

Labour & Trade Union Review

May 2001

No. 104

Price £1.20 (IR £1.20)

Why Socialists Should Vote Tory

Lockerbie

PPP

China

Internet

Parliamentary Diary

Stop Blair: Vote Tory

Anyone who wants to retain a semblance of socialism in British public life should vote Tory. The reason is not that the Tory Party is any more socialist than New Labour—though it could scarcely be less so. It is that New Labour is asking for another mandate for change, especially in the public services. And the only kind of change New Labour is capable of, or interested in, is further commercialisation and globalisation of public services.

Blair's position in British political life is unprecedented. He is widely disliked and distrusted and yet the signs are that he will win another landslide victory. That hardly indicates that political life is in a healthy condition. Under his leadership the Party has learned that it can take the core Labour vote completely for granted. In the interests of an anti-Labour agenda it ruthlessly exploits the loyalty of millions of voters for whom voting Tory is taboo. Breaking this taboo must now be contemplated by those who wish to re-assert Old Labour values.

Under these circumstances the thing to do is to cast a disabling vote rather than a mandatory vote. And that can only be done by boosting the Tory vote.

The Tory Party is demoralised at this juncture. It is purposeless and harmless. And it will certainly not win this election. What a substantial increase in the Tory vote would achieve would be a curbing of the commercialising passion of the Blair coterie, and a reinvigoration of Old Labour traditions.

Another good reason why socialists should wish for a reduction in the vote for New Labour has to do with Star Wars. Blair has been equivocating with regard to the Bush programme in order to string people along, but only a simpleton could believe that if he gets another large majority he will not support Bush.

And what is the practical logic of Star Wars? It is not defence against 'rogue states', but a preparation for

obliterating 'rogue states' with impunity.

North Korea has developed nuclear and missile technology. Why would it use this technology to fire nuclear missiles at the United States? It does not aspire to rule the world. It is the United States and Britain which aspire to rule the world—to make it perfectly subservient to their own requirements. North Korea does not comply with the Anglo-American scheme for the human race. It has been marked down for taking out. The difficulty is that it has developed a capacity for nuclear defence. Nuclear defence, as we should all know from the Cold War era, consists of the power to destroy considerable numbers of the civilian population of the enemy state. It is certainly conceivable that North Korea would respond to an attempt to destroy it by launching nuclear missiles against those who were attempting to destroy it. But we see no likelihood of its doing so if it was let be.

But of course it cannot be let be. The Ameranglian scheme for the world is strictly totalitarian. A plurality of systems has no place in it. The entire world must be reduced to one system. North Korea is therefore seen as a 'rogue state' because it has the will to live under a different system, and because it has acquired some means of self-defence—i.e. of striking at the cities of the enemy with weapons of mass destruction.

The practical logic of Star Wars is not to shield the United States from the wild acts of 'rogue states' but to deprive states which are classified as 'rogue' of the means of defending themselves against the Ameranglian super-state. With a functional Star War system in place, North Korea would be rendered defenceless. The United States could subject it to nuclear attack with impunity if it failed to toe the line.

Are the American and British states capable of doing such a thing?

the United States, the most democratic of the major states, has already done so. It deliberately massacred the populations of two undefended Japanese cities in order to compel the Japanese army to surrender. and Churchill would, if he could, have nuclear-bombed the Soviet Union in 1945-8—with the approval of Bertrand Russell—in order to deprive it of the position it gained in Europe through defeating Nazi Germany.

A fact that is never mentioned in post-cold War discussions of NATO is that it retains a first-strike policy, i.e. the right to use nuclear weapons against an enemy even though the enemy has not used them.

It was made abundantly clear by NATO that it was not going to lose its recent war on Yugoslavia, or suffer extensive casualties in winning it. If resistance had proved too strong the probability is that small nuclear bombs would have been used.

Nuclear weapons are usable against states which do not possess them. and a missile shield would make them usable against states which do possess them but do not also possess a missile shield.

It is hard to resist the conclusion that the object of Star Wars is China, which includes such a large portion of the human race that the adjective 'rogue' cannot be applied to it. It is obvious the USA now aspires to detach Taiwan from the general Chinese sovereignty. For a quarter of a century after 1948 it recognised the government of Taiwan as the legitimate government of China, and excluded the Peking government from the Chinese seat in the UN Security Council. When the prospect of a reconquest of the whole of China by the Kuomintang rump on Taiwan was given up as hopeless, and Peking took the Security Council seat, Washington began to feel its way towards the position that Taiwan is not really part of China at all.

The globalisers—the secular heirs of the Puritan Millenarians—must, as Hudibras said of the Puritans, be always doing. In their mission to root out sin they must always be probing sore spots. the only rational object of Star Wars is to provide a degree of immunity for the picking at the sore spot of Taiwan. It must therefore be treated as preparation for a Third World War. And whatever else may be said in disparagement of Tony Blair, it must be conceded that he is a true Brit in his readiness to go to war.

This is entirely in the British political tradition. it is usually the 'radicals' who have started wars. The Tories, though they have never peddled pacifism, have often been reluctant to engage in actual war, and the most substantial dissent from the recent war on Yugoslavia was expressed by Tories. and that is a good reason for wishing the 'radical' mandate to be as weak as possible at this juncture in world affairs.

Subscriptions

Labour & Trade Union Review

Rates (individuals):
UK £11 Europe £13 Rest of World £15

Back issues available at current prices
Rate for institutions available on request
I enclose a cheque payable to:

Labour and Trade Union Review
for £ _____

Name and address: _____

Postcode: _____

editorial and subscription address:
No. 2 Newington Green Mansions,
Green Lanes
London
N16 9BT

Is PPP for the Tube dead?

On 2nd May, at the behest of the Government, London Transport formally chose preferred bidders for two of the three London Underground (LU) PPP contracts. London Transport is responsible for the LU at the moment and will continue to be responsible until all three PPP contracts are agreed. The Government is insisting upon that. Then and only then will responsibility pass to Transport for London (TfL) and be run by Ken Livingstone and his Transport Commissioner, Bob Kiley.

Kiley was fiercely opposed to the naming of preferred bidders at this time and wrote a thunderous 11-page letter to Sir Malcolm Bates, then London Transport Chairman, detailing his objections. He summarised them as

Concluded on back page

UN Disquiet Over The Lockerbie Trial

David Morrison reports on a paper presented to Kofi Annan by the official observer at the trial, Hans Koechler

Ostensibly it was the Scottish Crown Office that brought the case against the two Libyans, Abdelbaset Ali Mohamed al-Megrahi and Al Amin Khalifa Fhimah, for the Lockerbie bombing, with the chief law officer of Scotland, the Lord Advocate, Colin Boyd, QC, leading for the prosecution. Ostensibly, also, the trial was held in a Scottish Court under Scottish law, albeit outside Scotland at Camp Zeist in the Netherlands and without a jury.

Those divergences from the norm of Scottish justice were well known. But there was another major divergence from the norm that was not well known: the official Scottish prosecuting team was prompted throughout by two state prosecutors from the US Department of Justice. These men were not named in any official court document. Nevertheless they sat next to the official prosecution team throughout the trial and prompted the official team throughout.

In what was supposed to be a Scottish Court, the chief law officer of Scotland was under instruction from agents of a foreign government.

This remarkable fact emerged in a report on the Lockerbie trial to UN Secretary-General, Kofi Annan, by Hans Koechler. Koechler was an official UN observer nominated by Kofi Annan under Security Council resolution 1192 passed on 27 August 1998.

This resolution gave approval to the two Libyans being tried by a Scottish Court sitting in the Netherlands, and prescribed that UN sanctions against Libya would be suspended once the two Libyans surrendered to the jurisdiction of the Court there. It also invited the UN Secretary-General, Kofi Annan, "to nominate international observers to attend the trial" and a press briefing dated 28th April 2000 (see UN web site)

announced his nominees:

"The Secretary-General named as his observers the following five people: Hairat Balogun of the Organization of African Unity and the Non-Aligned Movement; M.H. Beerenboom of the European Commission; Nabil El-Araby of the League of Arab States; and Hans Koechler and Robert Thabit of the International Progress Organization."

Koechler is an Austrian and a Professor of Philosophy at the University of Innsbruck. His report, dated 3rd February, became public in early April. Beginning at paragraph 4, the report comments on the foreign presence on the prosecution team as follows:

"4. As far as the material aspects of due process and fairness of the trial are concerned, the presence of at least two representatives of a foreign government in the courtroom during the entire period of the trial was highly problematic. The two state prosecutors from the US Department of Justice were seated next to the prosecution team. They were not listed in any of the official information documents about the Court's officers produced by the Scottish Court Service, yet they were seen talking to the prosecutors while the Court was in session, checking notes and passing on documents. For an independent observer watching this from the visitors' gallery, this created the impression of "supervisors" handling vital matters of the prosecution strategy and deciding, in certain cases, which documents (evidence) were to be released in open court or what parts of information contained in a certain document were to be withheld (deleted).

"5. This serious problem of due process became evident in the matter of the CIA cables concerning one of the Crown's key witnesses, Mr. Giaka. Those cables were initially dismissed

Contents

LEADING ARTICLE Stop Blair: Vote Tory	
UN Disquiet Over Lockerbie Trial Hans Koechler	3
China: The April 1st War Gwydion M. Williams	5
The Exterminating Angel David Morrison	8
More Pricks than Clicks David Morrison	10
The Death of Margaret Thatcher John Challis	13
Keep Britain Foreign Gwydion M. Williams	14
Regular Feature	
PARLIAMENTARY DIARY Kevin Brady	9

by the prosecution as "not relevant," but proved to be of high relevance when finally (though only partially) released after a move from the part of the defense. Apart from this specific aspect—that seriously damaged the integrity of the whole legal procedure—it has become obvious that the presence of representatives of foreign governments in a Scottish courtroom (or any courtroom, for that matter) on the side of the prosecution team jeopardizes the independence and integrity of legal procedures and is not in conformity with the general standards of due process and fairness of the trial. As has become obvious to the undersigned, this presence has negatively impacted on the Court's ability to find the truth; it has introduced a political element into the proceedings in the courtroom. This presence should never have been granted from the outset.

...
 "8. As a result of this situation, the undersigned [Koechler] has reached the conclusion that foreign governments or (secret) governmental agencies may have been allowed, albeit indirectly, to determine, to a considerable extent, which evidence was made available to the Court."

In general, the report expresses incomprehension at the verdict and concludes that political considerations have overridden a strictly judicial evaluation of the case. We quote:

"11. The air of international power politics is present in the whole verdict of the panel of judges. In spite of the many reservations in the Opinion of the Court explaining the verdict itself, the guilty verdict in the case of the first accused is particularly incomprehensible in view of the admission by the judges themselves that the identification of the first accused by the Maltese shop owner was "not absolute" (formulation in Par. 89 of the Opinion) and that there was a "mass of conflicting evidence" (ibid.). The consistency and legal credibility of the verdict is further jeopardized by the fact that the judges deleted one of the basic elements of the indictment, namely the statement about the two accused having induced on 20th December 1988 into Malta airport the suitcase that was supposedly used to hide the bomb that exploded in the Panam jet.

"12. Furthermore, the Opinion of the Court seems to be inconsistent in a basic respect: while the first accused was found "guilty," the second accused was found "not guilty." It is to be noted that the judgement, in the latter's case, was not "not proven," but "not guilty." This is totally incomprehensible for any rational observer when one considers that the indictment in its very essence was based on the joint action of the two accused in Malta.

"13. The Opinion of the Court is exclusively based on circumstantial evidence and on a series of highly problematic inferences. As to the undersigned's knowledge, there is not one single piece of material evidence linking the two accused to the crime. In such a context, the guilty verdict in regard to the first accused appears to be arbitrary, even irrational. This impression is enforced when one considers that the

actual wording of the larger part of the Opinion of the Court points more into the direction of a "not proven" verdict. The arbitrary aspect of the verdict is becoming even more obvious when one considers that the prosecution, at a rather late stage of the trial, decided to "split" the accusation and to change the very essence of the indictment by renouncing the identification of the second accused as a member of Libyan intelligence so as to actually disengage him from the formerly alleged collusion with the first accused in the supposed perpetration of the crime. Some light is shed on this procedure by the otherwise totally incomprehensible "not guilty" verdict in regard to the second accused.

"14. This leads the undersigned to the suspicion that political considerations may have been overriding a strictly judicial evaluation of the case and thus may have adversely affected the outcome of the trial. This may have a profound impact on the evaluation of the professional reputation and integrity of the panel of three Scottish judges.

Koechler concludes:

"15. In the above context, the undersigned has reached the general conclusion that the outcome of the trial may well have been determined by political considerations and may to a considerable extent have been the result of more or less openly exercised influence from the part of actors outside the judicial framework—facts which are not compatible with the basic principle of the division of powers and with the independence of the judiciary, and which put in jeopardy the very rule of law and the confidence citizens must have in the legitimacy of state power and the functioning of the state's organs—whether on the traditional national level or in the framework of international justice as it is gradually being established through the United Nations Organization.

"16. On the basis of the above observations and evaluation, the undersigned has—to his great dismay—reached the conclusion that the trial, seen in its entirety, was not fair and was not conducted in an objective manner. Indeed, there are many more questions and doubts at the end of the trial than there were at its beginning. The trial has effectively created more confusion than

clarity and no rational observer can make any statement on the complex subject matter "beyond any reasonable doubt."

These devastating comments on the Lockerbie trial have had barely a mention in the British press. There was a report in Scotland on Sunday on 8th April, which prompted a letter in reply from one Sir Frederick O'Brien QC, a week later. Plainly Sir Frederick had been selected to reply on behalf of the whole Scottish legal profession. He took particular exception to Hans Koechler's conclusion that the judges had allowed their verdict to be affected by political considerations, saying:

"I have known the three judges for some 40 years, and like everyone else who has had the privilege of being their professional colleagues, have never before heard their professional reputations or integrity questioned."

He went on:

"You describe the author as a professor of legal and political philosophy whose writings include theology and morals. Before he mounted a catalogue of accusations against judges with a wealth of court experience I should have expected Prof Koechler to have played some active role in criminal trials during his own career. If he had, he might not have found so much "incomprehensible" as he did."

How could a mere professor of legal and political philosophy understand about such complicated things as identification evidence? It took three Scottish judges to add a novel dimension to Scottish jurisprudence whereby someone who looks like another person actually is that other person.

Postscript

Professor Koechler presented his report to a conference on the Lockerbie trial in Cairo on 7-8th April. This was sponsored by the Arab League and the Arab Lawyers Union. In a declaration adopted at the end of the conference proceedings, the participants criticized the apparent political interference into the proceedings of the Scottish Court and called for a fair trial for Abdel Basset Al-Megrahi at the eventual Scottish Court of Appeal.

The April 1st War

Gwydion M. Williams

The collision between two aircraft in airspace that is substantially Chinese led to a diplomatic war—a war that is still going on, but which has already led to some Chinese victories.

Victory is hardly ever the winning of all you asked for. It's convenient to use such an extreme definition when you dislike the winner, but no one does it otherwise. The USA began by demanding immediate return of plane and crew, while China demanded an apology. The crew, but not the plane, were released in return for a 'very sorry' from the USA.

Bush in his remarks of the 2nd and 3rd April ignored the possibility that the US pilot might be to blame. And while he did offer US help in trying to find the missing pilot, he did not make any expression of regret. He did not do so until much later, after it became clear he had blundered and been embarrassed by a letter from the Chinese pilot's widow. Back then he said, "Our approach has been to keep this accident from becoming an international incident. We have allowed the Chinese government time to do the right thing. But now it is time for our servicemen and women to return home. And it is time for the Chinese government to return our plane". (Statement posted at <http://www.pacom.mil/>, the website of the US Pacific Command.)

President Jiang's response of the 4th April was to demand an apology. The crew was released on the 11th after this demand had been partly met by the US saying, "Both President Bush and Secretary of State Powell have expressed their sincere regret over your missing pilot and aircraft. Please convey to the Chinese people and to the family of pilot Wang Wei that we are very sorry for their loss". China, however, said that the dispute was not settled and that the crew

were being released 'for humanitarian reasons'.

In the first days of the dispute there were odd reports of a Western diplomat, possibly the US ambassador to China, referring to the Chinese being "all over the plane like mice" ('Tug of War', *Financial Times* April 4th). The issue was very noticeably not followed up in the media, and now we learn that the US ambassador to China is being replaced, after 17 months, for unspecified reasons.

Some Western media are claiming the 'very sorry' has been misrepresented to the Chinese people as an 'apology'. They discuss the complexities of English-Chinese translation, but fail to mention the following official posting:

"After the incident, the Chinese side has been insisting that the US side should make an apology. But the US side has so far only said that it is very sorry for the incident. Yet the Chinese side has decided to allow the US crew members to leave China... In the letter, the US Government has said "very sorry" to the Chinese people and the family of pilot Wang Wei for the missing pilot and aircraft. The US side has also said "very sorry" to the Chinese side for its plane entering China's airspace and landing at a Chinese airfield without acquiring a verbal clearance. Under these circumstances, and out of humanitarian considerations, the Chinese Government has decided to allow the US crew members to leave China after completing the necessary procedures. However, it must be pointed out that this case has not concluded yet." (Statement by the Chinese Foreign Ministry, found at www.fmprc.gov.cn for 11th April 2001.)

The logic of the Western media position is that Chinese, with all their Internet Cafes, are not allowed, or expected, to read the English version of

their own Foreign Ministry's website. Unlikely, to say the least.

The present US Administration is very much 'Bush Mark Two', i.e. an attempt to continue Reaganism on the assumption it is the envy of the world. Reading western media and most 'expert' books, you would never suspect that the Chinese continue to regard Mao's rule as a period of great advance and recovery of national dignity. I seem to be almost along among Westerners in noticing from *The Tiananmen Papers* that Deng considered Maoist protectionism and isolationism as a perfectly decent option to which he could retreat if necessary.

Bush also, initially, showed a lack of respect for Chinese lives. Only on the 11th, and after having been widely criticised for his earlier views, did Bush get round to saying things like, "I know the American people join me in expressing sorrow for the loss of life of a Chinese pilot. Our prayers are with his wife and his child." Secretary of State Colin Powell had said, "Unfortunately, it apparently was fatal for the pilot of the Chinese plane and I regret that" back on the 3rd, but it was, and is, moot just how much his word counts. He's much the best man there, but does Bush see it? If Bush chooses to ignore Colin Powell, then his role would become ornamental.

The crisis and the apparent misjudgements of some Bush advisors may have secured Colin Powell in actual possession of his official authority; time will tell. The notable silence of US allies (still seething from the junking of Kyoto) may also have had a large behind-the-scenes effect.

What about the legal status of the relevant airspace? The Chinese view is, "In accordance with the current of international law, although foreign aircraft enjoy the freedom to fly over the

exclusive economic zone of another country, such freedom is by no means unrestricted or they must observe the relevant rules of international law while enjoying the freedom of overflight... U.S. has designated Air Defense Identification Zone... much wider than that of the exclusive economic zone of 200 nautical miles. The U.S. demands that any foreign planes in the Air Defense Identification Zone fly according to the U.S. stipulated course, and obey the procedures the U.S. has prescribed, and if any foreign plane violates these rules, the U.S. will send its planes to intercept it" (U.S. Seriously Violates International Law, www.china-embassy.org, 04/15/01)

Some initial reports in our media mentioned the Exclusive Economic Zone but also the disputes between Asian countries over parts of the South China Sea. These disputes relate to the Paracel and Spratly islands further south, where turtles and seabirds are the only permanent inhabitants. Hainan Island is unambiguously part of China, so the different legal status of airspace above Exclusive Economic Zones suddenly became an 'unfact' in our media, dominated, as it is, by commercial interests.

That the whole dispute took place not far from the Gulf of Tonkin was also overlooked or left unsaid. A supposed North Vietnamese attack on US warcraft back in 1964 was used to justify the US escalation. "Both houses of Congress passed the resolution on August 7, the House of Representatives by 414 votes to nil, and the Senate by a vote of 88 to 2. The resolution served as the principal constitutional authorization for the subsequent vast escalation of the United States' military involvement in the Vietnam War... the resolution was repealed in 1970. (*Encyclopaedia Britannica*). The context of this repeal was not just the failure of the war, but also the widespread belief by then that the US government had been systematically lying to the American people.

Then there was Bush's claim that the US plane remained inviolable sovereign territory even after touching down at Hainan, a very moot point:

"The comment appeared geared towards an intense debate. Leading

international lawyers warned of many shades of grey relating to the rights and responsibilities of states receiving planes in distress. In theory, the plane is American territory. Like ships, military planes and commercial airliners are registered and "flagged" to a particular nation... If the plane had been a commercial aircraft, China's obligations would be more cut and dried, legal experts said. The internationally accepted Chicago Convention for Civil Aircraft ensures sweeping obligations for nations receiving planes in distress. But the convention does not apply to military aircraft, a fact noted by US military documents... The official Washington position has sought to skate over the murkiest areas of the law with firm statements—repeated by President George W. Bush himself—that China's obligations are clear under "international law and practice". Such statements also skirt the fact that the US has, on occasion, dodged similar appeals from foreign states, most notably during the Cold War." (*South China Morning Post* website)

The USA wants law to be whatever the USA needs it to be at any given moment. Remember the 1998 cable car massacre in Italy? Italy is the USA's ally rather than its foe, and thus bound by rules the US made up when Europe needed them:

"An Italian parliamentary commission has branded as "criminals" the crew of a US jet which caused a cable car accident in 1998, killing 20 people. The commission said it was clear that the crew and the US chain of command were responsible for the disaster on Mount Cermis. Only one skier survived when the US Marines jet sliced through cables and sent the cable car plunging to their ground. A US military jury found the jet's pilot not guilty of manslaughter, though he and the jet's navigator were dismissed from the marines for destroying a videotape of the flight... Previous Italian and American investigators found the jet was flying too low and too fast when it hit the cable." (BBC Online, 9th Feb 2001).

There is also the sinking of a Japanese fishing boat by an American nuclear on 9th February. Nine Japanese students and teachers on board the boat died in the collision, which happened

when a civilian passenger was at the controls of the submarine. It was agreed that the submarine was misbehaving and that the deaths resulted from this misbehaviour. Now that is manslaughter, normally defined as 'to kill a person without malice aforethought'. But once again, the US military will not allow its own military to pay the normal price for behaviour that would be clearly criminal in a non-military context.

Concerning the April 1st incident, it might have been wholly the Chinese pilot's fault, for all I know. But the USA was held accountable and forced to deal on equal terms, and that matters.

China was acting within international norms by challenging spy planes making surveillance missions over its Exclusive Economic Zone. That's one half of the context, the other is whether or not the collision happened after the US plane made a sharp left turn, as the Chinese claimed from the beginning.

The US pilot's version is that "contrary to some releases, this aircraft was straight and steady, holding altitude, heading away from Hainan Island on auto-pilot when the accident occurred. I also want to state that the sharp left turn they're talking about is when the aircraft went out of control after the number one prop was impacted and the nose... He would come up, close, co-altitude, within about three to five feet, was making gestures, pulled back a little bit, came back up again and made some more gestures, and then the third time his closure rate was too far. Instead of under-running, he attempted to kind of turn and pitch up, and that was when his vertical stabilizer - where it meets the fuselage of the aircraft - impacted my number one propeller, basically pretty much tearing his aircraft apart." (Pilot's press conference, 14th April 2001).

There was also the Wang Wei memorial Site (<http://sg.netor.com/m/box200104/m60.asp?boardID=60>), intended just for respect for the dead Chinese pilot, but where a lot of comments had been posted, including some vulgar insults that come either from very crude stupid Americans or very smart and subtle Communist agents. But I did also find the following interesting comment:

"As a fellow military pilot, I am sad for the loss of Wang Wei. But like most of the PLA Naval Aviators, he was incompetent and unprofessional. The PLAN doesn't even realize how poorly trained their pilots are.

"I have flown many intercepts, and it is the duty of the interceptor pilot to avoid his target. A competent pilot never puts his fighter in a position where it can collide should the target make an unexpected move." (Jerry Subject: Sorry for Unskilled Wang)

George Washington's troops were also regarded as hopelessly unskilful by the army of George III, and in fact Washington had previously been rejected when he tried to become an officer in the British Army in the days when most British Americans were entirely satisfied with British rule. But just as the Americans in their time of weakness found ways to assert regional power against a global superpower, so too does China today.

China lacks the technology to build the most modern aircraft, and lacks the wealth to give them the vast amount of training their US equivalents enjoy. But, as in the Vietnam War, such things need not be decisive. The Serbs shot down America's 'invisible' Blackbird stealth craft and also confused sensors by painting road bridges various colours to make them look broken. Had it been a united Yugoslavia it would have been invincible; unfortunately Milosevic had made his career by playing up the various differences between South Slavonic peoples.

The Chinese, however, still do look pretty united. Internet populism, expected by Americans to undermine Beijing, has gone just the other way. Asians, in general, remember their many millennia of civilisation, including the Chinese invention of the printing press, gunpowder and the magnetic compass. So you get comments like:

"To the bigots we say, "We ain't Red Indians!"

"The next time you despicable Peeping Toms come outside our doorstep you can be prepared for real "accidents". The indomitable spirit of the Chinese people to protect their motherland should

not be underestimated. With this warning we don't see how your public will take to such accident. Don't push a people to the corner. Remember man proposes, God disposes." (Dragon Subject: In death you Live.)

Yahoo did take note of some of it. "U.S. attempts to portray Wang as a "hot-dogging" daredevil have angered China's fiercely nationalistic public. "If I were you, I would have shot down the U.S. plane," wrote one mourner. "American pigs! We'll get you!" warned a third. In the absence of official approval for protests, many Chinese have expressed their anger and grief in Internet chatrooms and on bulletin boards." (Friday April 20th, Chinese pilot mourned in online memorial hall, Yahoo Technical News). The intrusive American rudeness which helped provoke such feelings is yet another 'unfact' in our brave new world of commercial on-line media.

There has apparently been an intermittent 'hacking war', initially with Chinese attacking Japanese. "Lion also told Vision that he made the worm to tell the Japanese, 'Chinese is not sheep.'" (A Chinese Call to Hack U.S. by Michelle Delio Apr. 11). A group called 'Honkers' did do some defacement of US government sites on the 1st May as a protest against US spy planes.

If there had been even a small group of Chinese dissidents supporting the American line, I'm sure we'd have been told of it. As it happened, Bush, in his arrogance, had alienated almost everyone. Even European allies were silent in the USA's hour of need. Taiwan was worried about its weapon sales—in the event they got about what had been expected before the crisis. But Taiwan also had mixed feelings, they need America but admire their bold mainland cousins.

The 1940s and 1950s saw the end of Europe's global empires. They were replaced by two rival systems of 'hegemony', neither of them entirely negative. Both the USA and the USSR did work in breaking down Classical Capitalism and bourgeois culture, and the USSR helped break down white supremacy.

In the 1960s, things changed. The

USA abolished racial segregation and the West, as a whole, came to accept female equality, which the USSR had done so much to pioneer. But the 1968 invasion of Czechoslovakia was a huge setback to hopes that the two world rivals might peacefully converge on some tolerant social-democratic world order.

From the 1970s onwards the USSR did definitely pose more of a threat. But since the Soviet Union fell, the US has behaved much worse. As I see it, anything that limits their power must be a good thing. Even a resurgent Japan would be positive, though the Japanese have never been my favourite people.

China is not setting itself up as an alternative superpower. They are merely seeking to rule those territories (including Tibet) that were generally recognised as part China at the time of the 1911 revolution. Even this is flexible. The separation of the Mongolian Republic (Outer Mongolia) has been reluctantly conceded. Had the Lhasa authorities gone along with the British scheme for a Lhasa-centred 'Outer Tibet' supported by Britain's Indian Empire, a small independent Tibet might have emerged in the 1930s. But that would have meant cutting ties with a wider and vaguer Tibetan identity that merges seamlessly into the mainstream Chinese population. That is why the Dalai Lama in the 1950s did concede Beijing's sovereignty even over Lhasa and made his weird, doomed attempt to work with Mao's Communists. It was unwise, yet sovereignty once conceded cannot be revoked, those are the standard international rules.

Taiwan is the other key issue: many Taiwanese are of recent mainland origin and would like to reunify. But even on this regional issue, China is being moderate:

"The officer in the military think-tank said that Beijing would resist the temptation to ramp up its military spending and be sucked into an arms race across the Taiwan strait.

"China will not join any arms race with the US. We will not be fooled because we have seen the example of what happened to the USSR," he said. "Economic development is still our priority." (Strait talking, *Financial Times* Apr 25th 2001).

The Exterminating Angel

David Morrison looks at Tony Blair's handling of the foot and mouth crisis

Almost every action New Labour has taken in government has been geared to getting re-elected. So it was entirely in tune with past performance that their handling of the food and mouth epidemic should be conditioned by their desire to hold a General Election along with local government elections in England and Wales on 3rd May, the day judged to be most favourable to their re-election. Because of this, the Army's involvement in dealing with foot and mouth was delayed for a month.

The Army should have been involved from the outset on 19th February but they were not brought in until late March - after the decision had been made to abandon 3rd May as the General Election date. The reason was plain: involvement of the Army would have given the outbreak the appearance of a national crisis and it would have been impossible to call a General Election on 3 May. As a result, the epidemic was a great deal more serious - and the number of animals slaughtered a great deal larger - than it otherwise would have been.

If the Government's chosen policy of killing all animals in infected herds was to be effective in containing the spread of the disease, then it was essential to minimise the time between suspicion and the final disposal of the carcasses. At a very early stage it was obvious that this time was in many instances over a week and that a large backlog of animals to be killed and carcasses to be disposed of was building up. Had the time between suspicion and disposal been less than 24 hours from the start of the epidemic, which was the Government's eventual target, the disease would have been brought under control at a much earlier stage.

Plainly, the Government's chosen strategy could not be implemented by MAFF alone. The Army was the most

obvious source of assistance. It had been used in the 1967 outbreak of foot and mouth disease. On that occasion, it was called in 12 days after the outbreak began. A subsequent army report (see Guardian, 19 April) pointed out that by this time "there was already a large backlog of carcasses awaiting destruction" and MAFF was unable to cope. But, the report went on, "once the army were called to assist, there was a rapid improvement... It became possible to establish a proper system of operational control". The report advised that in any future outbreak the army be called in straight away and concluded: "In a national emergency of this nature, the earlier the military can be called in the better".

It is not credible that ministers were unaware of the Army's role in 1967 or of their subsequent advice to call them in as early as possible. For electoral reasons, the advice was ignored until late March and it was over a month after the outbreak began before any Army assistance was sought, even though assistance was plainly needed to implement the Government's chosen strategy.

There can be no other reason for failing to involve the Army until late March than a desire to keep open the option of holding a General Election on 3rd May. Since their involvement it has been freely acknowledged, not least by the Government itself, that their contribution to the organisation of the slaughter of animals and the disposal of carcasses has been crucial to reducing the time between suspicion and disposal, and by so doing bringing the outbreak under control. The only trouble was that for electoral reasons their contribution was applied a month late.

Wrong Signal

The local government elections were eventually postponed in early April after

weeks of New Labour repeating ad nauseam that postponement was impossible, that postponement would "send out the wrong signal" to the rest of the world to the detriment of overseas tourism into Britain. We were meant to believe that the postponement of local elections, which are of marginal interest to people in Britain, would have such an impact on potential tourists in the US and Japan that they would have cancelled their bookings forthwith. Every government minister parroted this nonsense, invented by Alistair Campbell, at every opportunity and without challenge.

One doesn't need to be an expert in marketing tourism to work out that bookings from overseas were at rock bottom primarily because the whole world had seen TV pictures of dead animals with their legs in the air and smoke belching from their "funeral pyres". That plus the fear that it might not be safe to eat any dead animal in Britain and the fact that large numbers of tourist attractions were closed was a considerable deterrent to tourism, besides which the postponement of local government elections (or even a General Election had one been officially announced) pales into insignificance. It is, after all, rather difficult to take pictures of a non-existent election and get them broadcast around the world.

There was, of course, no need to postpone the local government elections across England and Wales. Selective postponement in those areas seriously affected by foot and mouth disease - Devon, Cumbria and a couple of other places - was all that was ever necessary. But that conflicted with New Labour's grand election strategy to hold a General Election along with local elections, so all the local government elections (and

Continued on p.13

Kevin Brady

Parliamentary Diary

Crisis? What Crisis?

The 1967 foot and mouth crisis, which admittedly was confined to just two areas of the country, lasted over 7 months. It happened at a time when animals were not subjected to repeated transfers of ownership in pursuit of ever-improved prices for them. During that time 434,000 animals were slaughtered. The current crisis began less than three months ago yet almost 2.5 million animals have been killed for disease-control purposes, while a further 630,000 have been slaughtered under the Livestock Welfare Disposal Scheme.

In his last statement to Parliament on 3rd May, the Agriculture Minister, Nick Brown, told MPs that the policy of slaughter was the right one because it "has been crucial to the control of the disease". Raising animals for slaughter is of course what dairy farming is mainly about. Around 3 million animals have been killed so far to stop foot and mouth. But 30 million animals are sent to be slaughtered every year to satisfy the human demand for meat.

This mass-slaughter involves transporting animals huge distances, largely because many big retailers insist that if farmers want to sell meat to them they must use specific abattoirs, in which the retailers have an economic interest. Not a word has been said about this mad policy by Government Ministers. To be fair, Blair has said that the big supermarkets bear some responsibility for the system of food production and distribution, if not for the foot and mouth crisis itself, but his comments fell short of proposals to deal with the former.

However, even though people, including dairy farmers, may be unhappy about the Government's slaughter policy and may be shocked by the treatment of farm animals, the practice of battery farming, for example, the foot and mouth

crisis is not about animal welfare. Farmers. Big dairy farmers, in particular, are primarily concerned with maintaining the price of meat so as to retain their market share and the Government, at a cost of billions of pounds of public money, have caved in to their pressure.

In case anyone doubts this, they need only look at the alternative to slaughter. Vaccination to prevent or halt foot and mouth is used in many other European countries. If introduced early it could have prevented the mass-slaughter policy. It was not introduced (even though, according to Nick Brown, it remains an option) because vested interests said that it would make British meat unexportable. And the Government took heed of those vested interests.

It is said that the crisis started on a Northumberland farm, where pigs were fed contaminated swill. This is rather convenient for the Government, for if this explanation is widely accepted there is no need for a full public inquiry. It lets the Government off the hook for its initial inertia, which helped the disease to spread, and enables the Ministry of Agriculture to present a mundane account of the many stages through which the crisis passed, all of which will be of little interest to the public. And a few months from now we will wonder what the fuss was all about.

Up The Workers

Kelvin Hopkins, one of a small number of left-wing Labour MPs, introduced a private members bill on 6th April to give consultation rights to employees in companies with over 50 employees. In his preamble, he said that many trades unionists, himself included, had not been comfortable with the proposals of the Bullock Commission in

1977 to give trade unions representational rights on the boards of British companies above a certain size. His comments suggested that he, and others who opposed Bullock at the time, had been happy with the confrontational model of industrial relations.

Now he is honest enough to say, "For myself, I have come to realise the limitations of the simple confrontational model of industrial relations by which we have set so much store in previous generations." This makes it all the more strange that his Bill, welcome as it is, is so limited. He argues for a statutory duty on companies to consult their employees on matters that affect their future, but he recognises that this will not stop General Motors or any other transnational company from making workers redundant.

The question is, would Bullock have prevented such redundancies? The answer has to be no, but it may have seriously limited the damage. Worker representation on the Board would not have made key decisions on redundancies superfluous, but trade union representatives, accountable to their shop-floor members, would have been in a stronger position to argue for the best possible solution, including, where necessary, generous terms for the workers affected. That is the difference between mere consultation and actual representation. It is what German workers have enjoyed for years.

Clare Short: Defender of Global Capitalism

Introducing her White Paper 'Eliminating World Poverty: Making Globalisation Work for the Poor', on 3rd May, International Development Secretary Clare Short said, "Our first White Paper on international development was published in November 1997. It committed the Government to focusing all our development efforts, both our bilateral programme and our influence in the international system, on the systematic reduction of poverty....." Since then, thanks largely to globalisation, the gap between rich and poor has widened. Of course, there was not a word about this from Clare.

To divert attention from this unpalatable fact, she spent most of her speech attacking the opponents of the

Concluded on back page

More Pricks Than Clicks

David Morrison

It is difficult to believe now that only a year ago apparently sane people believed that any company that had even a vague association with the internet was a goldmine. Never mind where its revenue was supposed to come from and if there was little or no revenue now, there was certain to be unbelievable amounts of it eventually. All you could be sure of was that, despite their prodigious losses at present, these companies were eventually going to make loads of money.

Those were the days when e-commerce was predicted to displace high street shops as the main retail mechanism. Never mind that it is in essence mail order, a retail mechanism that has been around for a long time without making significant inroads into traditional retailing.

Unnecessary Middlemen

True, the internet has unprecedented potential to link a manufacturer of goods directly with his customers world wide, and could therefore in principle reduce the price of goods to the end user by cutting out unnecessary middle men. This has been an increasing phenomenon for the past couple of years, for example, in the sale of travel tickets, where the delivery of goods is not a problem.

But, ironically, it wasn't this development which excited financial pundits and made banner headlines in the press. No, it was the setting up from scratch of *new* middlemen, such as, Amazon, Etoys, Lastminute, Boo, Dressmart, Jungle, Boxman and Clickmango. Less than a year ago, it was expected by many apparently sane pundits that these companies with global reach to customers via the internet would come to dominate their market sector and render high street retailing obsolete. In the awful language of the time, "bricks" were going to be replaced by "clicks".

Apart from being unnecessary middlemen, there was and is another fundamental flaw in the business concept shared by these companies. It is that to have a chance of becoming established players in their market sector, they have to spend a fortune on advertising to bring their existence, and what they sell, to the attention of potential customers. And that fortune has to be recouped through future profits, if any. Established high street retailers don't have that burden to bear, nor do they have the hassle of delivering the goods reliably—all of which gives high street retailers a massive competitive advantage over internet based rivals.

No Commercial Sense

Pure internet retailers—companies set up from scratch to trade exclusively via the internet—make no commercial sense at all. All this was obvious from the outset and experience has merely confirmed the obvious. At the time of writing, of the 8 companies listed above only two, Amazon and Lastminute, are still trading. None of them has come within an ass's roar of making a profit.

Dressmart went bust last summer, following the other much-hyped online clothes retailer, Boo, in May.

Jungle, which sold music and computers over the internet, has been sold for a relative pittance (£36m) to GUS, which is in the mail order business. In February last year, in anticipation of a flotation on the stock market, it was valued at £750m by its financial advisers UBS Warburg. Unhappily for its owners, it missed the flotation boat so successfully caught by Lastminute a year ago.

Boxman, the internet retailer of music CDs, which has been around for a few years, went down last October, having somehow managed to lose £24m on a turnover of £5.8m in the first half of last year.

Clickmango was supposed to be in the business of selling health foods. It attracted a lot of publicity because it had Joanna Lumley as its public face. When it went bust, it emerged that its turnover was around £4,000 a month. Many market stalls do better.

EToys, the US online toyseller, filed for bankruptcy in February. At their height in late 1999, its shares stood at \$80 and its stock market value was nearly \$20 billion. It sold a lot of toys—well over \$100m last Christmas—but has now gone down with \$300m of debt.

Lastminute is still trading. Its shares are now worth about 45p, less than 10% of their peak value of 555p in March last year when it was floated (and at £800m was briefly worth more than the whole WH Smith retail chain). It has wisely decided to spend some of the money raised by flotation in buying a traditional retailer, which actually makes money. It has bought an established French travel agency, Degriftour, which does a great deal more business than Lastminute itself and actually makes a profit—which will help to balance its own enormous losses on sales.

Amazon now sells toys and baby products online for Toys R Us, a well-established brand in the US. Lately, there's been talk of an arrangement with Wal-Mart, the largest retailer in the world with annual sales of around \$200 billion (and the owner of Asda in the UK). Amazon's sales keep rising (to nearly \$4 billion in the year 2000) and they have an excellent reputation for swift and sure delivery. But it is still a long way from making a profit.

The notion of pure internet retailers of this type taking over the world at the expense of traditional retailers is dead and gone. The trend now is for traditional retailers to have an e-commerce arm,

which may not sell very much but will act as a shop window on to their high street outlets.

Also, traditional mail order businesses will increasingly encourage their customers to use internet ordering, rather than ordering by post or telephone (because they will have to employ fewer staff to key in orders).

And there will certainly be more and more direct selling via the internet of goods and services, particularly where delivery is not a problem, for example, of travel tickets and financial services. As a result there will be fewer and fewer travel agents and other middlemen in the high street. But this trend was going on prior to the emergence of the internet: more and more people were using telephone banking and buying travel tickets and other things by telephone, paying for them by credit card. Arguably, the invention of the credit card has had more impact on retail commerce than the internet will ever have. Without the widespread use of credit cards, retail e-commerce would not exist.

Internet Advertising

Clearly, retail e-commerce is not an automatic route to making money, particularly, if a brand has to be established from scratch. The other route to internet riches was supposed to be advertising on your website. Yet again apparently sane people were mesmerised by the global reach of the internet. Didn't that mean that hundreds of millions of people round the world could see advertising on your website at the click of a mouse and advertisers could be charged appropriately?

There was, it is true, the minor matter of attracting people to the site by having interesting content, as other media—newspapers, radio, TV, etc—have to do in order to sell advertising. Whatever about the future, the present technology is not capable of delivering content like traditional media.

Also, by its nature, the internet has a fundamental drawback as an advertising medium: the user chooses where to go and what to view, and therefore can avoid watching advertising.

For many years, TV was an ideal advertising medium because viewers had

to make an effort to avoid watching the advertising breaks. But the TV remote control and the VCR with its fast forward button have meant that more and more people watch TV without watching the advertising that pays for it. To counter this, more and more programmes are "sponsored" by advertisers, which means that it is harder for viewers to avoid the advertiser's name at least.

In the near future, new intelligent hard disk recording devices will become available and users will be able to store about 40 hours of TV with the advertising stripped out, all without the hassle of using videotapes. Then the user will have absolute control of what he views and when he views it. In time, that will spell the end of TV funded by advertising, and subscription and pay-per-view television will become the norm, where it is not funded by licence fee.

As an advertising medium, the internet starts with this fundamental disadvantage: the user is in full control of what he views and when he views it. Users would not tolerate being forced to watch advertising prior to seeing content, so internet advertising consists almost entirely of (irritating) blocks and banners, which are interspersed within the content and normally contain little more than the advertiser's logo/name and a link to his web site. There's very little advertising of specific products. If the user doesn't choose to visit the advertiser's site, the advertiser has gained little.

Most internet advertisers are internet companies themselves and as these companies have collapsed internet advertising revenue has declined. This has contributed to the downward spiral. Even Yahoo, the internet "yellow pages" and the one significant internet company that has been profitable for a few years, is in danger of being dragged down. Upwards of 90% of its revenues comes from advertising on its web sites. A year ago it was worth \$100 billion; today it is worth less than \$10 billion.

Selling internet advertising will never be a goldmine, since it is in the nature of the medium that advertisers do not have a captive audience there.

Of course, individual companies will have their own web sites, on which they will advertise their own products.

This is equivalent to producing and circulating a brochure, but with two great advantages: first, the whole world can view it without it being posted out and, second, it can be updated instantaneously without reprinting and the updated version is immediately available world wide. All companies have to do is advertise their web site addresses in traditional media so that potential customers will know where to look. In time the internet will be the dominant method of communication between companies and potential customers.

Selling Content?

Other media get at least some of their revenue by selling content. Newspapers are sold. TV is increasingly sold by subscription or viewers have to pay to see an individual event.

Is there any content deliverable via the internet for which users could be persuaded to pay? Apart from pornography, the answer to that seems to be very little.

There is a tradition of getting content free on the internet that will be very hard to break. For example, you could never persuade people to pay for news, since free news is available all over the place, not least from traditional newspapers, who are cutting their own throats by providing news on the internet. Only very specialist material, for example, FT or Economist reports, are saleable and then primarily to organisations rather than individuals. This may change as the technology changes and other, more saleable, content can be delivered, but at the moment selling content is a lost cause.

Making Millionaires

A year ago, the internet was widely regarded as a mechanism for making millionaires. It may in fact turn out to be mechanism for undermining traditional ways of making millionaires, in particular, from the production and sale of music, books and any other goods that can be supplied in electronic form. The problem is that protection of copyright is next to impossible.

This is a problem now for the music industry because music supplied on a CD can be easily stored in a computer file and made available to anybody who is connected to the internet. This

infringement of copyright is illegal the world over but it is impossible to prevent.

It is true that Napster, the US company that provided a mechanism for swapping songs over the internet free of charge, has been found guilty of assisting users to infringe copyright, and it will have to shut up shop or come to a settlement with record companies to charge customers (and handing over most of the proceeds to record companies). But other mechanisms for swapping music files already exist that are less likely to fall foul of the courts. In the long term, record companies and performers will have to come to terms with the fact that mass infringement of copyright is impossible to prevent.

The lesson to book publishers is don't publish in electronic form.

Mobile Phones Access

Permanent connection to the internet by means of so-called third generation (3G) mobile phones is supposed to be the next great internet revolution. But nobody seems to have asked the question why would anyone want to be connected permanently to the internet via a mobile phone? And, more importantly, what

extra services will people be prepared to pay for? One thing is certain: users of 3G services will have to pay significantly more than they do for existing services.

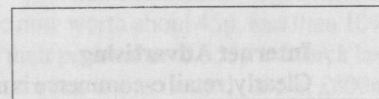
The mobile phone companies have paid over £22 billion (mostly in borrowed money) for 20-year 3G licences in the UK. In addition to that, it will take a very large sum of money to establish a 3G network across the UK. Tens of thousands of masts have to be erected. And since more and more people are worked up about the health risks of radio masts, they don't like masts in their backyard—which may cause delay and put back the day when the companies will be able to recoup money from customers.

The phones themselves will be much dearer than current models (perhaps a few hundred pounds) and, given the size of their outlay to implement a 3G system, it will be difficult for the companies to subsidise them (as they do existing phones). Also, it is speculated that 3G customers will also have to pay an annual subscription of a few hundred pounds if the phone companies are to make a profit, though obviously this depends crucially on the number of subscribers each

company manages to attract. Whatever about that, it is certain is that serious money will have to be paid for a 3G service, much more than is paid for the current service.

And what extra will users get for their money? They will be able to send and receive e-mail. For many people text messaging serves the same function. They will be able to get information from the internet or even buy something via the internet. But it will be much easier to do these things on a PC, with a larger screen and keyboard, at home or in the office, rather than on a mobile phone, even a 3G phone (which will have a larger screen than current models and a proper keyboard).

So, are people going to pay serious money to be able to do these things on the move, rather than hang on till they get to a PC, and do it for nothing? Some will, and some employers will pay for some of their staff to have the service. But will it be enough to make 3G systems commercially viable? It isn't obvious.



The Death of Margaret Thatcher

John Challis

This was something she never expected
A prospect completely remote
All her fortune gone in a flash
Down the Market's ravenous throat.

When at last they told her
That she was totally broke
She couldn't comprehend it:
That's when she had the stroke.

Now those who'd fawned on every word
When she was on top of the heap
Were disinclined to pay her bills
So they sent her somewhere cheap.

They all knew who she was on the ward
Incontinent, mute, almost blind:
She sat all day in her excrement
While they gave her a piece of their mind

In Turkish, Yiddish, Spanish and Greek
Geordie and Scouse and Brum:
Because she didn't answer back
They assumed that she must be dumb.

In Punjabi, Polish and Hindi
Glaswegian, German and Erse
Patois, Russian and Cockney
All had some reason to curse.

Silent and stinking she sat there
Telling herself they were wrong:
(How lucky she was that she couldn't tell them...)
For seven long years this went on.

The nurse stood by and held her nose
The doctor scratched his head,
Tried hard to focus, stifled a yawn,
And then pronounced her dead.

The funeral was a quiet one:
Two men to dig, one to drive
No one knew, or would have cared,
That they were burying her alive.

She saw the lid close on the coffin
Felt it lift, then drop in the ground;
Mute and still she lay in the dark
As the sods thudded down.

Then faintly, through six feet of earth,
She heard an almighty drumming
The chipboard box vibrated:
Something tremendous was coming.

She told herself it was Seraphim,
Marching, her soul to save...
But she'd lived just long enough to hear
The people dance on her grave.

Concluded from p. 8

the unannounced General Election) had to be postponed.

In a manner typical of this government, the eventual postponement was not announced to Parliament, or even to the cameras in Downing Street, but by way of *The Sun* on 31st March. The *Sun* had been cheerleading for an election on 3rd May, enthusiastically parroting the Campbell message that postponement would be saying to foreigners not to come to Britain and spend their money. Now that the message had to be changed, and the *Sun* had egg on its face from enthusiastically endorsing the original message, the *Sun* had to be kept inside with an exclusive from Downing Street announcing the change. That is a measure of how important support from the *Sun* is to the New Labour leadership.

Where did it come From

How did foot and mouth disease get into UK herds in the first place? The original thesis that it got into pigs at a Northumberland farm via pig swill made from food residue (including infected food of foreign origin) from local restaurants etc seems to have been dropped. The indications are that the disease was present unnoticed in sheep for several weeks prior to the outbreak in pigs on the Heddon-on-the-Wall farm in Northumberland in the middle of February. *Private Eye* has suggested that MAFF officials from the regional office in Carlisle, who visited the farm on 25th January, may have unwittingly brought the virus with them, having been in contact with infected sheep in Cumbria.

Private Eye also suggests that a major factor in the spread of the disease around Britain was the fact that 4 February was the deadline for matching up sheep numbers to those on which EU subsidies had been claimed and that large numbers of sheep were being moved around the country around that time for the purposes of being counted several times.

There have been suggestions on Channel 4 news (from farmers, not from journalists) that the virus may have actually been spread in Cumbria by the smoke from the burning of carcasses, that the direction of spread corresponded

with the prevailing wind. Of course, it may be that the spread was simply wind borne. There have also been hints that the spread was contiguous to roads along which infected carcasses had been transported.

Whatever about these speculations, the one thing that was obvious from an early stage was that MAFF was incapable of organising effectively the chosen policy of slaughter and disposal of infected herds and herds contiguous to them.

U-Turn On Vaccination

There was of course controversy about this policy as opposed to vaccination. For two months, the Government steadfastly opposed vaccination under any circumstances, even as a means of creating temporary "firebreaks" around centres of infection, to be followed later by killing the vaccinated animals. The idea behind this is that vaccination can be done much more quickly than killing and disposal and therefore "firebreaks" to prevent the spread of infection could be put in place more quickly. No satisfactory answer was given by the Government or anybody else as to why this strategy was not adopted.

On the face of it, this was a preferable strategy in circumstances when it was taking so long to kill animals and dispose of their carcasses. It was being implemented in Holland. However, for unknown reasons it was not implemented here. There may have been good reasons for not implementing it, but they were not made public.

But what was rejected out of hand up until the middle of April was the idea that animals be vaccinated and allowed to live - and meat and milk products derived from them be allowed to enter the human food chain. This would be a disastrous strategy for the livestock farming industry, it was said, because Britain would lose its foot and mouth disease free status and with that its export markets. This would only be recovered when all the vaccinated animals were dead, which without premature killing would take a few years.

But, then in the middle of April, when the number of new cases was running at around 20 a day which was

about half the peak rate, the Government suddenly proposed the vaccination of disease-free cattle in Cumbria and the human consumption of products derived from them. The previously overwhelming argument against this strategy simply wasn't mentioned. Happily for ministers, most journalists have the memory span of a flea so they didn't have to admit that they had made a policy U-turn, let alone say why the argument against the new policy, which was once overwhelming, was no longer of any significance.

A 34th Vaccine

The Government's scientific advisers were put up to assert that the new policy was the correct one. The head of the new, supposedly independent, Food Standards Agency, Sir John Krebs, appeared on our screens to assert that meat and dairy products from vaccinated livestock could safely enter the food chain with no harmful effects on humans. After all, he said, there were already 33 vaccines commonly used in Britain to prevent livestock contracting common conditions as digestive diseases and fevers.

This begs the question as to why there isn't a 34th vaccine commonly used in Britain, a vaccine against foot and mouth. Why isn't it used routinely if there are no food safety objections, and apparently no other objections? (There was a report recently that Argentina had decided to vaccinate two million cattle against foot and mouth). At the very least why wasn't it used from the start of the present outbreak? There may be answers to these questions, but they haven't been given as yet.

The Government tried half-heartedly to persuade farmers to accept the new vaccination policy. As the law stands at the moment, farmers can be compelled to have infected herds slaughtered but they cannot be compelled to have their herds vaccinated. Each individual farmer has to consent. And unless a substantial majority in each relevant area consent there is no point in starting the process.

The National Farmers Union objected to vaccination on the grounds that there wouldn't be a market for products derived from vaccinated animals, which is almost certainly true.

Although Tesco amongst others said that they would put products from vaccinated animals on their shelves if they were given assurances about safety, any retailer advertising its food products as "foot and mouth free" would be at a substantial competitive advantage.

The Government was definitely serious about vaccination because they hired people to do the job in Cumbria. But it didn't get off the ground - the NFU stood their ground and, with the number of new cases per day declining steadily week on week, the Government decided to abandon it and to celebrate their success at bringing the outbreak under control.

Keep Britain Foreign: why you should vote anti-Tory

Gwydion M. Williams

Just when you thought it wasn't worth voting, Hague and Portillo remind you how much worse things could get. With no enthusiasm for New Labour, I'd still advise anyone who can to vote against Hague's Tories, for whichever candidate has the best chance of winning in the particular seat.

Had things gone Kenneth Clarke's way, it would be different. Major, Heseltine and Clarke realised that the Thatcher phenomenon had run its course and that any more would be totally destructive. Hague thinks just the opposite: too much of society survived Thatcher and is in urgent need of demolition. And at the same time, people are blamed for not respecting traditional social values.

William Hague seems to resent all the changes that have occurred since the 1960s. Does he realise he'd have had zero chance of advancing to high office in the Tory Party as it was then? Did Thatcher? I do believe that both of them are too vain to see it. They are not capable of understanding how the traditional elite would have viewed them before it got so desperate it would try anything.

Phoenix Intervenes

The following week on 25 April the existing policy of killing infected herds and herds on contiguous farms was modified to allow local MAFF vets discretion about the latter. The occasion for this announcement was the imminent slaughter of Phoenix, the calf which had survived the slaughter of her mother and other cattle in a herd in Devon. Phoenix had featured on the news all day on 25 April and her picture was on the front page of the next day's newspapers. Lest New Labour be blamed for the death of this beautiful creature, Alistair Campbell announced her reprieve in time for the 10pm News, and with that a significant

modification of policy for dealing with foot and mouth.

Earlier on 25th April, the Government's chief scientist had appeared before the Commons Agriculture Select Committee and defended existing policy and advocated vaccination of cattle in addition. No doubt some easing of the slaughter policy was in the offing given that the outbreak was under control. But there is no doubt that Campbell advanced its announcement (without telling Nick Brown) so that Phoenix could be reprieved - which is typical of how New Labour in Government has done business. ●

I've suggested before that the US republicans work by tapping into racist feeling without being *formally* racist or losing the majority who would find formal racism unacceptable. Maybe someone in Tory planning reads my articles, certainly it's hard to see what else Hague was after in his infamous 'foreign Britain' speech.

By mixing two issues, the 'foreign threat' regarding the currency, and then 'bogus asylum seekers', Hague came as close as he dared to reactivating Tory racism. Immigration has long ceased to be significant, but this, and now 'bogus asylum seekers', serves as a proxy for rejecting Britain's non-white minorities.

How to appeal to racists and not lose the non-white vote? The US republicans just about pulled it off, but Hague seems to have merely angered anti-racists and alarmed minorities without gathering in any racist votes the Tories don't already have.

I also suggested that it was pointless trying to win a British election by appealing to the prejudices of the US electorate. Britain since the 1950s has

become a lot broader and more tolerant, ready to accept a lot of foreign ways. Look in the average supermarket. Britain is already moderately foreign, and getting better all the time.

'Keep Britain Foreign' would have been an impossible slogan 30 years ago. Now it's merely eccentric, and like many once-radical ideas it looks set to become mainstream opinion in another generation or two.

Meanwhile, Portillo had been toying with a kinder, gentler lunacy, but has now swung back to New Right fundamentals, wanting tax cuts that would mostly benefit the rich. It seems he really does believe that money legally earned in a complex society is somehow nothing to do with that society, or with the state that keeps it in being.

Thatcher's talk about 'rolling back the state' was just talk. Good enough to get the lorry drivers voting Tory, but never serious. Business interests know the value of state power, they just want to have more of the benefits and less of the costs, something which Thatcher did indeed give them. ●

Leader continued from p. 2

follows:

1) LU's own forecasting model shows that under the programmes of work contemplated by the four consortia [bidding for two contracts], it is likely that service on the Underground under the PPP will deteriorate relative to service under continued LU management.

2) The methodologies employed by LU in the evaluation of bids are illogical and have not been applied in a consistent and even-handed manner.

3) There are numerous critical open and commercial and technical points in the PPP contract negotiations. By selecting preferred bidders now, LU will lose invaluable and necessary leverage to protect the public interest in the resolution of these points

4) The value-for-money test has been crudely manipulated in favour of the PPP bidders. At present, it is likely that none of the four bids offer value for money.

Nevertheless, the preferred bidders were chosen in the teeth of these fundamental objections from the man who is going to manage LU after the PPP contracts are in place. But then two days later Kiley is made London Transport Chairman (instead of Sir Malcolm Bates), in charge of LU now and with authority from John Prescott to negotiate with the preferred bidders to modify to the contracts to accommodate his objections.

This looks like a New Labour ploy contrived for electoral purposes. The vast majority of voters in London support Livingstone and Kiley their opposition to the PPP scheme and a judicial review of the Government's decision to impose it on London is due to be heard immediately after the General Election. Being at odds with London voters over this crucial issue is not conducive to getting the Labour vote out on 7th June. Giving Kiley the authority to negotiate modifications to the PPP presents an image of a Government being prepared to compromise, a more satisfactory image for 7th June.

Fatally Flawed

Will it be possible for Kiley to reach an agreement with the preferred bidders to modify the PPP contracts to allow him as chief executive to manage LU's operations properly? It seems unlikely. Kiley's objections to the PPP scheme are fundamental. Here is how he stated

them in a report to the Mayor last February:

"Last November, the Mayor requested that Transport for London (TfL) examine the proposed PPP and report its conclusions. That report, submitted to the Mayor on 13th December 2000, concluded that the PPP, as then understood by TfL, based on the limited information made available by the Government, was "fatally flawed".

"Our work since December ... confirms the fundamental conclusions of the December report. The "fatal flaw" is simply that the public will own the system, but not control it. The result is a divided management structure that will leave the public managers with no practical means of effectively operating the transport system or ensuring the safety of its millions of daily customers. In short, implementation of the PPP would be unsafe, inefficient and prohibitively expensive.

"In the time we have spent with representatives of the Government, staff of London Underground and the Government's consultants, it has become clear that many PPP advocates share our concerns. But they believe it is worth taking the risks of the PPP if that is the only way to obtain a stable and secure long term funding commitment from the Treasury. The erratic history of financial support for the Underground is perhaps the most important factor in the Underground's current deteriorated condition. There is no question that it is desperately in need of a robust, long-term and sustainable capital improvement program. But the loss of management control is simply too high a price to pay for the commitment of those funds. Under the PPP, the decisions about what to do, when to do it and how to do it will be transferred from the public sector to three private-sector monopolies. The public sector managers of the Underground will remain responsible to the public but will be effectively powerless to run the system.

"Moreover, while in the public's mind the Underground will remain a unitary "system", in reality what was a unified whole will be both balkanised and bifurcated. Balkanised in the sense that responsibility for the infrastructure of the Underground's eleven lines will be arbitrarily parceled out to three private companies, with little incentive or obligation to operate in a unified manner.

Bifurcated in the sense that the indivisible bond between the operation of trains and the maintenance of all aspects of the systems will be broken.

"These are not mere words. An example of the problem is presented by the PPP bids. Under the PPP structure, the Underground's two north-south lines have been parceled out to separate companies. Bidders for the contracts for both lines have indicated that they plan major line upgrade projects at the same time. This presents the very real risk that London will have no north-south tube service for an extended period of time. TfL and LUL will be held responsible, but under the PPP they are powerless to do anything about it." (pp 1-2)

Unified Management Control

But, as Kiley acknowledges, it is fundamental to the PPP arrangements envisaged by the Government that even though LU is the customer, it is precluded from deciding what is to be done to its infrastructure on a day-to-day basis. (This seems to be based on the dogma that a publicly owned institution cannot possibly know what is good for it.) What the infrastructure companies (Infraco) are required to do is laid down the PPP contracts and specified largely as statistical targets (for example, targets for the total number of train cancellations a month, or the total train delay time a month). The contract documents are so large precisely because they have to specify at the outset what the Infracos are to do for the next 30 years. This may seem like madness but it is true.

Kiley says that what he requires in order to do his job is "unified management control", which he defines as follows:

"Simply stated, TfL's definition of management control is the ability in LU to organize and direct Infraco management and staff; to take action or desist from an action within broadly defined areas relating to the infrastructure under the Infraco's jurisdiction; and to require reporting on the progress of capital projects, with the power to hire managers to perform the work and to remove managers who fail to perform. Without such authority, TfL and LU management would be unable to carry out its overall responsibility to the GLA to improve the level of service on the Underground and restore the system to a state of good repair. Inconsistencies could develop amongst the Infracos,

leading to duplication of effort and other inefficiencies. Conflicts would emerge between operations, maintenance and investment activities." (ibid pp8-9)

Those requirements may be straightforward commonsense, but they are at odds with the basic principle of the PPP arrangements envisaged by the Government and to which the preferred bidders have now signed up. It is difficult to see why they would agree to modify them to allow Bob Kiley to order them around and to dismiss their staff.

An attempt by Kiley to get modifications of this nature made earlier this year failed, allegedly because the Government, having gone along with the principle at first, then reneged. More likely, it was the bidders who objected to what was a fundamental change in the nature of the arrangements.

Gordon's Blank Cheque

Livingstone and Kiley have both said that the PPP arrangements as envisaged by the Government are very expensive compared with any other method of funding. But since it is now clear that the Government is prepared to pay whatever is necessary, to a large extent this is no longer Livingstone's problem. According to Kiley (ibid p11), the Government is going to provide the PPP lenders with written assurances that LU will have the funds to pay infrastructure service charges—so in a real sense Gordon Brown is going to sign a blank cheque payable to LU. So much for the transfer of risk from the public to the private sector, which we are told is the purpose behind PFI/PPP financing of public projects.

Livingstone has expressed a worry that this Treasury largesse towards LU will be matched by Treasury meanness towards other public purposes in London. In what he terms a letter to "stakeholders" on 2nd April explaining why he had embarked on legal action, he wrote:

"Regarding finance I must state that I had considerable reservations regarding the implications of the proposals put by the government in the talks. It has become clear in the negotiations that the cost of the proposed contractual arrangements for PPP far exceeds, to an even greater degree than anticipated, that of alternative forms of raising finance for the modernisation of the London Underground. Due to this expense the subsidies that would be required from the Treasury, over and above the

payments scheduled for Transport for London/London Underground, would commence at a figure of £700 million a year rising to approximately £1 billion. While the government stated that it was willing to undertake to make payments to meet these for at least the first 7.5 year period of the 30 year period of PPP contracts I estimate that they open London to considerable and problematic financial consequences.

"I do not expect that the Treasury would go back on a direct agreement for such payments in the period specified, but I believe that there is considerable risk that attempts would be made to attempt to claw back large parts of these sums by other routes—for example via revising reviews of social deprivation, education spending and other budgets for London."

The World of Alice in Wonderland

The Government is now envisaging a subsidy upwards of £1 billion a year to LU to fund the PPP arrangements, that is, £10-15 billion over 15 years, when a mere two years ago it was anticipating that there would be no need for any subsidy. The total expenditure by the PPP companies on maintenance and enhancements over 15 years is supposed to be about £13 billion (see, for example, the DETR's document An Offer to Londoners dated 11th April this year).

LU is projected to have fares revenue of about £20 billion over the next 15 years, assuming a 40% increase in passenger traffic by the end of the period (this assumption is built into the PPP scheme). LU is expected to have operating costs for the period of around £10 billion, leaving a surplus for maintenance and enhancements of around £10 billion.

So if the Treasury paid the LU the modest amount of £3 billion over 15 years, LU would be in a position to spend £13 billion on maintenance and enhancements of its infrastructure over that period.

Instead the Treasury is insisting on going down the PPP route and paying £10-15 billion to get expenditure of £13 billion on the LU infrastructure.

This is the world of Alice in Wonderland.

Note: all the documents referred to above are at the time of writing available from the GLA web site.

Parl. Diary concluded from p. 9

World Trade Organisation which she is convinced will raise the developing countries from the depths of poverty. She described some of the protesters at Seattle and elsewhere as "very nasty elements determined to use violence" against McDonald's, condemned the thinking of American trade unions who called for protection as "dangerous and muddled", and accused environmentalists of showing "deep double standards". "All these groups", she said, "advocate undesirable policies and can be taken on one by one". Let battle commence!

New from Athol Books...

The first English translation of

Albrecht Haushofer:

Moabite Sonnets (1944-5)

(including the original German text on facing page)

Translated by Angela Clifford with an introduction, *The Haushofers, Geopolitics And The Second World War*

£7.50 post free from
Athol Books,
P.O.Box 339,
Belfast BT 12 4GQ

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 Labour & Trade Union Review is entirely dependent on subscriptions and sales for its continued existence. It is on sale in London in Dillon's, The Economist's Bookshop, and Housman's at King's Cross. It is also obtainable at Books Upstairs, Dublin and in Eason's, Botanic Avenue, Belfast.