

Labour & Trade Union Review

Mid-Summer Special 2002

No 119.

Price £1.20 (2 Euros)

Regime Change in AMICUS

Melanie Phillips
Why the Arabs Hate
Us

Milosevic Trial Latest

Notes on the News

Stupid Money and Market Bubbles

Exit Mr Fixit

There was a time, not very long ago, when a Labour Government complained that a powerful trade union had fallen into the clutches of a small clique of "politically motivated men". The complaint of the New Labour Government today is that a powerful trade union has fallen out of the clutches of a small clique of politically motivated men - Sir Ken Jackson, Minister for Transport, John Spellar and company.

The politically motivated men who were accused of distorting the proper functioning of trade unions by the last Labour Government were of the left, and some of them were undoubtedly of the utterly unrealistic Ultra-Left. The politically motivated men, who have been diverting trade unions from their proper business in the era of New Labour are of the Ultra-Right.

The essential difference between Sir Ken Jackson and Derek Simpson is that Jackson was a Government agent controlling a trade union for Government purposes and Simpson is a trade unionist without a party-political agenda.

In the days when the left ruled the roost, to brand somebody a "trade unionist pure and simple" was to classify him as being of the Right because he was not an enthusiast for socialist revolution. In these New Labour days the trade unionist pure and simple is of the Left because he is an obstacle to political control of trade union activity in the capitalist interest.

The first thing the media said about Simpson was that he had been a member of the Communist Party, the implication being

that he was a wild Ultra-Leftist. But there were members and members of the Communist Party - trade unionists and ideologues. Many of the ideologues are now in Whitehall, gnashing their teeth at the election of Derek Simpson. The CP trade unionists were among the most realistic elements of the trade union movement of those times. (Arthur Scargill was not in the Communist Party.) And they have maintained an integrity over the past twenty years, while the ideologues no longer know what the word means.

On the day when the old political order gave up on the attempt to hold on to power by cheating, the new order was assessed as follows for Londoners:

"The Evening Standard can reveal that the Amicus leader is a militant hard-liner and proud former Communist who despises the Prime Minister and New Labour. He is in fact an old-style militant and favours a resurgence in far-Left militancy.

"Supporters say he is a straightforward negotiator who considers the options of industrial disputes and strikes only as "a last resort".

"Those close to him, however, paint a picture of a man so consumed by the union movement that it led to the break-up of his two marriages....

"One union official said : "He's right when he says he's not a Blairite - he was a Communist until well after the Berlin Wall collapsed. He is not a natural Labour man. He is a very determined and committed union man who will stop at nothing to get his own way." (July 22)

A couple of strange assumptions are made here : that a natural Labour man will tend to be a Blairite, and that a committed union man is not a natural Labour man. And also that a committed union man must be addicted to "far-left militancy".

There is more to trade unionism than strikes. Ernest Bevin - the union boss who conceived the post-1945 reform and placed the Labour Party in the position to enact it - saw the trade union as a necessary part of the corporate structure of democracy in an industrialised

society. And the Communist Party, although it hated Bevin, helped to preserve the trade unions as corporate elements of society for two generations after Bevin.

If Simpson "was a communist until well after the Berlin Wall collapsed" that is entirely to his credit as a trade unionist. Perhaps he would still be a Communist if there was any Communism to be.

We were not admirers of East Germany because we thought there were over-riding political reasons why it would not last. But it is beyond serious dispute that the condition of working class life established by the East German regime and other East European regimes were better than the conditions existing in some parts of Britain, and there has been a radical worsening of the conditions of working class life there since the Berlin Wall collapsed.

There is integrity in Simpson's position. But what of the Communist ideologues who now form part of the Blair regime? When did they cease to be Communists, and why did they become Thatcherites? They slithered from the one position to the other without explanation, or even admission. The Sun illustrated an interview with Sir Ken with a cartoon showing the return of Swamp Things. The actual Swamp Things are in Whitehall.

The Times published a comparatively reasonable and well-informed article/interview on Simpson (July 26), describing him as a "former" Communist who believes the Labour Party has become undemocratic, revealing that he "has been on strike only once", and quoting him as follows :

"I've never believed in the Third Way. It was just a way of trying to cover over unequal relationships with words. It was one of those things which people repeat but it means nothing. It is like the emperor's new clothes, everyone goes along with it and then suddenly somebody points out that nothing is there ...

"Capitalism means that there is a difference between capital and labour and there always will be. Too often partnership has been about what the employer wants....

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"This government has only really been interested in big business....

"PFI never works because it is based on those companies making profits. So public money is going into profits. It is hire purchase, let us make no mistake. If I couldn't afford a television and I went to Dixons to buy it on hire purchase I might end up paying for two televisions. The stakes are different, it is megabucks with PFI but it is the same thing

"The union movement is where Labour used to be. You only have to look at what someone like Roy Hattersley says. He used to be regarded as a rightwinger and now he is seen as a leftwinger. It has gone that far."

The interviewer, Christine Buckley, does not challenge Simpson's statement that, under Sir Ken's regime, "This has been more of a Mafia than a trade union". For example, the election of regional officers was replaced with appointment by the General Secretary. And that the union was committed to Government policies such as rigging the London Mayoral election without consulting the members.

Simpson was made to give up his union job as a condition for contesting the election, and he was forbidden to attend the union conference during the election campaign, while Sir Ken used the union apparatus for electoral purposes and then, after the third recount, tried to use election rigging by his own supporters as a reason for declaring the election invalid.

Sir Ken's election organiser was a member of the government : John Spellar, Minister for Transport. Spellar was a protege of E T U boss Frank Chapple who gained control of the Union by exposing ballot rigging by the Communist Party and then proceeded to establish a tight regime of anti-Communist control which was in many ways a mirror image of the regime he had overthrown. Spellar felt, no doubt, that he was still fighting that good fight.

Sir Ken predicted doom in an interview published in The Sun (July 19), and Trevor Kavanagh, Political Editor of The Sun, explained the situation in an accompanying article :

"It is easy to feel sorry for workers who survive on £13,000 a year how can you raise a family, pay off a mortgage and put money aside for a pension on that ?

"But the hard truth is that they do at least have a job. and one of the reasons they have that job is because of - not in spite of - the employment laws the unions now want to unravel

"Before we sympathise with low paid local government employees, let's remember how far we have come and how big a price we have paid. In each of the five years leading up to Labour's defeat in 1979, we lost a colossal

11.663,000 working days on aver-

age in industrial disputes....

"By contrast, in 1999 the number of strike days was down to 242,000....

This phenomenal improvement came about because Margaret Thatcher rammed through employment laws which gave workers control over their own leaders.....

"These unions want the same "job protection" comrades in Europe enjoy. But one man's job protection is another man's dole ticket."

So there we are. This article was written in support of Sir Ken when he was still thinking of getting the election ruled invalid because of the improper conduct of his supporters. People of Sir Ken's calibre were needed to stifle union activity in a situation of economic prosperity in which millions of people were admittedly not paid enough to raise a family in comfort, but in which it was vitally necessary that they should be prevented from trying to do anything to improve their conditions, because the harsh truth was that their condition was as good as it could get. The dilemma was that the workers, having been given control over their leaders, were not facing up to the fact that they would worsen their condition if they tried to improve it, and were electing a leader who was trying to improve it.

Sir Ken gave up the attempt to hang on to power the following day, and he gave an interview to Radio 4 in which he reviewed the history of socialism and concluded that it didn't work in any of its forms.

So that's where New Labour has led us : socialism is impossible ; working-class conditions are as good as they can get under capitalism ; therefore the only rational object of political power is to deter the workers from engaging in delusive efforts to improve their position because, as Sir Ken puts it, that would lead to a Return To Chaos.

And that's Progress!

That's Radicalism !

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July/August issue.

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The Roots of Arab/Jewish Hostility

Brendan Clifford

Bredan Clifford appraises some opinions of Melanie Phillips on the cause of the conflict in the Middle East.

"It is commonly assumed by many that the Arab quarrel with the Jews is over Israel, and more particularly over Israel's policies in its occupied territories and the settlements, and towards the idea of a Palestinian state. This assumption surely puts the cart before the horse Arab hostility to Israel derives from a profound pathological hatred of the Jewish people. - This assertion is made in the *Jewish Chronicle* of June 14th, in an article entitled Israel: Beneath the Politics by a *Times* columnist, Melanie Phillips.

If that is the case, then it has to be said that the decision taken by Britain and the League of Nations 80 years ago to implant a Jewish state in an Arab region was an act of criminal lunacy. But the Jewish argument then was that everything would work out fine because the Jews had never been ill treated in the Arab world as they had been in Europe. And an English political writer close to the government which issued the Balfour Declaration said in a book supportive of that Declaration - that serious trouble was not to be expected

"provided that the relationship between Jews and Arabs are as friendly as they have usually been in the past". (England and Palestine by Herbert Sidebotham, 1918).

This line of argument went as far as suggesting that the apparent injustice involved in giving to the Jews a territory inhabited chiefly by Arabs (to the extent of 90 per cent) would not be a great injustice in practice because of the close

affinity of Arab and Jew. Arab-Jewish conflict in Palestine began around 1920 when Palestine was cut off from Syria; when the destiny of Arab Palestine to be remade into a Jewish state began to be operative; when Jewish migrants, excluded from the empty spaces in the British Empire, the United States etc, began to be funnelled into Palestine by Britain and the League of Nations; and when Britain and France crushed the attempt of their Arab ally of 1916/18 to form an Arab state.

Was what was done to the Palestinians, and to the Arabs in general, after 1918, sufficient reason for their response to those who did it to them? Is there something problematical in the apparent sequence of events which makes it necessary to search for causes which lie outside the sequence of events?

Is what the Jews have done as colonists and conquerors in Palestine - as agents of the British Empire in the first instance and with the support of Europe and America organized as the League of Nations and United Nations - insufficient reason for the way the Palestinians see the Jews and their Euro-American backers?

Melanie Phillips is forcefully of the opinion that what the Jews have done to the Palestinians is not sufficient reason for the way the Palestinians see the Jews. And she seems to suggest that the Palestinians only hate the people who are taking their country from them because these people are the Jews, who they hated anyway; and that if another people had treated them as the Jews have treated them they would not hate them.

Phillips cites two books in support of her case. The first is *Muslim Anti-Semitism: a Clear and Present Danger*

by Robert Wistrich, which is a report for the American Jewish Committee.

"This book" she says, sets out the "all too plentiful evidence" that the Arabs are hostile to Israel because of a "pathological hatred of the Jewish people" but she quotes none of this evidence.

She says that newspapers in the Arab countries pour out "a torrent of anti-Jewish literature", much of which "is taken from Western anti-Jewish tropes such as the blood libels, 'The Protocols of the Elders of Zion' and Nazi style cartoons", whose purpose "is not simply to delegitimise Israel as a Jewish state but to dehumanise Judaism and the Jewish people."

The "flimsy anti-Zionist pretext" of this propaganda "is an insult to the intelligence of any decent individual. Unfortunately... much of the West has fallen for this pretext" "Wistrich calls this language of unquenchable hatred for Israel and the Jewish people 'Islamic fascism'. It displays, he says, the same totalitarianism and pseudo-messianic aspirations to rule the world as German Nazis or Soviet Communism, and articulates a latent and sometime explicitly genocidal rhetoric in its assault on 'Jewish Crusader' civilization.

But in all of this she presents not a single fact in support of her contention that Zionism is only a pretext and that the Arab view of Jews before the Zionist era was the same as the Arab view of Jews since the Zionist colonisation began.

Caricature and dehumanisation are a normal part of war propaganda. The Germans were caricatured and dehumanised in the propaganda of two

British world wars against them, and they are still caricatured as a matter of course in the British media half a century after the end of the last war. And the Irish were routinely caricatured by the British media when there was no war, as were many other peoples. There is nothing particularly Nazi in the caricaturing and dehumanising of a people which is seen as the enemy. And in fact the Nazi propaganda was based on the English model. Hitler in *Mein Kampf* praises the anti-German propaganda of the British media in 1914/18 and determined to introduce British methods in place of the amateurish German propaganda of the Kaiser's Government. (see *Mein Kampf* Chapter VI - if you can find it.)

If The Protocols of Zion figure in Arab anti-Zionist propaganda one can see a reason for it other than "pathological hatred of Jews". Jewish conduct in the Middle East since 1919, first as colonisers under the aegis of a powerful world Empire and then as conquerors in their own right, makes the central contention of the Protocols anything but absurd in terms of actual Arab experience. They may have been absurd when they were put into civilised circulation as a "Western trope" by the London Times in 1920 but how could Arabs today, reflecting on their own experience of Jewish activity, dismiss out of hand the idea that there is an influential Jewish conspiracy active in world affairs which bends powerful Empires to its purposes? (We cannot recall ever actually seeing the Protocols, but that is the idea of them that comes across in the denunciations of them.)

We do not know if the idea of a "Jewish Crusader Civilization" hostile to the Arab/Islamic world actually does figure in Arab propaganda. Melanie Phillips presents the notion of something which is "Jewish Crusader" as a self contradiction and a manifest absurdity. But a history of the British conquest of Palestine in 1918 published recently by a British military historian has the title *The Last Crusade*. And that last crusade had the object of establishing Palestine as a Jewish state under the hegemony of the British Empire. So, if the Palestinians see what they suffer under as conquest by Jewish-Crusader civilization, it is a perfectly accurate perception. (*The Last Crusade* by Anthony Bruce was published by John

Murray this year).

Why does Melanie Phillips use the term "pseudo messianic"? Why not simply messianic? Is it because it is not the messianism of the Chosen People and therefore cannot be authentic? Use of the term "pseudo" implies that there is an authentic messianism. But how can a liberal intellectual - which is what Melanie Phillips is in the gentile media - know that there is an authentic messianism ordained by the Author of the Universe?

And "the same pseudo-messianic aspiration to rule the world as German Nazism or Soviet communism"!!! Israel is equipped with weapons of mass destruction which would enable it to destroy all the Arab states around it, and it must be presumed that its intention is to do so in circumstances which are likely to arise sooner or later. But not one of the Arab states has the power to lay a finger on Israel, far less to conquer the world. Only the Arabs, tormented by the Jewish state to the point where they are prepared to die in the process if they can take some Jews with them, can touch Israel.

The running together of German Nazism and Soviet Communism as totalitarian and pseudo-messianic forces similar to Islamic fascism can hardly have the fostering of coherent thought for its object.

German Nazism was a strictly materialist movement whose object was to gain living space in Eastern Europe as Britain had gained it in the regions where it exterminated the native peoples and established white colonies. It was not a movement which aimed to rule the world. When one approaches Nazism with the belief that it set out to rule the world, the discovery of what it actually set out to do is disorientating because it falls so short of ruling the world. Hitler saw England as the world ruler and he considered it necessary to civilisation in that role. Soviet communism, on the other hand, did see itself as a world force - as a force generated by the conditions of the world and therefore relevant to all parts of it.

Nazism and Communism were fundamentally different in kind, and neither of them was similar in kind to Islam. The Islamic movement of recent times has

been hostile to the Jews, and so was Nazism, and much has been made of this similarity in Jewish propaganda. But Nazi hostility to the Jews was expressed from a position of political dominance over them while Islamic hostility is the consequence of the establishment by external powers of a Jewish state in the Middle East, the arming of that state with weapons of mass destruction, and its treatment of the Palestinian population. The former is the hatred of the oppressor, the latter is the hatred of the oppressed.

Soviet communism on the other hand was so far from being hostile to Jews that it was itself widely seen as part of the Jewish conspiracy. (That is how Churchill saw it.) Jews were very disproportionately represented in the apparatus of the Soviet state; it was chiefly through the power of the Soviet state than millions of Jews survived the Second World War; Jews played a prominent part in the construction of the East European states under Soviet hegemony after 1945; and the decision of the United Nations General Assembly of 1947 that a Jewish state should be established in Palestine was taken with Soviet support and could not have been made without it. And until the establishment of Israel the only Jewish political entity in the world based on territory was the Jewish autonomous region which formed part of the Russian Federation.

Despite all this it was not beyond the wit of Western cold-war propaganda around 1950 to present the Soviet Union as an anti-Semitic state. Fact counted for nothing in that propaganda. Expediency determined what was presented as fact, as in Orwell's 1984. The Soviet Union was an instrument of the World Jewish conspiracy, or it was an anti-Semitic state, depending upon which was considered more advantageous to the Western cause.

Melanie Phillips quotes Wistrich as saying that the anti-racism conference held at Durban under UN auspices last year produced "the most brazenly anti-Semitic document at any international gathering since 1945" and she comments that this shows how Muslim anti-Semitism "is slowly and surely infecting other parts of the world." The term anti-Semitism is reduced to meaninglessness in this usage. Insofar as the

term "Semite" has definite meaning it includes both Arabs and Jews. The description of Arab resistance to Jewish conquest as anti-Semitic is therefore an absurd and perverse use of language. And one must assume that when a precise intellectual like Melanie Phillips does it she does it deliberately for the effect it has on English prejudices.

If the word "Semite" is to be used, reasonable usage would apply it primarily to Arabs who constitute a great bulk of the "Semites". With that usage a case could be made that the Soviet state was indeed anti-Semitic, since it was active in forcing the Jewish state on Palestine.

It is understandable that the term anti-Semite was in the first instance used with relation to Jews. There was a distinct Jewish presence within English and European society from Medieval times, while there was little or no Arab presence until the 20th century. The Jewish presence was felt to be both alien and influential and it met with a response in which contempt and resentment were blended. With the rise of puritan capitalism (English puritanism being a kind of Old Testament Christianity) the attitudes towards the Jews changed. Zionism was taken up by the middle-classes on the grounds of sentimentality rationalised as imperialist calculation and it was built into the idealism of the English Labour movement which was saturated with Nonconformist millenarian assumptions. And the efficient ruthlessness of the Jewish state in 1956 and 1967 was widely admired in England.

If anything of the old anti-Semitism remains it is no more than a trace element among people who count for nothing in political affairs. When Jewish ideologists like the Chief Rabbi repeat that anti-Semitism is on the increase in Ireland and Britain all they mean is that the uncritical, deferential, attitude towards things Jewish which they were accustomed to is giving way in the light of the conduct of the Jewish state, to a more critical view of the Jewish state. But this more critical attitude is of no political consequence. The Jewish state, though a creation of the United Nations, is still allowed to do as it pleases by the United Nations. And "Europe" which made war on Serbia because of some comparatively trivial incident which

occurred (or was alleged to have occurred) in Kosovo, continues to treat Israel as a civilised outpost of itself in the Middle East. The EU makes an occasional critical noise but applies no sanctions of any kind in any of the spheres in which Israel is treated as part of Europe - commerce, sport and the Eurovision song contest. And the UN tamely submitted to being excluded by Israel from the conquered city of Jenin while the Israeli army was going berserk there. And the BBC barely reported the fact that it was kept far way from Jenin while Israel was doing its good works there, even though it always made much of the fact that its reporters were formally excluded from Zimbabwe, where it had extensive internal connections to feed it propaganda. (The BBC World Service continued reporting from there). Apparently it had established no internal connections in Jenin. At least it reported nothing from Jenin during the Israeli action there.

(Another thing not reported by the BBC or any of the other media is the Israeli influence on Balkan affairs. Serbian leaders were encouraged by Israeli support over Bosnia and Kosovo to behave imprudently. And seeing how Israel cocked a snook at the UN and NATO, the Serb leaders in Bosnia imagined they too could do what they pleased, and they openly jeered at the UN. It was entirely reasonable and realistic for Israel to support and encourage the Serbs in their conflict with Muslims, but it was foolish of the Serbs not to see that Israel enjoys a uniquely privileged position among the small states of the world, and that they, who were merely European, would not be given the same latitude as Israel, which was a pioneering outpost of Europe in Asia - that is how it was conceived 80 years ago and that is how it remains.)

Anti-Semitism in the sense of racial contempt is dead with relation to Jews but it flourishes with relation to the main body of Semites, the Arabs. And that form of anti-Semitism is at least as widespread among Jews as among Gentiles. As the Zionist movement was making its way towards the Jewish state from the 1920s to the 1940s it made its Imperial sponsors happy by affecting a fraternal regard for Arabs, but actual Zionist conduct in Palestine assumed

the Arabs to be "natives" who would be displaced by the civilised Jews, and this view is even found in some Zionist material of the 1930s. And with the actual establishment of the Jewish state in 1948, and the power which it demonstrated, racial contempt has become part of the functional culture of the state, the view of the Arabs as brothers being relegated strictly to the public relations sphere concerned with keeping Europe happy.

"Anti-Semitism" carries overtones of oppression. To be anti-Nazi is to oppose oppression. To be an anti-Semite is to be an oppressor. Even if the fact that the Arabs are the main body of Semites is set aside, use of the term anti-Semitism to describe Palestinian opposition to the very powerful Jewish state is perverse.

The "most brazenly anti-Semitic document since 1945" was drawn up at Durban last year in support of the oppressed Semites against the oppressor Semites.

Melanie Phillips does not mention that the "Nazi-style cartoons" of the "anti-Jewish tropes" in the Middle East sometimes feature the conquering Jews as Nazis trampling on Palestinians as the Germans used to trample on Jews. That's too close to the bone.

The second book which Melanie Phillips draws on to support her case is *Islam and Dhimmitude* by Bat Ye 'Or, "a Jewish Islamic scholar who was born in Egypt, has fought for several decades through meticulous and astonishingly detailed scholarship to record the truth of how Islam dealt with the Jews who lived under its domination". This book (which costs £42.50) rebuts the popularly held view "that Jews and Christians were treated relatively well under Muslim power. In fact they were subjected to second-class status, expulsions, expropriations, and murder. Islam regards subject peoples as 'dhimmi' and Bat Ye 'Or uses 'dhimmi' to describe the status of servitude and enslavement in which Islam requires Jews and Christians alike to be kept. She also provides an explanation for the way many Muslims tend to invert logic, history and facts to represent their own aggression as victimhood and their victims as oppressors So the fact that Israel was created as the result of world reaction to the near exter-

mination of the Jewish people; the fact that the nascent Jewish state was attacked by five Arab states backed by the Arabs of Palestine; the fact that this was accompanied by a pogroms of Jews in the Arab countries leading to their flight and by subsequent wars of annihilation and terrorist attacks against Israel that continued to this day : all this is portrayed instead as a continuing history of aggression by Israel and the West".

Bat Ye 'Or then enters "controversial territory" by the way "she inculcates Christianity in the story of Islamic aggression. She emphasizes throughout that Christians and Jews were subject to 'dhimmitude'. But instead of acknowledging the Jews as victims alongside them, the early Christians blamed the Jews for the servitude to which they had been reduced. This lead them to add their own persecution of the Jews to the mix thus restoring by this exercise of power over another people some of their own shattered pride. The key point here, and one which is relevant to Israel's defence

against terror, is the denial by Christianity of the true source of the persecution and the displacement of blame on to its Jewish victims".

This is clear enough : the early Christians and Jews were both oppressed by Islam, but the Christians, instead of joining with the Jews to resist oppression, curried favour with the Muslims by blaming it all on the Jews, and when they gained power themselves they persecuted the Jews too and thus recovered their pride, and they still remain in thrall to Islam.

The scheme is clear enough, but there is a difficulty with it : in the era of the early Christians there were no Muslims; and by the time Islam was founded, Christianity had been in power in the Roman Empire for 300 years.

The feud between Christianity and Judaism had nothing whatever to do with

Islam. Christianity began as a variant of the Jewish religion and remained so for a couple of generations until it was excluded from the tolerated range of Judaism by the Jewish authorities. Judaism in its conflict with Christianity and with Rome nar-

rowed itself down to a kind of a ritualistic nationality. The Jews remained - or became - an exclusive people, while Christianity became an expansionist ideology which acted as a subversive force on the Roman Empire. A Jewish revolt against Rome a generation after the foundation of Christianity led to the exclusion of Jews from Jerusalem but they remained a tolerated and comparatively affluent people in Rome and around the Empire. (The Diaspora existed long before the exclusion of the Jews from Jerusalem.) Christianity, on the other hand, was persecuted by the Empire for a long period until its growth against persecution led to its adoption as the state religion of the Empire. The intimate relationship of Christianity and Judaism then led to the persecution of the Jews by the Christian Empire. Islam was still undreamed of at that juncture.

The difference between Judaism and Christianity was not a slight one in terms of the world view which they shared. It was a matter of cosmic importance. History was a process leading from the Fall to the coming of the Messiah and it was therefore a matter of the greatest possible consequence whether the Messiah had come and had been rejected by the Jews, or whether the purported Messiah had been a charlatan. There was ample reason in that difference for the mutual hatred of Christians and Jews. Islam had nothing to do with it. It was established in very different ideological medium three centuries after the Christians became state persecutors. It drew scenic material from both the Jewish Bible and the Christian one, but being neither ethnic nor idolatrous nor millenarian it was essentially different from both. It existed beyond their feud.

Melanie Phillips does not give any evidence of how Islam persecuted Jews or the Christians, so comment must wait on a reading of Bat Ye 'Or's book.

But the argument that there was continuity between this alleged persecution throughout the centuries and "the fact that the nascent Jewish state was attacked by five Arab states backed by the Arabs of Palestine" is absurd.

The Arabs of Palestine were in 1948 in the third decade of the process of being displaced by the massive Jewish immigration organized by Britain, the

League of Nations and the United Nations. A very effective Jewish terror was in operation against the Palestinian Arabs before the Arab states "attacked". These "attacks" did no more than restrict the expansion of the Jewish state beyond the territory allocated to it by a motion of the United Nations General Assembly. As it was, the Jewish state conquered half the territory allocated to the Palestinians.

And as for the "subsequent wars or of annihilation" - it would have been helpful if Melanie Phillips had given their dates because we can find no trace of them. We only know of the aggressive Israeli wars of 1956 and 1967, and the Egyptian attempt in 1972 to retake the territory taken from it in 1967.

A few months earlier Melanie Phillips wrote in the Jewish Chronicle about an edition of BBC's Question Time in which she appeared with Will Self and spoke up against the suggestion that Ariel Sharon was a war criminal etc. Self took issue with her :

"Where, he demanded, did my own loyalty lie? If Britain declared war on Israel, whose side would I be on?"

"I could scarcely believe what I heard. Self, despite revealing to the audience that he was a Jew, appears to be seeking to make the wider world aware of two things: first that I was a Jew and second, that therefore my views on Israel could be disregarded, since Jews had double loyalties.

"I replied that Jews were immensely patriotic. It was also inconceivable that Britain should attack Israel since Israel was a salient of democracy in the Middle East. But if the inconceivable were ever to happen this would represent such a turning against Jews that some of us might feel we had no alternative but to live in Israel. That of course was entirely different from being a traitor to one's own country.

"When I said, however, that Israel was a democracy, the audience did a horrible and astonishing thing. They laughed.....

"I believe that the visceral hostility towards Israel and the Jews displayed both on the panel and by the audience are

representative now of mainstream British opinion.

"Criticism of Israel is providing the cover for the kind of anti-Jewish feeling many of us thought we would never hear in public. Anti-Semitism seems to be the attitude of choice now at all the most fashionable dinner parties." (Jewish Chronicle 14.12.01)

Could it not be that of what Israel is doing, and appears to be supported in doing by the great majority of Jews, is the cause of the feeling she refers to? She supplies no evidence that the feeling was always there waiting for "cover" to allow it to express itself.

She says "I think that the settlements are wrong and should be dismantled". But they are not being dismantled. They have been extended under every Israeli government of the past quarter of a century. And if they are wrong, they are wrong in a pretty drastic way and that must have consequences. She says that "criticisms of Israeli tactics are almost beside the point. For Israel this is not a territorial war but an existential war."

For the Palestinians existence is certainly at stake. Jewish settlements grow at the expense of Palestinian existence. And since the casualties suffered by the Jews have been chiefly in the settlements the presumption must be that the Zionist movement has decided to bear these casualties as the price for extending the Jewish presence throughout Palestine. What Israel is doing is what was called ethnic cleansing and genocide in Bosnia and Kosovo. Britain made war on the Serbs because of that. Melanie Phillips demonstrates her double loyalty when she says she would leave Britain if it did to Israel what it did to Serbia. But she is undoubtedly right when she says that it won't.

Will Self is to be congratulated for putting her on the spot. Jewish publications freely question the loyalty of Muslims in Britain.

Melanie Phillips is one of the better of Britain's intellectuals of the present generation. But after this insight into her Zionist dimension we doubt that we can ever see her in the same light again.

Notes On The News

By Gwydion M Williams

Journalists - spies for God

The media's 'Right to be Nosy' is so important that journalists must protect sources even when the source undoubtedly lied. This is the message we are getting from the long-running 'Interbrew' dispute.

What happened is that a Belgian brewer called Interbrew had been pondering the idea of taking over a company called South African Breweries. Internal documents were doctored and then leaked to the press, with the haze idea falsely presented as a definite plan. "The source suspected of doctoring the documents had even taken the trouble to attach a false timetable for the impending deal." (Independent, 12 July 2002, Robert Verkaik.)

I've not heard it suggested that Interbrew had done anything wrong, nothing against the normal rules. There was no 'public interest' in leaking a legitimate commercial secret. And secret for good reason, for when the news broke, shares in South African Breweries went up while those in Interbrew went down.

The strong suspicion is that was all a planned fraud. I have no liking for judges, but I can't dispute the conclusion "There is no public interest in dissemination of falsehood." Myself, I see no right to leak confidential data when there is no wrongdoing is one thing. But what the press have been upholding has been a virtual a right to commit fraud, just so long as newspapers are involved.

Jeremy Warner, writing in the *Independent* (12th July 2002) mentions an earlier case when "Department of Trade and Industry inspectors were investigating alleged instances of insider dealing in the City. It was their contention that I was being used to get information into the public domain, causing share prices to rise or fall, and enabling an insider-dealing ring to make money.

"My contention then, backed by this newspaper, was that whether or not this was true, there was a legitimate case for publishing what were good, exclusive stories. "Further, that to disclose the sources, which in fact were many and varied, would have discouraged the free flow of information... because sources would know they were liable to be disclosed."

And so what. Unless some serious misdeed is being exposed, why should people be allowed to break their word and betray their colleagues at work? Yet loud complaints from the press have led to Interbrew backing down and letting the matter be handled by the official financial regulators, who have an astonishingly bad record for catching rich miscreants. Victory for freedom? It's enough to make a cat laugh!

What, indeed, has been the net effect of 'investigative journalism'. The 'spies for God' got Maudling, who had been foolish but not really wicked. This meant one less substantial Liberal-Tory when it came time to replace Edward Heath, which gave Thatcher her opening.

News only gets circulated if the major newspapers want it. Being run as businesses, dependent on advertising, they are much closer to the views of the business community than to the society as a whole. The press has a bias to rich and well-connected. Even some considerable power, a means of control over politicians with a bisexual past that might or might not be made public.

Stamp on e-mail

E-mail is a wonderful thing, but any user will be plagued by an unbelievable amount of 'spam'. Unwanted messages sent out in the hope that maybe one in ten thousand may hit a useful target. It's worse than junk mail, because at least junk mail pays a stamp and helps keep

the public mail service in being. One pushy person can waste the time of ten thousand recipients at very little cost to themselves.

I think it needs regulation, and in fact a stamp. Say 10p per recipient, with companies own internal e-mail exempt, you could write to 20 friends for the price of a beer. It would be a user choice, you could refuse 'unstamped' e-mail except from people you knew.

The idea of a stamp on e-mail was floated last year as a joke, and caused horror among the net-libertarians. The failure of the real world to act according to their beliefs has only made them more determined to create the world of their choice without any state rules and regulation.

It is a truth well understood by all Californians that people left alone will behave exactly like the better sort of Californian. This from a territory which the US government seized from Mexico by superior use of armed force—though

the quiet and almost defenceless Native Californians were mostly exterminated informally, hunted and killed by white settlers without the need for the US Army to help out.

That's Libertarian Freedom. Not vulgar freedom, people doing what they like, quite possibly stupid or self-destructive or quite unlike what you hoped they would do. No, this is *Reinvented freedom*. When a rule or regulation interferes with your own chosen life-style, it's TYRANNY! When it's only someone else's chosen life-style, it's bureaucracy. When it stops something you want stopped, one must be pragmatic in an imperfect world.

India-Pakistan

The long-running dispute that began with a clumsy partition still threatens war. But war over what?

India wants no more of Kashmir, nor any part of undisputed Pakistan.

They might be attracted by the thought of a quick cheap war, but Musharraf has made it clear he would escalate if this was tried, even to the extent of using nuclear weapons.

India's presence in Kashmir depends on a single key road, quite close to the border. Supposing Pakistan used a nuclear bomb to cut it?

Pakistan would like to take Indian Kashmir and avenge their defeat over Bangladesh. But it seems agreed that they are unlikely to win a conventional war.

The prospect of war seems to suit both the rival governments, it encourages patriotism. But an actual war, with the certainty that either side would use nuclear weapons if they faced defeat from conventional forces? It makes no sense.

Weaving the web.

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

Whatever Happened to the Milosevic Trial?

John Clayden

Milosevic..." (AP, 26 July 2002)

The following is a shortened version taken from an e mail recieved from Emporers-Clothes.com

Today at The Hague, prosecution witness and former security chief Rade Markovic, testified that he was tortured in jail to force him to agree to give false testimony against Slobodan Milosevic.

1) Mr. Markovic testified that the Milosevic government did not try to drive ethnic Albanians out of Kosovo during the NATO bombing. Quite the contrary:

"I told (local officials) that presidential orders are that the flow of refugees must be stopped," Markovic said during cross-examination by

"More than 200 criminal charges were filed against members of the police, and I think a similar figure stands for the army," said Markovic..." (AP, Ibid)

1) Mr. Markovic testified that the Milosevic government did not try to drive ethnic Albanians out of Kosovo during the NATO bombing. Quite the contrary:

"I told (local officials) that presidential orders are that the flow of refugees must be stopped," Markovic said during cross-examination by Milosevic..." (AP, 26 July 2002)

2) Mr. Markovic testified that Milosevic came down hard on anti-Albanian hate crime:

"More than 200 criminal charges were filed against members of the police, and I think a similar figure stands for the army," said Markovic..." (AP, Ibid)

Earlier, Mr. Markovic had testified that starting in 1997 Mr. Milosevic did not exercise direct, daily control of security police.

Prior to being brought to The Hague, Rade Markovic was held in a Belgrade jail for the past 17 months.

He also testified that the current Belgrade security police, who

work in closest cooperation with "tribunal" prosecutors, offered him and his family a change of identity and a comfortable new life in a foreign land if he would lie against Slobodan Milosevic.

Mr. Markovic said that, at one point, pro-NATO Serbian Interior Minister Mihailovic and his Secret Police chief, Goran Petrovic, showed up at the jail with a squad of secret police. Mr. Markovic said they removed him from the facility - itself a violation of Serbian law - and took him to a private dinner where they made him the offer of a new identity with a luxury life - and no more torture - in exchange for false testimony.

The torture and the bribes would explain why the Prosecution had reason to believe Mr. Markovic was "their" witness.

Stunned to see Markovic defy him, Prosecutor Jeffrey Nice (sic!) asked so-called judge Richard May to do something to stop it. And May did try, interrupting the cross-examination to argue that since "We are talking about Kosovo," the issue of Markovic being tortured to give false testimony (about Milosevic's role in Kosovo) was irrelevant.

From Jared Israel & Nico Varkevisser they are Vice Chairpersons, International Committee to Defend Slobodan Milosevic (ICDSM)

FURTHER READING:

1) On the kidnapping of Mr. Milosevic, see "THE TREASON OF VOJISLAV KOSTUNICA," at

<http://emperors-clothes.com/analysis/treas.htm>

2) For the press conference in which Jamie Shea indicated that NATO controls the "tribunal," see "Official Statements Prove Hague 'Tribunal' Belongs to NATO" at

<http://www.icdsm.org/more/belongs.htm>

Stupid Money and Market Bubbles

by Michael Alexander

Money is a crude way of running a complex society. Its big merit is that cash ties work when all else is falling apart. If the money keeps flowing, you will go on making goods for those you do not know, stay dependent for food, water and transport on people you've never met. When there are no agreed moral standards, the asocial exchange of cash can keep things ticking over.

This does not mean it's a perfect system, or even a very good system. Money has no meaning without a fairly complex society where people will make more goods than they need personally, in the hope of selling them. And only in the 20th century did money lose its link with gold and become token money, backed by the trustfulness or otherwise of the state that issued it. The value of the dollar rests on the US state guaranteeing that dollars can buy US goods and services. In the case of roubles, there was little to buy and inflation reduced their value, whereas West Germany chose to give a fictitious value to East Germany's currency as the price of a peaceful takeover. That's how 'real' money is.

Money cannot exist in a social vacuum. But it can exist for a time in a moral vacuum, with people working a system they do not like or trust.

From the late 1940s to the mid-1960s, the West had an agreed morality, what we now call 1950s morality. It featured low crime and an acceptance of tax-and-spend plus nationalisation: Keynesianism was a semi-capitalist system. But white males held almost all the power, there was no acceptance of sex before marriage, a whole host of social attitudes were different. The future was for everyone to be benevolently turned into clones of a bland Mid-Atlantic middle-class culture.

The old morality was successfully undermined in the 1960s and 1970s. The hope of the protestors was to replace it with a new and more humane moral order. This may well be the long result, the biggest changes in family life since the neolithic will take time to work through. It's been less than half a century, not a long time in the history of civilisations. But the chance of creating a new morality in the 1970s was there, and it was missed. Workers wanted control over their own lives, and more collectivism through Workers Control was one way this could be done. When this was rejected, workers took another way, more freedom as individual consumers.

Thatcher and Reagan in the 1980s chose to undermine the social and economic underpinnings of Keynesianism, rather than seriously try to re-impose the old moral order. Mrs Thatcher—who had lacked the flexibility and imagination to be a successful industrial chemist and whose career flourished only after she secured a rich husband—was and is a believer in the New Right talk of returning to old-style morality. But greed was the thing that the critical 'swing voters' went for.

In terms of GNP growth, Britain and the USA have done no better than they did under Keynesianism. In the USA, where the New Right were believed, middle-income Americans have simply been swindled out of the increase in wealth they should have had. The whole benefit has gone to the richest 10%, and especially a stratum of some three million millionaires. The US Supreme Court helped with this process, by finding that legal limits on the amounts candidates could spend was an infringement of Sacred American Freedom. It doesn't mean you can buy an election, bad candidates have spent a fortune and flopped. But it *does* mean that the politi-

cal system is much more biased towards the rich than it is in the UK.

'Deregulation' was the watchword of the 1980s and 1990s. Take out the silly bureaucracy and let the 'wealth creators' get on with it. They created wealth, indeed. But it was fools gold, invented wealth, accountancy tricks by people who couldn't run a complex business venture any better than other trained and clever rivals. Everyone wanted to be the best, but those who were actually only so-so kept going by cooking the books.

That's the rule for places like Enron and WorldCom, where there was an *intent* to create wealth by superior management skills, and where the fraud may have begun in the hope it would all be fine in the end. Forked-tongue accountancy comes naturally enough in a culture that praises clever and successful cheats—look how long Jeffrey Archer lasted!

There is worse than Enron, stuff that was never intended to be honest. In America, the life savings of middle-income fools has been 'lifted' by rich crooks who talked the market up. It is hopelessly not so bad in this country, but private pensions are a useful source of 'stupid money'.

'Stupid money' is not a term you will find mentioned in the standard accounts. But if 'smart money' does better than the market average, this can only be at the expense of those who do worse, maybe losing everything. If 'smart money' gets out in time, someone else has been left with worthless paper.

Money means nothing except as a measure of the total goods and services for sale using that currency. Print more—or create more using accountancy tricks—and you are floating a falsehood. Either the money is real, in which case you get inflation, too much money chasing too few goods. Or the money supply remains constant, and someone else suddenly finds that they have lost money, the shares they bought for £10,000 are now worth only £5000 and the extra £5000 potential spending has gone elsewhere.

Smart money depends on 'stupid money' to balance the books. Obvi-

ously no one starts investing with the intention of being 'stupid money', just as no one goes betting or gambling with the intention of enriching the bookies and casino owners. But that's the way it works out.

The majority of investors were convinced that they would be included among the elite group. Obviously a promise like that cannot be met. But there are a lot of stupid short-sighted people out there, and they may soon go back to blaming the government.

We are told now that the Telecoms bubble has been ten times bigger than the dot.com bubble. It was the same error, the theorists of McLunatic globalisation overselling a real trend. Computers are important, the internet is spreading fast and Telecoms are part of it. But with vast numbers of clever people well aware that these are growth areas, the rather-clever will inevitably lose out to smarter or luckier rivals. This is how the whole wealth of Marconi was frittered away, by an 'imaginative' program of buying up Telecoms companies that were seriously overvalued.

At the time of writing (26th June), shares are still 25% overvalued, by the standard measure. And that's assuming honest accountancy, which is just what's been lacking. The figures this evening are Dow Jones 8264, London's FTSE 4016, Nasdaq 1262 and the Euro worth 1.0128 dollars. If shares are really still overvalued, we may expect figures of maybe 6200, 3000 and 950 to be reached over the next few months. I do not have stocks myself, except a tiny holding in the former Building Society still called Alliance & Leicester. But I do have to worry about what my pension fund might be doing. And holders of endowment mortgages and share-related insurance have a whole lot more to be worrying about. Not to mention the ordinary Enron employees who suddenly found that they had lost their jobs, their savings and their pensions.

Shares have a value based on earnings, that's real and mostly reliable—though not if you stuck loyally with GEC when it 'reinvented' itself as Marconi. Then there's speculation based on a genuine belief in future earnings. That was the logic behind the dot.com bubble - anyone who bought Microsoft

or one of the other winners at the right time would have done splendidly, and Microsoft remains sound. But the same rules apply as in the USA's various gold-rushes—most of the money is made by people selling things to the fortune hunters, and most of the rest goes to enthusiasts who were there already.

In Alaska, six times as much was spent by newly-arrived prospectors as their was gold taken out. And almost all of it was wasted, with the main wealth going to the 'sourdoughs' who had been there for years from a simple desire to live that way. Bill Gates, Steve Jobs and the rest were 'sourdoughs' in the world of software and personal computers, they basically just liked it in the same way others enthuse over model railways or recreating battles in the English Civil War. They had no idea they were going to grow rich that way, they just made intelligent use of the chances that came their way.

Remember the Goldrush Rule. If you can find an 'opportunity' on the business pages of a national newspaper, almost everyone likely to invest also knows. You could be lucky, just as you can be lucky betting on horses or at a casino. But it's a 'sucker bet', and you should also wonder if some smart operator might have bribed or flattered financial journalists to 'talk up' a share which they can they sell for an undeservedly high price. For that's the third way to grow rich, 'bubble selling'. You know the price is too high, but figure it will go higher and you can get out in time. And this also is why 'shareholder power' will not work—is not in fact a cure for problems that have got worse and worse as 'shareholder power' has been advancing.

Consider the following scenario. Mr Worldly Wiseman, multi-millionaire with a fortune honestly made from Bunyan Enterprises, buys into Enron in the sincere belief that it's a great business. He asks questions of its senior management, as is his right, and soon realises all is not well. He maybe reports malpractice by senior managers to the top bosses and finds them curiously uninterested. It slowly dawns on him that this is *not* a great business, but in fact a disaster waiting to happen.

What does he do? Take action to try

to correct it? This would mean a big fight and a risk of huge losses through a share collapse which he might then be blamed for. Some people would speak out for truth regardless—there *are* moral and ethical people even in today's climate of business sleaze. And yet his own self-interest lies in quietly selling off his holding, and then advising his friends to do the same.

Most of the New Right 'solutions' founder on the difference between grand abstractions like 'shareholder interest' and the specific interest of particular individuals who own shares. Mr Worldly Wiseman can only be a smart-money success if he finds corresponding 'stupid money' in the share market that will sell too cheap or else buy too dear. Bubbles and frauds are a nice opportunity, especially if he personally took no part in them and cannot be blamed.

Outside of economics textbooks, markets are not self-correcting. The destruction of fish stocks has been blamed on the lack of definite ownership. But what about the increasing blight over the centuries of the lands round the Mediterranean, every scrap of which has always had an owner, mostly a peasant farmer? History and archaeology tell us that these lands were once wooded and fertile, but gradually got stripped and eroded. The best survivor has been state-dominated Egypt, though maybe just because of the geographical accident of the Nile bringing fresh soil as well as water.

Puffing up shares is bad for shareholders *as a group*. But they *aren't* a group, they are a set of separate individuals, all of them trying to be 'smart money' at the expense of the rest. Any investor who notices a fraud or bubble has a strong incentive to let it happen and sell before the shares crash.

And that's just with owner-investors. A fund manager has more options, the option to accept bribes and let it happen at expense of those he or she is supposed to be looking after, it would be hard to prove any wrongdoing.

Imagine the following scenario. Tom, Dick and Sally each manage 10 investment trusts.

Tom buys at a high price what Dick

and Sally have bought cheap, say *Internet Teddybear Picnics*. Tom helps pump it up and on the face of it has lost, made a bad decision. Or rather his No.3 fund makes a loss. But meantime funds No.4 and 5 doing nicely, this is Dick and Sally working the same trick in spirit of reciprocity, giving him a nice profit on *E-mail Doughnut Deliveries* and *Dali's Floppy Mobile Phones*. So he can advertise his successes on funds No.4 and 5 with their above-average returns, and hope the rest will be overlooked.

Market economics are called 'rational'. But when you analyse this 'rationality', it is built about some very strange beliefs. Market 'rationality' would be better called the Law Of The Immaculate Consumer.

The key assumption—what they call rational and what I call the Law of the Immaculate Consumer—is that people in a free market will always act according to their own best interests. Economic models are built on the assumption that they do not panic, get greedy, follow fashion or make gross errors. If pressed, economists will admit that individual consumers do do such things. But a mass of human and imperfect consumers are assumed to spontaneously assemble themselves into an entity obeying the Law Of The Immaculate Consumer. All mathematical economics is built on this assumption.

The Law of the Immaculate Consumer would tell you that managers given bonus incentives to boost share prices will not engage in all sorts of flimflam to give those share an unreal price. Myself, I'd sooner believe in virgins having babies by Divine Grace. (I find it surprising that conventional Christians will accept that the creator of the universe might have arranged for a particular baby to have been born 2000 years ago, and yet balk at a little think like pregnancy without sex, which is already entirely possible just with human medical technology.)

Actual businessmen working in mundane world of commerce are sometimes devout Christians or Jews or Muslims or Hindus or Buddhists. They show no belief in the Law Of The Immaculate Consumer in their own work, though it is nice to cite it as a 'general truth' so that social regulation is not

applied to them. It's always true—except in my back yard!

Private business used to be dominated by a culture of 'managerial excellence'. People would often work for the same company all their lives, more than two or three was unusual. The ambition was to be part of a *great* company and to produce a product you could be proud of.

The 'shareholder revolution' changed all that. How dare the managers think about workers or products or anything except return on capital? Economists like Hayek, as well as Ayn Rand who was Alan Greenspan's guru, assured us that managers who followed the dictates of the market would do much better. Their reasoning was flawless—assuming that the Law Of The Immaculate Consumer to be true. But then why so many market bubbles?

Back in the 1960s, a stock market crisis was a problem for rich investors, *not* for ordinary people. But changes to pensions have meant that everyone now has a stake. Wealth siphoned off by 'smart money' will ultimately come from the impoverishment of pensioners who were counting on private pensions to keep them secure and comfortable. There's a lot more I could say on this, but it really needs another article, hopefully next month.

BEVIN SOCIETY MEETING
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