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Adam Smith Revisited

Livingstone: Latest Smears

Kosovo: Another Good Year

Regular Features

E-Commerce: what's the big deal?

"Wednesday: Tony has had the brilliant idea of using the Net to solve national poverty and unemployment within five years, by giving every child in the land free 24-hour free access to pornography."

That was Mrs Blair's comment, according to her *Observer* diary, on her husband's announcement on 7th March that he wanted all of us to have access to the internet by 2005. It was one of the more informed comments on the PM's plan.

Of course, such a frank comment should not have been made, lest the religious fervour about e-commerce be dampened down by blurting out the truth that e-commerce in pornography has been the one great success story to date; that unlike those giants of e-commerce, Amazon.com and Lastminute.com, organisations supplying pornography often make a profit.

Pornography is a commodity that is particularly suitable for e-commerce. Firstly, most purchasers of pornography would prefer to buy it in the privacy of their own homes rather than in a traditional outlet. Secondly, pornography to suit every taste is widely available on the World Wide Web, free from censorship, which is not the case in traditional outlets except in the most liberal states. Thirdly, it can be delivered electronically to the customer's PC down the telephone line. Delivery is instantaneous. You don't have to wait at home for the postman.

Mail Order Via The Internet

But most other commodities cannot be delivered down a telephone line. E-commerce in these commodities is mail order (or telephone or fax order) via the internet. And mail order was a modern retailing concept a hundred years ago. The order method may be different but the delivery method, which is what takes time, is essentially the same.

For 'internet order' a catalogue on the supplier's web-site replaces the traditional paper catalogue mailed out by a supplier from time to time. It cannot be taken for granted that this will be more convenient for customers, even for customers who are familiar with the internet. The ordering mechanism should, in principle, be more convenient for the customer (and should reject requests for items, which are out of stock). The order should be with the supplier instantly, without the bother of mailing, faxing or phoning it in. Whether this actually happens in practice depends on the quality of the supplier's ordering system. At present many of them don't work reliably at all—3 out of 4 in the present writer's recent experience.

But the element of the process which takes time—the making up of the order and its delivery—is essentially the same as it was

a hundred years ago. And if you're not in when the carrier arrives at your door, you may have to go to some central depot to pick up your purchase. In a society where even staying at home to bring up children is increasingly frowned upon, it is not obvious that mail order, even in its modern internet form, is the form of retailing which will dominate in the future?

Traditional Survival

It is odds-on that the traditional form of shopping will survive and prosper. It is, after all, a major leisure activity these days, which people indulge in and enjoy whether or not they want to buy anything. Also, items like clothes or shoes can be tried on in a traditional shop before they are bought, a reasonable precaution most people might think. That cannot be done before placing an internet order.

Neither can you test drive cars before deciding to purchase one. (Last October Vauxhall introduced an internet ordering system backed by a TV advertising campaign: to date they have had 248 orders despite a promised £1,000 off normal dealer prices).

The traditional form of retail shopping is not threatened with extinction by internet shopping for most commodities and for most people. But it will make a difference to the way some people buy some things.

Travel agents, who are already threatened by direct selling by carriers and package holiday companies, will find themselves under further pressure from internet retailers.

The weekly visit to the supermarket, which isn't the most pleasurable form of shopping, may be replaced to an extent by internet shopping, especially by some people who find it difficult to get out of the house. Tesco has an excellent ordering system whereby, rather than having to build up a new order from scratch, you can call up your last order and amend it as necessary, and it will be delivered to your door in a few hours at no extra cost.

Convenient systems like that will change shopping habits to some extent but it is probable that the traditional form of shopping will predominate for the foreseeable future.

Electronic Delivery

It is a different matter for commodities that can be delivered to the customer down a telephone line, that is,

anything that can be stored digitally in a computer file—computer software, music, photos, video, text of all kinds. These can be delivered over the internet, not just ordered. Because of this, it is different in kind from traditional mail order.

In time, it will probably change the face of music retailing as we know it and eventually spell the end of the CD. Book publishing will also be affected. Nowadays it is common for reports for various kinds, for example, Government White Papers, to be available in an identical electronic form on the World Wide Web as well as on paper and, unlike the paper form, the electronic form can normally be downloaded for nothing. This practice is bound to become more widespread.

In principle, all books could be published in electronic form and retailed over the internet. However, there is one major drawback to electronic publishing in general: protection of copyright is next to impossible since it is a trivial matter to make copies of a computer file and disseminate them via the internet. That would have a catastrophic effect of publishers, sales revenue.

Advantage to Supplier

With these exceptions, it is difficult to understand how retail e-commerce is going to make an enormous difference in this world. Basically, it is a hundred-year-old concept, with a modern electronic form of ordering.

The latter does bring a significant advantage to the supplier compared with traditional forms of remote ordering. Formerly, having received the order by mail (or telephone or fax), it had to be keyed into the supplier's computer system. Internet ordering eliminates this process: the customer keys in, and confirms, what he wants and, as a result, an order is generated in the supplier's computer system. The order as confirmed by the customer can then be sent electronically to the supplier's warehouse for putting together and dispatch.

This not only saves on keying resource but also avoids mistakes in customer orders arising from mis-keying. Understandably, therefore, traditional mail order companies are now providing an internet ordering option and are asking their customers to order via the internet where possible. But it won't make very much difference to the customer. A

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reliable order make-up and delivery system is much more important for good customer service than electronic ordering.

Business to Business E-Commerce

After Christmas failed to bring the predicted boom in retail e-commerce (and produced a crop of horror stories about hitches in delivery), it began to be said in the press that business to business e-commerce rather than retail e-commerce is going to be the big thing.

So what? The most likely development is that phone/fax ordering, which are the common methods today, will be replaced by electronic ordering via the internet but the process of delivery will be as before, except for those commodities which can be delivered electronically.

Concluded on back page

Gwydion M. Williams

Notes on the News

Ken Livingstone, Londoner

The British attitude is: have a top person who can rule, but who can also be kept in his place by popular feeling. The USA's 'checks and balances' have not prevented each serving President gaining quasi-divine status for their period of office. No British Prime Minister has ever come close to it.

Briton got what it wanted, when it elected Tony Blair. I'm sorry they didn't want something better, but they didn't and don't.

Livingstone is trusted as a candidate interested in London, rather than a careerist in politics with eyes on bigger and better things. For that, he's fine. But how many would want him as Prime Minister?

If we had a Presidential-style election for the leadership of Britain, Livingstone might get 5 or 10 percent of the votes, including mine. But Blair would definitely be elected.

Dead Rovers

Britain has been giving Mainland Europe never-ending lectures on the need to be more British and profit-driven. Our rulers then get outraged when they do just that. Profitability is only a Universal Truth when someone else pays the price. When they profit at our expense it is seen as a violation of natural law.

Blair did, briefly, toy with the Stakeholder idea. He received much criticism and ridicule, little positive support, and soon dropped it. He thus has no logical grounds for complaint when a huge chunk of British industry is put at risk when it deserves to be eliminated according to the 'normal' capitalist rules that we were urging on the Continental European.

In this case they were just being Bavarian, though.

BMW is Bavarian Motor Works, and works well for Bavaria. What else did you expect? There is a finite market for cars, each car-maker improves just to stay in business. For Rover, Honda was said to have been a much better partner. And it was the Tories who oversaw the mysterious decision to drop them in favour of BMW, who were competitors for the European market.

Bavaria and Birmingham just don't jell. It seemed that some people in BMW knew this all along. "Half of the board members are workers' representatives, and they will be glad to be rid of 'The English Patient', as German wits call Rover, because its losses have begun to threaten BMW's independence and hence their jobs. (*The Economist*, March 18th.)

Board members in British companies include no workers' representatives. The idea was on offer in the 1970s, but leftists such as Arthur Scargill and Neil Kinnock vigorously opposed it in case it diminished the struggle against capitalism.

Struggle against capitalism makes no sense whatever when you show no interest even in moderating or diluting it. Germany has always done this, as has most of Western Europe. And the USA also, though the hand-outs and subsidies are strictly for the rich with the poor viciously squeezed. It is only Britain that seems full of strange enthusiasm for ideological capitalism.

Chinese Shadow-Boxing

The eight decade long conflict between the Kuomintang and the Chinese

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EDITOR A. Bryson

Communists may be ending with collapse of Kuomintang power on its Taiwanese enclave.

"The [Kuomintang] party dominates almost every elected body in Taiwan, from city and county councils up to the Legislative Yuan and National Assembly, making KMT support necessary for any new presidential policies. But winning the top job would be a major symbolic victory for the opposition that could eventually translate into gains at lower levels of power." (*South China Morning Post*, 21st March 2000)

My own conclusion is that the apparent clumsiness of Beijing's intervention in the Taiwan election may not have been clumsy at all. China still

run by people who remember the civil war of the 1920s, 1930s and 1940s, as well as the early uncertain days of Chinese Communist rule. Parties of a purely Taiwanese orientation pose little threat.

The problem for Beijing is, can they dismantle a Leninist political structure without demolishing it? The treatment of European Leninism must have finished off any thoughts of demolition. But with the new Taiwanese president Mr Chen Shui-bian, they may think that compromises can safely be made.

Also as the established anti-Beijing extremist, Mr Chen can now more easily make compromises, just as Nixon could. "Taiwan's next vice-president, Annette Lu Hsiu-lien, yesterday said president-elect Chen Shui-bian's administration would adopt a new foreign policy philosophy and abandon its high-cost diplomatic struggle with Beijing." (*South China Morning Post*)

Even if this doesn't work out, I see no unusual crisis or danger. China has threatened to invade if Taiwan declares independence. Mr Chen's most recent position is "a promise not declare independence unless Beijing should attack". (*Financial Times*, March 20th 2000) Formal logic says that the net result is no change. And though the world is more complex than that, stability is likely.

The USA is the only power that could authorise Taiwanese independence, and it does not want it. They recognise that Beijing is currently taking China in much the direction that the USA wants China to go. China's present leadership not morally impressive, but do have a genuine concern for the welfare of those under them, plus a good understanding

The USA also perhaps see the danger of another hundred 'Yugoslavia's, if the diverse intermingled peoples of China were not under some sort of strong central control. The Dalai Lama claims to be ruler of not just 'High Tibet', the Tibetan Autonomous Region, but also a gigantic 'Greater Tibet' with many non-Tibetans as minorities, or sometimes majorities in regions larger than all England. And there are other claims, a whole swarm of

disasters waiting to happen.

Dying in the Wild East

When I was in Mongolia in 1997 for the total eclipse, it seemed like a country coming apart at the seams. China was in control of its own economy, but Mongolia had been globalised without having very much to offer.

Eastern Europe is mostly collapsing into a comfortable dependence on Western Europe. Which is not about to apply free-market dogma against its own interests, any more than the USA will. The ideas are invoked in internal struggles, but no one treats them as truths when their own vital interests are at stake.

Globalism and Libertarianism have been the means by which the rich and the global corporations have excused their increasing share of the global cake. By pretending no one has any legitimate particular interests, the New Right are able to serve those powerful enough to make sure that their own concerns are always addressed. By treating money as a force of nature, they help the rich evade responsibility.

"Mongolia is on the verge of disaster with half a million people from herders' communities facing starvation after the worst winter in 30 years, senior UN officials are warning.

"The current food emergency follows several years in which nutritional standards have been falling ... as the economy has been reoriented from one which was centrally planned to one which is market driven," said the UN Food and Agriculture Organisation (FAO) at the weekend.

"Those most affected by poverty and food insecurity include the unemployed, the elderly, female headed households, pensioners and small herders," it said. Welfare and health schemes run by the state have collapsed, and teachers are forced to raise their herds to supplement meagre incomes.

"The former collective herds were split up into private companies which were frequently monopolised by local leaders, leaving most people worse off.

With no controls on competition, herds have been expanded and pastures overgrazed." John Gittings, Guardian East Asia correspondent, Wednesday March 15, 2000

Give me liberty, but not a writ

The Yugoslav Communist Party, with its solid Stalinist traditions, was able to impose peace on a region that has barely known it before or since. The different elements flowed untidily into three of the world's major civilizations: Latin Christianity, Orthodox Christianity and Islam.

Yugoslavia used also to be held up as a fine example of a state where everyone was trained in guerrilla warfare, rather than the nasty militarism of professional armies. Not such a good idea, in retrospect.

When the break-up began, both sides were as crude and unjust as nations in conflict usually are. Croatia claimed the right of secession for itself, but denied it to solidly Serb regions within the territory they claimed. These regions in turn drove out their Croat minorities as a threat to their autonomy. Likewise it was unacceptable for Bosnia to stay part of multi-ethnic Yugoslavia, but a necessity for Bosnia to be multi-ethnic in a way the Bosnian Serbs were certain not to accept.

The role of Western Europe and its media was unwise and horribly damaging, but I've always seen it as foolish rather than malicious. A naive viewpoint the that people can have a quiet chat and decide which of three rival civilisations their birthplace should be orientated towards.

The magazine *Living Marxism* did talk a certain amount of sense, but also some nonsense. They changed their name to LM and allegedly veered to right-wing Libertarianism, but also kept the basic Trotskyist/Leninist viewpoint that there are no honest disagreements. They react with shock to Stalin's application of that principle, but the principle itself is held sacred.

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You couldn't make it up...

...unless you're running a New Labour smear campaign

David Morrison listened to a lively discussion between **Jeremy Paxman** and the junior minister **Barbara Roche** as she enjoyed a moment's pause in the important work of spreading stories about **Ken Livingstone**.

On 7th March, the day after Ken Livingstone declared that he was going to run for the Mayor of London as an independent, *Newsnight* carried an item questioning New Labour accusations that a victory for him would discourage business from investing in London and encourage crime.

As the item pointed out, the 'bad for business' accusation is difficult to reconcile with the findings of a survey by the London Chamber of Commerce Survey of over 400 companies, 23% of whom chose Livingstone as "Best Mayor for Business", a figure surpassed only by Norris with 26%. The official New Labour standard bearer was, as usual, a humiliating third with a mere 8%.

The bulk of the item was taken up with Jeremy Paxman interviewing Home Office Minister, Barbara Roche. We reproduce below a substantial extract from it. Unfortunately we cannot reproduce the sneer in Paxman's voice:

P: Earlier I asked the Home Office Minister, Barbara Roche, what evidence Labour had for its claims that businesses were terrified of Ken Livingstone.

R: Well, his record speaks for itself. Here is somebody who calls for higher taxation when that's completely against the interests of the British economy.

P: But he's got no powers over taxation.

R: Well, let's just see what he said. He calls for increased taxation. We've already seen some evidence that some large inward investors who would come to the UK have been put off by the threat of him running for the mayoralty.

P: Hang on a second. First of all you've

mentioned taxation. He has no powers to raise taxes as you well know. Could you name the businesses that have said they've been put off from coming if he became mayor?

R: Sure, there were reports in the papers last week about inward investors. I know.

P: Can you tell us the CBI issued a statement today then saying we do not have any evidence, anecdotal or otherwise, to suggest that companies are thinking twice about investing in London, should any particular person become mayor.

R: Well, Jeremy, if you'll just allow me to finish on this. What I'm saying is there is some evidence that there are businesses who are inward investors who are being put off by him. And if you have somebody...

P: Well, which ones?

R: ...who has repeatedly, on a number of occasions, called not only for increased taxation, but also for the most successful Chancellor of the Exchequer in recent times to be sacked from his job, I think you could say that the election of Ken Livingstone, were that event to happen, which I sincerely hope it won't and I don't believe it will, would be a disaster for the British economy.

P: You know, and you've already conceded, that he has no powers to raise taxation, and what he says about the Chancellor is neither here nor there. Mrs Roche, could you just name for us a couple of companies who said they won't invest in London if he becomes Mayor?

R: Well, the Sunday papers carried reports...

P: Can you please name them for us? Can you name companies that are not going to invest in London if he becomes Mayor?

R: If you'll just allow me to finish. First of all you have reports already that there are companies who are going to do this...

P: Which companies?

R: This is a only just a start because the reason why the mayoralty is so important...

P: Mrs Roche, which companies?

R: ...it is one of the most important jobs in Britain.

P: We're not getting anywhere on facts on this. Could we maybe look at crime, which is another allegation that's made against him. Can you produce any evidence that Ken Livingstone as Mayor of London would be bad for crime in the capital?

R: First of all he's never, ever spoken about crime itself. He's spoken just about measures that need to be taken about the Metropolitan Police. He's never spoken about crime, that's as I understand it. Also if have a serious candidate for the mayoralty talking as he did only very recently, saying that he's always been in favour of direct action, having tacit support for those people who demonstrated in Seattle. I think that's very news for victims of crime in the capital.

P: He says he doesn't support rioting. You're serious proposition is, is it, that because of his failure to produce the right kind of rhetoric on crime, rhetoric you find congenial, that somehow burglars, muggers and rapists across the

capital are going to go out and cause mayhem when he becomes Mayor?

R: Again, Jeremy, you're actually talking nonsense here. What is actually important is that you have a mayoral candidate who can actually deal with the issues. Now I know, as a London Member of Parliament, and also as a Home Office Minister that crime, and the fear of crime, are important issues, and they're important all over the country, and they're very important in London.

P: No one disputes that. They just dispute your claim that it will somehow get worse if he becomes mayor.

R: Therefore it is important that you've got a mayor with the right policies. Now if you have a mayoral candidate who doesn't talk about crime, who doesn't talk about burglary, who doesn't talk about the victims of crime. He just talks about a very small aspect of it then you're in for very real problems.

P: Can we take it that, although you've been unable tonight to produce a single example of a company which may either not invest in London or get out of London if he becomes mayor, that some time during the couple of months of this campaign you will produce such evidence?

R: I think that, as I have already said, that what will happen is that when Ken Livingston's policies are put under the searchlight we'll have more reports. I've already quoted to you the report that's already been. There's quite a long period of the election campaign to go. We will see very many more examples.

P: Mrs Roche, there's two months, and in that two months, will you produce at least one example of a company that is going to get out of London or is not invest in London if he becomes Mayor? Or will you withdraw the accusation?

R: It's not for me to produce the examples.

P: You have made the accusation.

R: It's for me to say that there have already been examples.

P: You have made the accusation. Will you support it during the course of the campaign?

R: I suspect that in the coming weeks that we will see other examples of this kind, because at the end of the day here we have a candidate who I very sincerely believe will not be good for business, who will not be good in the fight against crime. And the closer examination of his policies that takes place from the press, the more we will see that Ken Livingston is not the mayoral candidate London, that the people of London, need and deserve.

P: Mrs Roche, as you know, that is rhetoric. You have made a serious accusation about what he will do to business, that business will withdraw from London or not invest in London. You have been unable to substantiate that allegation. If in the course of the two months of the campaign you are unable to do so still, will you withdraw it?

R: What I have said to you is we've had reports already. I am quite sure that there will be other examples, not only in the economic field.

P: Is the answer to the question yes or no?

R: I've already given you the answer to that, Jeremy, and I've given it in no uncertain terms.

P: You've given it in very uncertain terms. In fact, some would say you haven't answered at all

R: We will have more examples of Ken Livingston's unsuitability for mayor. And I very much welcome the campaign because that's an opportunity for Frank Dobson to outline his policies in great detail and it's also an opportunity for the press to subject Ken Livingston, and of course all the other candidates, to the scrutiny that everybody should receive.

P: And you will not produce any evidence?

R: I'm sure as the campaign goes on we'll see very many more examples along the lines that I've already quoted.

That was the end of the interview as broadcast. But the sting was in the tailpiece in which Paxman said the following:

"Well, after that interview we decided to help Mrs Roche by trying to identify the business she referred to, mentioned in the Sunday newspaper. It turned out to be called Sintel a computer company headquartered in the United States. They were named three days earlier in a news release from the Christian Peoples Alliance, which is fielding its own candidate for mayor, a Mr Rand Gudamel.

The company sent us a statement a few minutes ago saying only that Sintel will be watching the upcoming London mayoral election with interest: "I can say that we are very committed to the UK and plan to continue and enhance our operations here. We selected London as our UK base because it is a thriving multi-cultural city".

Sintel's London operation employs all of 35 people. But it so happens that one of its business advisers is in fact the Christian Peoples Alliance candidate, Mr Gudamel."

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/

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edited by Joe Keenan

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How Competition Cured Morality

Gwydion M. Williams

Before you can have a manufacturing society, you have to first manufacture the correct sort of human raw material. We are not creatures who will spontaneously go to a crowded workplace and work long hours for wages and under command. All that had to be drilled into us before right-wing economists could declare it 'natural'.

Sir William Petty figured out in the 17th century that Britain could become the industrial society it actually did become in the 18th and 19th centuries. He was a much greater economist than Adam Smith, who was, for a time, a close neighbour of James Watt at Glasgow University, and yet had no inkling of the coming Industrial Revolution.

Petty was also closely and embarrassingly involved in the actual process of re-inventing Britishness, including doing his best to de-invent the Irish. He made a fortune by aiding the land survey of the Cromwellian settlement. With great equanimity he managed to serve both Cromwell and Charles II, as well as James II, and would no doubt have done just as well had he lived on into the reign of William and Mary.

Petty made the land survey a success—aiding a dispossession that might otherwise not have happened—by breaking the work up into a number of semi-skilled tasks. The same process that Adam Smith abstractly admired in pin making was actively organised by Petty. And Petty was not celebrated as Smith has been, precisely because he was a little too close to the real organisation of British society during its run-up to the Industrial Revolution. Adam Smith, the gentle, kindly academic, makes a much better 'prophet of capitalism', straw man for a whole host of tricks and oppressions.

Capitalism did not only alter the

economic relations of society, it also altered its social life. Above all, it undermined the morality inherited from earlier times.

Most of the moral and social changes produced by capitalism and industrialisation were not intended by the proponents. Many of them were loudly denounced by the very people who undermined traditional values in their business lives. The connections and contradictions were often pointed out, and just as frequently denied or explained away.

Adam Smith kept his morality and his economics in two separate books: *Theory of Moral Sentiments* and *The Wealth of Nations*. In the first of these, sympathy is everything, whereas in the second it is nothing and only money matters. This interesting division of labour has been followed ever since.

Capitalism in the British economy helped to promote the changes that the ruling classes were wanting to bring about. The lure of fame and fortune recruited all sorts of people to the cause of Progress. And while some were also ideological progressives, many more were neutral or broadly conservative. Successful industrialists were commonly opposed to all changes other than those that they themselves were profiting from.

Within the wider society, feelings were more mixed. The less prosperous and ambitious were also often less worried about change. They were none too bothered at the upsetting of a social order in which their own place was less than ideal.

What of those who did see where it was leading? There were many varieties of genuinely conservative, anti-capitalist forces: some verging on socialist, others incoherent. And some anti-capitalist protests were both serious and coherent, but in ways that were not very likeable.

Old-fashioned virtues were often part of a package that included many old-fashioned vices. Sentiments we now condemn but that were not seen as vices at the time.

Who today would feel happy with this little item:

Of earth's other tributes are plenty to choose,

Tobacco and petrol and Jazzing and Jews;

The Jazzing will pass but the Jews they will stay;

And that is the meaning of Empire Day."

(G. K. Chesterton, *Songs Of Education*)

Had he lived longer, Chesterton might perhaps have felt ashamed at the way the Nazi party had acted according to the logic of what Chesterton, Belloc and many others had been saying for the past half-century. Perhaps. But perhaps not. For certain, there are times when lack of foresight is a criminal offence. There had been enough violent anti-Semitism in places like Tsarist Russia for a reasonable person to know that the matter was no joke.

There are bits of Chesterton that I like very much. He cleverly ridiculed the Puritan 'do not' mentality, as with

The Herald Angels cannot sing
The cops arrest them on the wing.

He shows a real sense of beauty in such works as his celebration of the Glass-Stainers:

But we have wrought in rose and gold
The houses of the sun.

Yet he could also be horribly bigoted and narrow.

Chesterton had a desire to be a mediaeval man in modern Britain. With his mix of good humour, a real sense of beauty and a streak of very nasty bigotry, he went some way towards reaching that goal. Though to complete the process, he would also have had to give up washing and clean clothes and spend the winter of each year living on mouldy grain, sour beer and bad salt beef. The simplicities and harmonies of mediaeval life had their price, a point he does not properly face up to.

Chesterton was also stupidly blasting away at the wrong target. Many Jews shared his admiration for well-distributed small property. If some Jews also took personal advantage of an open and asocial economy, they were not the only people to do this. Also, Jews had had no part in creating such a system. The development of factories and the deskilling of work was a joint enterprise by the English and the Scots, with very little Jewish input. Jewish social thinking was mostly concerned with social values. It had virtually no influence on Christian Europe until sceptical and curious ex-Christians started investigating it in the 18th century.

Mediaeval Europe was quite a crude civilisation. It knew quite well that it had fallen by comparison with the Greek and Roman past. It was poor and ignorant when set beside contemporary China and India. And it was vulgar and primitive in comparison the Islamic world, as we are only just recognising after much distortion during Europe's brief 19th century ascendancy.

When I speak of competition 'curing morality', I am pointing out a very real ambiguity. Change is continuous, and we ourselves are very much the product of it. If people are nostalgic for some aspects of the 1950s, many women would certainly not be ready to accept the position that they occupied then. Nor can many men be found these days who would openly assert the kind of male role regarded as normal until the 1960s. Even fewer would nowadays assert the mainstream values of the 1930s or 1890s or 1860s.

Is this Smith's 'Invisible Hand' at work? Do we assume that capitalism 'cures' the bad old unwanted sorts of morality, while leaving our own modern

and decent morality intact?

Such a belief rests on the assumption that the whole credit for beneficial change belongs to capitalism, rather than to science and general learning and democracy. It also relies on not giving credit to the progressive role of a radicalism that has been mostly anti-capitalist and generally socialist.

Capitalism eroded many traditional social relationships. In some cases, the ideas of progressive social thinkers filled the void. In other cases, the void was commercialised. Traditional ties were replaced by new values that were neither traditional nor progressive. Values that Adam Smith himself might have rejected, but which were a logical development of Smith's idea of a self-centred system that promoted the individual against society.

Smith's notion of an 'invisible hand' gently keeping everyone in harmony has not been justified by events. 'Virtue without virtue' works some of the time, but not often enough. The belief in ever-improving morality depends on us being vain enough to think of ourselves as some sort exception, the endpoint of history.

New Rightists are quite as vain as that, and vainer. The future is seen as full of wonderful new technology, but otherwise much like the present, or perhaps the recent past. Any modern trend that displeases them is classed as a fad that will not last, just as Chesterton in the 1930s was expecting Jazz to be forgotten quite soon.

Chesterton did at least understand that he was defending a dying tradition. New Right characters blandly assume that everyone else is out of line and that they alone are the children of a future age. I believe that this may have been what former Vice President Dan Quayle was getting at when he spoke of living in the next century, though his actual words on the matter cannot be said to have any definite meaning.

In my view, the mainstream morality of the 1990s is already past saving. The society has far too much momentum in other directions to allow the present consensus to be a stopping point. The radical rebelliousness of the 1960s is

steadily becoming the new mainstream. It too is unlikely to prove an end of history.

Tomorrow, you will be yesterday. Remember that, next time someone says that social planning is an avoidable expense

People believe that what Smith advocated was 'capitalism', and that he would therefore approve of the current triumph of 'capitalism'. This belief misunderstands the profound social transformations of the last 300 years. Smith never spoke of any such thing as capitalism. He spoke of a commercial society, a condition which he viewed as already having been achieved. And when he published *The Wealth Of Nations* in 1776, he shows no awareness of any such thing as an Industrial Revolution, even though the start of this process has been most commonly dated to the 1760s or 1770s.

The popularisation of this concept was the work of elder Arnold Toynbee. There are two Arnold Toynbees, uncle and nephew, both original and interesting, and it was the younger one who wrote *A Study Of History*. The elder Toynbee was better than most later writers, in seeing the transformation of agriculture as very much part of industrialisation.

A market relation is a relationship of pure power, with all human elements stripped away. Markets have always been useful for cases where no definite social relationships existed. Markets mostly mediated trade between very different societies living well apart.

Contrary to New Right mythology, trade was far more often a cause of wars than a promoter of peace. To physically annihilate a rival trading city is not admirable behaviour, but it is very often profitable and successful. Venice flourished as the most successful of many contending Italian cities, on the basis of an empire and with a policy of aggression that culminated in turning one of the crusades into a conquest of the Greek Christian Empire of Byzantium.

Holland, Britain and France struggled viciously throughout the 17th

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Kevin Brady

Parliamentary Diary

Nuclear No-Go Areas

British Nuclear Fuels' bad press resulting from the falsification of safety records has prompted calls for the closure of the plant, or at least for a halt to nuclear reprocessing. The workers directly responsible were sacked. This was followed by the resignation of the chairman, but, to date, no other senior figure in the company has been affected.

Safety at the Sellafield plant has always had the highest priority, so the news of the falsification came as quite a shock to the Government and industrial commentators alike. It reminded me of something that the anti-nuclear lobby has long argued: that even the most perfect technology cannot account for human error.

The risk from nuclear power was brought home to by an answer to a Parliamentary Question on 10th March about the Chernobyl nuclear accident which occurred in April 1986. Joyce Quinn, Minister of State for Agriculture, told MPs that 6,543 acres of farming land in England were still subject to restrictions as a result of the accident. It is a chilling thought that Chernobyl continues to threaten us 14 years after the event. Even more chilling is the thought of a major nuclear accident occurring in Britain.

Murders In Dispute

More than 3000 (3,270 to be exact) murders occurred in Northern Ireland between 1969 and 1998. Not all the murders are attributable to the security situation, although the media have always presented the figures as if they were. Adam Ingram, Minister of State for Northern Ireland, told MPs on the 13th March that statistics collected between 1969 and 1987 included both security related murders and crime. These totalled 2,439, compared with 831 between 1988 and 1998. 615 of the 831 murders were

security related. If we assume a similar figure for the whole of the 30 year period, security related murders accounted for about 2,420 (or 74%) of the total of 3,270.

The biggest reduction in the number of murders occurred in the late 1970s, when Roy Mason was Northern Ireland Secretary. The murder rate continued to fall in the early to mid-1980s and then increased slightly in the latter part of the decade. This trend continued into the early 1990s, but the years since 1994 have seen a significant fall. 3,270 murders in 30 years may sound a lot, and it is compared with other regions of the UK, but it pales into insignificance compared with the number of murders over the same period in American cities, such as Houston and New York, where there is no dispute over political allegiance and, consequently, community conflict is non-existent.

Extra Parliamentary Earnings

Ken Livingstone's extra-Parliamentary earnings have been the subject of intense media scrutiny in recent weeks, most of it focussed on whether he was entirely honest in his declarations to the appropriate authority. As far as I am aware none of the comment about Livingstone, or indeed any other Parliamentarian in similar circumstances, questioned whether he should be allowed to 'earn' huge sums of money from outside sources.

The freedom to earn such sums suggests that being a Member of Parliament is not a full-time job when, clearly, most of the electorate believe it is. Why is John Major, for example, allowed to spend some of his time as an MP acting as a visiting lecturer in the United States and elsewhere and being paid astronomical sums in the process, in addition to his parliamentary salary?

With the recent increase an MP's

salary is now around £48,000 a year, at least twice average earnings, plus about £50,000 in parliamentary expenses, and yet some of them are still not satisfied. Unless they are prepared to live on their parliamentary salary alone, they should not criticise the greed of company 'fat-cats' or attack workers, earning considerably less, for wanting more.

No Way, the Lads!

A couple of years ago two Newcastle United Football Club directors, in a drunken state, referred to the club's supporters as stupid and Newcastle women in general as dogs. At last, one thought, here is an opportunity for football supporters to show solidarity and stay away from games involving Newcastle, a form of protest the club and its directors would understand. But what happened? The very next home game at St James' Park was a full house, thus tending to vindicate the directors' description of the supporters.

Now Newcastle United are at it again. A number of season ticket holders have been told that they will lose their seats in order to accommodate the construction of more boxes for corporate entertainment. On this occasion, however, the supporters affected are not allowing the club to roll over them. They have taken their case to court and won the right to appeal, even though the judge admitted that Newcastle had the right to replace them (by moving them to another part of the ground) in "exceptional circumstances".

The bad news, however, is that the club is arguing that they are legally entitled to recover any losses (from a delay in construction of the boxes) from the supporters. The case so far has cost the supporters £200,000, but if Newcastle press their argument this could at least double and, possibly, treble. If football supporters, particularly those who follow Newcastle United, want further proof (there is already ample evidence) that clubs do not really care a fig for them, other than as a means of filling a stadium (just think what it would be like play football in an empty stadium), then this case provides it. The Minister for Sport, Kate Hoey (an Arsenal supporter) should take heed and speak up for the supporters of Newcastle United and other football clubs.

Mr Freedland Changes Trains

David Morrison

Jonathan Freedland was one of three *Guardian* columnists who cheered on the NATO bombing of Yugoslavia a year ago. The other two were Hugo Young and Polly Toynbee.

Not only that, they all rejoiced in our Great Leader's new doctrine of humanitarian interventionism as expressed in his Chicago speech and his *Newsweek* article on 19th April 1999:

"We need to enter a new millennium where dictators know that they cannot get away with ethnic cleansing or repress their peoples with impunity. In this conflict we are fighting not for territory but for values. For a new internationalism where the brutal repression of whole ethnic groups will no longer be tolerated. For a world where those responsible for such crimes have nowhere to hide."

They also rejoiced in the arrest of General Pinochet, which they identified as another example of the "new internationalism".

In his column on 26th March 1999, Freedland lamented the fact that the left were not cheering on the NATO bombers. He wrote:

"Somehow, Benn, Jeremy Corbyn and now Denis Healey prefer the nothing option. They would rather be bystanders to evil.

"Sure, they have good arguments, each one of them worth addressing. But what's missing from their case is moral urgency. They dodge the fact that Serb forces have been slaughtering innocents, shelling and burning villages, forcing a mass exodus of refugees—not two hours' flight from Heathrow. Faced by such horror close at hand, a civilised society has a choice. It can act, however clumsily. Or it can look away.

"Benn and Co say such talk is hypocritical. We haven't acted to save the Kurds from the Turks, or the East Timorese from the Indonesians. Nato is just being 'selective'.

"That's the same argument which says that because it's impossible to catch every murderer we shouldn't bother catching any. It's not a reason to do nothing in Kosovo; it's a reason for doing more in Kurdistan and East Timor. We shouldn't be heckling Nato for making this exception. We should be cheering them on, hoping they make such activism the rule."

There you have it. Never mind the practicalities, wherever evil manifests itself (as judged by our Great Leader), bombs must rain down.

However, one year on doubt has crept in. Listen to this from his column on 8th March 2000:

"What both Iraq and Kosovo confirm is that when it comes to international action, there are no good choices, only bad and flawed ones. Every option involves compromise with immorality; for every angel whispering advice, there is a devil at his side. What possible rules can we devise to guide us through?

"We might declare that we act wherever atrocity strikes. That, more or less, was the logic of the PM's Chicago speech last year setting out a Blair doctrine of humanitarian intervention. But wouldn't such a doctrine require action to save the Chechens from the Russians or Tibet from the Chinese? It would: yet not too many are advocating air strikes against Moscow or Beijing. This suggests an amendment to the rule: we act whenever atrocity strikes—unless the offending country is strong and has

a nuclear arsenal. If they have the bomb, they can do what they like. This may work as a factual description of the realpolitik world we live in—but it hardly stands as an inspiring principle for the new globalised world. Besides, it would act as an instant incentive to non-nuclear countries to get the bomb quick."

(Since this was written, the PM (and his wife) has of course intervened in Russia but on the side of Mr Putin, the hammer of the Chechens, in his presidential election campaign. The latter has consisted of a number of photo opportunities and our PM was kind enough to provide one by accompanying him (and his wife) to the opera in St Petersburg.)

Problems of Capitalism & Socialism

No 57. KOSOVO: Serbs Good, Albanians Bad, Albanians Good, Serbs Bad. Current international commentary on NATO's Kosovo War reviewed in the light of the facts of history by Gwydion M. Williams (May 1999, 18 pp, £1.50)

P. O. Box 339, Belfast BT12 4GQ (Price includes p&p)

Did Madeline Albright blunder, or did she set Milosevic up?

Read the full text of the Rambouillet Agreement

Available from Problems of Capitalism and Communism (see above)

Kosovo and Virtual Morality

Andrew Bryson

As David Morrison points out on the opposite page Jonathan Freedland has tentatively distanced himself from the bogus universalism that underpinned the NATO war on Yugoslavia last year. Is *The Guardian* adjusting to the fact that its side of the argument is steadily losing. It is becoming clear that this war is not a source of pride to those who argued for it and those who prosecuted it. It is widely recognised that the war to celebrate the fiftieth birthday of NATO has seriously weakened NATO. Blair, the Tories and the newspaper establishment gambled on the false hope that that they could use NATO for a bit of gunboat diplomacy. They thought a few days of explosions would induce Milosevic to give in to the Rambouillet demands, and that would be that. They recklessly ignored the warnings that bombing would unleash chaos in Kosovo and gambled with the safety of the Kosovans on the ground. They saw fit to put NATO to the test and it has been exposed in all its weakness. The Americans no longer trust the Europeans. The alliance of 19 countries cannot keep secrets. For weeks Milosevic knew where the bombers were going to strike. If he had held out another week and forced the carpet bombers into a ground war it would probably have been a bloodbath for NATO. The Kosovo war is unlikely to go down in history as anything but a dishonourable bungle, which was instrumental in turning a small-scale, limited civil war into a humanitarian disaster.

But we shouldn't forget that the war was launched on a tide of rhetoric. Intellectuals like Freedland created the climate for it. Another such intellectual is Michael Ignatieff, who has recently published a book called *Virtual War: Kosovo and beyond*. Ignatieff was interviewed recently in *The Irish Times* by Penelope Denning. Here is a quote from that interview:

"The war in Kosovo came about not through any democratic process, he [Ignatieff] says, but through pressure from media pundits just like him. 'The weakness of the Something Must Be Done brigade is that they have access to the media, often have access to politicians, but they don't care that much about democracy.'

We have replaced institutional democracy through our representatives with a kind of media-ocracy, in which key public issues are debated with Dimbleby or Jon Snow in the chair. And I think these are important parts of democracy but they shouldn't substitute for the institutional core of it—which is that a prime minister should go to the House of Commons and say: 'I want to send your constituents out to get shot at. do you or do you not approve?' Democracy does not get more basic than that."

It was a British Labour politician, Bob Marshall-Andrews, MP for Medway and an opponent of intervention, who pointed out to Ignatieff, live on Channel 4, that Kosovo had not been debated in the House of Commons.

The war lasted 78 days rather than two largely, Ignatieff claims, because politicians both in the UK and the US knew they had no democratic consent.

"If you go to a parliament and say: 'Listen guys, something extremely serious is going to happen. We are about to bomb a European city, we are about to take some moral risks with other people's lives. Let's understand what we're doing here'.

"If you do that, that's one thing. But had the military gone in with a sledgehammer, hitting Belgrade and the electricity grid without that consent, the repercussions would have been disastrous. CNN and the BBC would be there and John Simpson would say, the incubators are down, the babies are dying. The Western public wakes up and

says: 'Shit, we didn't authorise this. We didn't approve this.' "

He shrugs his shoulders. So the political masters made their call, he says. "But because they got it wrong we had to go 78 days". (*Irish Times*, 1st March)

Ignatieff is quite right that the public never called for the Kosovo war; that it was the 'media-ocracy', who made possible the by-passing of democracy he speaks of—given that the opposition parties currently uphold the doctrine of automatic support for the Government during any kind of war. One wonders if Ignatieff ever made the kind of case he makes above while the war was going on! These are the grounds he gives for maintaining the interventionist stance he took during the war"

"The hard fact we're all struggling to deal with is that in the 10 years since the coming down of the wall, ethnic majority tyranny has been established in state after state that had been multi-ethnic. we have to face up to the fact that when democracy came to eastern Europe, it came in the form of ethnic majority rule and ethnic majority rule meant ethnic cleansing of minorities" (ibid)

For Ignatieff, the tragedy in Yugoslavia is a function of something called "democracy coming to Eastern Europe". There is no mention of the way the western powers encouraged and patronised the various sectarian secessionist movements in Yugoslavia and their unilateral declarations of independence from a multi-religious state that had maintained relative peace between the communities for decades after World War II. Can this moralist explain why the Yugoslavia that emerged under Milosevic was any worse than Putin's Russo-Chechnya? Perhaps he should have a word with Jonathan

Freedland (Mark 2).

The Kosovo crusade will, I suspect, come to be seen in future as an example of the new populism that is steadily infecting western democracies. In a valuable essay in the *New Statesman* Professor David Marquand has drawn attention to this trend. What are popularly referred to as Tony Blair's 'control freak' tendencies, Marquand sees as a function of his adaptation, like Labour leaders before him, to the 'control freak' tendencies of the British state. Control freakery is structural, not a quirk of Blair's personal psychology. Marquand sketches in a shadowy alternative tradition to this anti-democratic 'court' tradition which he believes pervades the British constitution: republicanism. He traces 'republicanism's' ancestry back through Richard Crossman to the Chartists and, earlier still, to John Milton. Marquand argues that the old 'controlling' British state is now defunct, driven into the ground by Margaret Thatcher, who, he says, drove it rather as Mr Toad drove cars. With the 'court' tradition at the end of the road, republicanism's time may have come. But, says Marquand, there is another possibility—populism:

"The danger, as de Tocqueville always feared, is that democracy slides into a politics of populism—a politics that hinges on a charismatic leader's claim to communicate directly with the sovereign people, and to embody its will. Populist leaders do not in fact embody the popular will; they invent it. But that does not make the claim any less effective. Populist languages flatter the emotions; they promise the isolated and alienated the warm glow of membership of a greater whole... Since modern techniques of opinion research are more sophisticated than anything available to the populist leaders of the past, this is much easier than it used to be. The focus group becomes a proxy for Rousseau's 'General Will', and the leader's claim to possess a direct line to the people acquires a specious plausibility.

The present government is not irrevocably and monolithically populist; it is torn. But populism is the line of least resistance for ministers trying to balance between incompatible imperatives. I don't want to make your flesh creep. A new Labour populism would be warm and cuddly, not harsh and divisive: a populism of healers, not of warriors. All

the same, it would carry two great dangers—one immediate and one longer-term. It would be inclusive, but suffocating; genial, but manipulative. It would marginalise dissent, blanket debate and foster the banalisation of politics. It might also pave the way for an uglier populism, a populism of xenophobia and intolerance, later on." (New Statesman, 20 March)

I would respectfully suggest to Professor Marquand, that the 'populism of warriors' is already with us. The Kosovo crusade had all the characteristics. With the eager assistance of the main media outlets Blair, Cook and Robertson disregarded both international law and Parliament and set about creating a "General Will" for their 'humanitarian' adventure. The project depended entirely on xenophobia, the setting up of Yugoslavia and its people as a 'rogue state' to punish as they wished—made easier, perhaps, by the practise they have had in Iraq. But it is a xenophobic populism wearing the robes of the healer and the universalist humanitarian.

world which once bank-rolled Cuba with hard currency and generous trade agreements.

Maybe instead of reprinting misty-eyed reports on Cuba we should be asking the question: are any means justified to keep socialism alive, or do amoral attitudes destroy socialism?

When Cuba decided in the early 1990s to open up the nation to mass tourism a number of bombings inside hotels and other tourist facilities began. Saboteurs from the Cuban exile community in Miami were blamed. How did they get past the Cuban intelligence services who are said to be a mirror image of the old KGB? Explosives, detonators and timers must be difficult or impossible to come by in a small country where most of the population is still loyal to the Government. It was later suspected that elements of the Cuban army became alarmed at what mass tourism might do to the socialist state. The most hostile people the tourist will encounter in Havana today are professional army personnel. Their special forces guard the Complejo de

Museos Históricos Militares (the museum of the revolution). You get the feeling that as a tourist they hate your gringo guts. It will be interesting to see what happens if Castro should die soon. There is no outstanding successor as his brother Raul is unpopular with the mass of the people.

Why is it that socialism in its many guises doesn't seem able to survive in either one-party states or under what passes for Western democracy?

Yes, there is a free health service in Cuba, but it lacks modern equipment and drugs. Doctors are forced to moonlight in hotels as porters and receptionists through being unable to live on the state salary. It is a different story for the private medical and surgical clinics advertised in *Granma International*. U.S. dollars buy you proper treatment.

An organisation in Northern Ireland recently appealed for out-of-date medicines for Cuba from chemists and individuals to help the public sector, while medicines and equipment for the private sector are brought in from the U.S. through Mexico.

Elaine Canty, like a lot of middle-class idealists, equates being working class with being poor—qualitatively I suspect. Are all American workers poor? Do the Cuban working class going to America automatically become part of the U.S. underclass? I expect Elaine Canty wouldn't like it if she were condemned for wanting to leave Australia. She apparently yearns for those Cold War days when severe restrictions were put on travel from communist countries. I don't suppose she noticed the street-long line of people queuing outside the enormous American Interests building in Havana looking for visas to the U.S. (an embassy in all but name).

Of course Castro can bring thousands on to the streets to protests about the kidnapping of the six-year-old survivor on one attempted crossing to Florida. He is still an icon there. The late De Valera, president of Ireland, could do much the same thing over less emotional issues. Castro does like to re-live revolutionary times on occasions, as Dev did. Those desperate eleven drowned

Cubans (including the mother of the six-year-old survivor) were condemned as traitors.

Unemployment in Cuba is very high. The people have little else to do but watch the tourists. They find out quickly enough that most of them are the working class with video cameras and leather shoes. Should Cuban workers be condemned for also wanting a better way of life?

The optimism and zeal of communism is dead. There is very little now to sustain the people of Cuba spiritually, very little reason now for them to sacrifice their lives for an ideology whose slogans now compete for space on the hoardings with adverts for mobile phones, Dreft washing powder and Spanish Seat cars. Even the possibility of a U.S. invasion has long gone. The U.S. now plays a waiting game and tests the waters by sending over groups of businessmen from time to time. The red carpet is laid out for such delegations and a chastened Castro in suit and tie usually greets them.

I don't know who Elaine Canty is, but she seems to have been able to meet some leading lights in the Cuban Government including the vice-President of the Cuban Cabinet (whoever that is). Hardly a privilege according to just any old Tracey from Tottenham. Did these people give her an unbiased report on Cuba or did they reinforce her fantasies, sending her out on that yellow-brick road? No prizes for the right answer.

It is interesting to note that the now elderly musicians who once played in the night-club/brothels of Havana during Batista's time have recently been rehabilitated. They have been on tours of the U.S. and Europe, make CD albums and are generally encouraged to talk about their admiration for the U.S. and its rich and glamorous clientele of yesteryear. Good for the tourist trade?

Why, then, does the Cuban Government go to any length to stay in its denial mode? Last year they sent a member of the Central Committee of the Cuban Communist Party along to the West Belfast Festival where they had a stall dishing out literature on the glories of socialist life in Cuba.

L&TUR, some time ago, put forward the notion that if Castro had not been threatened by the U.S. and forced into the Eastern Bloc, he would have been happy as a reformer. Is he now attempting to carry out those reforms, albeit crudely?

Danny The Confused

Sean McGouran

The *Scottish Trade Union Review* dated December 1999/January 2000 dropped through my letter box early in February. It was rather a surprise as the STUR has not crossed my path for nearly a year. It became clear that it had not been published for a year. Among other bits of hot news was a piece on the opening of the Scottish Parliament. Another was about the Green intervention in the Euro-elections, concentrating on France and Danny (presumably he has to be 'le Vert' these days) Cohn-Bendit. The author of the article, Neil Robertson, seemed to be in awe of his reputation, claiming his "...voice from the barricades had... nearly toppled general De Gaulle". If he had succeeded, there might well have not been a European Union Parliament to try to get elected to. And why emphasise the 'General'? De Gaulle was a properly elected head of state and of the administration, who had skilfully avoided plunging France into a civil war with the irreconcilable colonialist/racist/right. Quite why the barmy ultra-left should be respected for almost bringing about such a war at the end of the 1960s, only the Neil Robertsons of the world know.

In a sense, it is only fitting that Danny is the same trivial self he was all those years ago. His Paris speech, to a "crowd of 3000 people—most of whom were under 30, many of whom were black...", contained nothing any socialist could disagree with. So why he felt the Greens could 'deliver' his demands better is something of a mystery. Apparently, "The Kosovo issue... has been difficult... dilemmas troubling... But I am not surprised that Le Pen and Megret (leaders, now, of two National Front factions) "support Milosovic... remember Srebrenica..." There was

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Cuba

Reply to Elaine Canty

Wilson John Haire

In issue No. 92 you reprinted a piece on Cuba by Elaine Canty from the Australian paper, *The Age*. It was supposed to redress the balance to my letter published in issue No. 81. But surely this is just another name for even-handedness. Such a device, when used by the media, is dishonest and attempts to smother the truth. Should L&TUR, an analytic magazine of the Left, be engaged in in similar tactics? I could understand it if Elaine Canty had something new to say about Cuba but she writes the usual stuff as if this is the 1960s, with all its naivety about the socialist world.

Nowhere in her letter, for example, does she mention the developing Cuban tourist trade though she does come over all giddy with her 'million dollar view over the Carribean'. Such metaphorical language does come easily in today's

Cuba. Large scale tourism in any nation always involves plenty of alcohol, drugs, female/male prostitution, paedophilia and organised crime. No doubt the U.S. dollars from this trade is good for the Cuban economy.

Back in 1989 Cuba was accused by the West of being part of the world-wide drug trade. These accusations were put down to anti-communist propaganda by the Cuban authorities. Soon afterwards General Arnaldo Ochoa of the Cuban armed forces was accused of drug-running and corruption and was executed. He was also said to be in favour of turning Cuba into a post-communist Hungary or Czech Republic. His daughter who now lives in France campaigns incessantly for the truth. She insists he was a scapegoat for a government desperate for hard currency during the demise of the communist

Continued from p.8

and 18th centuries. Applied violence determined which of them would be Europe's prime colonial empire and trading power. This was effectively settled by the 'wonderful year' of 1759. Britain's Industrial Revolution is normally reckoned to have starting between 1760 and 1780.

The identification of commercial society with capitalism, and of both with the rule of the 'bourgeoisie', comes mostly from Marx and from other 19th century critics of the existing social order. In the name of Smith, and with little regard to what the man actually wrote, the Adam Smithites based their Grand Strategy on a caricature of their own system. Thatcher & Co. supposed that if capitalist forces were freed from existing controls or distortions, this would boost the prosperity of a commercial society and also restore 'bourgeois' or middle-class values.

Brilliant though the Thatcherites could be at the level of tactics, their Grand Strategy was based on delusion and self-deception. One could talk at length about individual failures or treacheries or losses of willpower. They do this all the time, always finding that all of the good things were caused by them whereas someone else must be blamed for all the errors. No doubt there was individual brilliance and blunder, but these are also surface phenomena. The whole New Right project was bound to ruin the very things it thought it was preserving.

There are no particular social values associated with the economic process of capitalism. It is a force for pure anarchy, for nihilism. It is worth noting that the original Russian Nihilists were broadly Progressive and pro-Capitalist, even though some of them later drifted into socialism and anarcho-communism.

Even Lenin initially saw Capitalism as a useful destructive force that would clear away Russian backwardness. This was how he presented it in 1899 in *The Development Of Capitalism In Russia*. It was only in 1917, when the Western powers had drifted into mad militarism and self-destruction that he made a try for the unique Russian road to progress that he had spent much of his life

ridiculing.

The break-up of ice and snow during a thaw is intricate and unpredictable in detail, though fully predictable in broad outline. The big error in Marxism was not to foresee that capitalist economics might go beyond and outlive the limited social values of the bourgeoisie.

A comet is not viewed as a failure if it eventually fades and dies after a period of great brilliance. Does the abrupt collapse of the Warsaw Pact countries in 1989-91 mean that their system never had any worth or merit?

A small, inexperienced sectarian group like the pre-1917 Bolsheviks should not have been able to reshape entire societies according to the dogmas of their sect. It should not have become so strong that it required wholly new forms of social organisation to counter it. Unless one supposes that Lenin and Stalin were in league with Evil Spirits (and one does, actually, find such views among the Far Right) one has to accept that Marx did grasp large parts of the truth, if not the whole truth.

The fact that Marxism-Leninism failed in the long run shows that it was not the complete and absolute 'science of history' it had supposed itself to be. Yet its view of the world was also true enough to pioneer many successful new forms of social organisation.

From the Adam Smithite viewpoint, there are no new forms of social organisation. The same view is held by both the Thatcherite-Marxists and the conventional or Fundamentalist Marxists. With Leninism fallen, with Social-Democratic experiments like Sweden undergoing change, we are now told that there is only the one eternal Capitalist Truth.

For these groups, Capitalism is what Adam Smith prophesied in the 18th century. Capitalism is what blossomed spectacularly in the 19th century. Capitalism is what struggled all through the 20th century, preserving democracy and prosperity in the face of irrational and unjustified threats from Fascism and Leninism. Capitalism is what is now having a second triumphant blooming all over the world, and especially in the newly emergent 'tiger' economies of

East Asia (though when they falter, they are then blamed for not being properly capitalist). Capitalism is It, as far as modern life is concerned.

None of this is true. Capitalism is not a form of society. It has no social or moral values. A great many types of society can contain elements of capitalism, just as a great many different shapes of bottle can contain wine. The wine does not absolutely determine the shape of the bottle, though some shapes are more sensible and more widely used than others. Nor does the wine spontaneously generate a glass bottle to serve its needs as drinkable wine, though the vintners would surely be very pleased if it did.

Vintners who expected the wine to bottle itself would not last very long. Vintners who sold their wine in barrels and who regarded bottling as an irrational wasteful folly by their distributors might do OK, for as long as this opinion was not put to the test in the real world. Capitalists who expect 'rational self-interest' to take care of the infinitely complex problems of social organisation may do OK, for as long as someone else is doing the necessary work without reference to them.

The Thatcherite enthusiasts who came to power in Eastern Europe after 1989 were vintners convinced that wine did not need to be bottled: vintners who were none too good at even producing the un-bottled wine. These characters set about demolishing everything in sight, in the expectation that 'natural' capitalism would rapidly spring up. All of those societies suffered disastrous losses of real wealth—between one-third and one-half in the former USSR, according to *The Economist*.

Of course their financial crisis was no worse than that which hit the West in 1987. The difference was that in 1987, Thatcherite ideology was thrown overboard and everything possible was done to stabilise the system. Whereas when East Asia went down, the International Monetary Fund took the opportunity to kick them repeatedly and hard. The priority was not to help. It was firstly to make them conform to Western values and secondarily to make them pay as much as possible of their debts to Western banks.

The seeming power of our globalised world system is hollow, just as Soviet power was hollow in its last years. It has no solid morality. The United States is full of enthusiasm for a shallow Christianity—a creed that worships money under a thin gloss of Jesus.

Shaw in his play *Major Barbara* has a character who openly proclaims his worship of money and gunpowder as the really important things in life. Updated as money and gun-power, this is the modern USA's real creed. And it isn't working.

Out in April

Adam Smith—Wealth Without Nations

G.M. Williams

The *Wealth Of Nations* (1776) provided the theoretical foundations for a Political Economy of the right, much as *Das Kapital* did for the left. The division of labour, necessity for small government, free trade, and need to promote productive—as opposed to non-productive labour, are ideas supposed to have found their theoretical justification and development in this seminal work.

That supposition turns out to be ill-founded. Gwydion Williams has cast a critical eye on this very much unread 'foundation-text' of capitalism. He has found that Smith provided an ideology, rather than a scientific foundation, for British pioneering industrial capitalism. For instance, the well-known descriptive term, 'the invisible hand' of the

market, is not a worked-out idea of Smith's, but merely a phrase which occurs a couple of times in his work. As for the famous 'division of labour', the productive advantages of which are used to justify de-skilling and mindless factory work, Williams finds that Smith's advocacy of it is ill-based. To begin with, what Smith describes is not the division of labour between different trades, but fragmentation of work. And his famous example of pin-making proves the opposite of what Smith intended: it was the pre-industrial State-sponsored bodies that pioneered the making of pins by labour subdivision. And, as Williams points out, the Division of Labour is as old as society itself, was commented on by Plato, and is not a particular feature of Industrial Capitalism. Indeed, the industrialism with which it has become associated can be developed by any social system. Even worse for Smith's case, it emerges that pin-making was a trade which very much developed and prospered under the protection of the State.

Britain's economic revolution flourished on the huge profits from systematic capitalist plantation slavery, which financed technological innovation in Britain, as well as on the availability of a destitute workforce, driven from the land by enclosures in Britain—all within a political context where traditional structures had been disrupted by a century of political turmoil.

Gwydion Williams writes fluently and in every-day language. His book provides an insight to Smith's political origins as well as a critique of a work which continues to provide ideological cover for market predators.

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Concluded from p.13

more in this vein, and Milosevic was compared with Pinochet.

It is interesting to realise that some people never change. In 1968 Cohn-Bendit was in pursuit of a phantasm—he shouted, "*The imagination to power!*" blithely unaware, as Hugh Roberts put it in the *Labour & Trade Union Review*, that De Gaulle was the most imaginative person to lead France for three centuries. Danny le Vert's failure of imagination is demonstrated by the fact that he raises not a chirp about NATO's assault on Serbia. In fact, he appears to have bought the 'international law' bundle as a job-lot, suggesting that Turkey should be expelled from NATO on the grounds that it "*doesn't respect the human rights of Kurds*". It was de Gaulle, not Cohn-Bendit, who wanted to dissolve NATO in the sixties, when it served the purpose of holding back the imperialistic expansion of degenerate Leninism (not that vigorous, healthy Leninism was much to write home about) into Western Europe. Now that NATO is a straightforward instrument of American imperialism, the latter is in favour of it. Truly, history, politics and middle age produces some rare oddities.

Announcement

Open meetings of the Bevin Society/*Labour & Trade Union Review* are held on the first Wednesday of every month. The next meeting is on April 5th.

Theme: 'Why Livingstone?'

7.30 p.m. Printer's Room, Red Rose Club, Seven Sisters Road, London N.7

Nearest Tube: Finsbury Park

Buses: 4, 29, 153, 259, 279

All Welcome

Leader concluded from p.2

While, as we have seen, electronic ordering offers a significant advantage to suppliers, it isn't going to make all that much difference to customers. There is no *a priori* reason why the goods should be delivered more quickly as a consequence of electronic ordering. The key factors for business purchasers is whether the goods are delivered at the promised time and whether they function as specified when they are delivered. Ordering over the internet is irrelevant to these.

Cost Less

It is constantly said that the introduction of business to business e-commerce will drive down the cost of transactions by a large factor. Tony Blair suggested a factor of 100 on 7th March, when he announced his target date for universal internet access.

What this means is anybody's guess. It cannot possibly include the delivery charge, which in most instances is the bulk of the cost of a transaction, however ordered.

The transaction cost to the supplier may very well go down, since he will be able to sack the people who key orders into his computer system. But he will have additional costs in setting up and maintaining the internet interface to his computer system.

And it is not obvious that there is ever, let alone always, going to be a cost saving to the customer by entering his order via the internet rather than sending a fax to the supplier.

Engine For Growth?

E-commerce in particular, and the 'internet revolution' in general, is widely trumpeted as the engine for unprecedented economic growth. But there is no reason to believe that just because electronic ordering supersedes other forms there is going to be a vast increase in the number of orders and therefore of economic activity.

There is an exception to this: the providers of the wherewithal to get people connected to the internet and to develop and maintain web pages are certain to do a lot of business and make a lot of profit. Those are firms you should invest in, not retail e-commerce companies like Lastminute.com or even Amazon.com, which haven't yet made a profit and may never do so. •

Newsnotes concluded from p.3

"Some will say that Living Marxism won the 'public relations battle', whatever that is. Others will cling to the puerile melodrama that ITN's victory in the high court yesterday was that of Goliath over some plucky little David who only wanted to challenge the media establishment. (Ed Vulliamy, *The Guardian* March 15, 2000)

Aman who says "history will record this: that ITN reported the truth when, in August 1992, it revealed the gulag of horrific concentration camps run by the Serbs for their Muslim and Croatian quarry in Bosnia" is not showing calm, clear judgement, but does sound very sincere. An accusation of falsification rather than honest error was both unfair and stupid.

The weakness of such reporting in the face of very real horrors, was never to ask who started it or why it was allowed to happen. It also seems that the famous photo of the starved man behind barbed wire—triumphantly reproduced after the favourable judgement—did not show what it appeared to show. It would have been wise to stick to that without trying to explain how it happens.

According to Vulliamy, "At the time I paid little attention to what would become Living Marxism's myopic obsessions: such as which side of which pole the old barbed wire or fresh barbed wire was fixed." But also "if it is still of any remote interest, I will say this: I now know the compound in which these terrified men were held captive to have been surrounded on one side by recently reinforced barbed wire, on two sides by a chain-link fence patrolled by menacing armed thugs and on a fourth side by a wall. But so what? This was a camp—I would say a concentration camp—and they were its inmates."

If *Living Marxism* had stuck to matter of the one famous image, they'd have been fine. It is demonstrably misleading, indeed. But was it a falsification? Not if the men were indeed imprisoned and tortured, and there is no doubt that all sides committed atrocities. LM should not have made the accusation against ITN unless they could prove that the people in the photo were not in fact imprisoned and tortured.

Which they couldn't, obviously.

Bias is not the same as falsification. I'm happy to accuse ITN and indeed most of the media of bias, giving far more attention to the suffering of one side than the other. But the Serb side has always been given. My main protest was that outside powers broke up a stable order and then did nothing to stop it turning into predictably awful ethnic warfare, warfare which has ended with Serbs losing a lot that was once Serbian and taking a little that was once someone else's.

It was also stupid for *Living Marxism* to get caught up in a legal system that was set up by the gentry for the gentry. Unlike the French system before Revolution, the English courts gave little formal privilege, and members of the gentry who behaved really outrageously or stupidly could be caught and punished. The English system was set up to be very biased and allow the guilty to evade the issue if they had good lawyers.

English judges upheld a conceited view that they were representing 'the law', rather than an accidental accumulation of very human and imperfect systems. This was taken even further in the USA, 'one people under God', surely a lot further from God than they suppose themselves to be.

I'd keep an open mind as to whether some Universal Law might be lurking somewhere in the universe—or perhaps above or behind it. What's quite certain is that neither priests nor lawyers are in possession of such a thing, nor any more qualified than the rest of us to guess at what it should be. The legal or priestly expertise should be in maintaining existing institutions to meet human needs. And at this, they do a really lousy job. 'Universal Truth' is then dishonestly invoked to justify their misdeeds.

Weaving the web.

You can find the Bevin Society at <http://members.aol.com/BevinSoc/is.htm>

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