and popular in the country, especially when it has apparently come for free without tax increases. And they are attacked by the Tories for doing these popular things, which they haven't really done. The public spending agenda has been set on New Labour's terms up to the next election, when you can be absolutely sure the £21 billion *extra* on health and the £19 billion *extra* on education will be key sound bites in the re-election campaign.

So what do the Tories do now? The departmental shadow Ministers, Ann

Widdecombe at Health and David Willetts at Education, said, too late, that the extra spending was not all it was cracked up to be. True, but the damage had already been done. This merely allowed New Labour to say that, whereas the shadow Chancellor says the Government is spending too much, his departmental colleagues say the Government is spending too little. Since July, every argument between the parties on public spending has ended at that point with the Tories silenced.

The Tories are in a hole, a hole they dug for themselves by failing to recognise that New Labour is not a "tax and spend" party, that New Labour has stolen their ground on taxation and public spending (and on privatisation where in government they have developed a Thatcherite commitment to selling off everything in the public sector which can be sold off).

Of course, over the next few years events may intervene to throw New Labour off course. For example, the NHS might deteriorate significantly because nurses cannot be recruited and retained, to which the sensible response would be to spend more money on nurses' pay. That would be a popular choice, but can you imagine the Tories arguing for it, especially in circumstances where, due to the economic slowdown, extra public expenditure will mean extra public borrowing? At this point, it is difficult to see how New Labour can lose the next election.

New Labour's task has been made easier by the behaviour of Paddy Ashdown. The Liberals fought the last election on a distinctive programme which had a pragmatic attitude towards raising tax rates, unlike the other two parties. For a few months after the election in 1997, it sounded as if the Liberals were going to mount an effective opposition to New Labour on the left, particularly on health, social services and education, at a time when the Tories were providing no opposition at all. But that opposition has long since gone quiet, presumably because Paddy Ashdown has ordered it to go quiet lest his cosy relationship with Tony Blair be disturbed.

Long before Paddy Ashdown made a private deal with Tony Blair to extend the scope of their pact beyond constitutional matters, it was evident that the Liberals' opposition to the Government was for the record only. For example, last July the Liberals knew

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that Gordon Brown was playing a confidence trick over public spending—their Treasury spokesman Malcolm Bruce said in the Commons at the time that Labour was going to spend less in real terms than the Tories did in the last Parliament—but they have not made an issue of it since. It is difficult to think of any disagreement they have had with the Government in the last year. That doesn't mean these don't exist but it does mean that the Liberals no longer press them to the extent that they are visible publicly.

What is Paddy Ashdown playing at? If the Liberals become increasingly indistinguishable from New Labour, then New Labour will gain at their expense. People will vote not vote for the monkey when they can vote for the organ grinder. The only reasonable conclusion is that his long-term plan is merger.

The only winner in all this is New Labour.

Gwydion M. Williams

Notes on the News

Liberal Autocracy

The precipitous decline of Russia under Liberalisation has naturally left a lot of ordinary Russians angry and confused. And prone to blame someone like the late Galina Starovoitova. A soft target and scapegoat for the crimes of 'liberalisation'—she was personally sincere, and thus not rich and not protected by a swarm of bodyguards. But while she was definitely brave and honest, how liberal was her Liberalism?

"Galena spoke in favour of passing a law on the forbidding of communist and fascist activity in Russia. She considered both equally dangerous for democracy. The Communists stated that this was a witchhunt. And now we see that the red-browns went a-hunting themselves." Thus spoke Sergi Alexeyev for the Russia's Democratic Party, after the assassination of Galina Starovoitova, the party's most notable MP. (Guardian, 24th November.) The Guardian feature-writers saw nothing odd in Russia's most notable Liberal wanting to ban parties that won a large proportion of the votes in free elections, elections that were in fact rather biased against them.

There was in fact a logic to what the late Galina Starovoitova seems to have been advocating (not that any other media source gets beyond the platitude of calling her politics 'liberal'). Liberal Autocracy applied in a state of confusion might have worked. And since the Soviet Model had long ago dropped socialism and had no coherent ideas beyond hanging on to power, I expressed support for Boris Yeltsin when he banned the Communist Party after the failed coup of 1991.

Liberal Autocracy was not tried. It had worked passably well in a number of societies, beginning with Cromwell and doing wonders for France under de Gaulle. A system of definite authority, reshaping the society, but with the fixed

intention of allowing democratic rule to start or resume in time. That time being the point where a coherent and reformed demos or mass society has been built. No such demos existed when the Soviet model fell apart. What had been built by Stalin was confused and demoralised by Khrushchev, then kept in a kind of frozen chaos by Brezhnev. It was not like the early days of North America, where large numbers of immigrants came from self-organising societies and readily reproduced much the same pattern in a new land. Nor the later immigration, where people from very different background were encouraged—sometimes compelled—to discard their past and fit into the structures and cultural patterns that already existed in the USA.

Russia in 1991 was a society that no longer knew what it was, and had no aspirations beyond a desire for a West European standard of living. Under American advice, Yeltsin then set up a slavish copy of the Western system, as the dominant New Right then understood it. And that wasn't in fact a very good understanding.

Americans have been through centuries of social conditioning that makes them spontaneously Babbits. Selfish little consumers who know instinctively that all the talk of freedom does not mean you can do the wrong thing. Processing Russians into Babbits might have worked, given the extreme demoralisation of the nation back in 1991. But it would have been a processing, an imposition, a possible goal for a Liberal Autocracy. Something like what Deng Xiaoping ran in China, with great success, though he was both wiser and more confident in his own culture.

If the intention was to restructure Russia on American lines, giving simple democracy to the existing population

Contents

EDITORIAL

Don't Worry... Be Tony 1

The Jenkins Report
David Morrison

5

Bevin society Conference leaflet
Barbara Castle

8

Fairness at Work
David Morrison

11

Wind in the Straw
David Morrison

13

Interview with John Gray
Max Anderson

16

Regular Features

NEWSNOTES

G.M. Williams 3

PARLIAMENTARY DIARY

Kevin Brady 9

was damn silly. Western advice in fact waltzed unintelligently between sympathy and repression. Yeltsin was encouraged to take a hard line with his Parliament, whose speaker was a Chechin who preferred to operate within the wider framework of Russia. When this hard line led to a predictable uprising, the West applauded Yeltsin as a good democrat for shelling his own democratically elected parliament. They wouldn't have approved had President Clinton used such methods to resolve his own little difficulties with Congress. But in the sacred cause of anti-Communism, almost anything was allowable. And there was genuine surprise when the result turned sour.

Eastern Europe has succeeded because it did allow its former Communists real power. Some returned to government, or have been in and out

again, they are participating in real democracy. Whereas Russia's parliament was treated as a sham, a talking shop which was needed to make Yeltsin's rule respectable, but which must be prevented from doing the wrong thing, as the Americans saw it. Meantime the economy was bungled. America was built on commercial values by people who mostly came from market-oriented societies. Yet America runs by a vast mass of subsidies, protection and pork-barrel politics. Only for foreigners do they want the benefits of unregulated market forces. A few enthusiasts spoke of the 'coming boom' in Russia.

It boomed, all right: blew up, and came close to bringing down the world financial system with it. Of course a crisis that threatens American and West European interests will be contained by the intelligent exercise of state power. But Russia is now suffering a continuous decline, much poorer and worse organised than when it abandoned the Soviet Union.

I doubt if there was anyone substantial behind the killing of Galina Starovoitova. Her party was part of a declining fragile centre that is weak in part because of the inability of all the little parties to work with like-minded people. Outside of St Petersburg she had very little support. Why should any of those seriously seeking power at the centre have considered her worth killing? If anything, she is more of a problem dead than alive. Possibly she touched on some particular corrupt interest that thought it worth killing her to silence her. Or maybe it was connected with local politics in St Petersburg, which was her power-base. Or perhaps she just offended one of the fragmented mass of ordinary Russians deeply upset by what has been done to them all through the 1990s. And violence has become endemic. The Guardian mentions a whole range of people, including a couple of Communists, among the victims of Russia's endemic violence. Assassination routinely happening within democratic politics is a peculiarity of American culture. You only find it there, and in places where America has had a strong cultural influence. The Russian tradition of romantic political assassination by idealistic killers who were quite happy to be caught and punished did not really survive the Revolution. Oh, and a lot of the nihilists were disciples of Adam Smith. It's an

older tradition in Russia than Marxism, which may be why Khrushchev was able to revive it so easily in the 1950s.

Sound-bitten politics

You can underestimate the intelligence of the American public: the recent US elections showed that. The notion that lying about his private life made Clinton unfit for office was obvious nonsense. The net result was a Republican campaign that firmly shot itself in the foot. Newt Gingrich did show a bit of sense, in seeing that he was finished. He then did what both Heath and Thatcher failed to do—sacrificed himself in good time to keep his brand of politics alive.

Get-poor-quick

The defect of any get-rich-quick scheme is that the money has to come from somewhere, often the greedy investor, which causes me no grief. But also sometimes from poor and needy people. After the recent storm damage, France cancelled debts owed by Nicaragua and Honduras. This rated a mention on the BBC World Service and half a sentence in a small article on page 17 of the *Independent* (12th November). I didn't see it covered anywhere else, and certainly not at its true significance. Large masses of debt can be written off, when it suits the Overclass. They even managed to bail out a hedge fund when it suited them. 'Too big to fail' is coded language for 'this could hurt us, and not just a bunch of little people'. When it is only 'little people', they get squashed. In the USA, they are even dopey enough to vote for it.

Microsoft - Big Bill Knows Better Than You.

I have used quite a lot of Microsoft products, at home and at work. I have found them clever and well written. But also that they make no provision for you living differently. Thus you can have an electronic diary which is wonderful if your whole life revolves round meetings and servicing a huge network of contacts. For a more normal life—even for work below the level of senior management—it seems less relevant.

Bill Gates is very much the product of corporate America; changed, but retaining many old features, including retaining the standard view of life as a burden on money. Whereas some of the

pioneers were self-made and from poor backgrounds, Bill Gates came from a moderately successful family in the corporate-American subculture. Thus he was able to flourish where other pioneers didn't understand the rules and ran into trouble. Bill's own efforts to keep control have run him into legal problems, though this too is standard for corporate America, as, indeed, are cycles of rise and decline, and his decline may perhaps have just started. The agreed take-over by AOL (the Internet provider, America On Line), with its huge number of customers, of Netscape with its alternative to Microsoft technology may produce a revolution in computers over the next few years.

Internet news

The Internet may have developed as a vehicle for pornography and peculiar discussion groups, but it has gone far beyond that. It also grew as a vehicle for many other sorts of specialist dialogue, including the rapid exchange of information between scientists and mathematicians working in dozens of specialist areas. And now it is also becoming a means of mass publishing. A recent survey found that BBC Online was the most popular Website in the UK, with as many as a million page-views for top items like the Leonid meteors and the Starr report. It deserves it too. Online is much more informative and detailed than CEEFAX and resembles a news bulletin, except you can go right to the items that interest you. You can also find the Bevin Society's own small unsophisticated but interesting Website at <http://members.aol.com/BevinSoc/is.htm>, with past L&TUR articles which remain relevant

World Wide Web

Further information about various magazines, pamphlets and books can be obtained on the Internet. Look up ATHOL INFORMATION at

www.users.dircon.co.uk/~athol-st/

The Jenkins Report

David Morrison

The general impression given by the press of the Jenkins report on electoral reform for the House of Commons is that it is an intellectual and literary masterpiece (the latter seems to be based on his use of the word "otiose" in the third paragraph). In fact, at its heart the report is self-contradictory and the proposals within it are so complex, and so different from the current system, that there is very little chance of it being implemented.

It proposes that each elector has two votes, one to elect a constituency MP and the other to elect one or two "top-up" MPs for a local area made up of about eight constituencies. The purpose of the second vote is to make the total number of MPs—constituency and "top-up"—elected for parties in an area more proportional to the total number of second votes cast for parties in that area. Constituency MPs, making up 80-85% of the total, are to be elected in single member constituencies, as now, but using the Alternative Vote (AV) system rather than the present First Past The Post (FPTP). The "top-up" MPs are to be elected in eighty "top-up areas" in the UK by an "open" list system.

My first thought when I heard of these proposals was that, whether by accident or design, Jenkins has done Blair a great favour by proposing a scheme which is so complicated that there is very little chance of selling it to the Labour Party or to the electorate, in the face of a coherent defence of the status quo. If the erudite proposals of a Liberal Democrat elder statesman are patently unacceptable then Paddy Ashdown can hardly complain. The unanswered question is, why doesn't Ashdown seem to realise that his cosy

up to Blair is not going to deliver PR for the Commons? The pre-election pact between them covered the whole range of constitutional issues—devolution for Scotland and Wales, PR for the European elections, reform of the House of Lords and a referendum on PR for the House of Commons—but the one that matters to the Liberal Party is PR of some kind for the House of Commons. With it in place they can look forward to seats at the Cabinet table.

New Labour may have been inclined towards PR of some kind on 30th April last year when they were a minority in the House of Commons. But after their landslide victory the next day their ardour for PR, such as it was, has waned—for the simple reason that it means that at the next election fifty or more Labour MPs will be deprived of seats even if Labour is as popular then as it was last election. For that reason, the chances of any form of PR being approved by the Parliamentary Labour Party now are small. The chances of the Jenkins proposals being approved are next to nil. To quote Tony Benn in the Commons debate on the proposals:

"I do not intend to waste much time on the Jenkins report because, candidly, I do not think that it has a cat in hell's chance of succeeding. The idea that the parliamentary Labour Party would go through the Lobby to destroy fifty of its own Members, to redraw all the constituencies and to introduce a new group of piggyback Members is ludicrous. I heard it said by one cynic that the Labour Party is so loyal that, if chimney boys were brought back in the name of modernisation, we would all go through the Lobby; but Turkeys do not vote for Christmas. I do not honestly

think that this is a serious plan." (Hansard, 5th November, Column 1053-4)

The Jenkins Commission was charged with making proposals for the reform of the First Past The Post (FPTP) system of election to the House of Commons, taking into account the following four principles:

- (1) broad proportionality
- (2) the need for stable government
- (3) an extension of voter choice
- (4) the maintenance of a link between MPs and geographical constituencies.

CONSTITUENCY MPs

The Alternative Vote (AV) system is proposed for the election of the constituency MPs rather than FPTP. Under AV voters may rank candidates 1, 2, 3, ... If no candidate has more than 50% of the first preference votes then the candidate with the lowest number of first preferences is eliminated and his votes are distributed to the other candidates in proportion to his second preferences. This is repeated until a candidate has more than 50% of the votes. A voter may choose to vote for only one candidate, that is, treat the election as FPTP.

Readers familiar with the Single Transferable Vote (STV) system which is used in the Irish Republic and in Northern Ireland for local government and for last June's elections to the new Assembly will recognise this as STV in a one-member constituency. In other words, the Jenkins proposal for electing constituency MPs to the Commons is equivalent to a by-election under STV in Ireland. There is, however, a basic defect, which the report acknowledges:

".. AV on its own suffers from a stark objection. It offers little prospect of a move towards greater proportionality, and in some circumstances, and those the ones that prevailed at the election and may well do for at least the next one, it is even less proportional than FPTP.

"Simulations of how the 1997 result might have come out under AV suggest that it would have significantly increased the size of the already swollen Labour majority."

The report gives the following estimate of what the current Parliament would look like if it had been elected under AV (with the actual figures in brackets): Labour 452 (419), Conservative 96 (165) and Liberal 82 (46) giving an overall Labour majority of 245 compared with the actual majority of 169. So, as part of a reform which is supposed to lead to "broad proportionality", Lord Jenkins proposes a new and more complicated electoral system which probably gives a less proportional outcome than the current system!

The fact is that AV can operate haphazardly depending, crucially, on the ranking of candidates in terms of first preference votes. And at a general election where one party is particularly unpopular it punishes that party disproportionately. Nevertheless, Lord Jenkins chose it.

Why? The only advantage of AV over FPTP mentioned in the report is as follows:

"It would increase voter choice in the sense that it would enable voters to express their second and sometimes third or fourth preferences, and thus free them from a bifurcating choice between realistic and ideological commitment or, as it is sometimes called, voting tactically."

True, but what's wrong with tactical voting under FPTP?

The report then questions the basis on which AV operates:

"it is necessary to acknowledge the argument that the second or third preferences of a losing candidate, if they

are decisive, are seen by some as carrying less value (and even arising almost accidentally) and so contributing less to the legitimacy of the result, than first preference votes (or indeed the second preference votes of the most powerful candidates)."

One member of the commission, Lord Alexander, put this more intelligibly in the Note of Reservation to the report. This advocates the retention of FPTP for the election of constituency MPs. He writes:

"AV comes into play only when a candidate fails to secure a majority of first preference votes. It does not, however, take account of the second preferences of all voters, but only of those who have supported the least successful candidates.

"So it ignores the second preferences of the voters who supported the two candidates with the highest number of first preference votes, but allows the voters for the third or even weaker candidates to have their second votes counted so as to determine the result.

"I find this approach wholly illogical. Why should the second preferences of those voters who favoured the two stronger candidates on the first vote be totally ignored and only those who support the lower placed and less popular candidates get a second bite of the cherry? Why, too, should the second preferences of these voters be given equal weight with the first preferences of supporters of the stronger candidates?"

Good question! In 1931, when a Bill for the introduction of AV got through the Commons, Winston Churchill described it as a system which took account of "the most worthless votes of the most worthless candidates". What chance is there of getting a majority in the Labour Party or in the country in the face of a slogan like that?

TOP-UP MPs

Jenkins proposes that the remaining 15-20% of MPs be elected for eighty "top-up areas" in the UK by an "open" list system with either one or two MPs elected from each "top-up area".

A top-up area will comprise a number of constituencies (8 on average)

and will be, where possible, an existing geographical entity, for example, the English counties which are still in existence. In Scotland and Wales areas of this kind have already been allocated for the Scottish Parliament and the Welsh Assembly (eight and five respectively). Jenkins proposes to use these for the Commons also and he allocates two to Northern Ireland, which leaves sixty-five in all for England. A party will be permitted to submit a top-up list if it has put up candidates in a majority of the constituencies within the top-up area.

The overall system, then, works as follows in a top-up area comprising eight constituencies and electing one top-up MP. Each elector votes twice, once by AV to elect a constituency MP and a second time to elect the top-up MP. Eight constituency MPs are elected for various parties. The ninth, top-up, MP for the area is then allocated to a party so as to make the number of MPs elected for each party more proportional to the number of second votes cast for each party in the top-up area.

To do this, account must be taken not only of the second votes cast for each party but also of the party affiliation of the eight constituency MPs already elected. To be precise, the number of second votes cast for each party is divided by the number of constituency MPs gained by each party plus 1 and the party with the highest number after this calculation is given the top-up seat.

But how is the individual top-up MP to be chosen? Jenkins is adamant that the voter must be able to vote for an individual and not just a party, in other words, he proposes an open list system:

"We greatly prefer an "open" list, giving the voter the ability to discriminate between individuals, to a closed party list.

"Under a reformed system it is crucial the voters' right to express their view of individual candidates should be at least maintained, and preferably enhanced.

"It would count against a new system if any candidate, by gaining party machine endorsement for being at the head of the list, were to achieve a position of immunity from the electorate. This is the essence of the case for open as opposed to closed lists for top-up

members.

"It is desirable that the voter should be able to discriminate between the candidates put forward for the list by the party for which he or she wishes to cast the second vote. Only if this is so does the commission feel that it will have discharged its third requirement of providing for an extension of voter choice."

In fact, the case for open, as opposed to closed, lists is much weaker here than it is for the European elections where, if the Government gets its way, all MEPs will be elected by the closed list system. Here, we are talking about electing only 15-20% of MPs. Also, since generally only one MP will be elected for each top-up area, party lists will be very short and voter choice will therefore be limited. Compare this with European elections using an open list system where there are large multi-member constituencies where voters might be able to choose from a list of half a dozen candidates for a party.

Indeed, if the Jenkins proposals are implemented, parties could give the voters no choice at all by having a one-candidate list. The only obvious incentive to have more is that Jenkins proposes that in the event of a top-up MP dying or retiring the candidate of his party having the next highest number of votes will succeed him automatically and, if there isn't one, the seat will lie vacant until the next general election.

To add to the complication, Jenkins proposes that an elector be given the choice of casting his or her second vote for a party or for an individual candidate from a party list. In other words, the voter is to have the choice of an open or closed list for the election of top-up MPs. This seems to be an unnecessary complication given that the lists will be short and the party affiliations of individuals will presumably be clearly identified on the ballot paper.

CONCLUSIONS

The report gives the following estimate of what the current Parliament would look like if it had been elected under AV with top-up (with the actual figures in brackets): Labour 368 (419), Conservative 168 (165) and Liberal 89 (46) giving an overall Labour majority of 77 compared with the actual majority

of 169.

A PR system which can be presented as a simple amendment to FPTP to increase fairness has the best chance of being accepted by the Labour Party and the electorate. Lord Alexander's suggestion that constituency MPs continue to be elected by FPTP and topped up in the manner prescribed by Jenkins can be argued in this way. Jenkins's proposals, as a whole, cannot and they can be easily ridiculed as introducing a more complicated, and less proportional, system for electing constituency MPs which has to be corrected by a complicated top-up system—see, for example, Gerald Kaufman in the Commons debate on 5th November.

If the Government gets its way over the European elections and Jenkins's scheme is introduced for the Commons, the people of Scotland and Wales will in future have to cope with four different electoral systems in all (and probably a fifth for the House of Lords in a few years' time):

- (1) European Parliament: closed list
- (2) House of Commons: AV plus open/closed list top-up
- (3) Scottish Parliament/Welsh Assembly: FPTP plus closed list top-up
- (4) Local Government: FPTP, and probably a 5th for the House of Lords in a few years time.

Northern Ireland will have only 2 different systems since STV is used for the European Parliament, the new Assembly and local government.

Variety may be the spice of life but this is a dog's breakfast. It has arisen because Labour's approach to constitutional change has been piecemeal without any thought for the overall picture: Lord Alexander's proposal for the Commons has another point in its favour: it doesn't add to the variety since it is very similar to the system to be used to elect the Scottish Parliament and the Welsh Assembly.

SINGLE TRANSFERABLE VOTE

I think the best PR system is Single

Transferable Vote (STV) in multi-member constituencies. It has several substantial advantages. It achieves a high degree of proportionality providing the constituencies have a sufficient number of seats (4-6, say) and it does so without have two classes of MPs. It maximises voter choice: the voter can express preferences not only between parties but also between different candidates of the same party. It therefore diminishes the power of the party machine to exercise control over candidates and suppress dissent within their parties. A candidate with proven vote winning power cannot be de-selected easily by the party machine, not least because such a candidate could stand and win at his former party's expense. It makes the development of new parties more likely. It should be introduced for all elections instead of having 4 or 5 different electoral systems.

Jenkins recognised these virtues but dismissed it because constituencies would be too large geographically (with upwards of half a million electors) and the ballot paper would be too long for the electors to exercise a meaningful choice. These are rather insubstantial objections, particularly the latter—electors in Ireland manage to cope.

However, it is highly unlikely to be introduced. The Liberals who used to champion it for all elections no longer do so. On their behalf Alan Beith made a rather unconvincing defence of the Jenkins proposals in the Commons on 5th November and never mentioned STV. And the Labour leadership is not going to favour a system which allows dissent to flourish.

Note to Readers

The Labour & Trade Union review is entirely dependent on subscriptions and sales for its continued existence. Unlike such journals as the *New Statesman*, *L&TUR* has no private sponsorship; unlike *Tribune* it does not receive the steady support of Trade Union advertising. It is on sale in London in Dillon's, The Economist Bookshop, and Housman's at King's Cross.

Concluded from p. 12

The Third Way?

New Labour has been careful not to be seen in public with the Trade Union movement, but behind the scenes it is being allowed to make its presence felt in a way that was not possible during the Tory years. This applies most noticeably as regards the minimum wage and the *Fairness at Work* White Paper. But it applies in other spheres as well: trade unions are being consulted in a way that hasn't happened since Labour was last in power. That is not to say that there has been reversion to the days when, as one of the Social Partners, the Trade Unions had established a right to have a say across the whole range of government policy.

Just after New Labour came to power, Tony Blair went to a conference of European Social Democrats at Malmö in Sweden and confidently lectured them on how to survive in a global economy

We print below the text of a leaflet distributed by the Bevin Society at this year's Labour Party Conference. It was entitled A Blast From The Past, and advertised the meeting addressed by Barbara Castle

Neil Kinnock has suddenly decided to re-enter Labour Party politics with an attack on a Socialist grouping in the Party. Why?

Did the "hard left" lose him the tenancy of 10 Downing Street? Or did he achieve failure all by himself after he had smashed the "hard Left" and muzzled the soft left, and got everybody dancing to his tune?

Did some sinister group force him to over-ride John Smith when Smith had Thatcher on the ropes over the Westland affair? And who was the "selfish parasite" who blew the 1992 Election with an outburst of craziness at the Sheffield Rally?

There were many who went along reluctantly with Kinnock's purge of the Party and his muzzling of what remained of it, because he persuaded them he would win an election if they did so. He then went and lost the election by flaunting an image of personal political instability. And now, as a voice from the grave, this anti-European, who jumped at a job in Europe from John Major,

they had to follow the British model and deregulate the labour market. The White Paper contains a faint echo of that in Paragraph 1.10, 'The European Dimension' which ends as follows:

"Some aspects of social models developed in Europe before the advent of global markets have arguably become incompatible with competitiveness. The Government is developing a model which it believes is right for the UK in a modern world and should promote the debate on economic reform throughout the EU."

A bit tentative that. But then one could hardly preach the virtues of deregulation in a document which lays down a large body of regulations under which industry will have to operate. Some of these are a result of signing up to the European Social Chapter, directives which are, generally speaking, the formalisation of agreements between the Social Partners in Europe.

denounces a group of moderate socialist candidates for the NEC as "selfish parasites". Cynics might say that all good European Commissioners are now looking to their second term in office, and that Kinnock is parasitically earning his re-nomination from Blair. But, of course, such a thought would never cross our minds!

Kinnock is a "radical", of course. So are they all radicals. Radicalism means pulling things up by the roots. Radicals of the past wanted to uproot aristocracy or capitalism. What New Labour radicalism pulls up by the roots is any semblance of socialism in the Labour Party. To be a socialist of any kind now is to be put on a par with the Militant Tendency of a dozen years ago.

Kinnock says that the party that forgets the past is doomed to re-live it. But the past he wants us to remember is an invented past, not the actual past in which he figured first as a way-out demagogue and then as a Party leader who refused to discipline his own mouth after he had shut everybody else's mouth.

The watersheds in the destruction of the British socialist movement began with Jim Callaghan's sabotage of Barbara Castle's *In Place Of Strife* in the late sixties. Barbara wanted to connect up working class power with working class

The Government tried to absolve itself of any responsibility for these directives by saying:

"Britain was not involved in these decisions in the past and, as a result, played no part in shaping them. In the future it will be fully involved. Business can be assured the Government will work with its European partners to promote competitiveness as well as fairness across Europe".

Two things need to be said about that. First, if Labour didn't like what it was going to get by signing up to the Social Chapter, then it shouldn't have signed up: it didn't have to import the products of a defective European social model. Second, Social Chapter Directives cannot be vetoed by the UK, so Labour may have to import more.

responsibility. The Right wouldn't allow it.

When Ted Heath recently said he wouldn't join the present Tory Party if he was starting out again, and that Tony Blair was far to the Right of him, William Haig dismissed his remarks by saying that he belonged to a lost world. And it's true. Heath tried to do as a Tory measure what Barbara Castle tried to do as a socialist measure. He was brought down by an agitation in which Kinnock was prominent. What Heath tried to do would now be seen as ultra-socialist.

In 1977 Callaghan made a belated effort to consolidate working class status by the Bullock proposals for workers' control. These proposals were rejected by the Right of the Party. And they were opposed by Neil Kinnock as not being revolutionary enough.

Then came Arthur Scargill's reckless strikes against Thatcher, which he might have won if he had been prepared to compromise, as some of us urged him to. But Kinnock rode out that strike in studied silence which was tacit consent. And, when it failed, he turned on Scargill as a wrecker.

So let's have the true history of the destruction of British Socialism.

Kevin Brady

Parliamentary Diary

Right to Buy Restriction

New Labour is as keen on home ownership as the Tories. It is also as less keen on council housing. That is why it is continuing with, indeed expanding upon, the Tories' policy of transferring council housing stock to other landlords. The setting up of Local Housing Companies is the latest initiative. It is surprising therefore to learn from Hilary Armstrong, the Minister for Local Government and Housing, that the cash discount for council tenants wishing to buy their home is to be reduced. (Hansard, 17 November)

The current maximum discount limit is £50,000, but this is to be replaced by nine regional limits ranging from £22,000 to £38,000. She seemed nonplussed when it was pointed out to her that the change will make it more difficult for tenants to buy their homes; her response being, "we are interested in sustainable home ownership, but we are also interested in ensuring that the taxpayer gets value for money".

In New Labour speak "ensuring the taxpayer gets value for money" usually means spending less money, and so it proved, for she reminded MPs that "the current policy costs taxpayer £400m a year, and we want to ensure that it is not an over-escalating bill". Success is almost certainly guaranteed, for fewer people will take advantage of a much less generous right-to-buy scheme.

Water Prices To Dive

The aggregate profits of the privatised water and sewerage companies and the private sector water supply companies have increased each year since privatisation. In 1990-91, the first financial year for the ten privatised regional water and sewerage in England and Wales, aggregate profits before tax

were £1,308m. In the financial year ending March 1998, aggregate profits had increased to £2,059m. Over the eight year period from 1990-91 to 1997-98 aggregate profits before tax were £13,636m. (Hansard, 18 November)

Such high levels, which represent an overall return on the capital value of the companies of 10.1 per cent, have been made at the expense of the customer who is paying, on average, over 70 per cent more for his/her services. In areas like the South West of England, customer prices have at least doubled.

A few months ago the Water Regulator, Ian Byatt, told companies to reduce prices, arguing that profit levels would still be high enough for them to finance their investment programmes. Naturally, the companies claimed that lower prices would force them to reduce investment. Byatt's response was that it was time customers started to feel the economic benefits of privatisation, even if it meant that shareholders would have to accept a little less. Byatt's decision means that the companies will have to perform the less than easy task of meeting British regulatory rules on investment and achieving European environmental standards, with lower prices and, consequently, reduced income.

Paddy Bites Back

Paddy Ashdown has been sucking up to the Government so much in recent weeks that it was a little surprising to note his critical comments during the debate on the Queen's Speech on 24 November. He singled out the environment for his general line of attack, but within this he was particularly scathing about the absence of measures in the Government's legislative programme to improve Britain's

transport system.

He reminded the Prime Minister that 18 months ago in his first Queen's Speech he promised to "put concern for the environment at the heart of policy making", but "eighteen months later, there has been no significant legislation to back up those words". He has a point. There have been a plethora of Government consultation papers: on climate change, sustainable business, transport and so on but, apart from increasing the fuel duty escalator (for road vehicles), there has been nothing of practical significance. Lots of words, but little action.

After the publication of the Transport White Paper in July it was expected that the Queen's Speech would at least include proposals to introduce a Strategic Rail Authority to sort out the mess of privatisation and to give local authorities powers to levy congestion charges to reduce traffic growth in city centres. Not only are these excluded from the Government's legislative programme but, to compound matters, company car owners are to escape being taxed on private use of their vehicles, a step the government said it wanted to take in last March's budget.

Admittedly, company cars make up a small proportion of total car numbers, but a tax policy which encourages greater car use flies in the face of the Government's commitment set out in the Transport White Paper, "to reduce the rate of traffic growth". John Prescott, who doesn't shirk from a political fight, will have to battle with both Blair and Brown if his radical transport policies are to be implemented.

A Sky High Tax

On 24 November, Helen Brinton, Labour MP for Peterborough introduced a debate on environment taxation largely in response to the publication of the Marshall Report on the same subject. In her address she referred to a remark by an industrial commentator who said that asking Sir Colin Marshall, former chairman of British Airways, to head a panel of industrialists to investigate energy taxes was like "putting King Herod in charge of child care since aviation is one of the worst contributors to climate change and the industry has lobbied hard to ensure that it pays no green taxes".

This point was repeated by David

Heathcote-Amery, Conservative MP for Wells, who used it to take a swipe at the Government. "I am not impressed by the (Marshall) report", he said, "which has a curious omission. A Government document on climate change says that air transport is the fastest growing source of carbon dioxide emissions. However, aviation fuel is not taxed at all (and) the document by Lord Marshall is silent on that sector".

In his reply to the debate, the Chief Secretary to the Treasury, Stephen Byers MP, made no reference to Brinton's or

Heathcote-Amery's comments on the Marshall Report or to tax-free aviation fuel. Which seems a bit strange, given that he told MPs that "How and what the Government taxes sends clear signals about which economic activities we believe should be encouraged or discouraged. Just as work should be encouraged through the tax system, environmental pollution should be discouraged". Now, either he wasn't listening to the debate or the Government have no intention of discouraging further pollution from air travel.

A more likely reason, however, is that British Airways has persuaded the Government that a British tax on fuel would raise costs and put the company at a competitive disadvantage. It appears that this is one environmental tax requiring international co-operation. Given the Government's boast that it was largely instrumental in getting agreement at Kyoto and Buenos Aires, it shouldn't be too difficult for them to establish co-operation on an international aviation fuel tax.

Index to Labour and Trade Union Review, 1998

December/January 1998, No. 71:
Editorial: The Back-benchers That Didn't Bark
Differently Ordered In France, Angela Clifford
Stock-Market Brawls, G.M. Williams
Review of Fukuyama, Chris Winch
'Libel' As Censorship, E. Courtney
Letters
The New Labour Miracle, Leaflet distributed at LP Conference, Sept 97
NEWSNOTES: G.M. Williams
PARLIAMENTARY DIARY: Kevin Brady

February 1998, No. 72:
Editorial: America Right Or Wrong
Public Enterprise, Angela Clifford
Leviathan in Levis? Tim Williams
The Next War, E. Courtney
Joseph Chamberlain, Ramsay MacDonald
Andrew Roberts tugs his forelock, Sean McGouran
NEWSNOTES: G.M. Williams
PARLIAMENTARY DIARY: Kevin Brady

March 1998, No. 73
Editorial: WASPs nil, Iraq one
Book Review, Sean McGouran
New Labour and the CBI, Angela Clifford
Ferdinand's Fantasy, Sean McGouran
Slave-Chain and Steam-Engine, G.M. Williams
Margaret Beckett on Question Time
NEWSNOTES: G.M. Williams
PARLIAMENTARY DIARY: Kevin Brady

April 1998, No. 74
Editorial: Gordon & the Fat Cat Controller
Farewell to the Family? Angela Clifford
Unchanging human nature, Gwydion M. Williams
Original Monbiot-logical, Sean McGouran
The Budget, David Morrison
NEWSNOTES G.M. Williams
PARLIAMENTARY DIARY Kevin Brady

May 98, No. 75
Editorial: Northern Ireland Agreement: Sectarianism In Our Time
Iraq Sanctions: Death By A Thousand Cuts, Chris Smith
Unwelcome Guests? Sean McGouran
What is Christian Democracy? Mark Cowling
Ice Cool Britannia, Sean McGouran
NEWSNOTES G.M. Williams
PARLIAMENTARY DIARY Kevin Brady

June 1998, No. 76
Editorial: What is the Third Way?
Review of Barbara Castle's pamphlet on Pensions, Angela Clifford
From Here to Blair to Where, Jack Lane
The Right Hand of Anarchy, Gwydion M. Williams
McGouran on Radio 3, Sean McGouran
NEWSNOTES, G.M. Williams
PARLIAMENTARY DIARY, Kevin Brady

July/August 1998, No. 77
Editorial: Tories break bi-partisanship
Co-determination in Germany, Christopher Winch
Was Henry Ford a Capitalist? G. M. Williams
Externalisation, Angela Clifford
International Monetary Fund Report

Ferdinand Mount on N. Ireland, Sean McGouran
Russia: A History (Book Review), Sean McGouran
Lord Spiv And His Pals, Max Anderson
Eastern Question, Sean McGouran
NEWSNOTES: G.M. Williams
PARLIAMENTARY DIARY: Kevin Brady

September/October 1998, No. 78
Editorial: The Prospects for Pensions
The Future Of Welfare (Book Review), Angela Clifford
Felon-Setting, Sean McGouran
Co-determination in Germany (2), Christopher Winch
Mountain Greenery, Sean McGouran
Russia's Decline & Fall, G.M. Williams
More on the Evil Empire, Sean McGouran
Russia: New World Market Order, Brendan Clifford
NEWSNOTES G.M. Williams
PARLIAMENTARY DIARY Kevin Brady

November 1998, No. 79
Editorial: Punishing the Victims
Whither Welfare Reform? David Morrison
Barbara Castle at Conference Exclusive: Speech to Bevin Society
Book review (Education, Training And The Global Economy), Christopher Winch
Pensions, David Morrison
Is Torture Legal? Chris Smith
Labour Party Conference notes, Hoey Polloi
The Minimum Wage, David Morrison
NEWSNOTES G.M. Williams

Fairness at Work

David Morrison

When Labour came to power last year, two issues in their manifesto mattered to the trade union movement: the implementation of a National Minimum Wage and a reform of employment legislation granting, most importantly, bargaining rights to trade unions in the workplace. The prospect of these coming to pass kept the trade union movement on side for the first year of Labour in government. And both of them were delivered, broadly speaking, just before the summer even though both run counter to the underlying New Labour theme of a flexible labour market.

The National Minimum Wage has been legislated for and will be applied from April 1999. At £3.60 an hour it is over a £1 an hour less than was asked for and, more crucially, since it is not based on a formula it will not be uprated automatically in April 2000. Nevertheless, the principle of a National Minimum Wage has been established and will not go away again, though, like the old age pension, it may be allowed to decay into insignificance—hence the importance of establishing the principle of uprating according to a formula rather than having to rely at any time on the whim of government. Some 2 million people (9% of the working population) will benefit, on average receiving a 30% increase in wages. The trade union movement is understandably pleased.

Trade Union Recognition

It is also pleased at the proposed changes in employment law embodied in the White Paper, *Fairness at Work* published last May and due to be legislated for in the new session of Parliament. Most of the attention has focussed on the procedure for enforcing trade union bargaining rights over pay and conditions on an employer who refuses to grant them voluntarily. The central question before the publication

of the White Paper was: would a simple majority in a ballot be enough as demanded by the TUC or would the vote in favour be required to reach some minimum level? In the event, the White Paper opts for a 40% threshold. In addition, it prescribes that recognition will be automatic if a majority of workers are already in the union seeking recognition, that is, no ballot will be required. The latter will probably be the main route to recognition and therefore the 40% threshold will not be a significant issue in practice.

Is this a reasonable procedure? The answer has got to be Yes. If a trade union cannot convince a majority of workers that being a member is worthwhile or get 40% of them to vote in favour of recognition then it doesn't deserve to be recognised. The counter-argument will be that recalcitrant employers will still find ways to thwart the procedure by, for instance, threatening to sack workers taking a lead seeking recognition and, of course, there is endless scope for employer obstruction in identifying the group of workers for whom bargaining rights is sought, the so-called bargaining unit.

The White Paper addresses these issues: there is to be a statutory procedure for recognition (and de-recognition) with time limits at each stage to restrict the scope for employer obstruction. The Central Arbitration Committee (CAC) will supervise the implementation of the procedure. If an employer refuses a request from a trade union (or a joint request from two or more trade unions) for bargaining rights, then the procedure can be invoked by the trade union. The CAC will be empowered to define the bargaining unit if the employer and union cannot agree it and to grant bargaining rights

(1) if a majority of workers in the bargaining unit is in the union, or

(2) where a ballot shows that a majority of those voting and at least 40% of those in the bargaining unit is in favour of it.

And Para 4.19 lays down: "There will be protection against discrimination for employees who campaign for or against recognition, including special protection for any employees who are dismissed simply for asking for recognition."

The major defect in the White Paper is that the procedure will not apply to firms with 20 or fewer workers—which excludes over 5 million workers. This exclusion was not in the New Labour manifesto. It is a sop to the CBI. The justification for it in the White Paper (Para 4.17) is bogus: "In many small firms, employment relations are managed not just on an individual level, but on a personal level. In these circumstances statutory requirements on trade union recognition would be inappropriate." The truth of the matter is that small employers are often the worst employers and their employees are often in most need of trade union protection. The TUC position is that in small firms the simple test that a majority of employees are union members should be the sole route to recognition. That makes sense.

Rights To Representation

Para 4.29 proposes a legal right for employees to be accompanied by a fellow employee or trade union representative of their choice during grievance and disciplinary procedures (and anybody who did accompany another employee is to be protected against dismissal or other action for doing so). This applies to all firms not just to firms with more than 20 employees—which flies in the face of the exclusion of firms with 20 or fewer employees from the recognition procedure. Trade unions are going to have the statutory right to represent their

members at grievance or disciplinary procedures in these firms but the statutory procedure for obtaining collective bargaining rights will not be available to them. Trade union recognition can only come about with the consent of the employer.

The TUC is optimistic that this may be the way of the future across industry. In the late '80s and early '90s derecognition was the order of the day. But long before the publication of *Fairness at Work* the tide had begun to turn. In the 6 months to February last 55 recognition deals were signed covering 70,000 workers. Addressing the UCATT conference, John Monks, the TUC General Secretary, had the following to say:

"The very fact that the White Paper has been published and the fact that the Government has made clear its commitment to legislate is sending out ripples across industry. Employers are thinking again about their approach to industrial relations. For the first time in 20 years unions are on the agenda of some firms that we had long regarded as hopeless cases. They are beginning to reflect on whether it might not be easier to go down the road of voluntary recognition rather than face the prospects of a ballot some time in the future."

Other Proposals

The White Paper contains a host of other proposals which the trade union movement has been asking for:

(a) Unfair dismissal qualifying period (Para 3.9). This has been reduced to one year (from two years). This is a long way from protection from unfair dismissal from Day One of employment which was John Smith's promise. The argument for not reducing it to nil is that employers need time to sort out mistakes in recruitment without heavy costs. Obviously, mistakes are made in recruitment, but there are very few jobs in which it takes a year for them to become evident and in most jobs it becomes clear in a week.

(In recent years legal exceptions to the two-year rule have evolved in a piecemeal fashion—women have argued that since their length of service is on average less than male equivalents the

two-year rule is discriminatory against them. The same applies to a one-year rule so it may end up being struck down under European gender equality legislation. The rule that part-time employees working under 16 hours a week had no protection against unfair dismissal was struck down for similar reasons.)

(b) Limit on compensation for unfair dismissal (Para 3.5)

This is currently set at £12,000. Tribunals issue very few re-employment orders after finding unfair dismissal so the amount of compensation payable for unfair dismissal is very important. The White Paper recognises this and proposes that there be no limit (there is none in sex discrimination cases). The Government is also going to index link the limits for additional awards (made when an employer fails to comply with a re-employment order) and special awards (made when an employee was dismissed for being a trade union member, for example).

(c) Strike ballots (Para 4.27)

As the present law on strike ballots is framed, in order to specify to an employer who is going to be balloted on strike action, a trade union may have to give an employer the names of its members—which members may not want. The law is to be amended to avoid this. In addition there is to be a review of the law and Codes of Practice on industrial action ballots and notice.

(d) Dismissal for striking (Para 4.22)

At present employees may be fairly dismissed for taking part in lawfully organised official industrial action—a claim for unfair dismissal can only be made if the employer has acted selectively and dismissed only some of those taking part in industrial action. The law is to be amended to allow all employees dismissed for taking part in lawful industrial to complain of unfair dismissal to a tribunal.

(e) Discrimination for trade union membership (Para 4.25)

At present it is lawful for an employer to offer a individual better terms and conditions as an incentive to leave a union—this was used to persuade journalists to leave the NUJ. This is to be made illegal. Blacklisting of trade

unionists is also to be made illegal.

Measures From the European Union

The UK no longer opts out of the European Social Chapter. The Labour Government ended that. As a consequence a number of EU Directives apply to the UK

(a) European Works Councils (Para 4.4)

This provides for the establishment of European Works Council and sets out minimum standards for informing and consulting employees at European level, in companies or groups of companies with over 1,000 employees in the EU and 150 in each of at least two member states. Some UK plants already participate in European Works Councils because they are part of companies operating across the EU. The White Paper promises that the Government will give effect to the Directive in national law by December 1999.

(b) Part-Time Work (Para 5.5)

This commits the Government to implement the EU Part-Time Work Directive (No 97/81, dated 15th December 1997), the purpose of which is to encourage part-time work by establishing the same employment rights for part-time workers as for full-time workers. The White Paper promises that this will be implemented in the UK by April 2000.

(c) Parental Leave (Para 5.11-29)

This is concerned primarily with the implementation of the EU Parental Leave Directive (No 96/34, dated 3rd June 1996). It provides for three months' parental (unpaid) leave for men and women when they have a baby or adopt a child plus protection for dismissal for exercising that right. These are new statutory rights, available after one year's service with the same employer. The Directive also provides for (unpaid) time off for urgent family reasons in cases of sickness or accident. This is a new statutory right, which will apply to all employees regardless of length of service.

Concluded on p. 8

Wind in the Straw

David Morrison examines the implications of the recent Parliamentary row about the 'closed list' voting system for European elections

The manifesto on which the Government was elected did not propose a 'closed' list system for the European elections. All it said was, "we have long supported a more proportional system of voting for the European elections". No mention of a closed list system there.

So when the House of Lords rejected the closed list system in the European Parliamentary Elections Bill and proposed an 'open' list system instead, they were not overriding the will of the people as expressed on 1st May last year.

Jack Straw, the Minister responsible for the Bill, portrayed the situation as follows in the Commons on 16th November, when the Bill was sent back to the Lords for the 3rd time only to be rejected the next day:

"It is now about Lords versus Commons, about whether a Labour Government, elected just 18 months ago with one of the strongest popular mandates this century, should be blocked from meeting one of their promises to the electorate by a Conservative Opposition who suffered their greatest defeat this century. It is about whether democracy should be defeated by aristocracy—by the in-built majority of hereditary Conservative peers appointed to the other place not because of their own merit but because of the accident of their birth." (Hansard, Column 678)

That is fraudulent: the Government has no electoral mandate for a closed list system.

In 1945 Lord Salisbury, the Conservative leader of the Lords, made an agreement with the new Labour Prime Minister, Clement Attlee about how the Lords, with its built-in Conservative majority, would behave when Labour attempted to enact the manifesto on

which it was elected. That convention—the Salisbury Rules—laid down that, while reserving the right to act as a revising chamber and propose amendments to legislation, the Lords would not resist indefinitely legislation to enact proposals which were unambiguously in the manifesto.

The Lords has acted on that basis ever since—which is why it has survived in its present form up to today. Had it acted otherwise, had the Conservative Party in opposition continually mobilised its majority to thwart a Labour Government implementing its manifesto, the voting rights of hereditary peers would have been swept aside long ago. The fact is that the Lords has been as much trouble to Conservative Governments as it has been to Labour ones. Up to now Labour has never used the Parliament Act (1949) to allow the Commons to get its way over the Lords. That Act has only been used once—by Margaret Thatcher to force through the War Crimes Bill in 1990.

In rejecting the closed list system for European elections and proposing an open list system instead, the Lords is acting within the convention which has been in operation for over 50 years. The Government has no right to expect the Lords to do its bidding on an issue which is not in its manifesto. And the fact that it took hereditary peers to carry the day is neither here nor there—until the Government removes them from the Lords, they have the same voting rights as any other peer.

The Conservatives have been encouraged to thwart the Government by the knowledge that nobody apart from the Labour front bench is in favour of the closed system. Of the 20 Labour backbenchers who spoke on the Bill in the Commons only one, Stephen Twigg, spoke in favour (and he had spoken

against at the committee stage). And the vast majority of crossbenchers in the Lords opposed the closed list element of the Bill, as did senior Labour figures like Peter Shore. The Liberals are also opposed to the closed list system—they want Single Transferable Vote (STV) for all elections. However, they supported the Government in both the Commons and the Lords because of Paddy Ashdown's pact with the Tony Blair on constitutional matters. It is hard to take them seriously as an independent political party any more.

JENKINS ON CLOSED LISTS

It is hard to take Lord Jenkins seriously either since he voted for closed lists despite arguing against them in principle in his report on electoral reform of the Commons. Listen to the following on the virtues of open as opposed to closed lists for the election of 'top-up' MPs to the Commons:

"We greatly prefer an 'open' list, giving the voter the ability to discriminate between individuals, to a closed party list.

"Under a reformed system it is crucial the voters' right to express their view of individual candidates should be at least maintained and preferably enhanced.

"It would count against a new system if any candidate, by gaining party machine endorsement for being at the head of the list were to achieve a position of immunity from the electorate. This is the essence of the case for open as opposed to closed lists for top-up members."

And if this applies to the election of top-up MPs which are to be only 15-20% of the Commons, it applies with much greater force to the European elections where, if the Government has its way, all MEPs will be elected by a closed list system. Nevertheless, Lord

Jenkins voted for this system, that is, he voted to enable MEPs "to achieve a position of immunity from the electorate".

STRAW ON OPEN LISTS

The Government takes a diametrically opposite view to Lord Jenkins on this. Speaking for the Government in the Commons on 16th November, Jack Straw said:

"The so-called open-list system is not more democratic than the closed-list system, but less democratic" (Hansard, Column 673).

His 'reasoning' was as follows:

"Although the proponents of the system on the Opposition Benches here, and in the other place, understand this only dimly, their system is so flawed that a candidate from, for example, the Conservative party who receives 500,000 votes may not be elected, while a candidate from, say, the Liberal Democrats who receives 350,000 votes may be elected in his place. Is that the result that Opposition Members want? Do they understand the nature of the system that they propose? What explanation would they offer their candidates and their party—let alone the public—if that happened? It is the politics of the absurd; and the fact that the Tory party has chosen this of all propositions on which to manufacture a battle between the Lords and the Commons shows the extent to which good judgment has now departed the leadership of the Conservative party." (Hansard, Columns 673-4)

That is dishonest and, as a self-confessed student of electoral systems, Jack Straw must know it is dishonest. In an open list system, a vote has two distinct functions: (1) to give support to a party, and (2) to rank the candidates within the party's list. The total number of votes cast for a party, that is, for all the party's candidates, decides how many seats the party gets. The number of votes cast for each candidate of a party decides the ranking within the party list and therefore the individuals who are elected.

It is very likely that a candidate from one party is elected with fewer votes than a candidate of another party—providing the overall vote for his party is sufficient. There is nothing surprising

or unfair about this. It is intrinsic to the operation of PR in multi-member constituencies that the 'excess' votes of one candidate helps elect a party colleague.

The fundamental point is that in an open list system the electors determine the ranking of party candidates, and therefore the individuals who are elected, whereas in a closed list system this is done in advance by the party itself. To describe this as "less democratic" is mind boggling.

The virtue of a closed list system for the Labour hierarchy is that MEPs elected by this system are at the mercy of the hierarchy. If they step out of line, they can be removed from the list next time round without difficulty. De-selection for dissent, at the behest of the party hierarchy, is possible with any electoral system but when an individual owes his election to the party hierarchy, rather than the votes of the electorate, it is dead easy.

What deters the party hierarchy from attempting to de-select people they don't like is the possibility of the party suffering at the polls as a result. An MEP with a large popular vote in an open list election cannot be easily removed—because the hierarchy would fear the electoral consequences, including the possibility of the de-selected MEP standing as an independent and getting elected at the expense of the party. Votes at the polls is what gives a dissenting individual a measure of protection from a party hierarchy seeking to suppress dissent.

Straw has advanced a number of other 'arguments':

(1) That the Conservatives were the first to introduce a closed list system for elections within the UK—for the Northern Ireland Forum elections in 1996. That is true but only 20 out of the 110 members of the Forum were elected by this method—the other 90 were elected by an open list system in five-member constituencies. These elections determined which parties had a right to take part in the talks which eventually led to the Good Friday Agreement. They were elections as a prelude to negotiations, not elections to a Parliament, and so that the negotiations

were as broadly-based as possible the 10 parties with the highest popular vote were allocated 2 seats each. There is no comparison between this use of a closed list system and the election of all of Britain's representatives to the European Parliament.

(2) That the present method of electing MPs to the House of Commons is in reality a closed list system with a one-member list from each party. There is an element of truth in this now and there is no doubt that the Labour hierarchy is seeking to make it the reality in future. They would like to have total control over the selection process so that only Blairite sycophants stand for Labour and owe their election to the party nationally and not to their individual efforts. The hierarchy has not achieved this yet but any follower of the proceedings of the House of Commons will recognise that they made considerable progress with the 1997 intake of Labour MPs, particularly the women.

WHAT HAPPENS NOW?

The Government has reintroduced the Bill in the new session of Parliament. The simple way to get it through is to accept the Lords' amendment in favour of open lists—Liberal MP, Simon Hughes, has suggested they do that. If they did that, they could have their Bill through both Houses before Christmas.

There is no sign of them doing this. Instead, they will presumably invoke the Parliament Act (1949) in an attempt to override the Lords. This can be done 12 months after the Bill had its original second reading in the Commons, which happened on 25th November 1997. The Government is saying that the Bill needs to be passed by mid-January so that arrangements can be made for the elections in June and the Lords has the capacity to delay proceedings on the Bill way beyond that.

In fact, the Parliament Act (1949) allows the Commons to override Lords opposition in 2 distinct circumstances:

(a) when the Bill has completed its passage through both Houses for a second time, and
(b) if the Bill has not completed its passage through the Lords at the end of the second parliamentary session. So if

the government is determined to have the closed list system it can have it in plenty of time for next June's elections. All it has to do is force the Bill through all its stages in the Commons as soon as possible and then close the parliamentary session. That way, even if the Conservatives continue to oppose or obstruct the passage of the Bill in the Lords, the Government can have its way. It is to be hoped that the Conservatives will do just that.

The closed list system was chosen by the Labour leadership not because of the merits of the system but for internal Labour Party purposes: so that they could bring under control the existing Labour MEPs. They were selected prior to the Blair revolution had got under way and are by and large not Blair loyalists. But a large majority of them opposed the abolition of Clause 4. They had to be brought under control, and kept under control. It is to be hoped that the

Government will be forced to use the biggest sledgehammer there is in order to get its way.

It is also to be hoped that the Conservatives mobilise their majority in the Lords to block the abolition of the hereditary peers until the Government proposes an alternative which doesn't result in the Lords being a rubber stamp for the Commons. Anything which allows dissent to flourish in politics, even hereditary peers, has got to be supported.

POSTSCRIPT

As we go to press, it appears that the Government has conceded the essence of this. Stage I of the Lords reform to be introduced in this session of Parliament will not abolish all the hereditary peers after all. Instead a hundred or so will be retained, and the Lords will continue to have an in-built Conservative majority, until the Stage II reform is enacted. The

"democratic monstrosity", to use Tony Blair's words, will remain until a Royal Commission reports on the final form of the Lords in a couple of years, time. Stage I is now a waste of Parliamentary time since the Lords will continue to operate as before until Stage II is enacted.

Note

First Past The Post is used in 62 countries with a total electorate of 1,850 million, amounting to 45% of the total number of people in the world who have a vote.

Alternative Vote is used by 0.5% of the world's voters—about 20 million people—chiefly in Australia.

Single Transferable Vote is used by 0.1% of the world's voters—about 4 million people—in 2 and a bit countries: Malta, the Irish Republic and Northern Ireland.

Concluded from back page

recall Marx's? "If I were a classical marxist, I'd say everything is steamrolled by economic forces. But I differ from that, at least in some areas, I attach more value to other factors than to straight economic determinism. The greatest threat is of uncontrollable destabilisation, that the economic situation gets so difficult globally that the more urgently needed forms of international cooperation are harder to achieve".

He is not, then, of the view of that breakdown and polarisation might ultimately benefit the left? "When there are rapid, profound and deep declines in economic wellbeing, it is extremely foolish and irresponsible to treat these as beneficial developments because they make radical politics more likely. Let's not forget that in most continental European countries there is now a serious far-right presence"

Is there any aspect of Marx's thought that Gray regards as particularly relevant to the present? "One respect in which Marx was a prophet was his perception that economic development would undermine and fracture bourgeois society. The neo-liberals didn't see that you cannot have 'creative destruction' without the destruction. Capitalism is more like Schumpeter's view of it than that of Keynes or Marx"

1798 - 1998

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John Gray Interviewed

Max Anderson

In the 1980s, Professor John Gray of the universities of Oxford and now LSE was best known as a disciple of liberal and conservative philosophers ranging from Hayek to Berlin and Oakeshott; he became what Roy Hattersley has described as 'an apostle of neo-liberalism'. But as Thatcherism rent itself asunder, he explored its contradictions in a series of articles which will surely rank highly in any collection of analyses of the New Right's demise.

In the prelude to *The Tory Endgame*, a series of twenty pieces which the *Guardian* published between 1993 and 1996, and which he collected in *Endgames*, Gray points out the inherent irony of the fact that the downfall of neo-liberalism, which had been inspired by the Hayekian tenets he once espoused, provided an almost classic case of the Austrian's strictures on the law of unintended consequences. Another irony, indeed, is the fact that an intellectual once notorious on the left should have rejected the thesis of the 'end of history', while the likes of Perry Anderson were accepting it as true, if unwelcome.

The prefiguring of the collapse of British Thatcherism in Gray's journalism and 'quasi-academic writing', a quasi-insult from Roy Hattersley, is one thing. In *False Dawn*, however, Gray widened the scope of his attack to declare that the project of constructing a global free market economy, "will be remembered as another turn in the history of servitude". Gray is a fervent believer in the merits of liberty, but points out that J. S. Mill himself took the view that, "the principle of non-interference is not a basic principle, it's a rule of thumb". He argues that, "What you should end up with is a genuinely pluralist capitalist economy, one which contains lots of different institutions and practices".

Shouldn't this be reflected, at a

global level, by a diversity of economic systems? "The idea of the global free market is the present obstacle to this, an imperialist and monistic idea in every sense. It means that any form of life, any cultural condition that stands in the way, can be extinguished. I am thinking of the closing down of the future forms of development. If you have a world in which you have different kinds of market economy, they will cross-fertilise each other. If you narrow it all down to one, with differences only at the margins, you are taking a wager on what one type of capitalism, which seems a reckless thing to do".

Has the apparently cautious New Labour government fallen victim to this unintended recklessness? What about its claim that, with the one fell swoop of granting jurisdiction over monetary policy to the Bank of England, it has brought to an end half a century of boom and bust? "That is inherited from late Thatcherism, which had this extraordinary conjunction of extreme, unreasonable contempt for the near past combined with extreme, unreasonable optimism about the near future".

This seems rather unpromising, but how does Gray view the near future? "If one was a pessimist at the moment, one would say think that the neo-liberal aspect of the policy which the Blair government has inherited from the Tories would remain in place, whatever happened. I don't believe that. I imagine that there will be a move towards, not quite classical social democracy, but something more recognisably social-democratic, somewhat more Keynesian".

Is, then a British version of the European model in the offing? "The future lies in a pluralistic social market economy, and in working with other European nations to come up with not a single model of capitalism, but an

extended family". In *False Dawn* Gray strikes a rather gloomy note on the European question, arguing that, "the social democratic project of extending Rhinish capitalism across the countries of the EU is an anachronism". In our discussion he was more positive, noting that Labour's metamorphosis into a "solidly European party is a huge advantage".

And what about the Tories, and the great claims that people like Boris Johnson make for the quality of its debate on the issue? "The intellectual quality of the Tory debate on Europe is abysmal. The truth about British politics is that so long as the European issue is unresolved, the Tories will never win power, the opposite of what their strategists think. Paradoxically, they are unelectable because of the very issue which gives them their predominant identity".

What about the other issue, whose attainment rather than continued debate could keep the Tories from power? "I favour electoral reform, for one thing because I believe that there is a social-democratic majority which it would fully enfranchise, but which system is feasible is another question. I am not completely convinced that there is anything wrong with some version of straight AV for Westminster, because the systemic pressure would bring the Tories back to the centre".

I pointed out to Gray the similarities between a recent *New Statesman* article of his and Eric Hobsbawm's contribution to the one-off reissue of *Marxism Today*. Both argued that globalisation had had its day, and that New Labour was toying with a fate worse than Ramsay MacDonald's in its failure to recognise this. Doesn't Gray's analysis of the development of capitalism in our time

Concluded on p. 15