liberator

Public Services - at Last a Bloody Good Row!

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COMMENTARY

BRING BACK THE TRIBES

Is it 'welcome back, equidistance'?

Equidistance was the concept invented to answer the question about Liberal Democrat attitudes to the other two main parties in the years immediately after the merger. It was ditched with due ceremony in 1995 after Tony Blair became Labour leader. This was partly because no-one believed that the Liberal Democrats would prop up the crumbling Major government, and partly because of Paddy Ashdown's woefully mistaken belief that Blair was a liberal.

Proceeding at a rather cautious pace, Charles Kennedy has now torn up the final vestiges of formal links with Labour. Dismissing the Tories as a rabble and an irrelevance, he is now seeking to turn the Liberal Democrats' fire on Labour's truly appalling record on civil liberties and public services.

So in one sense, equidistance is back, except this time it seems to mean that the Liberal Democrats could not work with either of the other parties, rather than that they could.

It would be highly damaging to go into the next general election tied to a government bound to be losing popularity. Also, in the rather remote event of a hung parliament, the Liberal Democrats can only have any leverage if their options are open.

The next step should be to slaughter an even larger sacred cow: the belief that 'tribalism' in politics is inherently bad.

Supporters of the defunct Lib-Lab 'project' regarded 'tribalism' as a foul insult, which they directed at those who they imagined to oppose all pluralism. People in different parties could not merely work together in the right circumstances, but should do so as a matter of principle, they believed.

We are starting to know differently. Tribalism at least meant that many voters were engaged, if not personally active, with politics. They supported their 'side', they would argue for it, hated and feared the idea of the others in power, and would go out and vote for their party.

The breakdown of party tribalism has been accompanied not, as some supposed, by an outbreak of consensual harmony, but by a shoulder-shrugging indifference to party politics as a whole. If one 'tribe' sounds much like any other tribe, why bother to vote, let alone canvass on a cold, wet night?

With the obvious exception of Europe, the three main parties compete in a confined political space. The Liberal Democrat rediscovery of liberty as a stick with which to beat Blairite authoritarianism may offer a way to mark out separate territory, but how many other issues do?

At one time, the two large parties represented different social classes. It is a good thing that that distinction has broken down, but nothing has really replaced it except a fight over differences of emphasis, rather than different concepts of society.

However worthwhile Liberal Democrat positions are, this process has done the party only limited good so far. This convergence of politics around an agenda dictated by the Daily Mail has produced public disillusionment with the possibility of politics changing anything significant.

We now have the consensus politics of which Alliance supporters once dreamed, but it is a consensus that produces apathy, inhibits participation and leads to a contempt for politics and politicians generally.

Maybe a good dose of tribalism is what is needed give people a sense of belonging in the process.

TAKING CARE OF BUSINESS

The real significance of the Steelgate affair is not whether there is some sort of informal tariff under which £125,000 bung is good for a letter of support from Blair for one's business dealings.

It is that, in its desperation to bury Old Labour, the government's attitude towards business has become ludicrously uncritical. There is no need for anyone in business to offer improper inducements to Labour for favours, since they can secure them anyway.

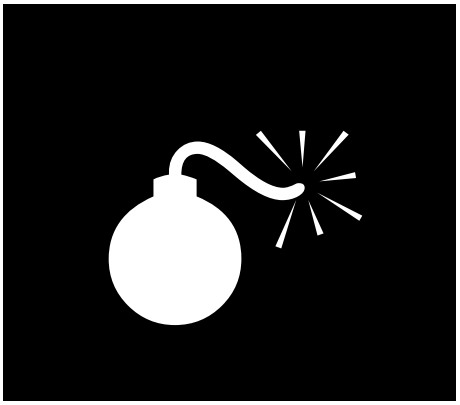
Labour does not even see business as an interest to be accommodated in society alongside the competing claims of any other interest group. It sees complying with the wishes of the business community as a virility symbol. Any refusal would, it thinks, make voters believe that Old Labour lurked just below the surface.

The collection of ex-lawyers and ex-professional councillors and the like who dominate New Labour have no experience of business and thus no idea of what they are dealing with or how to judge its claims. No wonder the CBI has only to clear its throat for the Labour Party to roll over with its paws in the air.

British workers still have Europe's longest hours, worst job protection, and fewest rights. No one ever thought the Tories would remedy this. We now know that Labour will not either.

This must be fertile ground for the Liberal Democrats. The party should not become dependent on trade unions, nor a mouthpiece for union bureaucrats.

But it should become a voice for the millions of people, union members or not, who would like to enjoy the standards that their counterparts do in the rest of Europe.



RADICAL BULLETIN

HEALTHY DEBATE

After weeks of near silence, the Liberal Democrats suddenly hit the headlines (well, page 9 of the Guardian at least) on 11 February, under the headline 'Fury among Lib Dems over policy on public services'.

The story comprised a sustained rubbishing of health spokesman Evan Harris over policies for the NHS that he had put to the party's shadow cabinet as far back as December.

Harris was variously accused of wanting "a better funded status quo", and even of "Stalinistic" views. His crime was to call for more funding for the NHS much as it is presently constituted. Harris also paid insufficient regard to those elements of the parliamentary party who have suddenly discovered the limitless virtues of the private sector, 20 years after doing so might have been considered 'new thinking'.

Harris' paper was one a series produced by all the shadow cabinet spokespersons at the behest of Charles Kennedy's policy chief Richard Grayson.

All of these had a section on "where will the debate be by the time of the next election, and what are the big issues to be considered before then?"

Harris' paper left open a number of politically sensitive questions about the role of the private sector, funding issues and how individuals' contributions could be increased to nearer international averages.

It was agreed to discuss these issues in some detail at the parliamentary party away day on 8 January.

The leak obviously did not come from Harris, so who was its originator? The usual rule in such situations is to look for who is quoted in story, the answer in this case being Vincent Cable and David Laws. Both had penned responses to Harris' original paper, to be considered at the away day.

No one is saying which, if either, of these two was responsible for the leak. But their papers were quoted at length, with both calling for greater private involvement in the health service.

MPs present say the discussions were very inconclusive, which makes it look as if someone decided to try some agenda setting of the debate by other means.

Rather curiously, the "Stalinist" reference was only in an early draft of the papers, and not in those circulated to all MPs. This would appear to narrow the list of potential leakers to whomever was in a position to see such early drafts.

The timing of the leak was surprising given that, at roughly the same time, the policy group working on public services, under MEP Chris Huhne, was putting the finishing touches to its report. This is due to go to the spring conference in Manchester.

It was therefore a bit late to try to influence the content of this by means of megaphone diplomacy in a national newspaper, which suggests that the free-marketeers got the worst of the argument in that group.

Even more surprising is that group members report that sympathisers of the Cable/ Laws line rarely attended the Huhne group's meetings, and took little part in its work.

One theory is that those gathered around Liberal Future (the web-based group with no website) knows it lost the argument, and wants to undermine the entire policy making process by claiming in public that this does not allow 'radical' ideas (that is, those with which they agree) to come through.

This would be followed up at some point by a proposal to remove policy making into the hands of parliamentary spokespersons, and even further away from the party in general.

And if anyone thought that the opinions as reported of Messrs Laws and Cable sounded as though they could have come from parts of the Conservative Party, they may even be right.

One highly-placed party source has said that Cable received an unsolicited paper on private finance for health from a known Tory supporter in his constituency, and adopted it substantially.

After the Guardian story, the action turned to a Liberal Future meeting that week, at which Laws talked of the need for a plurality of providers in health, and Menzies Campbell of the importance of individual choice.

Nick Clegg spoke on decentralisation (see this Liberator), and former party policy director Neil Stockley warned that the NHS is not very socially just and that articulate middle class people get better service than working class people with bigger health problems.

A debate on financing health is fine. But it looks pretty stupid to try to line up the Liberal Democrats as uncritical supporters of the private finance initiative, just as the chickens start to come home to roost on these 'have now, pay a lot more later' projects, and as the state of the railways destroys voters' confidence in private involvement in public services.

THE SMELL OF THE CROWD

What appeared to be a random selection of Liberal Democrat members near London received an e-mail on 5 February, purporting to be from Charles Kennedy himself, inviting them to attend a speech for the Centre for Reform on 11 February.

BEVERIDGE WAS NO STALINIST

Experiments with the private sector will not help the NHS if the funding is not there, says Libearl Democrat health spokesperson Evan Harris MP

"The NHS is a Stalinist organisation" declared the Tory shadow chancellor Michael Howard in response to the report on NHS Funding produced by that well-known revolutionary communist and corporate banker, Derek Wanless.

Since then some have gone even further and denounced those who remain convinced that the principles - of universality, comprehensiveness and attack on inequity - underlying the NHS still hold true as "stalinistic" or worse still "socialistic".

Even within our own party the debate has become far too caricatured and personality-focussed. It seems an appropriate time, as we consider the consultation paper produced by the Public Services Working Group, under the admiral chairmanship of Chris Huhne, to look at some first principles.

There is, I suspect, broad agreement about the need to decentralise the management of the Health Service, preferably with some added local accountability, hopefully some of it democratic. The proposed decentralisation that must happen will not be perfect in the first stage - it will not be based on wholly (or even largely) locally derived funding. Nor will we want to propose yet another massive organisational revolution in the structure of the NHS, having spent 10 years attacking Tory and Labour for substituting organisational fiddling for proper funding and improved accountability. Nevertheless, there will be broad agreement about the direction of travel on the question of decentralisation.

The question of the split between public and private is - reasonably enough - more controversial and I would urge colleagues and members to address the issue from first principles rather than from silly stereotypes and political posturing.

The Liberal Democrat approach to the involvement of the private sector in public services should be broadly non-ideological. However that does not mean that it is entirely pragmatic, because our test of whether it is appropriate, and if so to what extent, is based firmly on clear principles. This applies to all public services but in the examples below I shall stick to health and social care.

Regardless of whether the proposed private sector role is in the funding of health care, its procurement (including PFI), the management of the NHS or the provision of health and care services, such involvement should be subject to a series of tests.

- Will private sector involvement ensure and enhance equity?
- Will it improve access or expand capacity?
- Will it maintain or enhance quality?
- Will it provide for efficiency and adequate value for money?
- Will it allow sufficient accountability - preferably democratic - and transparency?
- Will it provide meaningful choice for users of public services?
- Will it be sustainable and sufficiently flexible in the medium to long term?
- Can it help to maintain and foster a public service ethos
- Will it avoid the exploitation, and provide for the development, of a committed and skilled workforce?

From these tests, one can see that if the private sector option proves more satisfactory than the public sector option in meeting these tests, then the question of whether profit is appropriate (which is an ideological question) is not relevant.

Even a quick glance at these principles will demonstrate that, for example, some forms of private funding for the health service will find it difficult to pass these tests. On charges for healthcare, it is hard to see how asking patients to pay directly at, or even after, the point of delivery would out-perform public funding from taxation in some of those tests. It is clearly not equitable to charge the sick and the elderly given that access is already poor for low-income groups and the chronically sick. Yet a scheme that attempted to deal with those concerns would involve such a bureaucracy and such a complex means test, that this would undermine the value for money performance and would undermine transparency.

The recent work from the European Observatory on Healthcare systems, an LSE unit backed by the World Health Organisation, and the World Bank, concluded that no other European country has found a better way of funding the health service than general taxation, and that social insurance schemes and charging in particular face certain problems.

It seems that an independent, evidence-based approach would lead one to conclude that Liam Fox's European perambulations have been pointless. The evidence suggests that where the problem is funding, simply changing the mode of funding does not inherently increase the ability of an economy to enhance financial inputs. What is required is political will to increase the resources and ensure that they are spent efficiently and effectively.

On procurement, particularly with regard to PFI, the jury is still out. No independent studies of any quality have managed to demonstrate that there has been sufficient risk-transfer or private sector "know-how" imported, to compensate for the increased cost in revenue terms of what is potentially an inflexible long-term lease contract. It may well be that in areas other than the NHS, for example the prison service, there is more evidence of clear benefits.

The use of private sector management, where appropriate, is obviously unlikely in itself to have major problems as far as some of the tests are concerned. But the preposterous scape-goating exercise of a few hospitals being primed for private sector franchise is not the right basis upon which to proceed.

The star rating indicators used in Alan Milburn's "shift the blame" exercise were almost entirely unrelated to sensible treatment outcomes. They merely showed how much fiddling of the figures had been undertaken. Even then, where hospitals had particular difficulties, these were due almost entirely to a lack of capacity (caused by central government failure in workforce planning and tackling bed-blocking) beyond the control of managers, whether public or private. The cost of the flawed exercise in terms of distorted clinical decision-making, skewed resource allocation and undermined morale of a workforce whose retention rates are already sub-critical has been immensely damaging.

Private-sector management know-how may have a great deal to offer our public services, including the NHS, but if it is only to be proposed for those areas of established and evidence-based failure, then ministerial offices in the Department of Health may well be the place to start.

When it comes to having non-public sector providers of public services like healthcare, it is important not to ignore the not-for-profit sector. Liberal Democrats are not opposed to the private sector providing healthcare services paid for by the NHS - indeed in some areas, such as social care and mental health, there is a significant amount of private and voluntary sector provision already. That doesn't necessarily mean of course, that a lack of capacity in a preferred public sector provider is not the cause of this. There is a temptation for advocates of increased private sector provision to describe necessities as virtues. Much private sector provision in these areas is high-quality and more responsive to user preferences, but at the same time experience shows that NHS funders have to pay a premium when forced to use the private sector. Private companies, quite reasonably, only feel able to compete effectively on value-for-money if they are given significant and longer-term contracts. However, to fulfil these they will need to recruit more staff and in the current labour market, this can only come at the expense of a further erosion of NHS capacity. Until that capacity is enhanced as a priority, it is going to be difficult to deliver a mixed economy in provision, that provide for enhanced user choice at a competitive price.

In all this discussion we should stress the importance of a public sector option against which the private or voluntary sector option can be tested. It is the failure to provide for a fair comparison that undermines the Conservative and New Labour claims to pragmatism in their obsession with private sector solutions. For example, there has been very clear criticism of the failure to assess PFI proposals against a fair public sector comparator. Is it right that the NHS should be solely responsible for the training of students in the health professions and bear the vast majority of costs associated with continuing professional development and research, while competing for NHS contracts with the private sector, which doesn't have to budget for these overheads?

There are tough decisions to be made about what Liberal Democrats' immediate priorities should be for health and social care. Access, equity, choice, accountability, efficiency? We want all of these as much as possible but they do not and can not have all have the same importance and urgency. For we all agree that more choice for service users can be a good thing, but this should not be at the expense of even greater inequity, and deepening health inequalities; it should not be at the expense of the quality of care where patients are exploited by charlatans advertising their miracle cures (and I am talking about conventional medicine here); and surely we should not deny access to the elderly to free and timely care in order to provide the more comfortable middle class with the option of DVD players in day surgery unit?

Reassuringly, these decisions seem to be a little easier for us when all the evidence is that public recognises the capacity-crisis, are prepared to pay more taxes for a better health service, want the elderly to be treated more fairly and are more concerned about the length of the wait than having choice about which queue to join. Beveridge would be proud of the British people. Let us make them proud of us.

OUT IN PUBLIC

Don't believe the leaks from the privatisers. Results of the Liberal Democrat review of public services were worth the wait, says Ed Davey MP

So, according to the Guardian, there's a major fight going on within the Liberal Democrats on public services. Is there?

In the blue corner, I guess we have the ghost of David Owen, with "dead parrot" charges for hospital treatments not yet invented. In the red corner, we must have some other Labour defector, whose solution to the NHS is to make it even more of a "national service", perhaps by taking back control of Scotland's health service and banning private health practice?

As Charles Kennedy's Public Services Commission sets about its serious task of reviewing key policy areas, I'm afraid there are people peddling such gross caricatures, including, unfortunately, some members who should know better. They seem to take delight in publicly caricaturing our party's deliberations in the trivialities that pass for serious press comment these days.

This is a pity because the commission, chaired by Chris Huhne, is debating key issues in a more fundamental and serious way than I can ever remember happening in the party. And I have to confess that I've been involved with policy development for over 12 years. OK, so I'm a spring chicken, Lord Greaves.

Yet for those few cartoonists in the party, the commission's consultation paper, published for the Manchester conference, will not provide the so-called "serious" policies they seek. Phew!

Since there is no groundswell in the commission for full-scale privatisation of public services, or for brand new systems of private insurance or for a new wave of charges for the sick, the consultation paper will not fit any of the caricatures so carelessly drawn. Let's hope we've shot those "foxes" for a long time.

Instead, the commission has produced, at breakneck speed, a document that puts forward some radical ideas and asks the party very tough questions about the future of our public services. It's a document already pointing the party in some very clear directions.

Most of those directions are even more newsworthy than the cartoons. In a world that has invented a lot of wheels, this is quite difficult. More importantly, many of the commission's directions are distinctive, which is actually less difficult because New Labour is fortunately still more intent on copying the Tories than ourselves.

Above all, the commission's early directions are clearly Liberal. In Britain's centralised, quangocracy, it's important people remember that the reason many of us are in this party is because we believe in decentralisation and democracy, and we happen to think that applying those principles to our public services is probably a better idea than an application of another dose of Thatcherism. Or is the charge that Mrs Thatcher didn't go far enough in her reforms of health and education?

So, where are the newsworthy bits?

I believe it is the first time Liberal Democrats have said how we would promote real diversity in the provision of public services. It will be interesting to listen to the reactions of conference delegates.

Developing diversity in public service provision runs through the second half of the paper. The commission's ideas borrow heavily from such characters as Jo Grimond and Paddy Ashdown but have benefited from study of those areas where both Conservative and Labour have already borrowed them.

The funder/provider split. A major extension of the not-for-profit sector. Public-public partnerships outside traditional territorial or departmental divides (yes, public-public, it wasn't a misprint). And, of course, radical financial decentralisation.

Take the not-for-profit sector. Several commission members, myself included, believe major opportunities for Liberal public services lies in freeing employees, managers and users from top-down state diktat. Yet that must include as much freedom from local or regional diktat as from national diktat.

So why not a not-for-profit local hospital, with far greater local community involvement and participation than is possible within a state-monopoly system? Accountability and public sector audit of the taxpayers' funding must be built in, but can potentially be made far more real and community-based in such a structure.

The advantages of not-for-profit providers lie primarily, in my view, from the identification of all involved with the enterprise and, above all, with its users. They would not be working for the minister. Nor the shareholder. Patients before politicians and profits?

There will still be the arguments with the funder and the national inspectors will no doubt annoy some, just as they do now. Yet the incentives for public service professionals, which have always been more than money, could be restored by empowerment and enhanced by autonomy.

If you doubt whether not-for-profit can work in at least some settings like health, look abroad - then at home.

For my initial research on not-for-profit and health, I checked out the world's map. As everyone else from the Tories and Number Ten Policy Unit rediscovered the continent of Europe, I decided to look at North America.

Well, the USA was interesting, but not that helpful in the end, so I finally focused my own research on Canada. With some of the best health outcomes in the world - for all groups in society - and with other features such as a social insurance system and 90 per cent of hospitals run by not-for-profits, it looked on paper very interesting.

After my desk research I decided to stay in the UK. Not because Canada's healthcare is not worth studying, but because the lessons are so obvious and Canadians do have email. A trip abroad seemed rather superfluous.

First, Canada does spend significantly more money than the UK. Second, it has devolved most healthcare responsibilities to the provincial governments. Third, the not-for-profit hospitals encourage the type of innovation, diversity and commitment we would all prize. Fourth, their compulsory social insurance system provides not a single identifiable significant benefit over a tax-based system, and is totally independent of the other aspects of their devolved, diverse healthcare system.

Personally, I think compulsory social insurance is an administratively expensive form of hypothecation. Better still, hypothecation poses fewer dangers of a future right wing Government allowing the wealthy to opt out.

That's a fairly brief summary (!) with many omissions and of course my own slant, but I did think there were some broad hints for us. Oh, I forgot to mention, Canada has a Liberal Government!

The policy trick for Liberal Democrats will be finding the "gateways" or the mechanisms for moving either existing public or private hospitals into a new or revamped not-for-profit status. I hope our policy debates will focus on such key and tough questions.

Yet we should not forget the not-for-profit sector already in the UK. Organisations such as the British Health Care Association provide health cash plans for people on very modest incomes helping them to meet the costs of services not always provided free on the NHS including dentistry, optical services, physiotherapy and chiropody.

Could it be beyond the wit of the party to work with this UK not-for-profit sector, born when Liberals where last in UK government, to see how this indigenous flower can blossom? Is this not one way to help pay for at least some of the health services the NHS already finds it difficult to fund adequately now?

We have to accept that the NHS will not always be able to fund or provide every single healthcare option that traditional and alternative medicine comes up with.

So whether or not we are relaxed about taxes going up to improve funding for the NHS - and I certainly am, if they are fair taxes, - surely, if we can lever in extra cash, that's a good thing. Especially, if it is in ways that people can afford, for things the NHS does not currently do, using existing not-for-profit bodies.

Yet, lest you go away thinking the consultation paper is all about health and not-for-profit, I promise you there's much more.

Liberal Democrats are at last putting far more flesh on the bones of our long held and much needed policies of financial and managerial decentralisation. Watch out for Labour trying to pretend they're devolving power, and then always keep your eyes on the Chancellor's purse strings! Their ideas won't begin to match ours.

Indeed, decentralisation, including sensible regionalisation of public sector pay, remains a key battleground for us. Moreover, at last we say in this paper, in strong clear terms, how we might demolish entirely the Leviathan Whitehall departments, which have so often wrought damage on our education and health systems. This is red meat empowerment. New Labour set up taskforces and hired development officers. Liberal Democrats will abolish the departments of health and education.

The paper also builds on careful studies of some low key but vital developments in public procurement policies - totally missed by every single national press commentator, but actually crucial.

These developments include four newish bodies - the 4Ps, the IDeA, the OGC and PUK (read the paper for the translation) - all designed to improve procurement by government, plus the wholesale reform of public sector accounting. Managerial reforms and not the stuff of Focus leaflets, I grant you, but central to running government well. Our paper rightly says that many of these developments are heading in the right direction.

Yet, partly because of New Labour's confused and half-thought through policies towards private sector involvement, these improvements have not been accompanied by the grasping of other difficult nettles - for example, the need to deal with the major skills shortage within government of well-qualified, well-motivated procurement managers. New Labour's answer remains to hire expensive, temporary consultants.

In this paper Liberal Democrats argue for a cheaper and more sustainable approach: hiring and training the public sector's own key procurement managers, paying them more, and by results! We could start by re-training Whitehall managers redeployed from our proposals to merge and abolish departments like education and health.

I have a suggestion for the first training lesson for one of these re-invigorated civil service managers: sack half of the consultants immediately - and I speak as a former management consultant, you understand.

So this consultation exercise is an important one. I think it's about the beginnings of a serious Liberal Democrat programme for Government. But don't hold your breath for any journalist to give us credit for serious work. Leaked dead parrots make much better copy.

The Huhne Commission's Public Services Policy Review can be downloaded from the Liberal Democrat website at http://www.libdems.org.uk/index.cfm/page.folders/section.policy/folder.consultation_papers

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ITS NOT JUST ABOUT MONEY

Conrad Russell explains how the Liberal Democrat Public Services Working Group grappled with conflicting demands; and why he is tired of being castigated as a 'producer'

I hope that anyone who has new ideas about how our public services should be run will show up at the consultation session at Manchester, and have no hesitation in putting their ideas forward. So far, all the smoke and thunder around issues of public services has been generated outside, not inside, the Working Group. Much of it has been generated in the media, and need not concern us too much. If, though, there are people inside the party who are dissatisfied with our current policy, we would welcome the opportunity to give them a hearing.

Our Victorian predecessors had a very clear sense of the distinction between the market and the public services. Macaulay, speaking in the Commons in 1846, complained of those who wanted to leave the improvement of education to competition without state assistance that they were "applying to political and moral questions opinions only sound when applied to commercial questions". This is a distinction Thatcherites in the 1980s lost sight of, but it may be that in modern times the boundaries between the two are more porous. If people have such a case to make, we wish they would make it to us.

There has been very little dispute within the Working Group about where the boundaries between the public and the private should be. Discussion has focused on much more on questions of how the public services should be managed. One of the questions for discussion has been how far or in what circumstances public services should attract private money. I cannot recall a single member of the Working Group making an ideological objection to the idea of drawing on private money, yet it turns out to be much more difficult to do in practice than it is in theory. The profit motive and the public service motive are both good and both essential, yet they are also extremely different. The problem of attracting private money is to get the two motives lined up in a row so that what delivers a profit to the private or corporate investor also delivers a good service to the public. In passing, one may wonder whether this is also a general problem of present day capitalism: what provides a good service to the shareholders may not provide a good service to the customers.

Whoever shares in the profit should also share in the risk. Otherwise, they are being given a licence to print money in the knowledge that the state will always bail them out. The case of NATS is a painful reminder of this fact. This must place limits on the extent to which private money can be drawn into services which cannot be allowed to go bankrupt.

Present thinking tends to believe that this danger can be met by the public service contract, developed in the 1980s and still advancing. this involved drawing up a contract in such excruciating detail that, as Sir Peter Swinnerton Dyer, first chairman of the Universities Funding Council, remarked, it can even control the number of paperclips the organisation is allowed to use. It is this type of thinking which is supported by the battery of targets to which such services tend to be subjected. It was rapidly accepted and understood by business peers that privatisation of the utilities has increased, rather than diminishing, Treasury control.

This of course diminishes the capacity for innovation which is one of the presumed advantages of private management. Indeed, such contracts allow very little opportunity for managerial autonomy. If we want to tap the managerial skills of the private sector, this is not the way to do it. One of the reasons for this is that targets, by the nature of statistics, have to be taken in isolation, whereas on the ground decisions should be in the round, weighing all the objectives together.

For example, a train which goes ahead with unsafe warning equipment, rather than fail on its performance indicators for being late, is the victim of a perverse incentive. Indeed, *any* target, isolated from the overall purpose of the service, is capable of becoming a perverse incentive. This system turns the Treasury into a back seat driver. If the Treasury is still driving, may it would be safer in the front seat.

The merits of the PFI system remain hard to judge, largely because of the lack of transparency created by the requirement of commercial confidentiality in many of the contracts. It must also be clear that the PFI can only be attached to items which carry a revenue stream. The suggestion, in the last years of the Major government, that universities should turn to the PFI to repair window frames, did not come out of the real commercial world. Until the long-term costs of the PFI come in, perhaps some thirty years hence, it will not be possible to pass an adequate judgement on it.

It is essential, if the motives of private profit and public service be bought into line, that the commercial body must be given an interest in the success of the service it is running.

The better the service it provides, the bigger its profit should be. It is surprisingly difficult to draw up a contract which brings this about. A system whereby a

private company pays a fixed rent for running the service and keeps any profit above that figure creates an incentive, either to cut corners on spending on such things as safety, or to maximise revenue by such things as wheel-clamping cars which are not illegally parked.

There may well be forms of contract which bring all these things into line, and if I hear of one, I will be likely to welcome it, but no-one has put any such scheme before the Working Group.

There has been some interesting debate on the comparative importance of access and choice. Both, of course, are goods. The questions are whether they can be delivered together, or if they cannot, which should have priority in which place. The further point has been made that if choice is not to contradict access altogether, it must imply spare capacity, and spare capacity in the NHS, for example, is not going to exist in the very near future.

Perhaps the question of priorities has something do with how far the service in question needs to be universal. It is easier to have a choice in the teaching of sculpture or fashion than it is in the teaching of reading and arithmetic, which are required by law to be universally available. The Health Service also must be universally available. Going around London suffering from TB is not a self-regarding act. It is because that choice must not be available that it is difficult in the rest of the service to have as much as we would like. Perhaps what is needed is the good traditional Liberal remedy of decentralisation.

There has been a good deal of debate, some of it still unresolved, around the issue of accountability. That public services should be accountable is generally agreed, but to whom they should be accountable, and for what, are much more difficult questions. The present system seems to be that we are accountable to the Treasury for everything. That we should be accountable to them for honestly spending money on the purposes for which it was granted is not in dispute. That is within their proper skill.

There are many other issues where it would be more appropriate for us to be directly accountable to the public we serve - a system hardly unfamiliar to politicians. I would much rather be accountable to my students for my teaching than to the Treasury, because I believe not only know better how I teach, but also know better what good teaching is.

When it comes to research, it is a different matter again. My students know no better than the Treasury whether I have correctly transcribed the diary of *Sir Nathaniel Rich for the Parliament of 1626*. For that, I must be accountable to the judgements of my peers, which can only mean the couple of dozen other scholars who have read that diary in the original manuscript.

I thank my lucky stars that on the dreadful occasion when I did mis-transcribe that diary, the one of the couple of dozen who spotted the mistake, some seven years later, happened to be myself. Accountability should not be treated as a single thing: it calls for a healthy doze of Liberal pluralism.

Meanwhile, two things are dreadfully clear, and they cannot wait onus to solve the problem of private money to be put right. One is that our public services are dreadfully under-funded, and the situation has been getting worse for 20 years. On health, our average spending is 1.3% below the EU average, and in education we rank twelfth out of fifteen. The correlation of money with satisfaction is not of course exact: it never is. Yet the exceptions are as to instruction as the rule. The main case of high spending and low satisfaction is the United States. The last figure I heard (now out of date) is that 37 million Americans had no health insurance, while the rich can spend endlessly on cosmetic surgery. The weakness of the US is that there is no relation between spending and need. On the other side, Denmark, with only slightly higher spending than us, achieves far higher satisfaction. Denmark has an extremely decentralised system, and this is something from which we might learn.

The other fact which is clear, and far clearer than when the Working Group was set up, is that public servants are voting with their feet and leaving the service in droves. So far, it is only in the areas of high house prices in London and the South-East that this has become catastrophic, but we may expect it to spread.

Some of us get very tired of being denounced as ‘producer interests’. We went into our jobs because we believed we are producing something people wanted. If they do not, why shouldn’t we do something else instead

DO WE MEAN IT?

Nick Clegg MEP asks whether Liberal Democrats are prepared to accept the full implications of decentralisation

Arguments about decentralisation now constitute the major faultline in British politics. This may appear to be a melodramatic claim. After all, those advocating radical decentralisation of government in the United Kingdom have long been dismissed as impractical theorists, unaware of the need to take "tough choices" in delivering government policies. For years, Lib Dem arguments in favour of root and branch decentralisation were breezily dismissed by both Conservative and Labour governments as so much froth from a party obsessed by arcane arguments about constitutional and electoral reform.

But things have changed. First, devolution to Scotland and Wales has let the cat out of the bag. The marked improvements in the delivery of key public services by the newly devolved Scottish government have been especially useful in challenging the scepticism about decentralisation in Whitehall and Westminster.

Second, the ruthlessly centralising Thatcher and Major Conservative governments have been succeeded by an equally centralising New Labour government. The sheer, grinding effect of decade upon decade of centralising government is finally starting to elicit a reaction. No one could have anticipated that what appeared to be the high water mark of centralising dogma when the Conservatives imposed barmy policies such as the poll tax and rail privatisation on an unsuspecting electorate, would be so quickly followed by yet more dogmatic Whitehall edicts under Tony Blair and Gordon Brown.

The government's (or rather the Treasury's) decision to foist the untested and unpopular PPP model on the London Underground is entirely in keeping with the heavy handed manner in which previous centralising governments have behaved. To that extent, both the Conservative and Labour Parties are chips off the same block.

Third, it is not lost on the electorate that central government, despite its awesome power, seems incapable of implementing the much needed, and long overdue, changes to public services. What is the point of the draconian powers of the Treasury if it remains unable to implement effective change? Local councils are now dependent on Whitehall largesse for three pounds in every four they spend. What is the purpose of castrating local government if the purported benefits in efficiency do not materialise? The longer this government fails to deliver on the expectations of improved public services, the sooner the outdated model of central direction from London will be discredited.

Finally, the welcome recent trend amongst policy wonks in London to look to Europe for inspiration has yielded one immediate, and obvious, conclusion: without exception, the evolution of government on the European continent over the last two decades has been distinguished by decentralisation.

Even in France, long considered to be the epitome of centralism, a far-reaching process of decentralisation has been implemented. As a proportion of total public spending, France now raises approximately twice as much from local taxation as we do. In tiny Denmark, secondary school education is almost entirely managed and funded by local municipalities. In Sweden, the bulk of health care is both funded by, and answerable to, 23 county councils and three large municipalities, all of which derive their mandates from local elections. In Germany, the constitution enshrines one of the most decentralised federalist systems in the world. In Spain, regions and communities continue to experiment with ever more innovative forms of decentralisation.

Public services are generally better funded, more locally accountable, and enjoy higher rates of public approval than anything seen in the UK, especially in England. Even the Channel cannot insulate us forever from the unflattering lessons that these comparisons should force us to accept.

Decentralisation, then, has become one of the key battlefields upon which UK politics will turn in the years ahead. But are Liberal Democrats fully equipped to win this battle? We may feel we are the champions of decentralisation, but are we prepared to accept the full implications of radical decentralisation? Do we mean what we say?

In order to propel our thinking forward, I would like to make five simple observations. First, decentralisation is, at the most elementary level, inconsistent with complete equality in outcome. Decentralisation means diversity. And diversity means that services are not always delivered in exactly the same way in all places at all times. This should not be a source of alarm.

The NHS, the most centrally administered health system in Europe, already suffers from differences in outcome that would be considered intolerable in many decentralised continental systems. Nor should decentralisation be viewed as some form of anarchy in which the weak and deprived parts of society are abandoned. It is obvious that if we were to suggest that all local services should only be paid for from local taxation, then "black holes" would soon emerge in those poorer areas in which quality local services are most in need, but where the local capacity to fund them is most limited. That is why all decentralised systems throughout Europe are coupled with centrally administered top-up funding, which provides additional resources to the most deprived areas. In a forthcoming pamphlet, written by myself and Dr Richard Grayson, we explain how a per pupil national funding formula, similar to that in operation in the Netherlands, might

provide such a contribution in a more decentralised British education system.

Second, the debate about decentralisation should not be confused with the raging debate, not least in our own party, about the role of the private sector. The role of the private sector in public services - whether financial mechanisms such as PFI and PPP, or partial and full privatisation - is related to, but separate from, the fundamental issue of who is accountable for the local delivery of public services.

There is little political merit in Liberal Democrats becoming too uptight about the role of the private sector. Commercial operators have long played a part in the delivery of public services, and are likely to play a bigger role in future. But that role will remain relatively marginal when set against the bigger questions of local versus national taxation, and local versus national political accountability. Private sector involvement tends to bring benefits only if it involves private sector operators competing with each other to deliver improved services to consumers. That is why privatising airlines makes sense, but privatising natural monopolies such as rail infrastructure or the underground system does not. The Labour government is embroiled in a torturous internal debate about the role of the private sector. We should let them languish in their own internal grief, and not detract from it. By focusing on radical decentralisation we focus on the government's weakest flanks: a passion for central control, mixed with a naïve fascination with the private sector.

Third, in the long run, decentralisation is meaningless without local democracy. New Labour has contrived to suggest that its latest volley of health and education reforms are aimed at decentralisation. Yet, a glance at the government's latest Education Bill merely confirms the reality: while it might give schools more operating autonomy, it simultaneously gives the secretary of state for education powers to appoint school governors, to ring fence school budgets, and to create commercial companies to take over failing schools.

This is not decentralisation. This is the tyranny of Whitehall imposing its grip on the delivery of local services in an ever more intrusive manner by excluding local political structures altogether, and binding individual schools to it in a relationship of financial servitude. While British, particularly English, local government has indeed become weak and emasculated, it would be perverse to play into the government's hands by agreeing that it is beyond repair. If experience elsewhere in Europe teaches us anything, it is that meaningful decentralisation can only be implemented if it is framed by local democratic accountability, and by politically accountable local tax raising powers.

Indeed, one of the more interesting discoveries Richard Grayson and I made in our research into European education funding was that local tax payers seem, on average, willing to pay more taxation towards the delivery of local services if they are confident that they know which set of local politicians are accountable for spending their tax contributions. In other words, local democratic structures might be the best guarantor of sustained, higher levels of public investment in our public services.

This thought is clearly anathema to the Treasury. Yet, if it had any sense, rather than seconding officials to the private sector, it might do us all some good if the government obliged all Whitehall officials to spend some time in local government. It is something practiced for years in France, and it leads to a much clearer understanding amongst policy elites of the challenges and realities facing local administrations.

Fourth, if we are to advocate decentralisation within the United Kingdom, we must also champion the case for radical decentralisation in the European Union. A couple of years ago, I published a pamphlet, *Doing Less to Do More*, which made the simple case that the EU has become active across too wide a range of policy areas, many of which should remain the primary responsibility of national or local governments, while also being underdeveloped in areas which clearly merit pan European action. Why, I asked, is there EU legislation setting the maximum length of buses, or the time worked by a local doctor, or the maximum vibration levels in workplace machinery, or the permitted levels of public noise, while the EU is still struggling to get its act together in tackling international crime, in speaking with one voice in the Middle East, in conducting a coherent international trade policy?

If we believe in decentralisation, we must become more critical of the elevation of powers to more remote levels of government, unless it is absolutely necessary. I have observed many cases in which policies are developed at EU level either because national governments and civil services want to bypass domestic political opposition, or because well meaning MEPs and commissioners need to prove their worth, or because of a rather vacuous belief that policy activism will somehow bring the EU "closer to its citizens". I am a passionate pro-European. But I see nothing incompatible with that vocation in also being a vociferous critic of misallocated powers, when governance should always be exercised at the lowest possible level.

Fifth, decentralisation is not just about the mechanics of different levels of government administration. It is also, of sorts, a political state of mind. Someone who accepts the logic of decentralisation is usually also reticent about the potentially intrusive nature of central government action, especially as government has progressively become a more opaque, technocratic business. Decentralisation is allied to a general caution about Government interference.

In a world fraught with ever greater risks - from GMOs to mobile phones, from hormone treated beef to plastic toys - there is an understandable tendency to reach for the statute book, to call for central government action, to insulate citizens from all identifiable risks. Of course, a fundamental part of the state's role is to protect and defend citizens from risks and threats. But we must also encourage local communities to discover their own solutions, their own answers to the myriad of health, safety and security challenges typical of the modern world. In other words, decentralisation is also about enhancing self-reliance and restraining overactive regulatory and legislative responses from central government.

Both New Labour and the Conservative Party are very badly placed to understand these wider implications of decentralisation. A commitment to them would clearly set us apart from two political opponents who both draw heavily on traditions of centralism and top down Government control. It has never been a better time to argue for radical decentralisation.

THE DOWNHILL PATH IN ZAMBIA

Recent elections in Zambia have been overshadowed by trouble in neighbouring Zimbabwe, but there were many similar problems, says Michael Meadowcroft

As usual on polling day in Africa, I was standing outside my gate before dawn, awaiting my driver. Paul duly arrived, together with my local assistant, Belinda, and we set off for her nearby suburban polling station. We arrived, with dawn, to find a long queue of keen voters. It is often the case that, unlike in Britain, voters are keen with anything up to 50% of the electorate arriving before the polls open. We passed along the line, indulging in the usual badinage with voters, and entered the polling station to observe the formalities of the opening of the poll - displaying the empty ballot boxes etc. Then I asked those at the front of the queue if they would mind if Belinda voted first so that we could move on to observe other polling stations. As usual, the mention of the magic words European Union did the trick and we were able get away quickly.

As the EU?s chief observer I intended to cover a wide swathe of the Lusaka region, but the next stop put an end to that plan. Paul was registered to vote a Lilanda School, at which there were four separate polling stations serving one of the central Lusaka ?compounds?. These are areas composed of closely packed small dwellings housing the poorer people of Lusaka, many of whom are unemployed or surviving on pitifully small wages. At Lilanda there were a thousand plus electors either queueing or milling about in the open space between the road and the school. We pushed through the crowd towards the school building, shaking many hands as we went. The polling stations were closed. The polling staff told me that they had no ballot boxes.

With my colleagues, I went off to investigate. With the help of other EU, and also Carter Centre observers, I discovered that sixty-four polling stations, all of them serving the compounds, had no ballot boxes, and that they were currently being delivered by a single truck. Eventually a second truck was found but the delays in commencing voting were still substantial. The final delivery was at 1.30pm - seven and a half hours after the scheduled opening. To their great credit, the Zambian voters remained remarkably peaceful, but these solid citizens, who turned up to vote with great enthusiasm in their Sunday best, deserved better from their electoral commission.

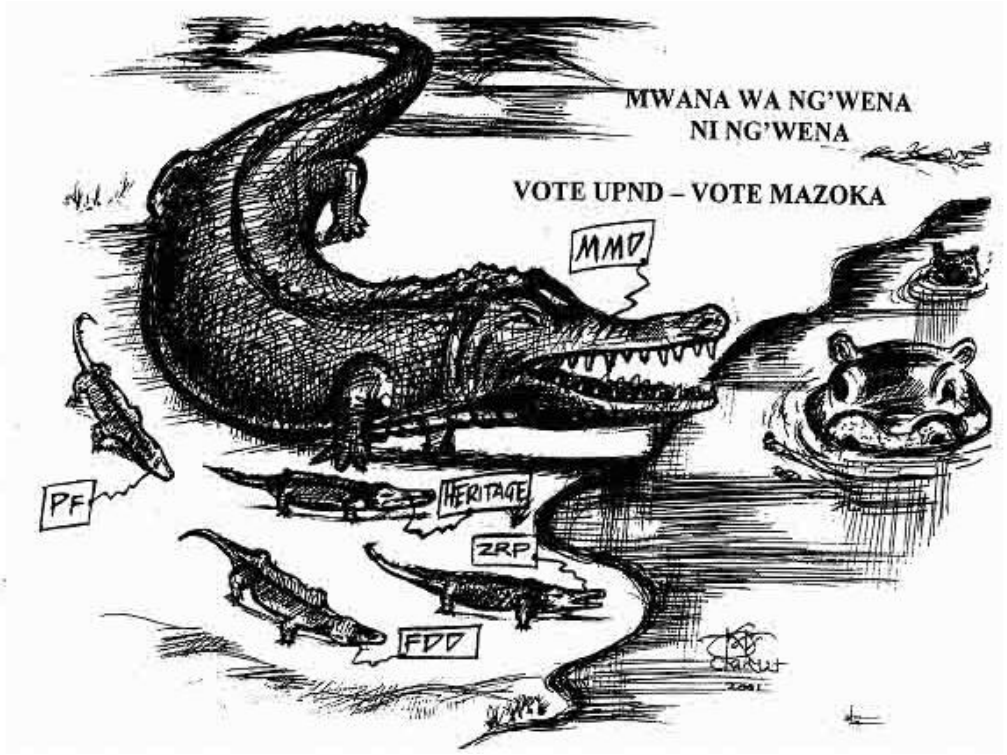
It is hard to believe that the lack of ballot boxes in these particular polling stations was accidental. All the constituencies involved were expected to - and did - vote heavily for the opposition. The immense delays without food or shelter, often till way past midnight, for those who had arrived early in the morning, meant that a number of men and women had to abandon the queue to go to work, to look after children, or simply because they were too old or frail to continue. These were largely votes lost to the opposition.

Three elections were taking place on the same day - presidential, parliamentary and local government - and it became clear that the electoral commission had made no estimate of the time it would take to vote. The slowness of the process, coupled with the lack of extra lines at polling stations with a high number of voters registered, meant that, even without late starts, there were bound to be considerable delays. The polling station at the University, for instance, serving 4207 registered voters, at an average voting rate of 30 per hour, simply could not cope. Eventually a second line was opened but at such a late stage that introducing it caused a number of ballot security problems.

The campaigning period had been marked by continual breaches of the electoral commission?s code of conduct. Government vehicles were observed being used by the ruling MMD party; opposition parties were refused permission for meetings if there was any chance of the President arriving in the area; the government owned media - electronic and the written press - continued to be hugely biased towards the ruling party right through the election period; MMD rallies were advertised with the distribution of deeds for houses figuring on the agenda; and, most blatant of all, District Administrators were openly used as MMD party agents, despite being civil servants.

In a country with few resources available to the political parties, these abuses were of significant help to the ruling party.

All governments in all countries try it on. Ministers open schools and clinics galore, Humber bridges are promised, and it requires a strong electoral commission or its equivalent to prevent it. Alas, this time in Zambia the commission was part of the problem rather than of the solution. Its chairperson, a High Court judge, openly averred that it was the responsibility of the police and other law enforcement agencies to deal with apparent breaches of the code of conduct. When a police spokesman then directed complainants to the electoral commission it was clear that the ruling party could carry on in its own sweet way with impunity.



By the time the moment to commence the count in the polling station had arrived it was dark and everyone was dog tired, often having been on duty for a full twenty-four hours, and it was hardly surprising that mistakes were made - whether by omission or commission. Once the polling district count was completed the documents and the ballot boxes had to go straight to the tabulation centres where the parliamentary and presidential figures for each constituency were put together for official transmission to the electoral commission.

There is considerable evidence of significant errors in the figures published by the returning officers. For instance, with polling taking place at the same place and same time, with the same electorate, there are twenty-two of the 150 constituencies at which there is a difference in turnout of 900 votes or more between the two polls. Even more striking, in 83 constituencies, for presidential or parliamentary elections, or sometimes both, not a single invalid ballot paper is recorded. If accurate, this would mean that 1,172,529 voters cast their votes without any single one of them making an error. Clearly this is beyond credibility. Such was the lack of independence of the electoral commission that the inauguration of the new President was fixed by the Secretary to the Cabinet and the electoral commission was then bounced into declaring a winner, even before all the results had come in. The announced President had less than 30% of the votes, and a majority of less than 2% over the next candidate. In a situation like this the maladministration and the apparent irregularities assume huge importance.

These points, and others, have been included in the statements of the EU observer mission, for which I and the mission have been severely criticised by the Zambian Government. The domestic monitoring bodies have voiced similar concerns and have come to even more robust conclusions. One respected church body, for instance, stated explicitly that it could not regard the new government as legitimate, whilst another large NGO demanded that the election be rerun. They have not come in for the same attacks. It is clear that the Government?s attempts to undermine the EU observer mission are because it is the EU, rather than because of what it has said. The Zambian election has been rather overshadowed by the Zimbabwean situation but, in fact, in terms of electoral tactics, it has many similarities, fortunately without any of the violence.

The problems of democracy in developing countries will not be resolved simply by sending observer missions from Europe and North America. There needs to be a greater commitment to ongoing work with political parties, with the legislatures and with the major NGOs. It is crazy to spend some 12 million euros getting to polling day, as was done by the EU and its member states, with very few plans for post-election projects. Fortunately, the need to integrate projects for democracy building is at last being realised - and not before time.

Michael Meadowcroft was the European Union?s Chief Observer at the Zambian elections of 27 December 2001. He writes here in a personal capacity. The EU statements on the election, and much other information, can be found on the website set up for the mission: www.eueu-Zambia.org

DOING THE DEFENCE DEAL

Unilateralists and pragmatic multilateralists must collaborate to defeat those who would line up Liberal democrat defence policy with that of the government, says federal executive vice-chair and new radicalism spokesperson Donnachadh McCarthy

Could anything better symbolise the shallowness of Tony Blair's government than the revelations of the frantic efforts by New Labour ministers to sell more than £1bn pounds worth of arms to India, only days after Blair announced his intention to calm the situation between the nuclear armed protagonists.

Contrast this with one of Charles Kennedy's first policy initiatives of abolishing export credits for the UK arms industry. Blair is being the smiling arms supplier in sheep's clothing while Kennedy sets out what a genuinely ethical UK foreign policy should be.

Having been selected for the Defence Working Party I was surprised to find two very different agendas. Unsurprisingly, some reactionary views were represented disproportionately (Defence Working Parties always attracts "toys for the boys" types!), with a small sprinkling of radicals representing the views of the wider party.

The reactionary agenda was, and I quote: "We must out Tory the Tories on defence spending", or "the main point of the Working Party is to endorse New Labour's strategic defence review but to call for even more funding."

Extraordinary in the light of the massive £22bn that already is being spent on defence annually. Their wish list included £8bn (yes - billion) on two new aircraft carriers, calling for all EU countries to raise their military spending to more than 2.5 per cent of GDP and a massive increase in domestic military spending that dwarfed our commitments on health and education.

The radical agenda included defining what we mean by leading by example on nuclear disarmament, ensuring greater resources devoted to conflict prevention, emphasising environmental threats to peace, abolishing subsidies for arms exports, domestic defence post-11 September, banning arms sales to areas of conflict, non-democratic countries or those that abused human rights.

The camps had common ground on more resources for a better quality of life and respect for those who serve in our armed forces including equal treatment for gays and women.

While some significant victories were won in the trenches of the Working Party, it really took co-operation with the newly strengthened radicals in the Federal Policy Committee to stop the paper from being one that would justify the unfortunate desire expressed by Mark Oaten on BBC Online for the party to be seen by journalists as being to the right of New Labour.

Instead we have a paper more in line with Charles Kennedy's vision, that is, a party willing to make courageous policy decisions based on our liberal principles that can be a truly effective alternative to the centre right New Labour.

Included are commitments on conflict prevention investment, abolition of arms sales to repressive regimes and tackling environmental threats to peace such as water shortages or western dependence on Middle Eastern fossil fuels.

Deleted from the motion are all commitments to more military spending and to the aircraft carrier programme. However, there are two key issues left for conference to deal with.

Firstly, the Defence Working Party fudged the manifesto commitment to oppose to George Bush's missile defence initiative. Rather, it laid out spurious conditions upon which we would allow UK facilities to be used by the United States.

There is a need for a separate vote to delete these conditions in order to restore our manifesto position.

Second and most importantly, conference will resolve what it meant by its policy of "leading by example" on nuclear disarmament that it adopted at the historic Moving Ahead debate in 1998 via the "new radicalism" amendment.

The Defence Working Party (unsurprisingly in view of its make up) not only refused to define what we mean by leading by example but also actually completed a reactionary triple whammy.

This was the outright abolition of the policy, abandonment of the previous defence paper's support for reductions in the number of warheads and re-instated a colonial policy on.

India and Pakistan which Moving Ahead had abandoned, with a hypocritical simultaneous justification of our possession of nuclear bombs and condemnation for the non-European Indians and Pakistanis.

New Labour's spin machine has been no better. They announced a cut in warhead numbers as part of the SDR. But questioning in Parliament forced ministers to reveal that not one warhead had to be dismantled as a result - the cut was in the "notional" total not the actual total.

In other words, the Tories had a notional maximum of 300 warheads but only built 180. New Labour and the small band of Lib Dem apologists for cynicism and spin goes even further.

They claim Britain has made significant cuts since the end of the Cold War in its air delivered nuclear bombs and submarine depth charges. What they fail to admit, is that the reason for this is that Trident's missiles could travel four times farther than Polaris, putting any city in the world potentially within range of our nuclear destruction.

They also fail to admit that Trident, whose missiles, like

Polaris, have four warheads each, can however individually target each warhead thus multiplying by four the number of cities each missile can obliterate. The real situation is that the airborne and depth charges had become obsolete.

Since the end of the Cold War, Southern Africa moved from being a nuclear power under apartheid to being a leading advocate of disarmament under the inspiring leadership of Nelson Mandela. Vulnerable central Asian former Soviet republics have unilaterally abandoned their nuclear capacity. Now even George Bush is committing unilaterally to the destruction of up to 80 per cent of the US's nuclear arsenal over 10 years.

So where does this leave the Liberal Democrats?

New Radicalism submitted an amendment to the globalisation debate calling for a significant reduction in our nuclear arsenal in order to kick start international negotiations. The defence team moved hell and high water to prevent it being taken. Radicals tried to force a suspension of standing orders at conference to prevent the policy adopted in Moving Ahead being reversed without a debate.

Duncan Brack however bravely announced from the platform that the paper would not result in the policy being changed without a debate in the upcoming defence paper.

We must succeed this time. This time the defence team has no excuse to prevent the amendment being taken. Make no mistake about it. Those who do not want a progressive policy, want radicals to submit a pure unilateralist amendment.

They know (as we ourselves saw in 1998) that they will easily defeat such an amendment. However there is support right across the party from members of the Defence Working Party itself, the Federal Policy Committee and right into the Parliamentary Party for a new form of multilateralism.

A multilateralism that does not wait for others to take the first step but one that builds a momentum internationally to complete an international nuclear ban.

This approach is was really successful in the historic Southport strategy debate, by building a coalition across nearly 80 percent of the party. The amendment that achieves this is one that consists of safe, reasonable steps that allows moderate multilateralists and pragmatic unilateralists to unite and ensure that the minuscule reactionary tail of the party (who want to retain all of our bombs no matter what) stops wagging the moderate majority body of the party.

The defence motion currently says: "The Liberal Democrats would address security concerns both at home and abroad by retaining Britain's nuclear deterrent until real progress can be made for the multilateral elimination of nuclear weapons and other weapons of mass destruction."

Our amendment (which has already been endorsed by conference reps from every corner of Britain including members of the European Parliament and Welsh Assembly) if taken for debate, would add:

"However we recognise that if Britain expects Pakistan and India to take our concerns seriously [about] their newly acquired nuclear arsenals then we in the United Kingdom must also lead by example. Additionally we welcome the

US commitment to eliminate up to 80 percent of their nuclear arsenal within 10 years.

"Thus we call on the British government to help build momentum for a final multilateral Nuclear Disarmament Treaty by committing itself to an approximate 33.3 per cent cut in the number of our warheads to a maximum of 120 over the next five years and an approximate 66.6 per cent cut to a maximum of 60 warheads over 10 years."

This would still allow us even after 10 years, should there be no convention in the meantime, to have the appalling capacity to destroy instantly 15 cities almost anywhere on the planet and 60 within a matter of days. I cannot imagine a scenario where we would need a greater capacity for destruction. Our opponents must justify why they wish to continue to be able to destroy an appalling 180 cities.

Adding this final ingredient to the Defence Paper gives Charles and the party a policy paper that is new, liberal and effective.

Charles asks for courage. That requires the minority in the party of unilateralists to trust that they can work with pragmatic multilateralists to achieve a constructive consensus. We have done it before. Because of that radicals are now exerting more and more influence in the higher levels of the party.

We must stay united on this. Divided we will fall and this prize is too precious for us to fail. I cannot emphasise enough that our opponents are desperate to stop this amendment being debated. I cannot emphasise enough that they desperately want us to simply debate a pure unilateralist amendment. We must not fall into that trap.

The soul of our party desires to see a nuclear free and safe world. Only by being united can radicals deliver for the party on this. It takes co-operation with the centre of the party but that is something that we have made huge strides in achieving over the last five years.

POODLES NO MORE

The voting record shows that the Liberal Democrats are falling out of love with Labour, say Philip Cowley and Mark Stuart

Ever since the Liberal Democrats abandoned their policy of equidistance after the 1992 election, the standard Tory jibe - and a widespread Liberal Democrat concern - has been that the party has become a mere adjunct of Labour, ever willing to do the Government's bidding.

In his first conference speech as leader, Charles Kennedy felt it necessary to claim that the Liberal Democrats were "nobody's poodles, but we are not rottweilers either. We don't savage on command. That is the old politics".

The new politics were those of constructive opposition - although its critics questioned whether 'constructive opposition' contained all that much opposition.

Yet ironically, as the claims that the Liberal Democrats were becoming too close to Labour have grown louder, so their voting in parliament has become noticeably less supportive of the government. Whatever Conservatives may claim, or Liberal Democrats fear, the party is now noticeably less likely to back the government. There has been a distinct falling out of love.

There were a total of 1,279 votes in the House of Commons during the 1997 Parliament, covering all legislation as well as non-legislative votes such as opposition day motions. Of these 132 were subject to free votes (such as private members' legislation), where the parties issued no instructions to their MPs, and on 34 occasions the party abstained from voting. The table shows the behaviour of the Liberal Democrat MPs in the remaining 1,113 votes.

The Liberal Democrats were able to take a stance independent of the two other main parties in only 14 per cent of votes. (If we include the occasions on which they chose to abstain, the figure rises to 194 votes out of 1,147, or 17 per cent). For the most part, they had instead to decide whether to back the government or the official opposition. As the table shows, between 1997 and 2001 they were slightly more likely to back the devil than the deep blue sea. Half of all votes (50 per cent) saw the Liberal Democrats vote with Labour; just over a third (39 per cent) saw them vote with the Conservatives. Just under half of the votes (525, 47 per cent) saw the Liberal Democrats voting with Labour against the Conservatives, compared to around a third (36 per cent) showing the opposite.

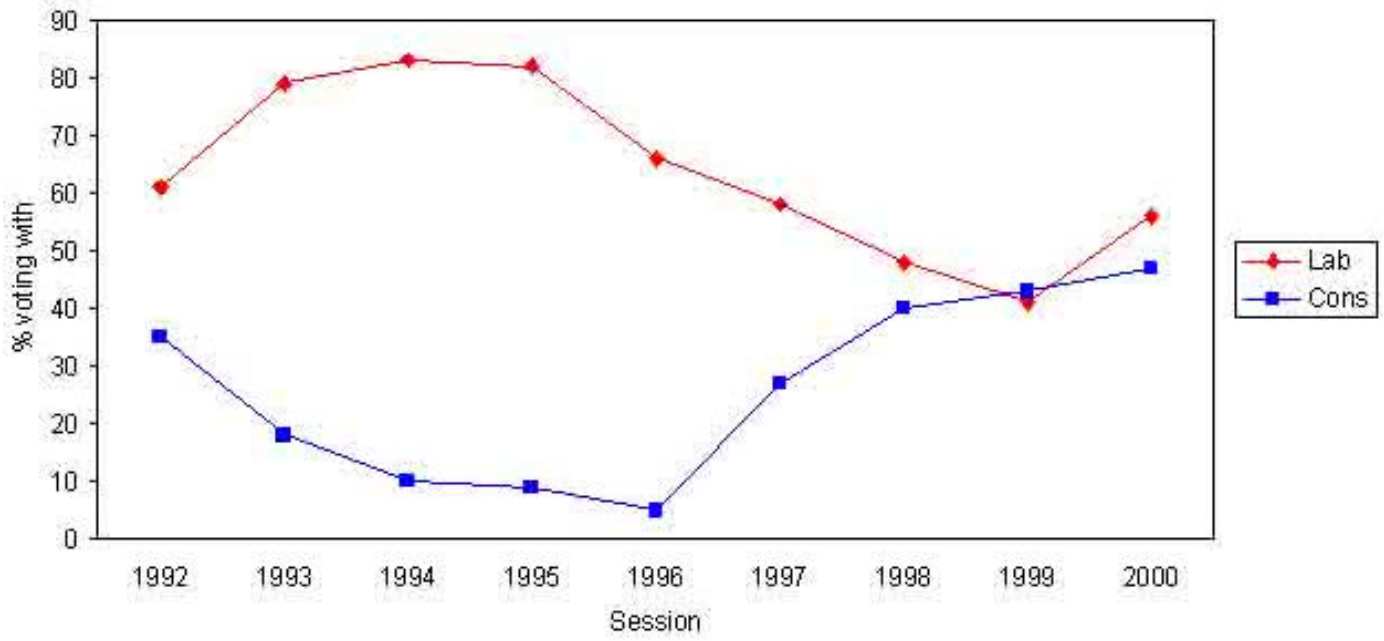
But as the Parliament went on so the Liberal Democrats became noticeably less supportive of Labour. In the first session, they voted with Labour in 58 per cent of votes. By the second session, the figure had fallen to less than half, 48 per cent. The third session saw it fall yet further to 40 per cent. On Mrs Thatcher's first visit to China she asked a Chinese man what he thought of Stalin, and was told that Stalin was 60 per cent right and 40 per cent wrong. On the basis of their voting in the first session, the Liberal Democrats appeared to take roughly the same view about Labour.

The second session saw a slightly more critical tone, one that could be characterised as 50 per cent right, 50 per cent wrong. But the third session saw a complete reversal of that witnessed in the first: Labour was 40 per cent right, 60 per cent wrong. The very short (and therefore potentially misleading) final session then saw a brief return to 56 per cent.

At the same time, the Liberal Democrats also became noticeably more willing to vote with the Conservatives. In the first session, they voted with them in 27 per cent of divisions; the second session saw that figure rise to 40 per cent; the third saw it rise again to 44 per cent; and it rose yet again in the fourth, reaching 47 per cent. These data clearly give the lie to the accusation that the Liberal Democrats were merely Labour's poodles: by the third session of the Parliament they more likely to vote with the Conservatives than with Labour, and for the whole Parliament - with the exception of the first session, when they were noticeably more likely to back the Government - the Liberal Democrats shared their favours roughly evenly between the two parties.

Moreover, Liberal Democrat support for Labour clearly waned. As the figure shows, for parts of the preceding (1992) Parliament, the party's voting had been practically indistinguishable from Labour. In the second session of the 1992 Parliament, for example, the party voted with Labour in almost 80 per cent of divisions. Figures for the third and fourth sessions were even higher (83 and 82 per cent). And voting with the Conservatives was then a rare thing indeed: in the 1995/96 session, the Liberal Democrats voted with the Tories in just five per cent of votes. It was perhaps just as well that the Liberal Democrats abandoned their policy of equidistance after the 1992 election, because there was then precious little that was equidistant about the way they were behaving.

On winning the Liberal Democrat leadership contest in August 1999, Charles Kennedy put more emphasis than Paddy Ashdown on the party's independence, saying he wanted it to be "confident enough to cooperate with the Government when we agree; independent enough to fight and win when we disagree". But the party's support for Labour was already declining before Kennedy replaced Ashdown as leader.



Liberal Democrat voting with Labour and Conservatives, 1992-2001, by session

	With Labout		Against Labour		Total	
	N	%	N	%	N	%
With Cons	32	3	396	36	428	39
Against Cons	525	47	160	14	685	62
Total	557	50	556	50	1113	100

Liberal Democrat voting on whipped votes, 1997-2001

The party's voting in the first session of the 1997 parliament was less pro-Labour than in the preceding parliament; its voting in the second session was less pro-Labour than the first; and its voting in the third was less pro-Labour than the second. The fourth session rather spoilt that neat trend, but the early signs from the 2001 Parliament appear to show the Liberal Democrats continuing their voyage away from consensus with the government. The early part of the 2001 parliament (from the election to Christmas 2001) saw them vote against Labour in almost three-quarters of votes. They were more than twice as likely to be voting with the Conservatives against Labour than vice versa. If the Liberal Democrats ever were Labour in disguise, they are no longer.

Philip Cowley is deputy director, and Mark Stuart a research fellow, in the Centre for Legislative Studies at the University of Hull. This article, the research for which was funded by the Leverhulme Trust, draws on Revolts and Rebellions: Parliamentary Voting Under Blair (Politico's, 2002).

FINDING THE CASH

Bill Powell suggests different some ways to finance infrastructure

Government finds it very difficult to finance the construction of public infrastructure. A classic case is the Jubilee Line (and its extension to Canary Wharf) that suffered years of stop-start delays, muddle and cost over-run.

Yet Don Riley shows in his book 'Taken For a Ride' that the effect of building the line has been to increase property values several times the cost of its construction.

The presence of the line improves economic activity in the vicinity, as does any investment that improves the exchange of goods, skills, or best practice. There is a continuous improvement in prosperity of the neighbourhood so long as the new tube line serves its community.

The problem for government is to recognise this and to capture enough of this benefit to build and maintain the line.

The usual solution is for government to raise the money from the public by selling bonds on which it pays interest. The money raised from the sale of the bond comes from that which is already in circulation. The economic benefit of the line should increase the tax revenues that flow into the Treasury sufficiently to cover the interest and repayments due on the bond.

The benefit of the line to the people of Southwark should be much greater than to those in Sunderland. Southwark, not Sunderland, will become a more desirable place to live or work. As Riley shows, it is property owners in Southwark who see their properties rise in value, and it is in Southwark that VAT, income and company taxes generate more income for the Treasury.

This classic solution achieves a much closer match of tax and benefit where the bonds and taxes are raised and serviced locally rather than nationally. This may explain why public transport is so much better funded on the continent where powers of taxation are much less centralised. The costs and benefits are more closely matched in locality.

Funding by site values is a method of meeting the cost from the rise in the site values. Taxation by site value rating raises revenue in line with the economic activity possible on a site.

It would be an even better way of matching the tax to the locality of benefit than regional taxation. It would also be a perpetual income so long as the line served the locality. SVR is therefore an excellent way of funding the building of public infrastructure.

In Britain we do not have SVR, but a project in Edinburgh suggests another way to extract the cost of a public project from site values. Riley's book also refers to this.

A consortium of specialists with rail, property and local government expertise has bought options on many sites around an old Edinburgh goods rail route. They will upgrade it to a modern commuter route. This is confidently expected to raise the value of the sites on which the consortium owns options. When these sites are sold they expect sufficient profit to pay off the loan that was needed to upgrade the line. One of these sites is a prime site for a Tesco supermarket.

The private finance initiative grew out of a Thatcherite view of economics. It is still loved by Whitehall, probably because it enables government to disown responsibility when things go wrong.

It was simplistically argued that public investment shows little tangible profit, but private investment does lead to profit in the books of companies. Therefore, according to this argument, private investment enriches the country but public investment does not.

It follows that the country should grow profitable more quickly if its resources are made available to private companies instead of absorbed in government projects. Strict controls were brought in on government borrowing (PSBR). Local government investment virtually ceased from that point and central government has been so seriously curtailed itself that PFI had to be invented.

PFI circumvents these self-inflicted rules by placing a long-term contract with a private company that raises the money by taking on bank loans or issuing a company bond.

The interest is paid over a long term for some 'service' provided by the private partner. Clearly the service has to be priced at a level that will also cover the interest and repayment costs of the loan, but the Treasury no longer counts the loan against PSBR. The interest payments will also be higher than on a government issued bond. This is because it is more risky to lend to a private company than to government. A company may go bankrupt, but government income from taxes is absolutely certain.

The lovers of PFI argue that private companies are both more efficient and better at quantifying and controlling risk than public bureaucracies of government. They therefore accept the additional costs of the loan as the price of transferring the risk off their desk to a private company who they can blame when things go wrong.

The nature of the 'service' is usually shrouded in secrecy. It is generally the outcome of protracted negotiations whose outcome differs for every PFI contract.

The evidence for greater private sector efficiency is now also being questioned. It is now clear that a private company such as Railtrack can go bankrupt leaving government to carry the risk after all.

The link between land and PFI is rarely mentioned. But land is frequently handed over to the private company as part of the deal. It is often in a prime location that is likely to rise in value as a consequence of the new infrastructure. Land may therefore be a hidden element in the attraction of PFI to private companies.

The public sector is often very bad at making use of its land resources. British Rail had vast tracts of underused land in city areas and land played a key role in persuading British Aerospace to take over BMC (Rover). Royal Ordnance depots (in prime sites) were included as a sweetener in the deal.

Yet the huge increase in land values around the Jubilee Line shows that public investment can be immensely profitable. The Thatcherites were blind to this part of the equation. PFI enthusiasts also fail to realise that the 'services' bought from the private company have to be paid for out of taxation. PFI now has little to defend itself except its unproven claims for better risk management and efficiency.

Monetary reformists say, 'just print the money.' That sounds daft, but great minds such as Lincoln, Ricardo and Keynes have made similar claims. Bonds and interest they say are unnecessary.

The value of money is determined by the level of economic activity divided by the amount of money in circulation. If government simply writes cheques to pay for the project there will be more money and it will therefore fall in value. But this inflation need not persist because, when complete, the new infrastructure increases economic activity, which raises the value of the money in circulation. We know from site valuations that the Jubilee Line more than paid for itself.

This method of payment is extremely simple. There is no need to issue bonds or pay interest. Government just writes cheques to meet the cost. The reformists point out that by the time both interest and capital have been repaid on a bond there is more money in circulation and warn that the conventional method of funding by bonds tends to be more inflationary than their proposal.

I am not convinced that every project would be inflation free. The Humber Bridge has not brought the new economic activity to the south bank of the Humber that was expected. A failed project would result in inflation because there would be too little increase in economic activity to offset the new money printed.

A project such as the construction of a geriatric hospital would create little new economic activity because geriatrics are not 'economically active'. Inflation would be an even more certain result. Economics can be a dismal science!

The reformists would still print the money to pay for such projects, but would then gradually withdraw it from circulation again through increased taxation to correct the inflationary effect.

Money reformers also point out that commercial 'fractional reserve' banks simply 'create money out of nothing'. Their reserves are now only 5 per cent or so of the money they encourage into circulation via cheques and credit cards. The rest is credit created by the banks and on which they charge interest.

Their reserves need not be increased when a loan carries no risk. Government will repay it, with interest, from taxpayers. They are therefore very willing to offer public loans (e.g. to PFI schemes). The new economic activity created by successful infrastructure will go via taxation to pay interest to the banks.

The situation is even worse if the bank is foreign owned. The repayments and interest are removed from their location of benefit to a foreign land. The bank is in effect an absentee landlord. This is the situation of third world countries which have borrowed from the rich.

A site has a rental value that expresses the economic return that can be earned at that location. Its capital value is equal to the sum that would have to be invested at interest to bring in the expected future returns.

The sale values of sites therefore depend on the prevailing interest rate. Company, individual and even country fortunes depend on the stability of capital values. It is these that central bankers such as Messrs Greenspan and George attempt to stabilise by manipulating interest rates. They attempt to counter changes in business confidence due to speculations such as the internet bubble.

Their efforts are complicated by the banks which can now move currencies from place to place in an instant. Exchange rates, interest rates, the level of taxation and confidence all have to be taken into account.

It is a pity that capitalised values now play such a dominant role. It is the annual earnings and rental values that are far more stable and a much better indicator of true economic health.

Taken for a Ride, by Don Riley, Centre for Land Policy Studies, 7 Kings Road, Middx, TW11 0QB.

"What is Land Value Taxation? www.landvaluetax.org

"Why only in Fantopia" by James Gibb Stuart, Ossian Publishers, 268 Bath Street, Glasgow, G2 4JR.

SACRED COWS TO SLAUGHTER

Kiron Reid asks questions and doesn't give answers

The Liberal Democrats have been carrying out a review of their philosophy to ensure that the practical application is relevant to the 21st Century, and that Party policies are consistent with the beliefs of the party. That philosophy is Liberalism. A reading of the key text - the preamble to the federal constitution - very clearly shows that the Liberal Democrats are founded as a Liberal party.

A review of philosophy such as this will benefit from the widest possible input from Liberals and friends both inside and outside of the Liberal Democrats. The purpose of this article is to highlight some of the problems, contradictions and paradoxes facing modern Liberalism in Britain and to inspire Liberator readers to write articles suggesting answers and reconciliation.

The first problem for Liberal philosophy today must be the environment. How do you genuinely fit environmentalism into a philosophy that is people based? How does a people-based party counter the arguments of Green fundamentalists - those authoritarians who believe they can tell everyone else how to live their lives, the kind in the past who may have been socialists or Trotskyites or Fascist fellow travellers. How do we achieve sustainable policies without telling everyone what to do?

Liberalism seeks to give people the freedom to live their lives, and that includes safeguarding the planet so that future generations have this freedom as well. As campaigning and practical parties can we convince people of this? Is this interpretation of Liberalism convincing?

Globalisation versus fair trade present a classic dilemma. Liberalism supports breaking down barriers and as a philosophy is not in principle opposed to the free market. The market after all is based on free choice. But we live in an imperfect world, there is massive market inequality and freedom often appears to be freedom for those with money.

Can we establish transnational trading and economic policies that safeguard the position of people in the developing world? Is it justifiable to have environmental opt outs for eastern European EU candidate countries when they would be unable to meet higher standards at present? Is it fair of western activists to trash GM crops when big agri-business tells us these will feed the Third World?

Is it for us to make that moral choice? Can Government intervene to insist on less packaging and on more recycling when consumers insist on mainly buying un-environmentally friendly goods? The latter seems easy. Government is entitled to use the market to encourage sustainable policies by influencing demand and production. Government must take a lead.

Liberals instinctively oppose nationalism but support self-determination. Is it fair of Liberals who have their own countries to decry the aspirations of others to break away from artificially created states? What do we do if support for self-determination is lead by nationalist zeal?

Can we argue that devolution and safeguarding of rights within a state should be allowed, but not for minorities to have their own states? What gives us that right? A respect for equal rights must be the key. It is understandable how nationalism arises but we must at every stage promote the core values of tolerance, pluralism, equal rights and mutual respect.

Devolution has long been dear to Liberal hearts, although the Eurocrat who invented that ugly term 'subsidiarity' might have done specifically to put people off the concept.

Who decides whether power should be devolved or not? Parliament at Westminster is the sovereign (part) democratic body representing the whole country. Parliament in a representative democracy should be able to set the parameters on which power is devolved. The resistance by some at Westminster to tax raising powers for Scotland was rather churlish. Politicians should remember that their power comes from people and be willing to give that power 'back' to people.

Devolution should not be forced on people who do not want it.

There are cross and non-party movements for regional assemblies in every English region. Liberal Democrats are prominent in each area and some have campaigned for devolution to the regions for many years. But what is the point of forcing English devolution on people when nobody wants it?

There is no great popular campaign in any English region for a regional Parliament. This is the hobby horse of a handful of people. Democratic accountability is important. There is a whole swathe or regional administration of public services, quangos and Government departments. These should be accountable, and at present are not, to those they are supposed to serve.

Regional assemblies should not just be a source of jobs for the business and local government boys and a few civil servants. That is what the talking shops at present are. Well paid jobs funded by taxpayers who don't care about the work that is supposedly being done in their names.

In 2002 it is a truism that international cooperation is needed to protect the environment, tackle organised crime and terrorism, and prevent conflict between and I would say within countries. Democratic oversight is needed - and oversight by a handful of ministers cannot be sufficient.

The most effective model is the European Union where there is a formal democratic accountability system - the European Parliament. However it has taken years for national governments to accept that real power and influence is needed by the European Parliament.

Most people in Britain show no interest in the running of their local government and a sizeable minority little interest in their national government. Liberals want participation but what if people don't want to participate? How do we deal with apathy? Do we have to deal with it, is it actually a problem if people choose not to be involved. If they so choose who should or can take the decisions?

Some apathy may be a sign of contentment. Some may show people don't care and they can't complain if they won't make any effort themselves to get involved.

The Liberal activist solution remains the best one. To encourage people to get involved by showing that politics does actually affect them and their families and their friends.

Finally there are four political sacred cows that we need to cull.

The first is anti-social behaviour. Any councillor local elected representative will be able to confirm that what is now covered by the generic terms 'anti-social behaviour' and 'youth disorder' dominate complaints.

To some extent there is an increase in intolerance by older people. There is also a huge volume of complaints about objectively quite minor matters. It is true that some persistent behaviour genuinely makes many people's lives a complete misery and does lead to genuine concern.

Most youth disorder appears to be caused by a failure of any kind of parental control. Parents - how do we control them? What can the authorities do if parents fail to exercise control? How do Liberals deal with anti-social behaviour? Should they follow Liverpool and use more anti-social behaviour orders? Are draconian measures justifiable to deal with pervasive environmental problems? Crushing cars with no tax disc prevents criminals using them and prevents burnt out cars littering our streets. Is this an acceptable interference with the right to property?

The second is funding public services. Social services bills spiral out of control. Why should people who haven't saved get subsidised by the state? Those who work and save all their lives get penalised. Those who haven't get handouts. Why should councils and the government pick up the bill for broken homes, for families not looking after their elderly residents? Why should council sheltered accommodation be expected to do the job of families who can't be bothered? How do we ensure that council staff can help people and encourage everyone to play their part in rebuilding a more cohesive society.

The third is to ask if nationalisation is dead? The public is are crying out for renationalisation of the railways. Why not slay the sacred cow of the 1980s that privatisation is always good? People lost out in investing in Railtrack. Tough - the market goes up as well as down. That is a problem with the market.

Lastly, human rights. The political rhetoric has gone too far. Have the left and Liberals scored an own goal with their adherence to language over substance. Rights are not inalienable - we use that language because on principle we believe that certain rights should be inalienable. Support for rights is always only a political preference.

Has human rights culture gone mad? Companies now benefit from human rights. Big business can have its rights infringed. Criminals benefit from human rights - yes every individual should retain basic rights but has the human rights industry gone too far when criminals walk free with convictions overturned or rights bureaucracy is preventing convictions?

The lawyers always benefit from this new business area. Liberals must continue to support rights and to support balance and fairness. Safeguards are needed to protect the integrity of the systems and to ensure public confidence. Those systems operating fairly must ensure that the guilty are punished but not at the expense of innocent people being fingered. Sometimes to uphold the integrity of the system it is necessary that the guilty go free. But we should not be afraid of punishment as well.

The purpose of rights, the purpose of all these policies is to ensure that people can live together in society. Our job as Liberals is to safeguard and enable people being able to pursue their own goals, to live their lives in the way that they want to, to realise their potential, without preventing others from doing the same.

Can it be said that the policies of the Liberal Democrats and the Liberal Party at present are achieving this aim in the new decade? Can we convince people that an old philosophy is relevant to them.

LETTERS

I'M A LEFTIE

Dear Liberator,

Honesty is not always easy. There is only one thing that should matter in the current debate on public and private sector involvement in public service.

It's not what wins votes and it's not an ideological argument. It's what works best for somebody waiting for cancer treatment, a train or a low cost house.

I am determined that out of the current debate our party is having on public services we come up with new ideas that work.

I've been criticised for mentioning the private sector and for saying that the penny on tax may not be the right solution. Some in the Party wish to portray me as a right-winger, obsessed with winning Tory votes.

Let me make it quite clear - firstly I am on the left of British politics (although I think these terms are dying out) - and secondly it would be a disaster if our party changed policy just to attract former Conservatives.

We don't need to do that - and if they will only join if we became the Tory Party Mk.2 then we don't want them anyway.

I am a liberal - and I thought liberals were allowed to have new ideas, be radical and question the status quo. That's what I want to do.

Why should we assume that our public services are best run by the NHS and local government? Why can't we use more non-profit making organisations? We could empower local committees to run services, co-operative bodies, more housing associations and, yes, why can't we contract out to the private sector?

There are plenty of models to explore and I hope the Huhne commission covers them all. But where does that leave tax?

Well, I agree that whatever model we adopt to provide services - and it may be a mixture - we will need more money. I would be surprised if we did not go into the next election with a commitment to raise more money for "public services".

But I do question if the penny on education is the only route. Perhaps it's time to change our priority to health. Perhaps we could look at abolishing National Insurance and replacing it with a health tax as Steve Webb has been arguing.

In this debate it is often argued that mainland Europe health systems are better than ours. Two points occur.

Firstly, in nearly all these countries people make a greater tax contribution than we do. Secondly, many systems involve the private sector and insurance based schemes.

As Liberal Democrats we are often comfortable arguing for the European tax level - but we ignore the lessons on delivery because they are less comfortable for us.

All I argue is to let us have that debate without a knee jerk reaction for or against any option. As the party that claims to be honest on public services and to tell it as it is, surely that's the right thing to do?

Mark Oaten MP
Winchester

LETTER FROM IRAN

Dear Collective,

News of the latest edition of your esteemed organ reached me in Zahedan, southern Iran. Of course I am upset at being the recipient of your caustic observations (perhaps

We welcome letters by post, or by email to collective@liberator.org.uk

for the first time) but I am pretty damn angry that none of you read the article in the Guardian in full and noted that I said Iran is a land of contradictions, viz homosexuality is a capital offence but men hold hands openly in the streets (contradiction number 1) and also transgendered people can get married and have new identity cards (contradiction number 2)(Liberator 279).

If anyone in the collective really thinks I have changed so much in a few months that I would support the illegality of homosexuality then either you or I have totally lost touch with reality.

I won't waste your time or mine explaining why I thought Jeremy Browne was the best choice for Taunton, but perhaps if the all women shortlist motion had gone through there would have been a better shortlist of women to choose from.

Yours not very faithfully from an internet cafe in Zahedan, where I am seeing much more real life than ever I did in Westminster.

Jackie Ballard
Iran

TOO PICKY

Dear Liberator,

Aren't we being a bit picky about the remit and membership of the new working group on European policy (Liberator 279)?

The last radical policy statement of the party on EU reform was *Citizens' Europe,* published in 1991 and produced by a working group under my chairmanship.

Since then it seems that my old friend Roger Liddle has been largely responsible for writing party policy. Following last year's general election, the parliamentary party in the Commons has evinced such interest in the future of Europe that they have been unable to find a spokesman on either EU or constitutional affairs.

At least the new working group, under the wise chairmanship of Bob Maclennan, has a chance to bring the party up to speed about the scope and pace of European integration.

It might help Liberal Democrat MPs to hold the government to account for its behaviour in the Constitutional Convention and for the party as a whole to contribute more to the work of the European Liberal, Democrat and Reform Party (ELDR).

Incidentally, in case you're wondering, as ELDR representative on the Convention I have not thought it right to seek a place on the new working group.

Andrew Duff MEP

EAGLE EYED

Dear Liberator,

Congratulations on the continuing quality of your organ. Keep it up. The frisson of excitement I feel when it pops through my letter box is almost as great as when my weekly copy of The Eagle arrived in my youth.

Paul Long
Finchley

SERVICE SECTOR

Dear Liberator,

Jeremy Hargreaves appears to misunderstand the definition of socialism in his article (Liberator 278). Socialism is concerned with public ownership of the commanding heights of the economy.

The idea that certain services and public utilities as well should be provided by the state predates the Labour Party and was advocated by radical in the Liberal Party in the second half of the nineteenth century. They saw public ownership as a means of ensuring democratic accountability.

Far from seeing nationalisation as a universal panacea, the 1945 Labour government initially restricted its nationalisation to industries that were failing, such as the railways and mines, and utilities that were largely under municipal ownership.

It was only when it attempted to nationalise profitable industries such as steel and sugar that it moved into areas that had not traditionally been regarded as ones where the state had an interest.

There should be a clear distinction between commercial operations and public services; there should also be one between services that perform technical functions and those that are personal services.

Classroom cleaning is a technical service little different to window cleaning, which has usually been provided by small businesses. Teaching is a personal service.

The exact employment status of public servants may not of itself be of interest to the user, but the effects of engaging an employer whose policies create a demoralised workforce is going to affect the quality of service provided.

It may have seemed a clever move to break up the national bargaining framework on the railways in the hopes of reducing wage costs and to downsize driver numbers, but we are now paying the cost of this short term approach.

Ho Hum! No chance of contagion.

HOLD VERY TIGHT PLEASE

Dear Liberator,

Janice Turner's article (Liberator 279) about the incompatibility of bus travel and motherhood evoked almost Proustian memories of my own early childhood.

In about 1960, my car-less mother had to cope with me, plus an old-fashioned heavy push chair, in an era when all buses had a rear open platform with a high step, unlike today's high-tech low-floor vehicles.

However, in those days, all buses came equipped with a device that made getting on or off much easier for mothers and pensioners.

It was called a 'bus conductor', an ingenious contraption which could carry out a multitude of tasks while keeping up a steady stream of friendly banter.

Of course, it was also labour intensive and probably belonged to the working classes, so I imagine no-one wants them back.

Simon Titley
Brussels

There is no mention in the article of the multinational corporations seeking to get a foothold in both health and education. This should be a matter of concern to a party that supports democratic accountability, or are we merely seeking to support a new breed of salaried councillors, who are content to draw their salaries while passing the responsibility on to private companies, which are primarily accountable to their shareholders?

We have already seen an example in the private railway companies, which are as representative of the interests of passengers as Frank and Jesse James were in nineteenth century America.

Andrew Hudson
Leyton

UNCRAMMED TRAM

Dear Liberator,

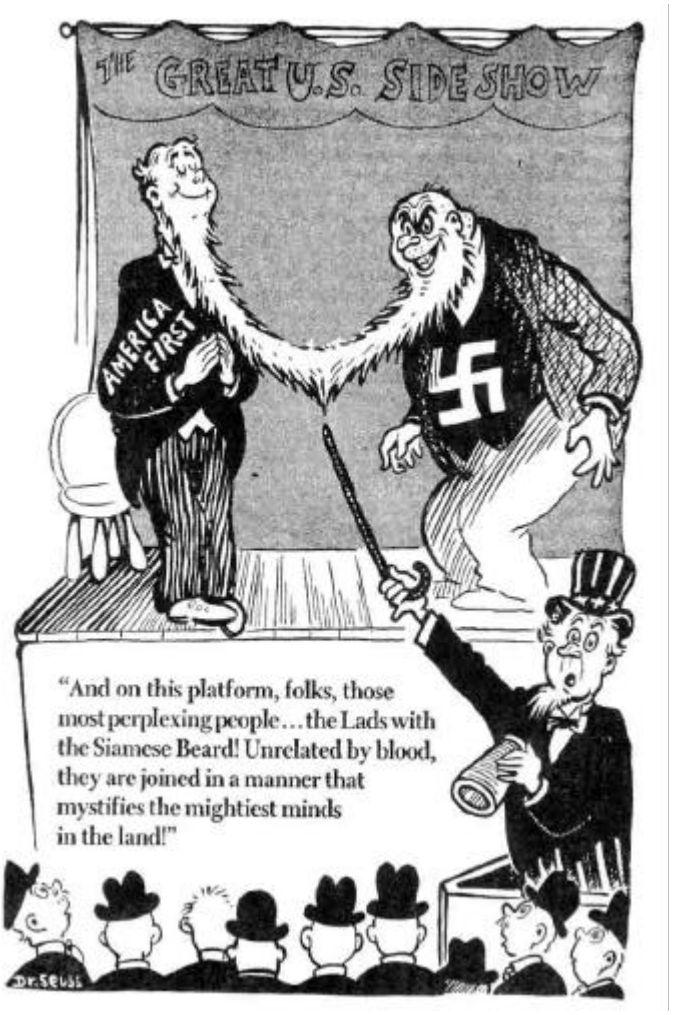
Janice Turner (Liberator 279) rightly identifies access difficulties on London's buses and trains for pushchair (or wheelchair) users.

However, if she tried London's trams, she would find them all completely pushchair-accessible, with dedicated safe areas for several pushchairs and wheelchairs within each vehicle.

Unfortunately, they currently only run between on the Croydon Tramlink routes, but London Transport plans to expand the network as passenger numbers have broken all targets.

The trams concerned are designed to current continental norms and are virtually identical to those that run in Cologne or Vienna. So, not a British solution to the problem of urban public transport for the mobility-impaired (sorry, Lord Bonkers), but a very effective one nonetheless.

David Orchard
Guildford



REVIEWS

Political Libels, a Comparative Study by Ian Loveland Hart 2000 £25.00

The dust jacket tells us '*political libel is as old as politics itself*'. In his preface, Loveland tells us that '*English law has in the main been too jealous of defending the reputations of politicians and insufficiently alert to the legitimate interest of the electorate in consuming political information about those who govern us*'.

Loveland takes us through the caselaw of the English speaking world, showing its developments, and ends up defending the common law approach against politicians' self-interests, which may favour American-style reforms. This is a legal text, not light reading.

Having been involved in paying for several libel cases, my general advice is don't get into them in the first place - the worst incident involved a Focus which attributed some ill to 'the leader of the Labour group'. The Labour group had elected a new leader before the Focus went out - £1,000 out of court.

Stewart Rayment

The Unfinished Twentieth Century by Jonathan Schell Verso 2001 £12.00

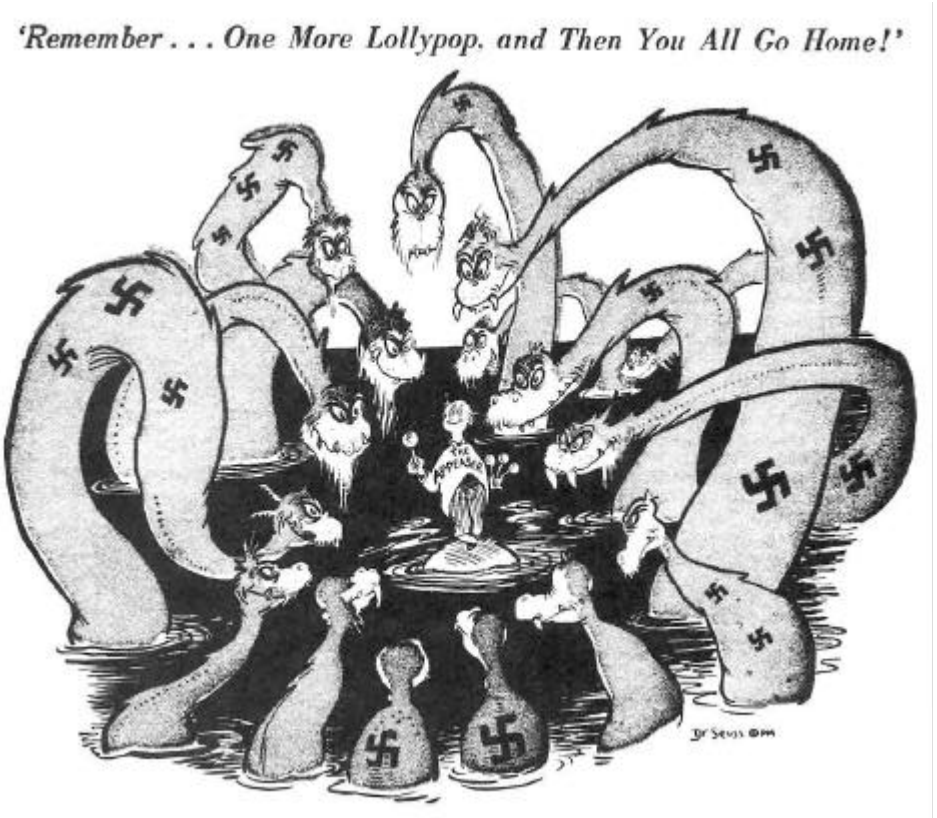
This is not a good book. 'Jonathan Schell, who he?' you ask. He is an American professor, I presume, big in their anti-nuclear lobby; possibly a 'liberal' in their terminology, though probably neither in his, nor ours. Much of his earlier writing relates to US bombing during the Vietnam war.

The paradox is that Schell has produced a book calling for nuclear disarmament, but doesn't seem too convinced of the case or his arguments. I can see nuclear hawks quoting chunks of this one back at him ad infinitum.

The first essay, titled as the book, starts from Conrad's *Heart of Darkness* in showing a basic inhumanity in western liberal civilisation, which leads it into two world wars and ultimately the bomb. Liberalism suffers from this loose and commonplace use of the word, when in fact, many Liberals were at the forefront of checking and exposing the evils of colonialism. Lenin's (selectively applied) critique of imperialism draws from that of J.A.Hobson. Equally there was a Liberal Imperial mission, advocated at the time, by the likes of Grey and Haldane, for example, but the central energy for colonial expansion often came from conservative and other non-Liberal sources - some of the early socialists - the Fabians, not least. If 'western liberal civilisation' or 'western democracy' are causes worth defending, then it helps to get the semantics right from the outset.

Schell then rambles through Hannah Arendt. The parallel of Communism and Fascism within totalitarianism is quite correct, one only has to look at how closely the Labour Party works with the BNP when it suits them to see the on-going parallels. But what end is served in arguing the case of Arendt's 'radical evil'? Of course evil can be radical, and radicalisms evil, what better examples could one seek for the latter than socialism and fascism?

It is from this digression that one first gets doubts about Schell's arguments and he fuels the case of those he is opposing. Given that the Nazis were attempting to develop a nuclear weapon and given that they had a delivery system, at least as far as London was concerned, the Manhattan Project was a necessary evil. The last V2 to land in Britain (in Orpington) was at 4.37pm on 27th March 1945, about a month before the end of hostilities in the



west. The use of atomic weapons against Japan brought the war to a close, probably at the very least a year before conventional methods might have done so. Russia did not declare war on Japan until the very end, and was by then, a somewhat suspect ally.

The imperial ambitions of Russia and China, backed by their own nuclear programmes, provided America with arguments for retention of the bomb, though not for the development of the British or French bombs. Schell misses the point, incidentally, that an 'independent' British nuclear deterrant strengthened the position of American hawks in that it gave an element of uncertainty of first strike to the other side, and therefore scope for time through hesitation.

Although Mr Blair has failed to embrace this, I see no continued justification for the British bomb, which clearly is not independent of the Americans. Along with Colonel Mike Wright, who might have been Minister of Defence in a Liberal government by now had our leaders not been seduced by the short-cut of the Alliance, I conclude that the British nuclear deterrant should be negotiated away in our first year of government, but if those negotiations prove hollow, after a year we should destroy them anyway. We have sold out on Hong Kong; I think there is reasonable evidence that the Russians would go along with that and destroy a reciprocal number of weapons.

To return to Schell, having established totalitarianism and 'radical evil' (or as the Trots will tell us, the mantle of revolution has passed to militant radical Islam), the hawks have an argument for their bomb. They can point to its success in bringing the Cold War to an end. I'm not so sure about that, and still recognise that there is a long way to go in the dismantling of Russian imperialism, Chechenya not least, whilst Chinese imperialism not only remains intact, but rattles its sabre all around the South China seas.

As I write, it appears that India and Pakistan, both nuclear proliferators, have stepped back from the brink of a hot war. It is notably however that in the wake of September 11th the US attacked the proxy, Afghanistan, rather than the controlling interest - Pakistan. I don't think they did very well, and the way they're going the sooner we disassociate the better. It is clear that the first thing western governments need is better intelligence, but above all, a better understanding of places like Somalia, Iraq, Iran, etc. and of why radical Islamic fundementalism is a predictable response to the many short-comings of our dealing with the societies in which it festers, and how we might redress such issues. First and foremost the question of Israel - Palestine needs to be resolved. Secondly a rapproachment with Iran, where there is a government that the west ought to be able to deal with (potentially to the disadvantage of theocracy).

Somalia? Lets try and do something right there after a century and a half of screwing them up.

I have some other criticisms of the book. There is a lack of references. I'm sure Churchill is quoted out of context, but deadlines and life are too short to check this thoroughly. Interestingly enough, a librarian at the Imperial War Museum, who helped me with some of the detail of this review gave me perhaps the best argument for a nuclear weapons programme and space programme that I've ever heard - essentially that they are white elephants that will (probably) not be used (because they can be identified), whereas had governments put a similar amount of investment into chemical and biological weapons, we'd probably all be dead by now.

Personally, I'd rather be rid of all of them.

Stewart Rayment

An Unexpected Light
Jason Elliot
Picador 1999 £7.99

Until 11 September last year it would have been inconceivable that a bookshop would take posters on the London Underground to promote a selection of books on Afghanistan. Over the last few weeks one has, and this one of the featured works.

Elliot's book first appeared in 1999, as far as I know to no great fanfare, and has been reissued since

Afghanistan became the centre of the American onslaught against Al-Qaida.

Elliot first visited the country as an adventurous 19-year-old in the early stages on the Soviet occupation. He was smuggled in and spent some time with a Mojahideen unit, though saw little action. This visit is recounted briefly, but the bulk of the book concerns his return in the final months of the previous Northern Alliance government, before its fall in 1996.

He sets out a chronology of Afghanistan's troubles that I had not previously grasped. The aged king Zahir Shah, who briefly re-emerged as a possible compromise leader last autumn, was ousted in 1973 by a relation, Prince Daoud, who embarked on some modest reforms.

He was overthrown in 1978 by indigenous communists drawn from an urban elite, which within months had antagonised the deeply traditional countryside and was reduced to ruling by terror. It was when this regime was on the brink of collapse that the Soviet Union invaded to prop it up.

Thus Afghanistan has been consumed by wars of various sorts ever since Daoud's time, and Elliot travels through a country with little food, hardly any infrastructure, masses of guns, and tradition of hospitality to outsiders undimmed by these privations.

For most of the book, Elliot is in a Kabul that is under assault from the Taliban and routinely struck by rockets. His most substantial journey takes him in winter by cramped jeep, truck, horse and foot through the impregnable and frozen Panjshir Valley to the north of the country in Mazar-i-Sharif, across one of the many front lines.

The valley was never conquered by the Russians or the Taliban and it was from this fortress that the Northern Alliance reappeared last year.

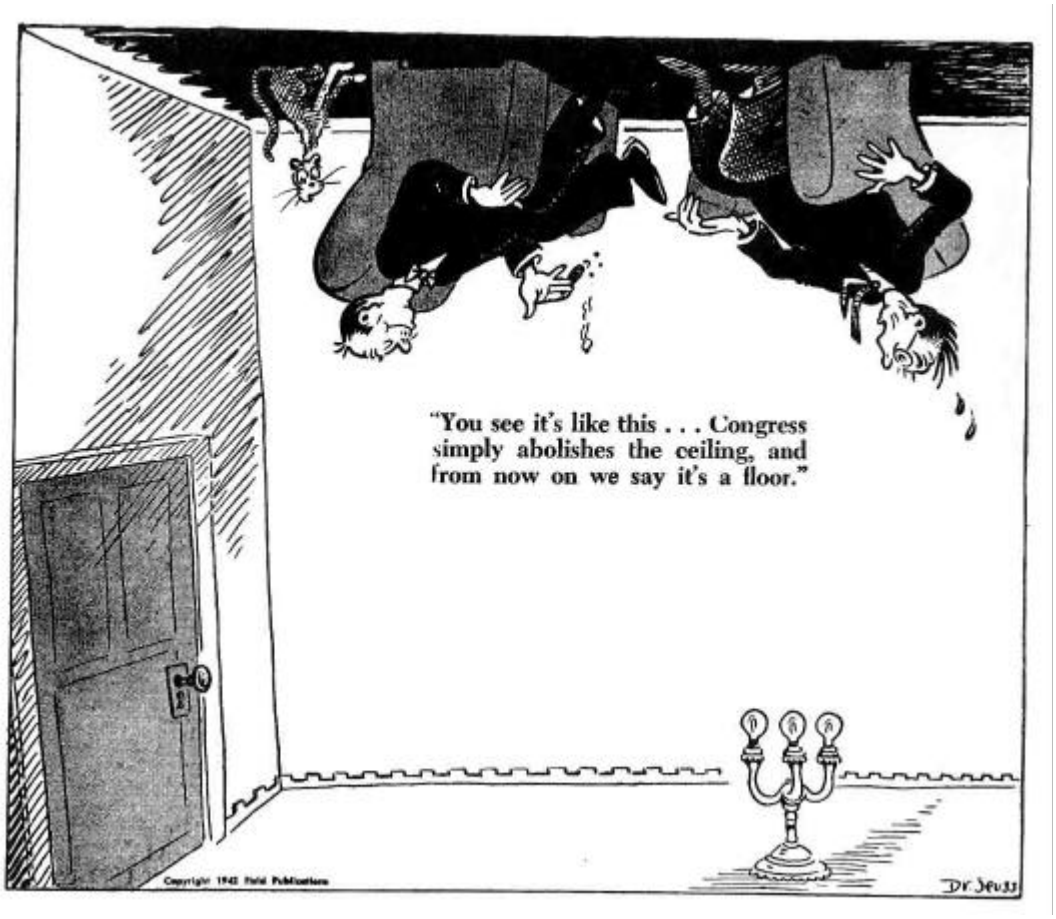
Elliot also ventures to Taliban-held Herat. Even in these early days the harsh version of Islam that was to be imposed on the whole country was evident here, in contrast to the more relaxed ways of Kabul.

Time and again, local people tell Elliot that they feel abandoned by America, which helped them to expel the brutal Russian occupation, and then left Afghanistan to its own devices while making no effort to rebuild it.

The country fell to feuding warlords, and the Taliban were initially welcomed for restoring order. It looks as if, the Taliban gone, America is about to repeat this short-sighted stupidity.

Above all what emerges beyond the politics and military campaigns from this book is a portrait of an impoverished but dignified traditional society that asked only to be left alone.

Mark Smulian



Kemp: Passage At Arms by Daniel Hall Orion 1998 £5.99

Whatever happened to Martin Kemp? In fact whatever happened to Daniel Hall? A few years ago I reviewed the first Kemp book by young Liberal Democrat activist, Daniel Hall. Historical fiction with swashbuckling style the first book was *Kemp: The Road to Crecy* a chronicle of the Hundred Years' War, telling the story of Edward III's march across northern France. I wondered what had happened since so checked him out.

Hall seems to have had reasonable success as a new writer. Two books by a major publishers, both in hardback and paperback. But no more since 1998. The hero Martin Kemp, is still a cocky and fairly unsympathetic villain turned archer. Hall uses his history research in setting the scene. This time it is the story of how the English come to take Calais and a desperate French attempt to win it back. All to the backdrop of the Black Death and affairs at court. I'm sure there are anachronisms in the text but I only spotted a few. *Passage at Arms* is more action story than historical novel - fiction not the fact-based tales of John Julius Norwich. Having said that there is a lot of good historical detail here, and while a lot of the escapades are far fetched there are some nice twists, including at the end as our hero again doesn't quite come up trumps. Timing and luck are very important. Daniel Hall clearly hit on a good idea for a series as the acclaimed writer Bernard Cornwell shortly afterwards turned his attention to the very same scene (*Harlequin* published 2000 by HarperCollins). It is bad luck that Cornwell will always get the attention that it is difficult for a Daniel Hall to get. It shows a flair in the younger writer for a good topic though and hopefully we will still hear of Martin Kemp again. For a bloody escapist historical read I recommend book two.

Kiron Reid

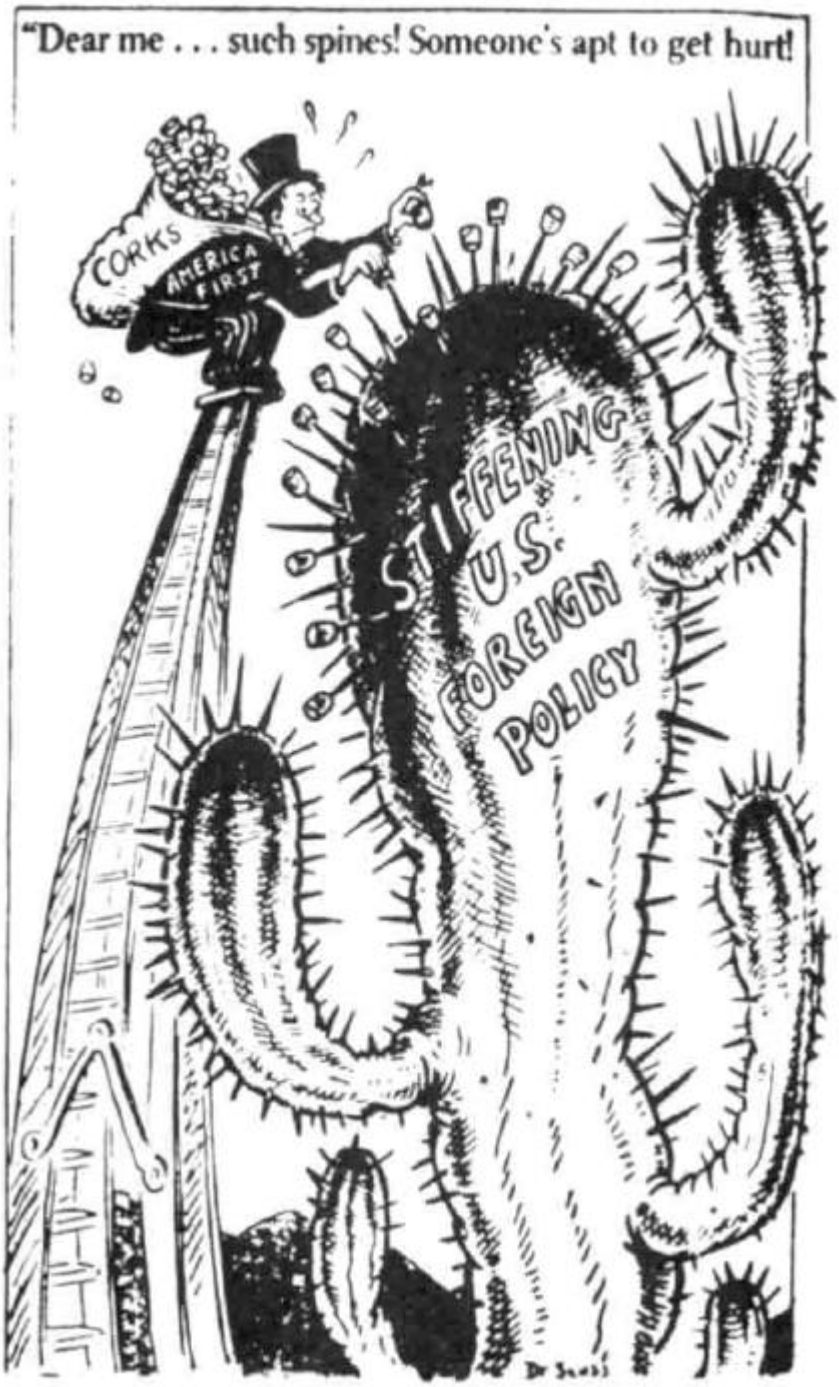
Dr Seuss Goes To War, the World War II editorial cartoons of Theodor Seuss Geisel by Richard H.Minear The New Press 2001 £17.00

Without knowing anything of him, I've always sensed that Dr.Seuss was on the right side. The essential anarchy of *The Cat in The Hat* not least, I have had remarkable successes with his books in encouraging children to read, and since Labour abolished, for ideological reasons, the Reading Recovery Programme the Liberal Democrats had installed in Tower Hamlets when Ashdown helped them regain control, that alas, is most of my successes.

A friend of mine teaches in a not terribly well-appointed east London school. Her class of 26 ten year olds had 15 children, irrespective of ethnic origin, who could not read at all, nor did the rest show much interest in learning. She was slagged off by HM Inspector for not teaching this class some finer point of literacy in a lesson, when she was still struggling against the odds to teach them the basics. Does HM Inspectorate require rote-learning, irrespective of whether at least the majority of the class has understood? Clearly.

She had to teach a reading class on 'Argument'. I suggested (ten year olds notwithstanding) *I do not like green eggs and ham*, and lent her my copy. It was an astounding success; the class has taken its first steps towards literacy.

I digress, but it rewarding to learn from this book that Dr Seuss (pronounced from the German to rhyme with 'Royce' we're told) has been on-board all along. Geisel, or Seuss, as he chose to draw, produced editorial cartoons between 1941 and 1943 for an American left-wing daily newspaper called PM. The paper seems to have had close links with Roosevelts New Dealers. Seuss's work there fell into two halves. Before America entered the war he exposed Nazism, Fascism and the Japanese threat to the USA and attacked America's isolationists. After Pearl Harbour he encouraged the war effort, sometimes in some very bleak moments.



The war and fascism were clearly a problem for Dr.Seuss. We rightly associate his later work with tolerance and diversity. His war cartoons attacked America's racism, but as Minear identifies, he had a blindspot over the Japanese. The need to fight the war also clouded his view of opponents of that cause - pacifists might be dealt with as vitriolically as Nazi fellow travellers. We all have our warts, and perhaps Seuss learnt from the public reaction to some of his attacks.

These weaknesses aside, we have some biting cartooning, and in it we can see the genesis of the Cat in the Hat, Horton, Mack (if not Yertle the Turtle) and many others.

Richard Minear's text is on the matter-of-fact side, but that's not what you'll buy this book for. If I have any criticism it is that he refers to cartoons that aren't in the book. Verso, who are handling distribution in the UK should be bringing out a paperback edition in April, but why wait, go out and buy it today.

Stewart Rayment

Lord Bonkers' Diary

Monday

Dawn breaks over the village of Celibici is southern Bosnia. (You can't miss it: it's near the border with Montenegro.) A chill wind blows; somewhere a goat coughs. We are here as part of a NATO force (with a large contribution from the armed forces of Rutland, I am pleased to note) which is attempting to hunt down Paddy Ashplant. As happens with all dictators, Ashcan's hubris eventually brought him down. In his case his fatal mistake was the publication of a second volume of his diaries. This unhappy tome made it clear to his erstwhile admirers that the fellow had spent the past few years trying to arrange a coalition or even merger with Tony Blair and his New Party. In short, Asphalt was like little Steel with a better taste in shirts. This morning the search proves unfruitful. There is a moment's excitement when an old woman in a head scarf says "Frankly" and "let me help you, Sue", but she scuttles off before we can question her. Nevertheless, like those jolly Mounties, we shall get our man.

Tuesday

Did you stay up to watch the final of the women's curling? How exciting it was! Here in Rutland the sport is quite the latest thing and the entire population wants to play: as one strolls along the shores of Rutland Water, one sees innumerable games taking place. There is a slight impediment to the spread of this Caledonian pastime in these parts: the benign climate of our little country means that one rarely finds ice at this time of year. At first we experimented with a slightly lighter grade of granite, but this proved to be of only limited benefit. Then some bright fellow hit upon the idea of using the Great Seal of Rutland, and things looked up. Not only is it a keen competitor, but it is happy dive to retrieve the stones and will even balance a ball upon its nose while playing a tune on a row of motor horns to amuse spectators if their enthusiasm should lag.

Wednesday

I read that Kennedy has named the day for the referendum on the Euro. Tired of waiting for the Government to act, he has announced that on 5 June all Liberal Democrats will turn out to vote. And quite right too. We don't want to be left waiting at the bus stop while everyone else is riding on the hovercraft, do we? It puts me in mind of the time when, equally frustrated with the Conservatives' unwillingness to join the Common Market, a few of us Liberals decided we would wait no longer and joined the blessed thing ourselves. We went over to Strasbourg and had a simply splendid dinner. Unfortunately, events did not unfold so swimmingly after that. I received a letter telling me that my moustache contravened Directive 12876/449/a(iii) and would have to be shaved off. Well I was not having any of that, so I told them they could put their Directive where the monkey put the nuts. Funny the things that one remembers.

Thursday

Have you read of the New Party's plans to have a satellite in the sky spying on everyone's motor? It smacks too much of Big Brother to me, and no one wants a Welsh hairdresser telling him what to do. Nevertheless, traffic congestion is a serious problem in this modern world so many of us live in, and here in Rutland we have introduced a novel way of combating it. On busy summer afternoons when trippers flock to our many attractions or there is a curling tournament on, I will fly above the roads in an airship or hot air balloon directing traffic with a loud hailer. You know the sort of thing: "You there in the Ford, turn left," "There's a haywain coming the other way, pull in at once," "Tell you children to sit up straight and take those ridiculous baseball caps off."

Friday

It is fashionable, I know, to laugh at President George W. Bunkport Jnr, but I think he may be on to something when he talks about the evil Islamic/Communist axis. For these two creeds have long been close bedfellows. Trotsky was a practising Muslim, the Ayatollah Khomeni spent several years as a shop steward in the Clydeside shipyards and Marx used to hire his beards from a mosque in Muswell Hill. (When he was short of money he would pawn them, which got him in no end of trouble. "I'll give you 'opium of the people': we want our beard back.") Despite my close acquaintance with the most informed circles, I cannot say exactly what Bunkport will do about this worrying coalition, but I foresee that it will be expensive, involve the deaths of lots of innocent people and that Mr Blair will support it.

Saturday

To Kensal Green for a day's hunting. Nowadays Reynard is largely an urban resident, so naturally those who enjoy the hunt (one cannot curl all the time) have followed him into the city. Thus today I am not out with the Fernie or the Quorn, but with the Bakerloo. I experience rather a heavy fall taking the ticket barriers at South Kenton, but have an enjoyable day fortified by the occasional nip from my flask or chocolate bar from one of those ingenious machines on the platform. Of course, the fox is a cunning fellow and is quite capable of running up a down escalator or jumping off a train just as the doors are closing. As to those who think hunting cruel: I am afraid that they simply fail to understand the urban way of life.

Sunday

To St Asquith's to see what the Revd Hughes has cooked up for us this morning. He preaches a sermon on Matthew, 25, 34-36: "Then shall the King say unto them on his right hand, Come, ye blessed of my Father, inherit the kingdom prepared for you from the foundation of the world: for I was ahungered, and ye gave me meat: I was thirsty, and ye gave me drink: I was a stranger, and ye took me in: naked, and ye clothed me: I was sick, and ye visited me: I was in prison, and ye telephoned South Wales Police to see how the enquiries were progressing." I think that is what Christianity is all about, don't you?

Lord Bonkers, who opened his diary to Jonathan Calder, was Liberal MP for Rutland South West, 1906-10.