

CHARTIST

For democratic socialism

May/June 2014

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On the brink?

John Palmer &
Marina Prentoulis

The EU

Frank Lee

Ukraine

Prem Sikka

The banks

Lib Peck

Co-operative

councils

Peter Kenyon

Labour



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Editorial Policy

The editorial policy of CHARTIST is to promote debate amongst people active in radical politics about the contemporary relevance of democratic socialism across the spectrum of politics, economics, science, philosophy, art, interpersonal relations – in short, the whole realm of social life.

Our concern is with both democracy and socialism. The history of the last century has made it abundantly clear that the mass of the population of the advanced capitalist countries will have no interest in any form of socialism which is not thoroughly democratic in its principles, its practices, its morality and its ideals. Yet the consequences of this deep attachment to democracy – one of the greatest advances of our epoch – are seldom reflected in the discussion and debates amongst active socialists.

CHARTIST is not a party publication. It brings together people who are interested in socialism, some of whom are active in the Labour Party and the trade union movement. It is concerned to deepen and extend a dialogue with all other socialists and with activists from other movements involved in the struggle to find democratic alternatives to the oppression, exploitation and injustices of capitalism and class society

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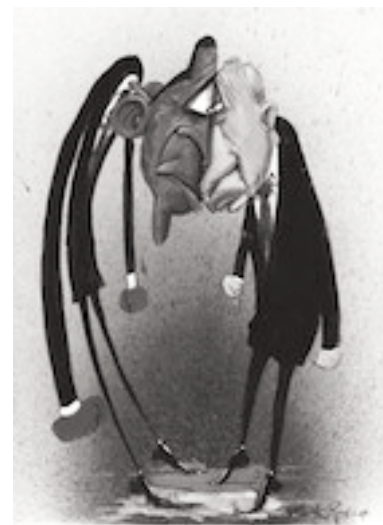
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Lansman
remembers
Tony Benn

Jon Lansman is
editor of Left
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Benn with prophets not kings

For at least four decades, Tony Benn has been a leader of, and something of a hero for, much of the British left. His apotheosis was not something he cultivated, though his enemies claimed otherwise – he was ‘a Messiah figure hiding behind the mask of the common man’ according to *the Sun*, motivated by ‘a belief that he was the messiah’ said union fixer, John Golding, ‘and with his small group of disciples... he would create a heaven on earth.’

On the contrary, he was always at pains to argue that politics was about ‘policies not personalities’, a phrase he used in his spin doctor phase long before he’d acquired hero status, in a party political broadcast for Hugh Gaitskell. And he specifically downplayed the role of a leader: ‘every generation has to fight the same battles again, and again, and again. There is no destination called justice or democracy and if you find a train driven by the right man

you’ll get there.’

Since Tony’s failed bid for Labour’s deputy-leadership in 1981, we have seen a succession of autocratic and centralising leaders. Benn’s Congregationalist upbringing, he said, taught him ‘the story of the Bible was conflict between the kings who had power, and the prophets who preached righteousness.’ He was on the side of the prophets, not that of the kings and Machiavellian princes.

And to the extent that he was the Left’s leader, he voiced our aspirations rather than being our commander-in-chief. His oratory was uplifting and inspirational. And later, when we started losing, it continued to give us hope, deserving of his chosen epitaph – ‘he encouraged us’.

The basis for Tony Benn’s judgement was very different from Blair’s: “My mother once said to me that all decisions, including political decisions, are basically moral. Is it right or wrong? And when a new issue

comes up, you have to ask yourself, ‘If we do this, is it going to be right or wrong?’” And the basis of his moral judgements was essentially Christian.

He was no intellectual, his Oxford education notwithstanding. In answering the question of what moved him, Tony said “It isn’t bloody books. I hardly ever read them.” Famously, he read no Marx until Caroline put The Communist Manifesto in his Christmas stocking in 1985. He had, he said, “lived in the oral tradition, learning from listening and watching rather than from reading, and communicating by speaking rather than writing”. According to biographer Michael Newman, the great respect Ralph Miliband had for Tony was his energy and optimism rather than his intellect. He had been radicalised through the experience of government and would not subvert his principles in the interest of any ‘political game’. The sort of politician we need more of.

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James Connolly - Socialism made easy (1909)

James Connolly was an Irish republican socialist. Connolly was born in Edinburgh – his father was a manure carrier for the Edinburgh Corporation. Enlisting in the army at the age of 14, he left military service in 1889 and mentored by the socialist poet, John Leslie, he joined the Social Democratic Federation becoming Scottish correspondent of Justice. In Scotland the SDF and Socialist League united as the Scottish Socialist Federation. In 1894, Connolly became secretary of the Edinburgh branch of the newly founded ILP. In 1896, Connolly was appointed paid organiser of the Dublin socialist club and established the Irish Socialist Republican Party, combining Irish nationalism with socialism. Connolly lived in America between 1902 and 1910, where he was active in De Leon’s Socialist Labour Party and the Industrial Workers of the World (IWW) as well as establishing an Irish Socialist Federation among Irish-American workers. Socialism Made Easy was originally published in Chicago in 1908, to be followed in 1910 by Labour in Irish History, a Marxist analysis of Irish history. Returning to Ireland in 1910, Connolly resumed his previous role as leader of the Irish republican socialists – he took over from James Larkin as secretary of the Irish TGWU, when Larkin went to America. In 1912 he founded the Irish Labour Party. When the Ulster protes-

tants formed a Volunteer Army to resist the implementation of the 1912 Home Rule Act, Connolly formed an Irish Citizens Army. This army was to participate in the Easter rising of 1916, with Connolly to be vice president of the provisional government, with Padraic Pearce as president. The leadership of the Irish volunteers did not support the uprising and Connolly’s small band of rebels was isolated and soon defeated by the British army. Connolly was wounded in the fighting and executed on May 12 1916.

“If you belong to the working class your duty is clear. Your union must be perfected until it embraces every one who toils in the service of your employer, or as a unit in your industry. The fact that your employers find it necessary to secure the services of any individual worker is or ought to be that individual’s highest and best title to be a member of your union. If the boss needs him you need him more. You need the open union and the closed shop if you ever mean to control the means and conditions of life. And as the champion of your class upon the political field, as the ever active propagandist of the idea of the working class, as the representative and embodiment of the social principle of the future, you need the Socialist Labour Party. The future of Labour is bound up with the harmonious development of those twin expressions of the forces of progress: the Freedom of Labour will be born of their happily consummated union.”

Europe
against
austerity

A new vision for Europe

Figures can’t lie, but liars can figure goes the old adage. Chancellor Osborne is certainly spinning a good tale when he tells us the economy has turned the corner and British capitalism is on the mend. But what he and the Coalition don’t tell us is the human cost of austerity. 2.5 million unemployed and almost a million young people, many of them graduates (with evidence that 40% will never pay back their loans) jobless.

The recent Oxfam/New Policy Institute report says welfare cuts have pushed 1.75 million of the UK’s poorest households into deeper poverty with more families struggling to pay for food and energy bills. The report found that 300,000 households have experienced cuts in housing benefit, 920,000 a reduction in council tax support and 480,000 a cut in both. Almost one million people used food banks in 2013-14 up 163% on previous year.

And the Coalition tell us we have to live with austerity for another six years—meanwhile the five richest families in UK have the same wealth as the bottom 20%, top bankers continue to receive huge multi-million bonuses and most people are now over £1600 worse off than five years ago with the wealth gap growing. So who is austerity working for? No prizes for correct answers.

As Prem Sikka reports the ‘bank reforms’ will have little impact on this situation leaving a regime of light touch regulation and a system out-of-kilter with social needs and small business development. This is the story across much of Europe with austerity policies leading to greater poverty, illness, unemployment and housing misery.

As the European elections approach (22nd -25th May) we survey the prospects for an alternative Europe. Marina Prentoulis identifies the dire consequences of the memorandum ‘bail-out’ conditions imposed on the Greek people whilst outlining a vision for a new Europe being spearheaded by main opposition left party Syriza and its leader Alexis Tsipras, running for European Commission president.

Globalisation is here to stay – the global genie cannot be put back in the national bottle as John Palmer explains, this is why the left should work through the European Union to end neo-liberalism with an alternative social, economic and environmental programme. This must be the answer to the Tories ‘in-out’ referendum plan.

Andrew Coates finds the French Socialist government of Francois Hollande rowing back from many of its anti-austerity election pledges and losing popularity as a consequences as seen in the local election results which saw the extreme right National Front make significant gains. With Jobbik in Hungary and Golden Dawn in Greece these far

right & fascist parties should sound alarm bells for the left to work tirelessly for a European recovery programme based on sustainable investment, job creation, wealth redistribution and debt restructuring.

Ukraine is the flashpoint in Europe where US/NATO sabre-rattling meets Putin’s populist demagoguery. Frank Lee’s summary analysis on the conflicts within and without this borderland country of over 45 million people sees no immediate resolution to the imbroglio. But with presidential elections in May it is clear that the predominantly Russian speaking east want substantial autonomy and an end to rule by a Kiev government that includes fascists assembled as a result of an undemocratic coup.

Nationalist and secessionist pressures are growing in Europe as austerity continues. In the rest of Britain the debate about the September referendum on Scottish independence is beginning to come alive. In this issue Paul Teasdale puts an alternative case for the union.

In Britain the Labour Party could become the winning alternative to the Tories and discredited LibDems if Miliband strengthens a resolve to embrace its traditional values of equality, redistribution, social justice and internationalism against austerity. Len McCluskey leader of Unite the

union has called the decisions Labour will make over the manifesto in July a watershed moment. Commitments to repeal the bedroom tax, remove zero hours contracts, freeze energy prices, and restore local government powers must be supplemented by a living wage, an investment bank, and a social & affordable house building programme. Many thousands of supporters will become increasingly disillusioned and no amount of Obama fixers will repair the damage if Labour sticks to austerity and public spending restraint. Trade union affiliates will have no reason to stay loyal if there is no bold alternative. Here

Chartist continues its contribution in two ways: further proposals for Labour’s 2015 manifesto and a critique by Peter Kenyon of Labour’s finances. The Labour Assembly Against Austerity

also suggests many positive proposals. Only if Labour defines a new course against austerity, cuts and privatisation will it both insure against losing support to UKIP and win votes from the centre.

The European elections are hugely important for the direction Europe takes. Will we join with those working for a vision of a new democratic Europe or be dragged into the margins of a neo-liberal siege economy? Miliband must make clear Labour is firmly with a democratic federal Europe, and join with other progressive forces working to reshape the global order for people not profit.



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launched its new
website. It
includes the
magazine’s blog,
access to copies
of the magazine
and a link to old
content in our
new archive site

Labour's 2015 policy platform: Part II

Scrapping Trident

A progressive UK defence policy could transform Britain's role in the world: making it a global leader in disarmament verification technologies, diplomacy and humanitarian assistance.

Scrapping the Trident nuclear weapons system and cancelling its replacement would save £100bn which is earmarked to come out of the defence budget to build and run this new generation of nuclear weapons. It is estimated that replacing Trident would consume a third of the defence equipment procurement budget for several years during the 2020s. The money saved could be used to create a flexible military which meets our defence needs and is able to assist in areas of acute humanitarian need – from earthquakes to tsunamis – which will only become more prevalent due to the erratic impact of a changing global climate.

The exceptional skills which exist in the UK's defence manufacturing industries, including at Barrow Shipyard and the Atomic Weapons Establishment (AWE) in Berkshire, could put Britain at the forefront of a global nuclear disarmament verification industry. These are the practical skills which will be necessary to implement and monitor a global nuclear weapons convention: increasing stability and security internationally. The UK's current defence expenditure is premised on a misguided notion of Britain's capacity for military intervention. Wars in the Middle East and beyond since the start of the twenty-first century have only served to destabilise states and regions, have made Britain and the world less secure, and have cost countless lives and countless billions.

Britain currently spends around 2.4% of its GDP on defence: £36-38 billion a year. Bringing this spending in line with a European average of around 1.4% would amply allow for a flexible defence force and would create real savings of over £15bn a year. This money could be spent in international aid projects, bolstering diplomatic initiatives or developing sustainable energy sources: all of which would do more to reduce conflict and build genuine international security than an interventionist military force.

In our last issue regular *Chartist* contributors set out some manifesto must-haves for the Labour Party's last National Policy Forum meeting ahead of the 2015 General Election. Here is our second instalment

Education

Labour recognises that teachers are fed up with the constant changes introduced by successive governments. Nevertheless we cannot leave the reactionary measures brought in by Michael Gove in place. Labour will immediately halt the free school programme. Legislation will be introduced to allow academy governing bodies to return their school to their local authority if they so wish. This will be particularly important for those schools that have been compelled to become academies against the wishes of parents, staff and governors. Labour will reform Ofsted and look for an inspection framework which is not punitive but supportive of schools. No more Clint Eastwood-style leadership! The drive for all schools to be good or outstanding will continue. Schools which are judged to be regularly 'teaching to the test' will be downgraded. Labour will restore the Building Schools for the Future programme and allow local authorities to build and open schools once more. We will ensure that there are sufficient places for all children. Labour will apply regulations to all schools equitably, particularly those relating to the curriculum and healthy eating and move to make Personal Social and Health Education statutory. Finally, we will immediately review and reform the testing and examination systems and halt any unnecessary changes to them.



Making submissions

The Labour Assembly Against Austerity has published an easy to follow guide to making amendments to Labour Party policy by the 13 June 2014 deadline.

If you want to make it a Manifesto for Labour Growth – End Austerity and the Cost of Living Crisis go to

labourassemblyagainstausterity.org.uk/2014/04/manifesto/

Local Government

Labour will end the stranglehold of Whitehall over town hall finances. Progressive tax measures will be taken to enable most local authorities (LAs) to raise more than 50% of their finances from local sources. A national system of redistribution of receipts to areas in need from well-endowed places will be established.

Obstacles to LA borrowing for capital investment will be removed asap – enabling genuinely affordable homes, living-well health centres, and new educational facilities to be built more quickly. Powers will be devolved to city regions to encourage sustainable regional growth strategies to be developed providing local jobs, and training opportunities. Democratic powers to local people will be established by rights to recall of elected representatives at all levels of government. In any event Town Hall diktat will also be scrutinised.

All LAs will be required to be accredited living wage employers.

Paul Salveson says it's time for a federal solution in Points and Crossings

Devo minimum from Labour

Labour's plans for 'devolution' to the English regions have been spun as 'the biggest devolution of power in a century' but even the right-of-centre *Yorkshire Post* criticised them for being weak and lacking in imagination. A recent editorial said 'A truly radical solution would be for Labour to set out a genuinely federal model of government along the lines of that which has been so successful in Germany and the United States.' What Labour is offering is an increase of funding to local authorities and local enterprise partnerships (LEPs) and appointment of 'regional' ministers who would, of course, be accountable to Westminster, not the regions they purport to 'represent'. You could argue, it's a step in the right direction and at least Labour is acknowledging there is a growing problem in the English regions. The Hannah Mitchell Foundation has given a highly qualified welcome to the proposals for devolution to the North. "We welcome any proposal to devolve powers from Whitehall and Westminster to the regions but this doesn't go nearly far enough," said foundation chair Barry Winter. "At the very least we would have expected Labour to re-instate the regional development agencies, which did much to support economic growth in the North, despite weak accountability. The alarming gap between the North and London and the South-east will not be closed by Labour's proposals. If anything, it's just sticking plaster."

It's ironic that Ed Miliband points to the success of Germany where economic growth has been led by strong, directly-elected regional parliaments. What he proposes is breathing a bit of life into the weak and unaccountable LEPs with some extra powers to almost equally unaccountable 'joint boards' of local authorities. This is no substitute for strong regional government which takes power and resources out of the centre and works with re-energised local authorities. The proposal for having 'regional' ministers, whose only accountability is to Westminster, is equally inadequate. Whilst proposals for regional banks are a great idea, the key issue that Labour has ducked is regional democracy. Scotland, Wales, Northern Ireland and even London have devolved government, elected on a proportional basis. England outside of London remains tied to the whims and dictates of Westminster and Whitehall, and Labour's proposals will do little (maybe a bit) to change that.

The current situation can't continue. Whatever the outcome of the Scottish referendum in September, people in the English regions will begin to realise that it's time for change. As things stand,

certainly in the North, there is widespread anger at the widening economic gap that has yet to translate itself into mass political action. Labour could put itself at the head of a radical and inclusive movement for change which would appeal way beyond its own supporters and include the likes of *Yorkshire Post* readers, in a vision for a democratic, socially just and economically vibrant regional policy. What it offers will satisfy nobody other than a handful of leaders of Labour-led local authorities who will get some extra powers and cash, and boards of the unaccountable LEPs.

Why be so timid? A lot of people are fed up with the banalities of the established parties. Part of UKIP's appeal is that it appears to be fresh and anti-establishment. Recently, a new regionalist party called 'Yorkshire First' was launched which claims to be in 'the centre' of the political spectrum and will stand candidates in the European elections. As Britain fragments, we're likely to see such developments more and we shouldn't assume they will be backward-looking

The North, and all of the English regions, should develop a new political language which could take us towards a radical vision for an 'England of the regions' which emphasises participatory democracy at local and regional level, social justice, sustainable economic growth and partnership with its neighbours. In other words, let's utter the name, a Federal Britain

'regional UKIPs'. At the moment, Scotland is way ahead of the game and all the radical momentum is with the 'yes' campaigners. An interesting development over the last few months is the way the pro-independence forces have developed as a very diverse coalition. It is very far from being just the SNP and a few hangers-on.

There is a flowering of ideas. The shelves of

Waterstone's in Glasgow are full of books putting a radical case for an independent Scotland – such as Lesley Riddoch's *Blossom*, Jim Sillars' *In Place of Fear II* and James Foley and Pete Ramand's *YES: the radical case for Scottish independence*.

The left south of the border seems completely unaware of all this, happy to dismiss the 'yes' campaign as being based on a narrow nationalism. It's anything but that and the campaign offers many lessons for the centre-left in England. The North, and all of the English regions, should develop a new political language which could take us towards a radical vision for an 'England of the regions' which emphasises participatory democracy at local and regional level, social justice, sustainable economic growth and partnership with its neighbours. In other words, let's utter the name, a Federal Britain. The alternative is an increasingly marginalised and unbalanced English nation dominated by a discredited neo-liberal 'Middle England' mentality, which – worryingly – seems to include the Labour front bench.

Paul Salveson's website is www.paulsalveson.org.uk

Contributors: Dave Lister (Education), Kate Hudson (CND) and Peter Kenyon (local government)

Globalisation and why Europe matters

John Palmer sees prospects for the European Union shifting left after the European Parliament elections in May

It is commonly observed that globalisation and an ultra-financialised capitalism are sucking the democratic life out of 'national' politics. The odd thing is how much effort is devoted trying to put the global genie back into the old national political bottle and how little to confronting neo-liberalism with a global democratic, social and sustainable political alternative.

Globalisation is a catch-all term covering a vast array of international financial, trade, investment developments including the beginnings of a global labour market. Attempts to turn the clock back 50 years are illusory or lead to a dystopia of the North Korean kind. Globalisation is certainly displacing genuine political alternatives from national political debate. Consequently mainstream political parties are being pushed into a single, ever more democratically asphyxiating, telephone box.

The virtual disappearance of serious differences between the social democratic left and the conservative right takes different forms in different European countries. In Britain's case it was Thatcherism which drove the neo-liberal agenda and defanged the Labour Party of any residual menace to the system. Deindustrialisation, fragmented working class communities, massively weakened the trade unions, and reduced living standards have led to a decline in class consciousness.

Class has not disappeared. It is a more grotesque feature of our society than ever as wealth concentrates in ever few hands. But class consciousness, or what Marx called "...a class for itself not just a class in itself" has diminished. Edward Thompson taught us that the working class is made and remade throughout history. We are still learning what characterises the new working class

being born out of the current turmoil and with what ideas a new socialist movement will be rebuilt.

Meanwhile radical right wing populist and even neo-fascist forces are successfully exploiting the political vacuum in many advanced capitalist societies. The far right/populist vote will be significant in the European Parliament elections being held across the EU in May.

It would be wrong to lump all these right wing tendencies together as a single phenomenon. Many are racist and nationalist rather than fully fascist. But Golden Dawn in Greece and Jobbik in Hungary can mobilise Sturm Abteilung squads to terrorise migrants or ethnic minorities and do not disguise their neo-Nazi roots.

The choices facing the socialist left today are reminiscent of those which faced the left in Germany after 1848: whether to restrict political activism to the more liberal local princedoms and states or to fight for democracy at a national level. Marx argued that the struggle for an all German democracy was the key priority in spite of the Prussian authoritarianism dominating the emerging German national state.

The European level

To be relevant in a globalised capitalism, socialist politics will increasingly have to be focussed at the European level today as a forerunner to the global level tomorrow. This is about much more than simply the need for European and global alternative policies. It is also about the fight to create democratic institutions and governance at the supra-national level.

This is the context against which the challenges and choices in the European Parliament elections should be judged. To argue



The EU's democracy problems have long required remedying. Will they now get it?

for European Union democracy is not to buy into the neo-liberal, conservative politics of the present EU leaders. But it is to recognise that even now a European Union, increasingly integrating the economies of 28 different countries, has far more capacity than even the largest countries to set very different economic and political priorities to those of capital.

The battle for a comprehensive EU democracy is only in its early stages. It is easy to ridicule the elected European Parliament as being marginal and out of touch with voters. But the European Parliament has already won and is acquiring significantly more powers with every step towards closer European integration.

European integration is not going to be halted by Euro-area/EU economic crisis. Indeed as the crisis drives pressure for further European integration, demands are being raised across Europe – especially in "the south" – for a fundamentally different European wide economic, social and environmental strategy.

The EP elections in May will offer something different. For the

first time the EP elections will offer voters through the 28 Member States the chance of shaping who will be the next President of the European Commission – the executive body of the European Union. Almost all the political forces represented in the European Parliament including the conservative European Peoples' Party (Christian Democrats), the Party of European Socialists (the major social democratic parties), the Liberals, the Greens and the European United Left (made up of further left parties of different provenance) have nominated candidates to fight for the Commission President. These embryonic European political parties are being forced to define their goals and policies more clearly than ever before.

The Parliament's centre-left bloc (formerly the PES now PALD) has nominated Martin Schultz, the German social democrat and current EP President, for the Commission Presidency. Schultz stands on the left of the PES and, predictably, his candidacy was opposed by the Labour Party which regards him as suspiciously left and Euro-federalist. But Labour MEPs will probably vote for him rather than the right when the European Parliament finally decides who to back after the election.

Schultz advocates moderate EU wide economic and sustainable expansion and a limited commitment to strengthen EU social and environmental policies. If – as current polls suggest – the PES emerges as the largest party after the election it will have to form an EP majority either with the Greens and the United Left or with the Liberals or even with the EPP.

A root and branch break

The Greens have a firmer commitment to breaking with current EU austerity orthodoxy but may emerge with fewer MEPs. The United Left is running neck and neck with the Liberals to be the third largest party in the new Parliament. Significantly UL is running Alexis Tsipras – leader of the radical left Greek Syriza party – for the Commission Presidency.

Tsipras advocates a root and branch break with current neo-liberal economic orthodoxy but (UK leftists should note) he strongly advocates Greece remaining in both the EU and as

part of the Euro-area. His policy is close to that argued for by the Euro-Memorandum group of socialist and green economists from across Europe in their 2014 paper.

If the EP does choose Schultz the European Council, representing the 28 EU governments, may try to ignore the vote and try to impose someone 'safer.' But this would trigger an unprecedented crisis in relations between the European Parliament and EU governments. It would also do nothing to close the dangerous gulf separating the current EU establishment from increasingly cynical and hostile electorates.

The Cameron government reportedly favours the uber-moderate Danish social democrat prime minister, Helle Thorning-Schmidt, Neil Kinnock's daughter-in-law. She is thought more likely to bow to the wishes of the dominant EU governments rather than the wishes of the elected European Parliament. Angela Merkel could opt for an equally

The European left should campaign for a new European constitutional settlement based on social cohesion, environmental sustainability, employment and labour rights and a radical democratic re-structuring of the EU institutions

federalist-minded Christian Democrat to try to block Schultz.

The outcome of this election matters hugely for the future direction of the European Union. The economic slump is giving way to a feeble and highly vulnerable economic upturn. With flagging productivity and the risk of outright price deflation, growth may not be strong enough to significantly reduce the vast army of young unemployed.

Living standards remain depressed and in some southern EU countries are still falling. Only a massive programme of infrastructural, green and social investment financed by the collectively shared liabilities of all the EU states can begin to tackle this problem. A Schultz-led Commission may moderate or even drop its austerity dogma dragging the German government (where the Social Democrats are in coalition) in its wake.

At some point between now and 2020 a new EU Treaty will be

unavoidable to secure the foundations for what is already emerging as an embryo 'economic government' for the Euro area. The Euro area embraces 18 of the 28 EU counties with 8 of the remaining 10 pledged to join eventually. The political and social character of what emerges in the next few years will shape European politics for a generation or more.

The Tories want to move what will be left of the UK after the Scottish referendum to the outer fringes of the European Union – if not completely outside. But Cameron may be unable to form a majority Tory government after the 2015 general election thus making a 2017 referendum on continued British membership of the EU increasingly unlikely.

The Labour question

No one knows where an Ed Miliband led Labour government really stands on this. He could seek to opt out of any new EU Treaty agreed some time between 2018 and 2020. He might then claim that since there will be no new transfer of decision making from London to shared European sovereignty no referendum on EU membership will be necessary. That would keep Britain notionally as part of the EU but in reality outside the centre of political gravity.

The left should insist that the next EU Treaty empowers the European Parliament not only to legislate but also propose laws – something currently monopolised by the European Commission. The European left should campaign for a new European constitutional settlement based on social cohesion, environmental sustainability, employment and labour rights and a radical democratic re-structuring of the EU institutions. A large vote for the parties of the left in the May EP election would also serve notice that the band wagon rolling for the far right can and will be brought to a halt.

But languishing on the fringes of the one global region which has the potential to set a radical different economic direction to the neo-liberal establishment across Europe and to help to re-shape the current global order, the UK seems fated to increasing international impotence and irrelevance. The voice of the British people – and especially the labour and socialist movement – would become more marginal than ever.

Time to ditch European austerity

Marina Prentoulis urges the left to support a new vision for Europe

If the economic crisis taught us anything it is that insult and injury go together. The adoption of neo-liberal policies as the golden canon of economic activity in Europe has brought the countries of the South to their knees. At the same time, the countries of the North who have benefited from these policies unleash severe austerity measures on their own people. This way, the divide between North and South is bridged with all the people of Europe suffering the results. For all Europeans, austerity has been proposed as the solution to the crisis, when in reality it is creating and deepening the crisis itself.

If the first victim is the people of Europe, the second is the ideal of ‘Europe’ itself. Not the Europe of competition and deregulation, nor the Europe of the democratic deficit. Rather, Europe as a common, even if ‘imagined’, identity constructed around our common cultural, historical and political projects and inspirations, past and future. This Europe of democracy, cooperation, plurality and solidarity amongst its people is what we must re-invent.

The European election this May will be less of an election and more of a referendum deciding the future of the European project and austerity measures across Europe. Ending austerity will be the only way to stop the humanitarian crisis spreading across Europe. The democratic forces working against austerity and the destruction of the welfare states and for employment rights and democratic accountability are the future. Only through the creation of a united front will we be able to bring about a radical change marking a new beginning for Europe.

The task is not an easy one. We have to stop the double or triple dips in the economies of Spain, Greece and even Britain in the face of a huge public debt in the Eurozone reaching 90% by 2012 and increasing to 92% in 2013. We have to combat unemployment of 27 million across Europe; the diminished power of elected representatives of the European countries; the shameful condition of millions of Greeks who have no

medical insurance and are refused treatment; the rise of fascism and xenophobia.

In April 2014 Wolfgang Schäuble, the German Minister of Finance and the Greek government celebrated the return of Greece to the bond markets. According to them this marks the beginning of the end to the Greek crisis: the restoration of competitiveness is what can ensure increased employment and rising living standards. Their suggestion brings little comfort to the majority of the Greek people, with the possible exception of banks and businesses. Unemployment in Greece has reached 28% and the increased taxation together with the reduction of social benefits has led to the deterioration of the living conditions and the aggravation of

The proposals of the European Left can be an answer to the Nigel Farage and the Marine Le Pen types. This is no time to be divided on who is more or less Left. It is time to demand our parties support the proposals of the European Left

poverty in Greece. The bonds will not abolish the memoranda agreements. They will not radically reorganize the Greek debt. Greece will still have to repay back 75% of the huge loan by the end of 2040 (!).

The programme of the Party of the European Left (EL) may not be to everyone’s taste and its implementation is by no means an easy task. However it sets a direction which can start answering the demands of the people of Europe, including Greeks.

On April 10th, the European Left party held a conference on the alternatives to debt and austerity in Brussels. Economists, sociologists, politicians of the EL, trade unionists, and members of social movements all proposed four alternatives to the neo-liberal debt crisis in Europe. First, an end to austerity. Second, the cancellation of a big part of the public debt. Third, the creation of a new financial institution which

will fund public services by mobilizing the financial resources of the European Central Bank. And finally, the restoration of democracy in Europe with changes in the financial and business systems.

The final point is very important. Any democratic party can see that this crisis is very much a political crisis. In order to change Europe we have to restore the power of our national representatives and suspend the European legislation that allows the EC to scrutinize the national budgets before the national parliaments do. This does not imply going back to a national isolation. It is a way to bring back democratic accountability from the national to the transnational.

The suspension of social rights has not been limited to the countries of the South but has been equally devastating in the North. The logic of privatization and profit are destroying what the people of Europe, with their own long and bloody struggles, have won. It is time to emancipate ourselves from the Lisbon Treaty and to restore social rights and worker’s rights across Europe. The financial elites will no doubt have some objections. Let them have this discussion with those (even within the peoples’ parliaments) that have their interests at heart. We should push for the taxation of financial transactions and the eradication of tax havens within the EU.

The proposals of the European Left can be an answer to the Nigel Farage and the Marine Le Pen types. This is no time to be divided on who is more or less Left. It is time to demand our parties support the proposals of the European Left. The people of Europe are already working together: through social movements and solidarity networks crossing national boundaries towards a vision of emancipation that goes beyond electoral mandates. Political parties will either follow the demands of the people of Europe or they will have to face the people: in every election, every square and every street of Europe.

Marina Prentoulis is a senior lecturer in politics and economics at University of East Anglia & a member of Syriza and the Greece Solidarity Campaign

Regime change too far?

Frank Lee reflects on the revolution in Ukraine

Events in Ukraine seem now to be entering a new phase. The forcible overthrow of the democratic President, Victor Yanukovich, in February was just the beginning of the process, not the end (see extensive coverage on www.chartist.org.uk).

Things have since moved on and an open (and wholly predictable) rebellion has now broken out in the Eastern oblasts against the Kiev regime. This was hardly surprising given the fact that the Eastern regions voted overwhelmingly for Yanukovich in 2010 and feel no loyalty to the Kiev clique. It would also appear that the easterners want neither membership of the EU or NATO which the new regime is anxious to foist upon Ukraine as a whole, as quickly as possible. The regime’s attempt to re-establish control in the restive east by force, has so far met with ignominious failure, demonstrating perhaps the incompetence and lack of experience and judgement of its members.

The present interim Kiev ‘government’ was largely picked by US diplomats: principally Victoria Jane Nuland, US Assistant Secretary of State for European and Eurasian Affairs, and Geoffrey Pyatt US Ambassador to Ukraine, the proof being a leaked telephone conversation between the two. Ms Nuland was also involved in a \$5 billion subsidy to Ukrainian ‘democratic institutions’ (which we can only guess at) which she openly stated at a political gathering in the USA. Discussions between US Secretary of State, John Kerry, and the leaders of the coup movement Yetsanyuk and Klitschko (former boxing champion) also took place during this period. It would be interesting to know what exactly was discussed. It suggests a sustained intervention in Ukrainian internal affairs by the US. Nuland and Pyatt could not have strolled through the crowds of demonstrators in Kiev, as they did, offering cookies and kind words without clearance from the White House. As for the EU, as vassal states, they simply went along with American

instructions.

The Ukraine seems to be one of the latest examples of a US foreign policy which now incorporates the theory and practise of regime change. This is a policy which has seen a succession of interventions around the globe which have been either overt (Iraq and Afghanistan) or covert (Libya and Syria). Covert operations usually consist of the US staying in the background and having their dirty work done by paid proxies.

Window of opportunity

This shift in US foreign policy emerged at around the time of the collapse of communism in Russia and Eastern Europe. In the ensuing chaos many of the old COMECON states were integrated into

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both the EU and NATO, and Russia was to be ruled by a friendly dictator – Boris Yeltsin. Russia also had a visit from the IMF for what was called ‘shock therapy,’ yet another economic ball and chain wrecking exercise at which the IMF is so adept, this time the victim was the Russian economy.

The US saw its window of opportunity and jumped in. Like the victors in 1918, the winners in the Cold War imposed what amounted to a Versailles settlement on Russia. This was not enough for many. It was argued that the US needed to go much further to cement its victory. This case was made explicit by a group of rightist intellectuals in the US including William Kristol, Robert Kagan (who is Ms Nuland’s husband) Richard Perle and Paul Wolfowitz. The Project for A New American Century (PNAC) was a

collection of writings which set out the strategy, here is a flavour:

‘As the 20th century draws to a close, the United States stands as the world’s pre-eminent power. Having led the West to victory in the Cold War, America faces an opportunity and a challenge: Does the United States have the vision to build upon the achievements of past decades? Does the United States have the resolve to shape a new century favourable to American principles and interests?’

Thus American power should be spread around the world in the interests of humanity. As Kagan stated quite candidly “America is, and should be, an empire.” The notion that the US should project its power around the world in order to shape the world into America’s interests contains a hidden sub-text: namely, by all means possible.

However this global agenda has not only come to grief in the Iraq and Afghan debacles, it also seems to have stalled in the Ukraine. Not that the policy will be abandoned of course. It will merely mutate into new forms, of cyber and financial warfare which are presently in their early stages.

The Ukraine is unfortunately merely a pawn in the power struggle between the US and its allies and Russia (and ultimately China). The geopolitical fault-line between these rival blocs runs down the length of the river Dnieper.

Of course the template solution would be a neutral buffer status for Ukraine, as has always been the case with Finland, a country with a long common land border with Russia, and which seems happy not to be a member of NATO. In the 1970s we used to call it ‘Finlandisation’. Would it be too much to ask for this type of solution? Such a solution would manifestly suit everyone – with the possible exception of the neo-con jihadists at the State Department - and result in no loss of face. I wouldn’t put money on it though.

Links: <http://goo.gl/75JX9G>

Frank Lee is a member of CHARTIST’s Editorial Board and writes extensively on economics and geopolitics. His three superb recent articles on the Ukrainian Revolution on CHARTIST’s new website have been released as a consolidated eBook. Find here: <http://goo.gl/sCsB4d>

twitter: #Ukraine

What happened to the enemy austerity?

Andrew Coates reports on French local elections and the rightward shift of the Hollande government

In 2012 Presidential candidate François Hollande called a new European pact for economic growth that would lead the EU out of a 'spiral of austerity.' Reducing unemployment was a top priority. He promised to put equality at the heart of his government and the stand up against the rule of finance. France, Hollande declared, should be an 'exemplary republic'. (*Le Changement c'est maintenant*. 2012)

March saw Hollande's Parti Socialiste (PS) suffer an historic defeat in the French local elections. They lost control of 151 towns with more than 10,000 inhabitants. The right now runs 572 urban centres, the left, 349. The Front National controls eight, including Hénin-Beaumont an historic left bastion in a former mining district. If Anne Hidalgo won Paris for the Socialists, in alliance with the Greens (EELV, Europe Ecologie-les Verts), the Communists (PCF) and others, this is a meagre compensation for losing strongholds of 'municipal socialism'.

One in five out of work

Abstention was at 36.3% - a record high in France where municipal voting attracts more interest than in the UK. High local rates of unemployment appear not to have been reflected in non-participation but in votes for the Front National. In areas with the greatest out-of-work percentages this meant a startling 10% boost to the far-right party's level of support. One cause is clear. Despite Hollande's pledge to reduce numbers on benefits, particularly for the young, amongst the under 25s, one French person in five is out of work (*Le Monde* 9.4.14.)

French local elections are notoriously complicated, with shifting alliances within left and right blocs. The Communists (PCF) were sometimes allies of the Socialists in the first round, while

their own left-partners in the Front de gauche, the Parti de gauche (PG) of Jean-Luc Mélenchon, stood for completely 'autonomous' lists. This has created a lot of tension.

In Grenoble, a place with an independent left tradition going back to the 1960s, a slate representing the Greens, (Europe Ecologie-les Verts, EELV), the PG, and Ensemble, a 'citizens' network', such as the 'self-management' Alternatifs won against a Socialist list that the Communists supported. We hear that Mélenchon has since taken an interest in ecological issues.

For François Hollande electoral defeat led to a change in Prime Minister. With over 70% of the public expressing disapproval of his record, and not just his *rocambolesque* private life, he struck out in new directions. The appointment of Manuel Valls, one of the few French politicians to have expressed admiration for Tony Blair, has been received relatively well by the public. With approval ratings in the mid-40% Valls has struck a chord. Hollande has made sure, however, that people allied to the President surround him. These include the PS's former general secretary, Harlem Désir, who many blame for the organisation's present weaknesses.

Inside the Socialist Party Valls is not so popular, receiving a little over 5% of the vote in the 'primary' for their Presidential candidate in 2011. Valls has a reputation as an authoritarian, which his time as Minister of the Interior and hard-line on Roma, has done nothing to dispel.

The Greens, aligned with the Socialists in the Ayrault Cabinet, left after Valls's nomination. Ostensibly this was over their green 'transitional energy' programme, but clashes over Valls's policeman-like approach to social issues, such as Roma, is widely said to have contributed to their decision. They continue to support the government.

Under François Hollande's direction, the Ayrault government launched a 'pacte de responsabilité' with employers (reducing social charges, making rules more flexible). The Socialists shifted their policies towards helping enterprises create employment. They abandoned any attempt to change the austerity measures adopted within the European Union. Valls has promised to continue this, reducing the public deficit, and chipping away at public spending. The first steps to reduce social benefits are underway.

'Sarkozy of the Left'

To the left PS Valls is the worst possible Prime Minister. Already critical of the Socialists' pro-employers turn, Manuel Valls appears to embody economic liberalism without any 'social' tolerance. Labelled a 'Sarkozy of the Left' he is said to be concentrating his efforts on making France an attractive country for outside investors. Anything resembling Thomas Piketty's ideas on a steep progressive capital tax is now downplayed. Hollande's claim that 'finance' was his enemy seems long forgotten.

As the Euro-elections approach the conservative UMP leads in opinion polls (around 22%). The Front National (20%), which calls for a referendum on leaving the Euro, stands consistently ahead of the Socialists (18%). To their left, the Front de Gauche varies from 9% up to 15%. Perhaps most significantly they have begun to mobilise opinion against the Valls government. On Saturday the 12th April up to 100,000 people, from unions, the left parties in the Front de gauche, and the far-left Nouveau Parti anticapitaliste, with civil society associations, responded to their call to march against austerity in the streets of Paris. How far protests will translate into votes remains to be seen.

Localism at work

Lib Peck explains Lambeth's co-operative model in fighting the cuts

The scale of cuts to local government budgets has been devastating, and unlike anything we've ever seen before. Over the six years between the financial years 2011/12 to 2016/17, Lambeth is facing a 50% cut to our funding. That means we're having to find a total of around £188m in savings.

Whilst our funding is decreasing, the picture of need in our community is definitely not. At the same time, we're still facing the growing pressures of an ageing population, increasing demand for school places and more need than ever for affordable housing.

In Lambeth, despite this difficult context, we not only remain committed to our core values but continue to aim high. Our slogan going into the next election is: fair to all, ambitious for everyone. To make this a reality, we've had to take a new approach. That starts with our own budgeting and commissioning. At the heart of this has been our Cooperative approach, unlocking our biggest asset: the people in our community.

Outcomes, outcomes, outcomes

We've also moved towards a model of 'outcomes based' budgeting. Together with residents we have identified a set of common goals and shared priorities – what we call our 'Community Plan Outcomes' – our existing services have been tested against these 'Outcomes' to assess how far they go to achieve them; essentially, they offer value for money. This then helps us prioritise where we spend our money. We've also shown that losing funding doesn't mean that progress has to stop. We've found new and innovative ways to get things done. In particular, it means working with a broader range of partners and utilise different finance models to unlock potential.

Taking this approach has meant that since the last local elections we've been able to deliver three new leisure centres, at no cost to the taxpayer; we've

brought new jobs and investment into the borough through big developments like Vauxhall Nine Elms; we've been able to commit to building new affordable homes, such as through our new Somerleyton Road project, which bring together a unique partnership of the council, Oval House theatre and Brixton Green community group.

Getting residents involved in the decisions that affect them also helps to tackle the growing problem of political disaffection; when people are really involved in their local communities, they feel invested in them.

We not only give residents the opportunity to come together as a community to get involved in the planning and running of services, like as part of our Cooperative Parks programme – we're also asking all residents to think about their behaviour too, and to appreciate how even small changes can make a big difference. Whether it's being mindful about the cost of dropping litter or fly-tipping, or taking a proactive approach to reporting anti-social behaviour, everyone can do their bit.

Focus on prevention

This focus on prevention will be a big factor as we take over responsibility for public health. Effective partnership working here is also going to be key. Our aim ultimately is to prevent people from becoming reliant on support and care, or needing to be admitted to hospital, by helping them to get the most appropriate information and advice; effectively ensuring they can maintain their independence for as long as possible. We also know that people want to be able to decide for themselves what help and support they need, so this will be a key part of what we do.

We realise that even if Labour were to win the next general election in 2015, we're unlikely to see all the cuts reversed. We do feel that if we have to adjust to our new financial reality, and as we've shown, are committing to finding new ways of working – the way we work with central



Whilst the Co-op bank's principles crumble into dust, Lambeth council remembers what co-operative means

government also needs to change.

We want communities to have a greater say over the services we deliver and how our neighbourhoods and town centres develop. To really harness this community potential, actual decision-making power needs to come down to this level. Localism should be about the community, not decisions made in a central office in Westminster.

The next Labour government could think about whether more income raising powers could be devolved to the local authority level; if there is a fairer way of allocating our funding; or whether there is a way to offer us greater financial stability and more ability to plan ahead for the longer term.

They could also consider whether new borrowing arrangements could be put in place that would allow us to provide the new social housing our community badly needs; and whether planning powers could be more weighted in our favour so that our residents have more say in shaping their town centres, focussing on what they want and need and not the demands of big businesses like bookmakers and payday lenders.

As a local authority, we're effectively having to do more for our residents with a lot less money. Our powers need to grow to reflect this so that we can continue to meet this challenge.

Lib Peck is the Labour leader of Lambeth Council

‘Yes’ means power to capital

Paul Teasdale puts the case for Scotland staying in the UK

A victory for the nationalists in the independence referendum in Scotland would be an extremely serious setback for the left, the Labour Party in particular, and the labour movement across Europe. It would lead to a further shift of power towards capital, could solidify Conservative rule in the remaining UK, and also further entrench the right wing dominance of European politics.

It has long frustrated me that there are people on the left (particularly, it seems, in London) who see the SNP as a progressive force. They are not. They have a handful of populist policies and are much more likely to blame any problem on the English than on the workings of capitalism. Much of their support is to a worrying extent just anti English. I do not deny that there is a record of people on the left arguing for independence, and there are those who see the possibility of something along Scandinavian lines. Some literature from the yes campaign even hints that it could lead to a Scandinavian style welfare state but no mainstream party is proposing anything like that. Devolution has not produced a more progressive policy regime; indeed the mix of tax and spending policies is less redistributive than in the rest of the UK.

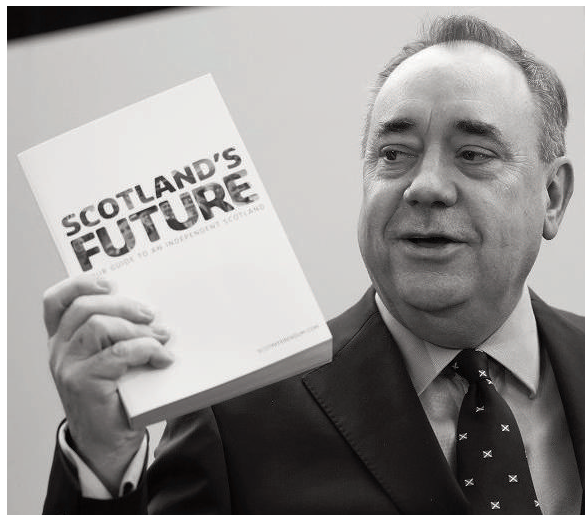
Taken for granted

The campaign for the past year has been dominated by the nationalists. The No campaign has been near invisible. Even though Labour has the most to lose from Scottish independence it has allowed Salmond to present the division as him versus Cameron. This partly reflects the poor state of the Labour party in Scotland. The SNP won elections in 2007 and 2011 because of the complacency of Labour. Labour took its vote for granted for so long it appears to have forgotten

how to run an election. In the rest of the country Iraq was a temporary setback for Labour in Scotland it gave an opening to the SNP. The SNP is now well organised on the ground to get its vote out. Politically, Labour ceded ground to the nationalists, presenting things through a nationalist prism and using the same language, so for the past decade politics has been coloured by thoughts around independence. Even the BBC has fuelled this perspective: in its need to fill programme time it has emphasised and exaggerated differences between Scotland and England.

The Better Together campaign is supposedly fronted by Alistair Darling, but he has been particularly ineffective. Cameron and Osborne felt they had to speak up because the No campaign was doing such a bad job. The campaign has made no use of former ministers. Gordon Brown appears unwilling to take part and has been doing his own thing. They have not been able to field any well known figures from the world of entertainment or sport, but this may be because nationalists have created a climate where people are intimidated into silence fearing the abuse that has been directed to the few who have expressed an opinion that does not support the nationalists.

The case for the Better Together campaign should be fairly easy to make. Scotland has, as part of the UK, become one of the most prosperous regions of Europe. From the debate in Scotland one might think that Scotland has been held back but incomes in Scotland are now higher than in any part of the UK outside London and the South East (with both wages and employment rates higher than elsewhere). It should be noted that this ranking was reached before devolution, in the years of the Major Government. One factor in this has been close economic ties with London (e.g. in the financial sector) – in many



Scotland's future in his hands: independence in name only will be the result

respects closer than between London and the English regions.

The Scottish Parliament already has more powers than almost any other regional government in Europe. It has responsibility for schools, qualifications, universities, transport including railways, environment, agriculture, police, prisons, the legal system, health, local authorities, arts and culture, fire and emergency services, housing, business rates, economic development. Its remit does not cover employment law, competition policy, health & safety, immigration – which are largely matters for the EU. And from 2016 (after the Scotland Act 2012) it will set income tax. The main policy differences with independence would be the ability to raise or lower taxes, to borrow, and to raise or lower social security benefits.

Leak out

The No campaign has been hampered because nobody involved can say openly that Scottish independence would almost guarantee continued Conservative rule in the remaining UK and would have consequences for the freedom to

manoeuvre in Scotland. If the Conservative government were to pursue a tight fiscal policy it would be impossible for Scotland, a small open economy, to go for fiscal expansion. With a low local multiplier any injection of spending would leak out. However, any proposed expansionist fiscal policy would face problems even before then. If a Scottish government aspired to EU membership it would be required to comply with tight EU rules on fiscal policy, and it is unlikely that financial markets would look favourably on any increase in borrowing. Conversely, any fiscal tightening in the UK would shrink the Scottish economy. This is not just a matter of size. Scotland is 1/12th of the UK but is the size of some successful Scandinavian countries. However, none of them have so much of their trade with one big neighbour (something more than two thirds of Scottish trade is with the rest of the UK).

A realistic prospect

Nor is there a realistic prospect of raising taxes to Scandinavian levels. There is no more support for higher taxes and benefits in Scotland than there is in the rest of the UK. The devolution settlement gave the Scottish Parliament power to vary taxation up or down by 3p; but it was never used. Osborne's cuts might have been ameliorated by raising taxes but no politician in Scotland proposed it. (The SNP would rather make the cuts and blame the Tories.) A Tory government securely in power can be expected to pursue policies of lowering tax. It would be very hard for Scotland not to follow, for both economic and electoral reasons. If corporate taxes are higher businesses could migrate, and politically it would be very difficult to set taxes higher than in the remaining UK.

Meanwhile, the cost of government borrowing would be higher for a state without a track record – which financial markets would wish to test. The authoritative Institute for Fiscal Studies has noted that Scotland faces a declining tax base: the SNP overestimate potential revenues from oil but more importantly that Scotland has an ageing population and low ratio of economically active to inactive. The SNP, rather typically, shrug this aside by saying that there would be immigration, but that is just a hope.

We could also expect a lighter regulation of business. The importance of the state in contemporary capitalism can be underestimated but small states have relatively little bargaining power against large businesses, especially with a big neighbour deregulating. The result is competing through lower taxes. Ireland has set business taxes below those in the UK to attract business. In the case of some large businesses, such as Amazon, the activity remains in England so the net result is that capital avoids tax and regulation. Already with devolution businesses investing in Scotland can expect more subsidy than in England. The SNP already implicitly recognise the lack of bargaining power of the small state with their plan to cut business taxes as soon as they can. With Osborne choosing to make the UK a tax haven we

It has long frustrated me that there are people on the left (particularly, it seems, in London) who see the SNP as a progressive force. They are not. They just have a few populist policies, but they are much more likely to blame any problem on the English than on the workings of capitalism

could expect a race to the bottom, whether or not that is the aim of a Scottish government. That would mean a greater burden of taxation falling on wages - and that could meet electoral resistance.

Tightened

All this points to an expectation that budgets would have to be tightened, meaning cuts in public spending. Across Europe governments have been forced to make spending cuts, even those with an ideological objection. The yes campaign has tried to win over people by saying that independence will save them from Tory benefit cuts. This is not the whole story, because if things do not work out as the nationalists hope, the costs will fall on those very people. My own expectation is that an administration in Scotland will, sooner or later, be forced to make the sort of cuts to public spending of which Osborne only dreams. I moved to Scotland in 2000 excited by the possibilities created by devolution but if

there is a majority yes vote I shall be moving out very quickly. I shall not be the only one.

The most worrying element of the past few years has been the unprecedented level of intimidation. The nationalists have been successful in closing down debate. Perhaps the most used word in the campaign has been 'scaremongering' which the SNP use whenever confronted with any argument contrary to the SNP vision. Assessing the range of possible scenarios is avoided. Another much used strategy is to 'play the player not the ball' – greeting any opposition comment with outrage and attacking the credibility of the person rather than listening to their arguments.

'Cybernats'

But their followers have taken it a step further, so much so that the term 'cybernats' has been coined. Comment or even analysis that does not support the nationalist case is met with bilious attacks. The response by nationalists when business people say that they expect that independence could have a negative effect on their business has been to call for boycotts of their businesses, rather than examination of any evidence. SNP leaders have not condemned this behaviour. As a result individuals including academics have not put their head above the parapet for fear of attack, so the debate has been largely confined to politicians.

It has been noted, for example in the March/April *Chartist*, that support for the nationalist cause is strongest among the working class. But nationalists everywhere have tended to find their support in the working class: the English Defence League and UKIP get their support from the working class. Rather than class being the factor, my, non-scientific, impression is that those people who have had experience of life outside Scotland tend to be against independence. That same article argued that the SNP would, if elected after independence, pursue a business friendly agenda, but that there would be an alternative. However, by installing a near permanent Tory government in the remaining UK it would severely limit the options for even a radical government in Scotland and could, for the reasons argued above, force it down the route of deregulation.

Empires built on fraud

Prem Sikka on the poverty of the UK banking reforms

The UK's Banking Reform Act is a poor response to the biggest financial crisis since the 1930s. Its centre piece is the possible ring-fencing of retail banking from the more speculative investment banking. Under the weight on corporate pressures, meaningful reforms have been organised off the political agenda. In time, the UK will pay a heavy price.

The roots of the present crisis lie in neo-liberalism, which emphasised faith in free markets and light-touch regulation. The notion of competition is a key concept and is applied to every sector of society, including corporations, regions, government departments, hospitals, and universities because this somehow secures efficient allocation of resources and opens the door to wealth and riches. Neo-liberalism provides everyday understandings of what it means to be successful. It reconstructs individuals as competitive beings engaged in the endless pursuit of private wealth and consumption. In common with other sectors of society, individuals are expected to have strategies for meeting performance targets and be rewarded accordingly. Thus, performance related pay for executives has become endemic in banking and other sectors. A necessary condition for the operation of markets and pursuit of self-interest is that all individuals, including business enterprises, need to be constrained by social norms and regulatory structures. This has not been high on the neo-liberal agenda because the state is bad and inefficient and has to be rolled-back, and the self-correcting markets would restore some mythical equilibrium. It has not turned out that way.

Contempt for truth and common honesty

The UK has had a banking crisis in every decade since the 1970s. The mid-1970s secondary banking crash highlighted empires built on fraud. The state bailed out banks, property and insurance companies. The then Labour government had to go cap-in-hand to the International Monetary Fund (IMF) for a loan. In 1984, Johnson Matthey Bank collapsed under the weight of fraud and the Bank of England organised a rescue. The warning sirens were loud and clear. A UK government report on share price rigging at Guinness concluded that too many executives at major corporations have a 'cynical disregard of laws and regulations ... cavalier misuse of company monies... contempt for truth and common honesty. All these in a part of the City [of London] which was thought respectable'. Instead of effective regulation, the government institutionalised light-touch regulation. Prior to the Financial Services Act 1986, gambling debts were generally not enforceable in courts, the government slipped in an amendment that for the first time ever said that the gaming laws of the land would not apply to City speculators. This enabled the financial sector to make vast profits from speculation on the price of wheat, housing, corn,

copper, gas, electricity, mortgages, currencies and anything else that could be priced.

The light-touch regulatory regime overseen by the grandees of the finance industry did nothing to stop the circus of speculation, mostly with other people's money. More banking scandals followed. In 1995, Barings Bank collapsed due to fraud. The twentieth century's biggest banking frauds took place at the Bank of Credit and Commerce International (BCCI). In July 1991, the Bank of England closed BCCI. Some 1.4 million depositors lost some part of their savings. In an environment of weak regulation, banks continued to pick customers' pockets by selling useless pensions, mortgages and savings schemes.

Despite the scandals, neo-liberalism, remained the key philosophy for governments. The 2008 banking crash showed that banks made vast amounts of money from running illegal cartels, manipulation of interest rates, money laundering, insider trading, tax dodges, selling abusive products and misleading consumers and investors on an unprecedented scale. This enabled executives to boost company profits and collect barrow loads of money from performance related contracts, but destroyed economies.

Contrary to neo-liberal claims, markets did not come forward to rescue banks. Nor did they object to predatory practices, or dilution to bank capital. In the 1960s, bank's had a capital of some 20-25% of their assets to enable them to absorb shocks. By 2008, Lehman Brothers and Bear Stearns had long-term capital of around 3%, and Royal Bank of Scotland was closer to 2%. It was the state, which has been restructured rather than rolled-back, which bailed out banks. Under the weight of neo-liberal ideologies it is now less concerned about the redistribution of income and wealth, labour rights, or the provision of decent health-care, education, pensions and social infrastruc-



Morally BANKrupt? At the very least

Employees, savers and borrowers have long-term interests and should elect directors and vote on their remuneration. It is hard to see how front-line staff on low wages, savers getting measly returns or borrowers paying extortionate interest rates would authorise massive remuneration packages for bank executives

£375 billion under its quantitative easing programme. Does the banking industry deserve this? During the boom years of 2002 to 2007, the financial sector paid £203 billion in UK corporation tax, national insurance, VAT, payroll taxes, stamp duty and insurance taxes. Between 1991 and 2007, it created around 35,000 additional jobs. It received vast stacks of money in return. Confidence in the banking sector is maintained through the provision of a taxpayer funded depositor protection scheme which safeguards savings of individuals of up to £85,000.

Since March 2009, the state has maintained interest rates at 0.5%, considerably below the rate of inflation. This has robbed pensioners and savers of income and also eroded the real value of savings. The policy has enabled banks to borrow at ultra-cheap rates, lend at high rates, make profits and replenish their balance sheets. The customer base for banks has swelled as the government has persuaded pensioners and social security claimants to receive their payments through bank accounts rather than through the Post Office. The Private Finance Initiative has been a bonanza for banks and other corporations. In 2012, there were over 700 contracts with a capital value of £54.7 billion. The government is committed to repaying £301 billion over the next 25-30 years, a guaranteed profit of nearly £247 billion which will starve social services of much needed cash.

ture. It has shunned any attempt to democratise corporations or enhance their public accountability. Its major purpose is now to guarantee corporate profits and socialise losses a kind of reverse socialism has been institutionalised.

The UK state has refused to provide financial support for coal-mining but has committed some £976 billion of loans and guarantees to support distressed banks. The Bank of England has chipped-in another

Bank executives have been collecting loads of money from socially useless practices. The Banking Reform Act does not address any of this. The sunlight of democracy and public accountability is an effective antidote to shady practices, but is missing from the Act as it does not question neo-liberal values.

The Act should have forcibly separated speculative banking from the rest. Limited liability is a privilege not a right. Its application should be restricted. To prevent speculators from contaminating the economy, the privilege of limited liability should be withdrawn from all gambling activity. Thus, speculators will need to bear the cost of their own greed. Retail banks need stability and would require capital ratios of around 20%, or so. Instead of banking elites regulating the banks for the benefit of the industry a Board of Stakeholders, representing a plurality of interests, should have been created to guide the regulator. This Board should not be dominated by the finance industry. In fact, only a minority should come from the industry, thus ensuring that other voices are heard and policies are made by consensus. Its meetings would be held in the open and its minutes and working papers would be publicly available.

Shareholders failed to control risk-taking

Employees, savers and borrowers have long-term interests and should elect directors and vote on their remuneration. It is hard to see how front-line staff on low wages, savers getting measly returns or borrowers paying extortionate interest rates would authorise massive remuneration packages for bank executives. This would help to rebuild the capital base too. The government solution is that the shareholders, who have always failed to invigilate directors, would somehow regulate banks. The Parliamentary Commission on Banking Standards conclude that 'shareholders failed to control risk-taking in banks, and indeed were criticising some for excessive conservatism'. The typical shareholding duration in banks is about three months. Shareholders provide only a small amount of risk capital at banks. For example, at Barclays, HSBC, Lloyds Banking Group, Royal Bank of Scotland and Standard Chartered, shareholders provide about 5%, 7%, 5%, 5.5% and 7.25% respectively of total capital. Shareholders are akin to traders and speculators, have a short-term interest in banks, and cannot invigilate bank directors.

The lack of effective reforms will surely incubate the next crisis.

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Armageddon as a people's war?

Ian Bullock explains the shifts of view 1914 from anti- to pro-war by much of the British

"The truth is that the more guns you send out the more men will be killed. It does not matter to me what kind of men they are: they are all members of the human family; they are our brothers." It's easy to empathise with Sylvia Pankhurst speaking in May 1917 at what the poster on my wall describes as a 'Mass Meeting to Celebrate Russian Freedom.'

But it was only a minority of the Left, who took an unequivocal position against the war. It will be news to Michael Gove, but the purpose of history is not to award posthumous points and prizes for 'correct' decisions, rather to seek to understand, however imperfectly, how and why the past took the shape as it did; to try and understand the motivations and actions of all the actors; not just the ones we can easily identify with.

'Infamous and disastrous'

To explore the mindset of those who reluctantly supported the war – and no one on the left did so with glee – it is interesting to see how *Justice*, the BSP weekly that ended up as a Hyndmanite 'pro-war' organ, covered the July 1914 crisis and the early weeks of the war. It is noticeable how much faith was put in the German SPD and its paper *Vorwärts*. On July 2nd *Justice's* front page declared 'We rejoice to note, not only in *Vorwärts*, but among the journals of our French comrades and elsewhere, that one result of the murder of the heir to the Austrian Imperial throne and his wife is the recognition of the imperative need for a close understanding between England, France and Germany.'

Justice condemned Britain's 'infamous and disastrous' war with the South African republics, France's 'equally infamous' takeover of Morocco, its loans to the Tsar's 'Government of butchery,' and the 'fatuous policy of secret agreements.' of Gray, the British foreign secretary. Neither 'anti-nationalists nor pacifists' it



World War One has attracted some renewed, but unfortunate, attention with some too willing to politicise a conflict that wrecked a continent

India.'

Then on the 30th July big headlines appeared: 'WAR! Austria attacks Serbia. Will Europe be Embroiled?' International socialist solidarity seemed still able to prevent this. The BSP executive said that it 'heartily congratulates the Social Democrats of Vienna, Berlin and Paris' in calling for aggressive actions to be avoided by their governments. Much was made of the widespread anti-war demonstrations. The SPD had, *Justice* said, already held 27 such meetings in Berlin alone.

A referendum

The next issue appeared two days after Britain declared war. The columns of the front page with the headline 'THE WAR: SOCIALIST EFFORTS FOR PEACE' were lined with black as were those of the editorial page and the one mourning the recently murdered Jaurès. In line with its old principle, 'The people to decide on Peace or War,' *Justice* demanded a referendum: 'The least that could have been done was take a poll of our entire population as to whether they were ready to go into this terrible busi-

to war remained for an almost unbelievably long time. On 13th August the BSP Manifesto distinguished the German people from 'the Prussian military caste which dominates the German Empire.' *Justice* repeated the claim of a *Manchester Guardian* correspondent in Paris that a French socialist deputy had been told of anti-war demonstrations in Berlin and that Liebknecht and other socialists had been shot. The paper found it difficult to accept reports that the SPD had supported war credits. 'We must confess that...the attitude of the Social-Democratic Party in the Reichstag appears to us only explainable on the assumption that martial law having been declared in Germany the Reichstag outside the governing circles was ignorant of the real position of affairs.' *Justice* conceded that as regards the threatened attack by Russia the vote was 'perfectly justified.' The Reichstag had been adjourned till late November but when it resumed, the BSP paper declared 'We are sure that then the 110 Social-Democratic deputies will follow the noble example of Liebknecht and Bebel during the Franco-Prussian war.'

Justice reported that Vorwärts had rejected the 'advances of the Kaiser' and would 'persist in its desire for peace. It was clear that the German people had been misled. On 17th September it concluded that 'The naïvete of Vorwärts is almost incomprehensible' but then, on 24th it gave front page coverage to Liebknecht's insistence that the idea of unanimous support for war credits by SPD deputies was an 'inadmissible legend.' The same issue protested against efforts 'to inflame the passions' by 'unconfirmed reports of German atrocities.'

Even at the start of October *Justice* was still hoping for signs of opposition from its German equivalent. 'Vorwärts suppressed' it headlined, adding that this showed that 'our contemporary' was 'doing its best under all the difficulties of martial law' and that 'The suppression of 'Vorwärts' vindicates its honour more than anything else could have done.'

Reluctant support for war

Reluctant support for the war started to appear. In August a Hyndman editorial began by declaring that the BSP was 'at one with the extremest of pacifists in our determination to avert war' but with the invasion of Belgium 'we were bound, not by secret agreements and private understandings, but by the solemn international treaties and agreements at the Hague.' C H Norman, whose anti-war and anti-conscription activities would later see him in prison, challenged this. He believed that 'Britain should mind her own business, and not send hundreds of thousands of Englishmen to France to their deaths.' He deplored Britain finding itself on the same side as Russia. An editorial note agreed with every crit-

ical comment but asserted that 'his just hatred of the Russian bureaucracy causes him to ignore every other past and present aspect of the European situation.'

In his own letter Hyndman replied that Norman 'would have allowed Belgium to be destroyed and annexed, France to be finally crushed and annexed, and Europe to be held in tutelage by Germany.' To have failed to declare war on Belgium's behalf 'would have been infamous.' He endorsed Norman's denunciation of imperialism, including that of Belgium, but linked this to the most notorious event of the German invasion: 'I know that the late King Leopold's rule in

It will be news to Michael Gove, but the purpose of history is not to award posthumous points and prizes for 'correct' decisions but rather to seek to understand, however imperfectly, how and why the past took the shape as it did

the Congo was abominable. Was Louvain sacked and burnt on that account?

Hyndman was not alone in believing in the justice of participation in the war. It was, he said, 'a choice of evils.' A German victory would be far worse for humanity than an Allied one. 'I think that the working classes of Belgium and of France had every moral and political right to expect our support,' Fred H Gorle declared, while another candidate for the BSP executive committee, Frank Tanner was 'convinced that the triumph of Prussia militarism would be a severe blow to popular liberty in France, Belgium and Great Britain, as well as in Germany itself'. The issue was one of expediency 'I desire the defeat of Prussian mili-

tarism, not as a patriot, but as a democrat, and would cheerfully pray for the defeat of 'my' country were I convinced that the cause of Socialism would benefit thereby.'

By this time divisions in the BSP over the war were growing fast with some branches, including Stepney, and Bow and Bromley, protesting at the executive's position. The unfolding tragedy of the war had already been amply illustrated by a remarkable appreciation that appeared in *Justice* on 17th September following the death of Dr Ludwig Frank, SPD deputy for Mannheim, who had volunteered at the beginning of the conflict. His earlier contributions to the international socialist movement were praised and the piece ended with an anguished cry. 'A bullet took him away near Luneville. Who fired the shot? Perhaps the very French comrade whose hand he warmly grasped but a short while ago. O, the madness of it all.'

Ian Bullock's most recent book is *Romancing the Revolution-The Myth of Soviet democracy and the British left*

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Higher education: A four cornered tragedy

Paul Reynolds on the devaluation of higher education

As you read this, the latest crisis point in higher education - an assessment boycott orchestrated by the University and College Union (UCU) as a response to a derisory 1% pay offer - appears to be resolving itself. The University and Colleges Employers Association (UCEA) offered 2% and some attention to the bottom of the pay scale to bring it in line with a 'living wage'. UCU postponed its boycott to May 6th, and is unlikely to recommend rejecting this offer. This resolution will be temporary. The four cornered fiasco that drives the devastation of higher education in Britain moves on unabated.

UCEA, driven by the Vice-Chancellors of the 'Russell Group', self-styled 'elite' research intensive universities, ultimately want to see an end to national collective pay bargaining, which would allow each institution to recruit staff with a local bargaining trade off of prestige and position for pay and conditions. Vice-Chancellors and senior staff enjoy six figure pay packages and healthy pay rises (Russell Group vice chancellors enjoyed an average 8.1% pay increase) Even David Willetts and Vince Cable express concern. They will continue to make minimal pay offers against sustained income generation from increased fees, relying on a weak union and a depoliticised work-force lacking solidarity. The 'marketisation' of the universities sector has been embraced fully, and these chief executives now run education as a business that entitles them to exercise 'machismo' management and minimise costs, except, of course, for their own remuneration. The Robbin's Principles of the 1960's, and the idea of higher education as a public good, is long past.

Whilst the UCU have competent officers supporting their work on individual and regional disputes, their political leadership is competent inversely to their inflated egos. Their campaign of two hour strikes and one day strikes over the academic year

was laughable, since universities are uniquely unsuited to strike action that is not strategically aimed at either assessment or recruitment, and the two hour strikes spoke to novelty rather than impact. The nadir of the union was the previous year, when a vote for action short of a strike was simply put aside when they might have offered resistance to pay erosion, threats to pensions and threats to academic quality. The UCU political leaderships' biggest success of the last few years has been to turn on 'UCU left' and engage in its own internal political in-fighting against some of the most energetic of their own membership.

Impoverished

The third corner of this fiasco is Government - both ComDem and Labour - which has impoverished student learning by charging increasing fees and reducing support, which means most full time students barely have the time between jobs to do anything but focus on their assessments. Subsidising private providers who will reduce higher learning to a book, a website and telephone support focused on comprehension of the materials rather than critical thinking, will achieve the goal of driving down costs across the sector, which will change what many universities - except for the elite - offer. Selective subsidy that promotes science and not humanities and social science impoverishes public debate and reinforces market values.

By establishing league tables focused on rates of higher awards, employment within six months of graduation, and the National Student Survey (NSS), they focus universities to be 'sausage factories.' Students increasingly have employment as a priority for their studies from their arrival, and no one questions increases in higher grades against the erosion of students time for focused commitment to studies. Increasingly students first query is what is their product for £9,000 p.a. fees, and the

pressure to pass and pass with high grades grows from both university management and students, who by the nature of higher learning will not fully understand the product they are buying - except the value of the credential - until they have nearly completed it. The NSS, rather than genuine accountability, simply promotes universities to think strategically about 'pleasing students' - not the same as improving their educational experience - and promoting high scores by letting students know NSS scores will impact on perceptions of the value of their degree.

Between neo-liberal managerialism, crass unionism and a government devoted to market values the future is bleak. Yet it is a four cornered tragedy, and academics should take a portion of the blame. Many are too self interested in their disciplines and careers to see themselves as a cohesive work force. They have not resisted the trends towards inflated marking (a 2:1 degree 15 years ago would be a 1st today, but that is a truth no one appears to want to acknowledge), the uncritical searching for new and 'better' learning techniques and technologies that always co-incidentally reduce costs.

Or the actual experience of full time students who are studying part-time with paid work commitments to make ends meet. Academic's complicity in the decline of value in higher education completes the tragedy - they blame Government, management, in most cases the union, but not themselves. There is no desire, except perhaps in pockets of resistance in individual universities that recruit well and so can sustain commitment and values, to turn around this shameful tragic devaluation. 'Playing the game' has made academic's part of the tragedy by which the idea of higher education as both a public and an individual good is reduced to just another commodity to be brought, sold and valued in financial terms.

Dirty peace or no peace at all

Paul Dixon on the messy business of building peace in Northern Ireland

The Labour government was widely condemned for its handling of the 'On The Runs' (OTRs) controversy in Northern Ireland. They have been accused of concluding a 'dirty war' with a 'dirty peace' and damaging the peace process. But the 'political skills' that Labour politicians used to deal with the 'On the Runs' are the same deceptive or 'dirty' tactics that have been so successful in bringing relative peace to Northern Ireland. Yet virtually no one is prepared to defend the tactics and messy compromises that have been so successful.

Political accomodation

By the early 1990s political and public opinion had been polarised by over twenty years of violence. The political trends among nationalists and unionists appeared to be away from powersharing: voters had been voting for more hardline parties and this continued during the peace process. Neither was there any strong pressure from public opinion for political accommodation.

This explains why the peace process had to be largely elite-driven. This involved politicians leading their supporters and voters towards accommodation and left them politically and, in some cases, physically exposed. 'Political skills' or 'deception and manipulation' was deployed to manage important audiences towards accommodation.

The Conservative Prime Minister John Major denied talking to republicans just weeks before these talks were publicly revealed. Gerry Adams denied that he was ever a member of the IRA.

The Good Friday or Belfast Agreement 1998 was designed to be 'constructively ambiguous' on the key issues of decommissioning, prisoner releases, policing and paramilitaries in government - so that polarised constituencies could be persuaded to support it in the belief that their interpretation of the deal was correct.

During the referendum campaign, Tony Blair misled the electorate into believing that the

Agreement meant that Sinn Féin would not get into government or have IRA prisoners released until decommissioning had begun. This helped to secure the support of unionists for the deal but within four months paramilitary prisoners began to be released and eighteen months later Sinn Féin took their seats in government without any IRA decommissioning.

Politicians deceive, sometimes for bad reasons (Iraq) and sometimes for good reasons. Tony Blair has been comparatively honest about his use of deception in the peace process. The former Prime Minister stated in his memoirs that he stretched the truth 'beyond breaking point' and employed 'creative ambiguity' in order to achieve peace.

Powersharing

The Good Friday Agreement (1998) dealt with the release of paramilitary prisoners but not OTRs. During negotiations, both loyalist and republican paramilitaries appear to have been given undertakings that the issue would be dealt with. OTRs are people who are suspected of crimes and others who were charged or convicted but escaped from prison. There was an attempt to deal with the issue transparently through legislation with some element of 'truth' if not 'justice'. By January 2006 all key parties in Northern Ireland, including Sinn Féin, opposed the legislation and the government withdrew its bill.

A powersharing deal between Sinn Féin and the DUP in 2007 was an incredible achievement. The DUP leadership have stated that they wouldn't have shared power with Sinn Féin in 2007 if they'd known about the 'administrative procedure' dealing with OTRs. Presumably, republicans would not have shared power with the DUP if OTRs were not satisfactorily dealt with as the Labour government had promised.

Peter Hain, Secretary of State for Northern Ireland (2005-07), emphasised the importance to the peace process of the parties not making 'false promises' or being 'true to their word': 'The peace



Forever a troubled province?

process is not one that was fixed at any moment of time, whatever the major milestones achieved. It was and is one that has required constant adherence on all sides to their undertakings.'

The Labour government made an 'administrative' arrangement that did not give an amnesty but a much greater degree of security to OTRs that they would not be prosecuted. The Sinn Féin leadership were discrete about the deal so as not to embarrass the DUP. The Democratic Unionist Party was able to plausibly deny that it didn't know about this arrangement.

This deal has produced seven years of reasonably stable if not particularly effective self-government. Given where Northern Ireland was twenty years ago, this achievement is nothing short of astonishing. The key, if unpalatable lesson, however, is that this was achieved often by political elites taking risks for peace - using political skills or deception and manipulation - against the opposition of key supporters and voters.

Paul Dixon is author of *Northern Ireland: The Politics of War and Peace* (Palgrave 2008, 2nd edition).

Ten years wasted

Former Labour NEC member **Peter Kenyon** says membership remains the challenge for the Labour Party

Imagine this for Brewer's Green, headquarters of Britain's Labour Party! Former Tory Party treasurer and non-dom Lord Ashcroft tweeted recently: "Let's split Conservative Head office. Let debate commence. CCHQ does not address the long term needs of its Members". His call followed the ConservativeHome blog opining on how the dominant governing party of the 20th century might respond to its dwindling support base in large parts of the UK.

Labour is not in the same parlous state, at least not yet. But it reminded me that it is 10 years since a newly formed organisation, Save the Labour Party, published a sample survey of Labour Party membership. It showed that numbers had been nearly halved in the seven years since Tony Blair MP was first invited in 1997 to form a government by HM The Queen.

Labour has been the most successful of Britain's mainstream political parties in both maintaining a national political dialogue, and managing to inspire enough people to keep some local parties alive.

Lip-service

But the leadership remains fixated on short-term electoral considerations. Former US President Barack Obama's election strategist David Alexrod has been hired for a reported six-figure £ salary. Apologists will argue that that has to be balanced out with the continued engagement of US community organiser guru Arnie Graf by Labour. Lip-service continues to be paid by Labour leader Ed Miliband to a mass membership party. While members have little if any say in policy making and the party continues to chase rich donors it is not unreasonable to question whether this Labour leadership is any more in touch than either Brown or Blair.

Recruiting more members requires a compelling offer from the top, underwritten by a guar-

antee everyone can not just have a say, secondly it has to be affordable. Why members? They are the people who validate politicians, contribute money and, in a minority of cases, time to enable careerists to get elected.

Current Labour Party NEC chair and shadow Leader of the House of Commons, Angela Eagle is putting on a good show by ensuring both National Policy Forum documents and shadow cabinet policy drafts for the next manifesto are online for consultation. But the deadlines for submissions initially 6th June, now pushed back to 13th June clash head-on with local council and European Parliamentary election schedules. Some left ginger-

If the Leadership can see its way to combining radical policy with encouragement to members and supporters to join and engage over the next 12 months, there is still a fighting chance of not only winning in May next year, but laying the foundations for Labour's future in the 21st century

groups, including *Chartist* and the Labour Assembly Against Austerity have issued alternative manifesto ideas. Is the Labour leadership capable of shaking off its timidity and embracing radical ideas to tackle inequality, job insecurity and a deep-seated housing crisis? There will be a succession of tests in the run up to next year's May general election starting with a National Policy Forum 18-20th July this year, followed by Party Conference in Manchester 20-25th September.

Affordable membership is an entirely different matter. The full-rate is currently £46/year. The only logic for that is that is one of the conditions the banks demanded to help tide the Party after Blair's dash for 2005 election cash that left Labour with debts of £26 million. There is one

small glimmer of light, payback time is now in sight. Total debts at around £4.5 million are about 1/6th of the total post the 2005 general election. The Party's business plan has been to reduce by £2 million a year ever since I was on the NEC in 2008/10. So it is still on target to remove Blair's debt mountain by 2016.

Tight financial control

Thinking ahead, tight financial control through and beyond the 2015 general election, could offer scope for making membership more affordable now. Labour's special conference to 'reduce the power of the trade unions' (not) is outside the scope of this piece. But one outcome was that a new paying supporter (£) rung has been added to Labour's membership ladder – £1/year if you are a student, a £1 for the first year if you are in the armed forces, £5 for the first year if you are in Scotland, £15 for the first year if you are recruited locally anywhere else and can read the very small print on Labour's website. Registered subscribers at £3/annum (with the right to select some candidates for elected office like Labour's London Mayoral candidate) isn't coming in until later this year. It could be another version of the first rung into full-paying membership.

If the Leadership can see its way to combining radical policy with encouragement to members and supporters to join and engage over the next 12 months, there is still a fighting chance of not only winning in May next year, but laying the foundations for Labour's future in the 21st century. A bold leader would see scope for discounting subs for new members in the intervening period between now and liberation day from Blair's debt legacy. Otherwise activists will have to swallow hard and take up Tory ideas and apply them to Labour – nothing new there, though.

Peter Kenyon is a member of the CHARTIST Editorial Board, CHARTIST's Treasurer, a former member of Labour's National Executive Committee and a founder of Save the Labour Party

Unwanted memories of the trenches

Patricia d'Ardenne on the trauma of war

Shell shock' was the reaction described by observers of some soldiers in WWII to the trauma of battle, and came to be known as the signature injury of the war. In 1914, shell shock was poorly defined as being either a physical or psychological response to intense bombardment with no opportunity of escape. Victims became panic stricken, fearful, unable to move, walk, talk, sleep or reason. They posed a serious hazard to their fellow men, and existing standards of military discipline.

For this reason, their commanding officers called soldiers expressing signs of shell shock 'conchies' (conscientious objectors), cowards, shirkers, scrimshankers (shirkers) or 'degenerates'. Soldiers with shell shock could be charged with military crimes of cowardice and desertion, and over 300 were shot in WW1. Strong moral approbation, disgrace and humiliation did not reduce its incidence or prevalence in the trenches. By 1916 at the Battle of the Somme, 16,000 cases in the British army alone. Estimates were that 40% of all combatants were affected. The sheer numbers of affected soldiers forced medical services to look seriously at the problem.

By 1917, at Paschendale, a much bloodier conflict, the incidence had been significantly reduced because officers were alert to it and took those showing early signs of collapse away from battle immediately. Those who did not recover after a period of two weeks would be referred to a field hospital for triage to treatment centres back in the UK. Here, there was a big growth of interest in psychiatry and psychological principles of care, in the wake of psychoanalysis and Freud.

Readers who have read Pat Barker's *Regeneration Trilogy*, will have been introduced to the innovative work of Dr William Rivers at Craiglockhart War Hospital. This was the first scientific attempt to understand the psychological agonies of young men on the Western Front including Siegfried Sassoon and Wilfred Owen. The novels describe his methods very well

but Rivers also wrote powerfully himself about his work, and the debate between physicians and senior military staff raged. At its heart was the dilemma that shell shocked soldiers could be treated and returned to the Front, only to be forced to face the trauma that had caused their symptoms in the first place, and the high probability of death. For those who did not recover, why should they be taken away from the Front, when others who did not succumb to shell shock had to face the horrors of war and maybe perish?

Treatments were unlike psychoanalysis, and much more like modern, NHS, cognitive behavioural therapy (CBT) - itself the current treatment of choice for PTSD. Therapy sessions were essentially collaborative. They were brief, one to one, carried out by very dedicated men. They focussed on recent trauma and the integration of those memories of the war into the present personality and biography. Like CBT, they were individually tailored, and involved 'cognitive restructuring' for the individual. Shell shocked soldiers were invited to construct, and tell, or write down, a more complex story, that integrated true memories with an altered world view.

Helplessness and anxiety

Rivers particularly focussed on helplessness and anxiety. Trench warfare entailed long periods of passivity and tedium followed by high risk of death. Soldiers were treated by their commanders as numbers in a vast machine, in which they had little or no control or self determination.

Eventually this approach led directly to a change in the law relating to military insubordination. Ernest Thurtle, a WWI soldier and Labour MP, campaigned hard for the removal of cowardice and desertion as military offences punishable by death. After several years of opposition from the Lords (including senior WWI military commanders like Lord Kitchener), the proposal became law in 1930, under the new Labour Government of Ramsay MacDonald. Only mutiny and treason remained as capital offences.

The shell-shock experience

helped to break down the distinction between those judged to be mad and those who were not. The work of Rivers and others like him showed that, given sufficiently extreme circumstances, anyone could break down. In later conflicts in the 20th and 21st centuries, combatants and civilians alike, who suffered psychological damage by witnessing or experiencing violence, were, and continue to be seen and treated with more sympathy (and skill) than those young men in WWI, shot for cowardice.

By WWII it was known as Traumatic Stress Reaction. By Vietnam, it was classified by the American Psychiatric Association as Post Traumatic Stress Disorder (PTSD) - and entered our modern vernacular, where its definition still excites debate and controversy. Nevertheless, PTSD continues to be one of the less stigmatising of mental disorders for precisely that reason.

Shell shock and PTSD also helped increase the scope of psychiatry through its involvement with questions of military discipline and human responsibility. From that came a greater interest in post Freudian psychotherapy, where an individual's behaviour, beliefs, memories and feelings would become as important as any biological or genetic paradigm for understanding human distress. Ideas about mental illness changed greatly as a result of WWI. Theories invoking physiological mechanisms such as heredity and degeneration were eclipsed by psychological explanations, and there was an upsurge in the popularity of psychotherapeutic methods. It perhaps encouraged psychiatrists to listen more closely to what their patients had to tell. The legacy of thousands of shell-shocked soldiers also contributed to institutional changes such as the growth of the out-patient clinic and voluntary treatment in mental hospitals.

By 2006, the Labour Government granted posthumous pardons to all combatants shot for cowardice or desertion, a reprieve to grateful relatives who had challenged their original convictions because of the possibility of shell shock.

Dr Patricia d'Ardenne is a clinical psychologist who established an NHS Institute of Psychotrauma- a specialised unit for the assessment, treatment and research into traumatic stress reactions

Links to further reading:

<http://goo.gl/mW7VwE>

<http://goo.gl/MkXZ70>

Chavez and after

Matt Willgress on a another failed attempt to overthrow Venezuela's elected government

The peace talks now underway in Venezuela between pro-government forces and significant elements of the right-wing opposition are a tremendous step forward for all who wish to see an end to violence and reflect the political backing for the Venezuelan government's strategy by nearly every Latin American government

In recent weeks, Venezuela has again faced attempts to destabilise – and ultimately overthrow – the country's elected Government, led by former trade union leader Nicolas Maduro. Whilst a narrative in the West has reflected the line of the small, wealthy minority who lie behind this violent protest movement, the reality has been quite different.

This extreme right wing political campaign called La Salida (The Ousting), created a wave of violence that led to the death of 40 people by April 5. It has the explicit aim of unconstitutional regime change and is the latest in a long line of such attempts, including the 2002 coup against Hugo Chavez. Through a wave of violence and terror, its protagonists have sought to create the conditions for a coup at home and/or intervention from abroad.

The violence has included attacks on ministries' buildings, health clinics, public transport, offices of progressive parties and parts of universities. Road barricades aimed at causing maximum disruption have created an atmosphere of fear and threat.

Contrary to claims of supporters of Venezuela's extreme right, it is the violence caused by opponents of the government that is the principal cause of the deaths

Furthermore, this movement is not a mass movement.

The call for 'La Salida' was led by two extreme right wing politicians – Leopoldo Lopez's party got 6% at the December municipal elections, whilst Maria Corina Machado obtained only 3.6% of voters' preferences at 2012 opposition primaries. This is a tiny majority of even the minority right-wing opposition - those who

are more significant electorally are now engaged in the dialogue.

They are also isolated regionally, with the Organisation of American States voting by 29 to 3 (the US, Canada and Panama) for a motion of support to the Venezuelan Government.

The talks – overseen by regional body UNASUR – are continuing, but those who called for 'La Salida' remain committed to a destructive path. Responding to news of the talks Leopoldo Lopez's party said, "We don't believe in a 'dialogue' which the regime is planning to be a political show ... Our organisation will not endorse any dialogue with the regime while repression, imprisonment and persecution of our people continues."

With aggressive elements in the US also pushing for sanctions our ongoing solidarity will remain vital.

Chartist is a media partner of the Venezuela Solidarity Campaign's Conference Celebrating Hugo Chavez's Legacy – Defending Venezuela Against US Intervention & Right-wing Destabilisation on May 10. Register at www.venezuelasolidarity.co.uk



The shadow of Chavez: His contribution must be remembered in the way it should be. As one of progress

Matt Willgress is VSC National Co-ordinator

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China nightmare

Patrick Mulcahy on a portrait of alienation

A *Touch of Sin* was one of the best reviewed films of last year's Cannes Film Festival. The English language title is a pun on King Hu's three hour 14th Century martial arts epic, *A Touch of Zen*, but writer-director Jia Zhangke's film is profoundly contemporary, a portrait of alienation in 21st Century post Communist China.

Actually it is four stories, not exactly connected as in *Short Cuts*, rather explorations of sin. It's like Krzysztof Kieslowski's *Dekalog* reduced to short films about deception, theft, infidelity and obligation. There's even fresh fruit and a snake to remind us of the Bible.

It begins in violent style. A young man on a motorcycle is stopped on a country road by three bandits with axes intent on robbing him. They don't expect him to be armed; he shoots down each of them, pursuing the last with a gun between his teeth. He becomes the subject of a police man-hunt. He passes an older man, Dahai (Wu Jiang) who stands by a truck that has been involved in an accident. He is a malcontent who wants to hold

to account the boss who sold the local mine but did not disperse the profits to the villagers. The man returns on a plane to a staged welcome – those who take part are promised a bag of flour. Dahai tries to mobilise support against him, but no one wants to listen. They have adjusted to the fact that entrepreneurs are like the warlords of ancient China, deserving of patronage. After asking the returning boss for the airfare to go to Beijing to lodge a petition against him, Dahai is beaten up and given the nickname 'Mr Golf'. He enacts a brutal revenge.

We then meet the young man from the opening. He returns to his wife and son for his mother's 70th birthday but she doesn't

want his money. His response is also rather shocking and involves random strangers; his victim is a woman with an expensive handbag, a symbol of the new affluent China.

In the third story, the young mistress says goodbye to her lover at a train station. He cannot take a fruit knife through station security so she takes it from him. She

laws are rooted in a feudal society where women can be beaten up by the families of men that they sleep with without fear of punishment and where communities turn out to watch plays with courtesans and princes.

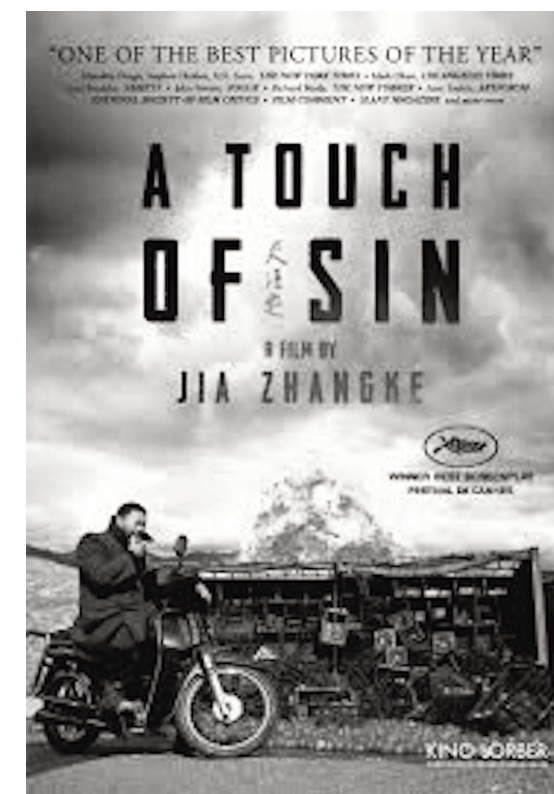
The film is also satirical as when two young people decide to comment on a celebrity case and a train crash with the same almost

indifferent expression of surprise (the Chinese equivalent of OMG). There is no bridge between ancient and modern and no sense of obligation either.

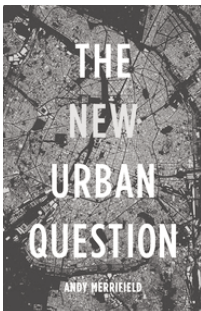
We learn something of family life when in the second story, three brothers share out money earned from the villagers' contribution to their mother's birthday celebration. Our anti-hero does not want his cut. He does take three cigarettes from the nine left to him. He lights them all and holds them up like a firework. As a spectacular display appears behind him, he asks his young son if he would like to see a firework; he then fires his gun into the air.

When we think of China, we imagine an economic powerhouse where the people have adjusted to 21st Century capital-

ism. The China of *A Touch of Sin* does not depict an ideology that takes care of the population. Individuals succeed by snatching at things and then present themselves as benefactors. The theme across all stories is the fight to preserve one's dignity: to right a wrong, to reconnect with family, to consecrate a meaningful relationship and not to have to work for nothing. China is presented as regional and parochial. It would be as if Mancunians only concerned themselves with Manchester. One wonders about the desire for a Chinese dream, the equivalent of an American pursuit of happiness. What we see in *A Touch of Sin* is a China nightmare.



Duncan Bowie on urban theory



A breath of fresh air

THE NEW URBAN QUESTION
Andy Merrifield
(Pluto, £15)

I am not a fan of urban social theory. Having to mark student essays laced with references to Bourdieu, Habermas, Foucault, Castells and their fellow (generally French) radical intellectuals who seem to consider that linguistics is more central than politics or economics, makes me wonder what these writers have of value to say about our cities, and whether their musings and obfuscations have any relevance to the practice of planning or urban governance. Being brought up on the work of the leading Marxist geographer, David Harvey, who had an ability to both analyse and present Marx in a comprehensible and relevant manner (despite his increasing tendency to theorise insurgency in his *Rebel Cities* book as if all urban revolts somehow shared a common anti-capitalist objective), I have searched with increasing desperation to find a

contemporary urban theorist whose writing seems relevant to the contemporary British context. So Merrifield's work comes as somewhat of a relief.

Merrifield tears into the obfuscatory language of much of current urban theory. He questions the concept of 'urban social movements' which for many academics has replaced the more traditional study of concept of party and class. He points out that the term is so general as to cover any form of extra-party grouping, whether or not actually urban based, whether or not a coherently organised movement (or just a Facebook site on which you can tick your support for a protest without actually having to do anything) or whether or not actually progressive. He also questions Henri Lefebvre's concept of the 'Right to a City' promoted by the Occupy movement and its theoretical supporters – a meaningless phrase – there is no such legal right – but a right to what – to own a home; to access a library; to walk the streets at night or to

pitch your tent outside St Paul's Cathedral or in the (privatised) Canary Wharf? Merrifield, whose sources range from Blanqui to Debord, from Ray Pahl to the advocates of regulation theory, instead focuses on the real issues of power and control within the city – the politics and the economics. He revives the concept of parasitism, that the bankers and property owners with their obscene wealth are parasites and extract the wealth from the working population of the city. This theory of parasitism is not new and in fact was advocated by the Belgian socialist Emil Vandervelde as well as by that long forgotten socialist theorist, Ramsay MacDonald, who regrettably at the end of his career aligned himself with the very parasites he had attacked. So read Merrifield, whose writing is a breath of fresh air in an increasingly arid intellectual field, but also read Vandervelde and Massart's 1895 volume – *Parasitism – Organic and Social*.

Duncan Bowie on Labour, the Liberal Party and Parliament

LABOUR AND THE CAUCUS
James Owen
(Liverpool University Press, £70)



This is a study of the relationship between working class radicalism and the Liberal Party between 1868 and 1888 – that period between the 1867 Reform Act and the establishment of independent socialist organisations – the Social Democratic Federation, the Socialist League and the Independent Labour Party. This period has largely been ignored by Labour historians since G D H Cole's 1941 study of British Working Class Politics between 1832 and 1914 and Leventhal's 1971 biography of George Howell. Owen presents the narrative of the attempts of working class leaders, mainly leading trade unionists, to get into parliament and onto local councils and school boards. He traces the failed attempt of working class candidates promoted by the Reform League in the 1868 election and the subsequent establishment of the Labour Representation league, set up by Howell and other trade unionists in 1869 and their attempt to get trade unionists adopted as Liberal candidates in the 1874 election, with the miners Thomas Burt and Alexander Macdonald elected in Morpeth and Stafford respectively, to be joined by the TUC parliamentary secretary and stonemason, Henry Broadhurst in Stoke on Trent.

Owen follows the less successful campaigns of trade unionists such as Thomas Mottershead (silkweaver), William Randall Cremer (carpenter), Howell (bricklayer and Reform League secretary), George Odger (shoemaker and republican), Ben Lucraft (cabinet maker), all of whom had been active in the First International, the co-operator Edward Owen Greening, the O'Brienite land nationaliser Alfred Walton, the engineer's union leader, William Newton, John Kane of the ironworkers, Thomas Holliday of the miners union, George Potter, carpenter and editor of the *Beehive*, and George Shipton of the London Trades Council, all of whom stood as Liberal candidates in 1868, 1874 or 1880. By 1885, there was a group of twelve Lib-Lab

MPs, including Randall Cremer, by now secretary of the Workman's Peace Association and Howell, the agricultural labourers leader, Joseph Arch, the miners leaders Ben Pickard, William Crawford, John Wilson, Charles Fenwick and William Abraham (known as Mabon), together with the printer John Durant and glassmaker Joseph Leicester. In 1885, Broadhurst was appointed to the post of under-secretary in the Home Department in Gladstone's government – the first working class minister – John Burns was to become the first working class cabinet member in 1906.

To readers of *Chartist* this may just seem a list of names from the past, but these individuals, most of whom are now forgotten, are part of our history. The Lib Lab MPs have often been derided because they were members of the Liberal Party, but in every case as Owen shows, they were genuine working class leaders who had to fight to get recognised within the Liberal party – challenging the local Liberal Party leadership, the Liberal caucus that tried to exclude working class politicians from positions of power. Owen's focus is on local politics rather than the Lib Lab MPs achievements in parliament, which have also been ignored by most Labour historians, with the notable exception of John Shephard. Owen's focus is largely away from London – he includes case studies of Nottingham, Sheffield and Northumbria. He therefore tends to ignore the

London radical clubs and their radicalisation of London liberal politics and capture of some of the Liberal constituencies, which enabled Howell, Randal Cremer, Leicester and Durant to be returned to parliament. He makes no reference to the shortlived National Liberal League, set up by Broadhurst, Howell and William Morris in 1879 in an attempt to radicalise the Liberal Party. Nor does he cover the role of the Metropolitan Radical Federation in radicalising London politics and collaborating with the SDF and the Socialist League on supporting the Irish nationalists and campaigning for the Eight Hours Day. Owen's narrative ends with the radical/Labour alliance of 1888 which established the Central Democratic Committee to run a combined slate in the London School Board elections, which led to the election of Annie Besant, (Ben Lucraft had actually been elected to the first London School Board in 1870 – an election not covered by Owen). The CDC was a precursor to the Progressive Alliance in the first London County Council elections the following year.

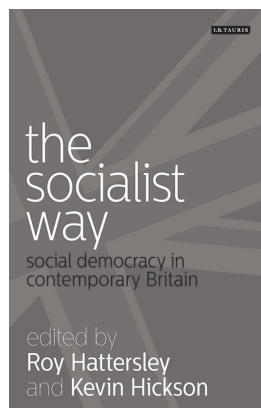
This is a well researched and important study and despite its price, deserves to be widely read. Hopefully Liverpool University Press will recognise this book, and the other excellent volumes in this new Labour History Studies series, is not just for a specialist academic market and will publish cheaper paperback editions.

Peter Rowlands on equality and social policy

THE SOCIALIST WAY
ed. R. Hattersley and K. Hickson
(I B Tauris £14.99)

Roy Hattersley writes only a short introduction to this collection of essays, but its themes, while wide ranging, reflect his general concerns, particularly on equality and social policy. Hattersley has won widespread respect among the broad centre-left, not least for the consistency of his views, from being the right wing end of Labour's 'Dream Ticket' as Deputy Leader from 1983 to 1992 to a critic from the left of the Blair/Brown governments, defending positions that have remained broadly the same but reflecting the extent to which Labour moved rightwards under Blair. He is much happier with Ed Miliband who he clearly sees as a harbinger of a modernised social democracy, and the essays included in this book are mainly written by those supportive of this general direction.

The best of them are very good.



Stewart Lansley is excellent on how inequality leads to economic instability; Michael Meacher gives an impressive summary of the necessity of transition to a green economy and Paul Hunter explains that winning back working class voters is essential if Labour is to win in 2015. There is an interesting debate on centralism versus local devolution between David Walker and Simon Slater, and other useful essays on industrial democracy, Europe,

law and order and health and care.

The problem with *The Socialist Way* (and while it is not possible to have any degree of precision about these terms what is surely being referred to is what is generally accepted as 'Social Democracy' rather than 'Socialism') is in what it doesn't say or comment upon. If it had been written in 2006 it would have been a far more credible indication of direction for the left, but the huge economic crisis since then has posed fundamental questions about the viability of the traditional social democratic, mixed economy model, which the book does not really begin to tackle. So while it presents some useful material and insightful arguments into issues of concern for the left, its failure to attempt to map out a new direction for the economy and economic policy must surely limit its appeal.

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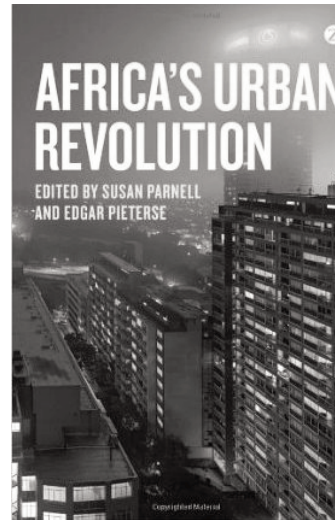
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Big cities, big problems

Nigel Watt on urbanism in Africa

AFRICA'S URBAN REVOLUTION, ed. Susan Parnell and Edgar Pieterse) Zed Books, £18.99)

Africa is still the most rural continent but not for very much longer. Urban population doubled in the last 20 years and will triple in the next 40. By 2050 its cities will contain 60% of the population. Less of this growth comes from migration than from the children of those already settled in town. Large settlements are traditional in only a few cultures such as the Yoruba in Nigeria and in Botswana, so the early migrants to town kept their links to and nostalgia for their home village. These links diminish by the year. Lagos, Kinshasa, Johannesburg and Cairo rank among the world's mega-cities. Yet African governments and international NGOs tend to spend much less on urban problems: the elites live in the cities but try to ignore the desperately poor slums that are the main areas of growth. They make



little effort to make use of the energy of these people who survive through their own ingenuity and enterprise but who lack training and skills. The urban poor often oppose the government which is another reason they get no benefits from it.

This book is a collection of

papers, some rather dry, some less so, on different aspects of this 'revolution'. They describe the lack of urban infrastructure: the overcrowded minibuses spending hours in traffic jams; schools, hospitals, drainage are grossly inadequate or priced beyond people's means. For example, in wealthy Luanda, Angola 75% of homes have no water supply. Social tensions are a real threat. Gated communities and houses surrounded by what Zambians call a 'wall fence' nervously face the mass of poorer folk, most of whom turn to religion, especially the mushrooming Pentecostal churches, but many turn to crime and will one day be driven to political violence.

Numerous suggestions for strategies to deal with these problems at national level are put forward but the overriding need is for governments and aid agencies to accept that cities are going to go on growing and policies must build on this and not resist it.

A socialist for our time

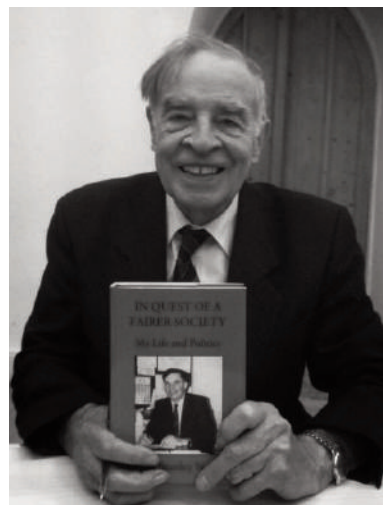
Jim Grayson on a socialist at home and abroad

IN QUEST OF A FAIRER SOCIETY - MY LIFE IN POLITICS by Arthur Stanley Newens (The Memoir Press, £20)

Like his father before him Stan Newens, former MP and MEP, has produced an autobiography. It is mainly chronological but there are chapters on themes, one of which, devoted to the Co-operative movement is particularly apt. Stan is a Bethnal Green boy whose family moved to North Weald near Epping, Essex during the summer of 1939.

The expertise which he contributed to the Parliaments was two-fold: the ability to think deeply about issues and education. Few MPs decide to continue after election with the day job as a commitment to the children he taught. Stan did so, not once but twice.

His Commons seats came from



an expanding new town (Harlow) population. At one time his constituency was the second largest in England. In one sense the move to Europe absurd though it

is in its venues, offered a more appropriate forum for the talents of one who was committed to Internationalism (he was president of Liberation) than did the Commons. Stan had a number of parallel interests outside Parliament: gardening, the environment, the delivery of the ideals of the New Towns Movement, local history and histories of struggle whether in the UK or elsewhere in the world.

Politically Stan joined the Labour party during the 1940s and has remained a member. He has always been generous with ideas and willing to debate. Over time he has engaged with adherents of other socialist doctrines, sometimes to the chagrin of the Labour Party hierarchy. His bottom line, here as it is abroad, has always been peaceful transition.

Did the quest succeed? Who knows but 'La lute continua'.

Dave Lister on secrets of the Left



MOSCOW GOLD? THE SOVIET UNION AND THE BRITISH LEFT Paul Anderson (E-book £3.50)

Moscow Gold? is an interesting read. Experts on this area will find little new to excite them but for the general reader it covers issues well and is based on extensive research.

Moscow Gold?, as its title suggests, is not just about the Communist Party but about the influence of the Soviet Union on the British left as a whole and the changing attitudes of people on the Left to Communist Russia.

On the 'gold' itself Anderson demonstrates that this was not a myth created by the Right, like the 'Zinoviev letter', but a reality. Some quite exotic ways were found to bring the 'gold' into this country. In the very early days jewels and money were smuggled in by diplomatic courier. In 1920-22 the Russian subsidy was approximately £5000 a year which is equivalent to £2.5 million in today's money. Only in the 1970s did this subsidy significantly reduce and by 1979 it had dwindled to £14,000. According to one source the CP's industrial organiser Bert Ramelson used to return from trips to Prague with suitcases stuffed with money. The cash was used initially to purchase the CP's London headquarters in King Street, to subsidise publications and to pay for industrial organisers.

Anderson illustrates how the CP, although always relatively small in size, managed to punch above its weight in working-class organisations whilst it had only four MPs in its 71 year history. In the inter-war years it did this through the Minority Movement and the Unemployed Workers Movement. Its members were influential in the General Strike and later in anti-fascist mobilisations. After the Second World War its industrial organiser Bert Ramelson's strategy was to win positions and influence people like shop stewards, union officials and union leaders. Broad Left organisations were set up in many unions.

Anderson emphasises its slavish adherence to the Moscow line for most of the CP's existence. This led to the extraordinary

spectacle of initial opposition to the imperialist Second World War in 1939 changing to unbridled enthusiasm for the People's War when Hitler invaded the Soviet Union in 1941. The CP backed the invasion of Hungary in 1956 by Khrushchev's troops, although this did lead to a haemorrhaging of a quarter of its members including the likes of EP Thompson and Ken Coates.

The turning point for the CP came with the Soviet invasion of Czechoslovakia in 1968 when a majority of its leadership voted to deplore the crushing of the Prague spring. The hard liners were outraged and there followed the development of a massive split between the 'eurocommunists' and the 'tankies' culminating in the dissolution of the CP in 1991 into the Democratic Left. The irreconcilable Stalinists regrouped around the Morning Star newspaper.

Initial enthusiasm

As for the Labour Party and the Soviet Union, it is a moveable feast. There was initial enthusiasm for the first workers' state, which was largely sustained through the inter-war period. Anderson sees the record of the left in the 1930s as being largely shameful. Even mainstream Labour leaders like Attlee and Morrison visited the Soviet Union and thought it was wonderful. The Webbs and Bernard Shaw saw in Soviet planning the unfolding of their Fabian dream. Anderson points out that what they were missing was the millions going into labour camps and the millions dying from starvation as a result of enforced collectivisation. The only honourable exceptions were George Orwell (who had the advantage of witnessing Stalinist perfidy first hand) and HN Brailsford, who wrote for Reynolds News. Anderson comments that there was no excuse for the British left to be taken in even by the first Moscow show trial in the 1930s let alone the subsequent ones.

Anderson shows how later attitudes to the Soviet Union fluctuated. There was a general horror at the Molotov-Ribbentrop Pact in 1939. This changed with the invasion of the Soviet Union.

After the war much of the Left opposed the establishment of satellite states in eastern Europe. An exception was a group of eight or nine Labour MPs who were sympathetic to the Soviet Union.

Attitudes to Khrushchev fluctuated. He was seen initially as a great hope for socialism as he embraced peaceful coexistence. Soviet successes in space (Sputnik, Gagarin) promoted the idea that socialist planning was leading to a catch up with the West. However Khrushchev blotted his copybook with the invasions of Hungary and Czechoslovakia and, although Anderson does not mention this, his replacement by Brezhnev did little to inspire anybody. Clearly the arrival of Mikhail Gorbachev on the scene in 1985 was seen as a sign of hope again but, as Chartist predicted, this was just the beginning of the end for the Soviet Union.

Anderson's conclusion is that the best bet for the Left remains the Labour Party. 'You might get nowhere, you might win substantial victories, but you won't find yourself dragged into servitude by a central committee that treats recruits as expendable extras...'

Meanwhile Lenin must be turning in his mausoleum.

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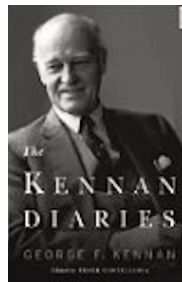
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Cold War diplomacy

Gill Bennett
on a
diplomatic
warrior



THE KENNAN DIARIES:
GEORGE F KENNAN
edited Frank Costigliola (Norton, £28)

George Kennan, as the blurb says, was 'America's most acclaimed Cold War diplomat as well as a prize-winning historian and author'. Best remembered now for his 'Long Telegram' of February 1946, in which he analysed Soviet policy and its practical implications for the United States, over his long career Kennan poured forth millions of words of masterly analysis and recommendations, a Cold War guru if ever there were one, the father of the doctrine of Containment. He lived to 101, and never lost his acuity and penetrating intellect. Yet as these diaries show, he was a restless, unhappy and dissatisfied man, who never seemed to come to terms with himself, his government, or indeed with the world at large. Throughout his career he felt that he had failed as a public servant and as a publicist of his views, however high the regard in which he might be held.

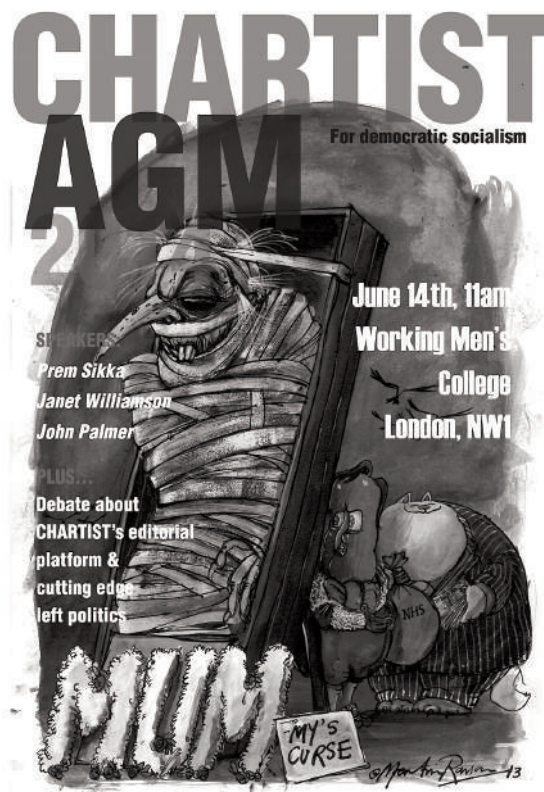
Though his knowledge was admired and his opinions respected, Kennan's recommendations were by no means generally accepted by the US administrations he served. He never achieved the recognition he felt his prescience deserved. Though he was showered with literary and academic awards, too rarely did Presidents and top officials say 'Kennan is right—we must do what he suggests.' To his political masters and diplomatic colleagues he seemed brilliant, but odd, a distinctly cold fish; judgements these diaries bear out. He was discreet as a diarist, at least in respect of official matters; as far as his private life went, the discretion cannot altogether mask his struggles with sexual feelings and personal relationships. He longed for a 'happy, balanced personal life' and 'positive' work, but achieved neither (interestingly, he considered fulfilling work impossible 'largely because I am an American'). Yet Kennan's dissatisfaction lent sharpness to his observations. His description of Ernest Bevin's opinion of US Secretary of State Jimmy Byrnes—'only another cocky and unreliable Irishman, similar to

ones that he had known in his experience as a docker and labor leader'—is wonderfully acute. There are many other similar examples, particularly from Kennan's time in Moscow.

Critical though he was of the Soviet Union and communism as a political doctrine, Kennan was almost as critical of American foreign policy, which he considered to be ill-thought out, lacking in continuity and apt to become 'the football of internal-popularity seeking' for successive administrations. Though he admired President Truman, for example, Kennan was glad he did not have much contact with him, in case he was put in a position where loyalty and affection forced him 'to close my eyes to the obvious deficiencies in the conduct of foreign policy in this period and to profess enthusiasm for what must remain a confusing and ineffective method of operation.' And in many ways it is Kennan's analysis of Western policy-making that is most interesting. His views on Europe in general, whose Americanisation he ascribes to lack of economic and cultural vitality, on the French (irrational and paranoid) and on Persia ('unhygienic in its habits, sorely

weakened and debilitated by disease, inclined to all manner of religious bigotry and fanaticism') hold interest as well as considerable prejudice. Kennan recognised that prejudice, in himself and other Americans, who found it comforting to wish a plague upon foreigners and take refuge in the self-righteousness that was their 'American birthright'. Bad-tempered judgement overrules serious and careful analysis.

As an editor Costigliola is knowledgeable, if over-inclined to deference. He admits the diaries are disappointing, in that when Kennan was at his most influential, he wrote the least. Second World War entries are very sparse, imbued with his innate contempt for 'weak' Europeans; 1946 and 1947 are also very light on entries, and when one looks for his views on later significant events in US history, such as the assassination of JFK, one looks in vain. The diaries were, in fact, a way for Kennan to 'vent his frustration and disappointments'; in doing so they are interesting and instructive, but they add to our understanding of Kennan himself, rather than the events through which he lived.



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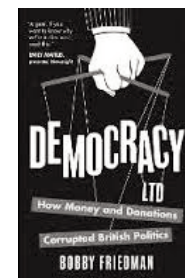
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**Bobby Friedman (Oneworld, £12.99
pb)**

Exciting title, isn't it? Gripping Introduction too. I had no idea prior to the Michael Brown affair that the Liberal Democrats had adopted the ways of Lloyd George to fund their political habits. But according to the author they are as mired as the Tories and Labour. Friedman relies heavily on interviews with leading players in his account. Former treasurers Lord (Tim) Razzell for the Lib-Dems, Lord McAlpine for the Tories, fundraiser par excellence Lord Levy and former Director of Finance and subsequently General Secretary Peter Watt for Labour to name just a few of his prominent sources.

The brief and compelling Intro '...the grubby arrangements are still in place: we have a system which fails all involved and erodes trust in politicians and politics.' Not much scope for disagreement, there. But there is pause for thought a couple of pages into Chapter One referring back to Lloyd George and other early funding scandals - the price of a peerage (£50K) in his time

was, we are told, the equivalent of £12 million today. A few pages later, the going rate for a baronetcy (£25K) is cited as being worth £1.7 million in today's money.

However, don't let an unfortunate arithmetic error get in the way of a good read. Examples of rich and powerful people digging deep whether British or not are all given an airing, with sourcing - big personalities, bigger donations - cue Asil Nadir of Polly Peck infamy, and Robert Maxwell, owner of the Daily Mirror. Friedman's titillating romps through 'cash for questions', to settle on New Labour, before alighting briefly on the Lib-Dems and fraudster Michael Brown, conflicts of interest for MPs from not just the mainstream political parties, but the Greens as well, weighing in heavily against the Trade Unions, before asserting in conclusion that the answer is more state-funding. Obviously. Well, I'm not so sure.

Chapters on New Labour, Old Practices - chronicling the exploits of Tony Blair and Michael Levy and a Formula for Disaster concerning the ill-fated £1 million donation from F1 supremo Bernie Ecclestone make compelling reading thanks to fresh interview material. It's the author's rhetoric and apparent

agenda that spoils a good read. Friedman's working assumption is that no political party can rely on membership subscriptions and small donations to survive. He offers no mention of the work of the Electoral Commission under its first chair, Sam Younger, to enquire into political party funding.

As avid *Chartist* readers will recall, the Commission concluded in its report published in December 2004 that there was no case for increasing state-funding, but the parties would be well-advised to look to their own lights and address membership and look for small donations. Blair's then Leader of the House of Commons, Peter Hain, never found parliamentary time to allow debate on the floor of the House of Commons and the rest is history. The tragedy of this book is that its author has no regard for the right of people to collective action through trade unions, and is apparently hostile to trade unions being active stakeholders in political life. But anyone interested in another insight into Blair's obsession with money, read on '...suddenly the Blair family began to treat Levy's home as their personal weekend retreat.' That was in 1994!

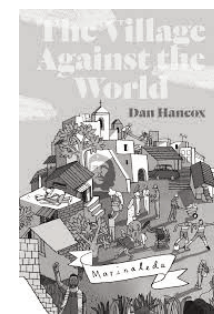
Spanish utopia?

THE VILLAGE AGAINST THE WORLD
Dan Hancox
(Verso, £14.99)

Imagine a town where the workers cooperate together to produce agricultural and industrial goods. Wages are virtually equal, elected councillors decide on all important matters concerning the community. A charismatic mayor helps guide the vision nurtured by deep rooted values of equality, liberty and solidarity.

This is the small town of Marinaleda in Andalusia.

In 1975 Franco died. And so ended forty years of fascist/military rule. A desire to transcend the repressive tyranny and poverty of those 40 years also drives



the vision of mayor Juan Manuel Sanchez Gordilla and his compatriots. By 1980 the denizens of Marinaleda had taken matters into their own hands and expropriated the land from wealthy aristocrats. They proceeded to develop collective ownership into a broader cooperative way of life. Today the farms and processing

plants are still collectively owned and employ all who want to work. A mortgage is £15 per month.

Sport is played in a stadium emblazoned with a giant mural of Che Guevara and there are monthly 'red Sundays' when everyone works together to clear up the neighbourhood. Hancox explains with some passion how this local utopia developed, how it overcame opposition and weighs up its prospects for survival as Spain endures the worst capitalist recession in several generations. Whether this model can work on a larger scale is a moot point, and indeed elsewhere. But Spain has form as evidenced by the continuing Mondragon region co-ops. This is an inspiring and still unfolding tale.

Gimme shelter



Dermot Neligan on the casualties of the housing bubble

The masses are on the march. The sprawling city divided by inequality rampant. Skyscraper slickers, incredulous, stare (down) upon the poor and homeless.

Alas, not a naff apocalyptic late night drama but a reading (with a dose of metaphor), of London in summer 2014, in the midst of an acute housing crisis. For where the discourse on house prices may have once been limited to the dull coffee shop socialising of the middle aged middle class, it now stands starkly relevant to a whole new demographic: young people at large.

The acute shortage of affordable housing in the midst of unprecedented post-recession recovery, and lately, boom, forms the single greatest threat to our capital. Where previous generations flocked to the urban hub long billed as unsurpassed cultural ‘melting pot’, its primacy lays threatened by the absence of the most simple growth facilitator: housing.

Currently growing at 1.3% a year, London’s population has long struggled with some of the highest living costs in the country, but recent Shelter research shows that families are now spending up to 59% of their income on simply putting a roof over their heads. Alas, amidst such dismal economic reality plaguing ordinary working families, the construction sites have not fallen silent.

Lining the banks of the River Thames the exclusive luxury homes market, exemplified in the grand new Battersea Power Station blueprint, epitomises the robust health still to be found in the construction industry. Yet such building sites, fenced off by glossy hoardings bearing the names of private property construction conglomerates, lie at increasing risk of being even too pricey for their traditional target market of wealthy young professionals.

With wage packets still lagging behind pre-2008 highs the cliché



The seeds of the next housing collapse are already sown, so how many times do we have to learn this simple lesson: BUILD MORE HOUSES!

of ‘Yuppies’ zooming up the property ladder no longer rings quite true: rather such a cohort surely forms the most recent casualty of our double digit housing bubble.

On the surface, the legislative impotence of successive governments, both Labour and Conservative, in building homes in any adequate quantity, is startling. Yet surely such an implicit refusal to implement vital pro-housing legislation is the product of political spin: all the major Parties fear political fallout of interfering in the one market yielding handsome profit for the dominant home owning electoral lobby of the baby boom generation.

Now is surely the time for politicians to get real – sustainability, long scourge of the vulture capitalist, must prevail. A new approach to housing is vital if we’re to tackle the house price bubble so popping our young people’s aspiration.

Perhaps the most damning indictment on our society lies in the sharp fall of young people aspiring to home ownership- no longer a Thatcherite fad but a key barometer of popular, shared prosperity. This lack of affordable homes constitutes, in conjunction with the abysmal growth in social inequality and the continued ‘cost of living crisis’ the foundation of a pervasive bleak vision of our purportedly progressive society.

Where young people may now spend their formative years in the inner suburbs, most seem destined to pass their twenties on the wrong side of the M25. Perhaps beyond even the conventional commuter belts, a whole generation banished from the stomping grounds of their youth.

Similarly gloomy prospects lie in the reliance upon parents to keep a roof over their children’s heads long into adulthood. Could the inability to find affordable accommodation thrust, reluctantly, a dependency culture upon our young people?

Bleak conjecture aside, the issue needs urgent redress. Much maligned, social housing as a concept may have been roundly vilified by a condescending press, but current circumstances suggest it might just be part of the solution. From the portrayed crack den backdrops of edgy Channel Four productions to its immortalising in urban poetry, it might require a rebrand first.

Further to the already growing part ownership model, social housing offers a long term solution to the capital’s housing crisis. For London has not only a heritage but a present day reality of itinerant workers, with a proportion of short to medium term regional or international migrants unique. The availability therefore of council or non-profit organization owned rentable properties might just cool the pressure cooker of the current market.

More novel and profound solutions there inevitably are, but there are few problems in greater need of urgent review. Central governmental apathy to a criminal shortage of the basics that is affordable housing is not only dangerous to homeowners’ long term economic interest, but to the continued evolution of our city and the dreams and aspirations of our next generation.

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