liberator

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COMMENTARY

WHAT'S THE STORY, WHEN TIED TO A TORY?

We all know what the Liberal Democrat script was supposed be at the next general election.

It would have said that the country had been through some painful years of spending cuts and unemployment – all made less painful by virtue of Liberal Democrat participation in the government – but now, in 2015, the recovery was obvious. It had been a price worth paying. Onwards and upwards.

That scenario was shot to pieces by the government's Autumn Statement, which admitted the economy would not now recover by 2015, and nor would spending cuts have ended.

The Liberal Democrats now face fighting a general election in which they must tell voters that they have been through several years of pain for no reward they can see, and face more to come. This is hardly the background against which anyone would want to fight a general election.

The Autumn Statement in effect admitted that 'Plan A' has not worked, and that the deficit will not be gone by 2015.

'Plan B' has offered some extra spending on infrastructure but, welcome as that is, it will not by itself solve the basic problem of lack of demand in the economy.

Nor will coalition ministers endlessly banging on about how poor the economy's prospects are. Every time they warn of hard times to come, another consumer decides to postpone spending, and another business postpones investment.

One approach would be to channel money to those most likely to spend it, which makes doubly offensive the Autumn Statement's penalising of the poorest, as exemplified by the Institute of Fiscal Studies finding that failure to index some tax credits, and the reversal of real terms increases to child tax credits "will leave some poorer families worse off and will lead to an increase in measured child poverty".

This is wrong politically, as it makes a mockery of coalition claims that "we are all in this together". It is also wrong economically; those with the least money are the most inclined to spend what they have, and taking money from them (or not giving it to them) directly hits demand.

The admission that things will still be grim in 2015 is also a danger to the coalition itself. It was always most likely to come apart if and when a majority of Liberal Democrat MPs believed that they were more likely to save their seats outside it than inside. The Autumn Statement will not have increased the latter's ranks.

RUNNING SCARED

The Federal Executive's decision to have a 'strong presumption' against fielding Liberal Democrat candidates in police commissioner elections is an act of political lunacy unparalleled since the swiftly-reversed decision 23 years ago to call the party 'the Democrats'.

It is also an act of political cowardice that has no parallel in party history. Is this really the party that was prepared to stand up for civil liberty throughout the New Labour years, but which now has nothing to say on how voters are policed or on how the police behave?

A variety of excuses, all of them pathetic, have been advanced. Chief among these is that the party does not think policing should be a matter of party politics.

At the last general election, the Liberal Democrat manifesto said the party would "give local people a real say over their police force through the direct election of police authorities". Would the party really have created those, only not to contest them?

In any event, who on earth does the Federal Executive think supervises the police now if not police authorities, most whose members are local politicians, some of them Liberal Democrats?

Another excuse advanced is that the party does not have the money centrally to fight these elections. So what? There is no reason why central funding should be available for local or regional elections (or at least not for places judged non-target).

Why not allow those localities and regions that feel they do have the resources to run candidates if they choose, rather than impede them?

There are two unavoidable conclusions from this. The first is that the party knows its policies on crime and crime reduction are neither simplistic nor populist, and is scared to defend them in public. Liberal arguments will simply go unheard.

The other is that, faced with massive constituencies in which it is impossible to deluge voters with paper, the party has no idea what to do, and so has resolved to do nothing.

As Bath and North East Somerset Council leader Paul Crossley argues in this issue, these elections should have been a golden opportunity to find and test some new campaign techniques. Instead, the Liberal Democrats will cede these elections to other parties, to independents of questionable political outlooks, and at worst to assorted vengeful buffoons.

And in future elections, it will remain a leaflet delivering cult, having shunned the chance to try something new and learn from it.

Those who voted for the 'strong presumption' should be ashamed.

RADICAL BULLETIN

ALRIGHT, LET'S NOT BE 'AVIN' YOU

The Federal Executive, English party and possibly Nick Clegg have combined to create the most appalling shambles over next year's police commissioner elections in England. It will, entirely deservedly, leave the Liberal Democrats looking both cowardly and a laughing stock.

As things stand, the party has pressed successfully for the supplementary vote, instead of first-past-the-post, for a set of elections it will not now contest, and has successfully shifted them from a clash with the May 2012 local elections so that it can fail to contest them even more effectively.

Possibly for the first time since the Liberal Party was nearly bankrupt and defunct in 1951, there will be a 'strong presumption against' fighting a class of public elections.

This at least is a slight improvement from deciding not to fight them at all, the position the FE was originally invited to take.

'Invited' by whom is not entirely clear, but it is hard to see who other than Clegg would have had the clout to force through such a stance, or that anyone else would have persisted with it without his support.

The FE resolution states: "The party at a Federal level will not actively contest the Police and Crime Commissioners elections; and that at a local level we will have a strong presumption against standing Liberal Democrat candidates."

Why? It's true such elections would be hard to fight and win across such vast constituencies, but that was true of European elections before 1999, of most elected mayoralties, and until comparatively recently of many parliamentary constituencies.

It might be reasonable that no federal funding is available for elections that will be held at local (or arguably regional) level but, if that is so, there should not have been a federal level decision on whether or not local and regional parties can run candidates.

Since the party opposed the creation of police commissioners, and went along with them only as part of the coalition agreement, there might at least have been some intellectual consistency in calling for a voter boycott of them.

But the FE did not even do that. Instead it said: "Individual Liberal Democrats, including parliamentarians, will be able to add their support to candidates who do not stand on party political tickets."

No mechanism exists to allow local parties to choose between independent candidates – are such candidates supposed to submit themselves to something like a selection meeting if they want Liberal Democrat endorsement?

If parliamentarians endorse a non-party candidate, how will they do that and carry their local supporters with them, especially if there is a choice of more than one such person?

Since endorsement by a Liberal Democrat parliamentarian will be seen as endorsement by the party, does anyone other than the parliamentarian concerned get a say in the matter? If not, why should they support the independent concerned?

How will the party ensure that it is not subsequently embarrassed by the actions of someone endorsed by prominent party members but over whom they have no control?

The FE resolution does not actually prohibit party members from standing under a party label, though it does not make that easy. It requires "A mechanism and criteria for how such appropriate Liberal Democrat candidates can be approved and selected must be agreed at the State Party level."

Into this morass stepped the self-perpetuating elite that is the English party executive. In a move of questionable validity, it has gone beyond even the FE's obstructionism. An e-mail from chair Jonathan Davies says: "The English Party has agreed a procedure for this to be discussed by all the local parties in each police authority area. If there is not agreement amongst all the local parties in a police authority area, then the relevant regional party will have to mediate or impose a decision."

That means that all local parties in an area must agree, otherwise the English party will take a decision for them.

It already has a record of impeding these elections by decreeing that candidates must be Westminster approved for what are local, or at most regional, polls.

Thus the English party says the elections are not local, the FE says they are, but have 'strongly presumed' what local parties can and cannot do.

This has provoked fury in both the Local Government Association's Liberal Democrat group and the Association of Liberal Democrat Councillors, with the former under a lot of grassroots pressure to ignore the FE.

There has already been a revolt by the party's South Central region, whose executive passed a motion stating that it would "aim to put up candidates in both of our police authority areas and will actively search for suitable candidates" and "encourage local parties to promote the campaign".

An attempt was made at the English Council to amend the executive's motion so that party members would be encouraged to support non-party candidates only if local parties decided not to run a candidate.

Can we expect for the first time ever that party HQ will send out e-mails urging members not to campaign in a public election?

YES, AND NO

Following the Autumn Statement, Danny Alexander was asked by Jeremy Paxman on BBC2's Newsnight (29 November): "So you are going into the next election promising further billions of pounds of cuts in public spending. That is what you are going to say in your manifesto at the next election?"

Alexander replied, "I'm afraid so. Yes." But at a subsequent briefing for Liberal Democrat peers, when Alexander was challenged about this by Mike Storey, he replied, "I said 'no'." Sceptical peers checked the transcript and were angered by the discrepancy.

Alexander also revealed to Paxman: "Liberal Democrats and Conservatives will work together in government to set out plans for those following two years. And of course we will both be committed to delivering them."

Which appears to lash the party to the Tories beyond the next general election.

YES, MINISTER

For a very short time after the fall of Liam Fox, Liberal Democrat Nick Harvey was the senior minister in the Ministry of Defence, so its officials called to ask if there was anything he wanted them to do.

"Yes, you can cancel Trident," Harvey announced. Sadly, by the time the speechless mandarin had recovered, Tory Philip Hammond had been appointed in Fox's place.

PRETTY POLLY, PRETTY POLLY

All Liberal Democrat parliamentarians have been told that, whenever they are interviewed by the media, they must work the following phrases into their discourse: "As a Liberal Democrat", "The Coalition Government", "Doing the right thing", "Cleaning up Labour's economic mess", "Liberal Democrats have cut taxes for working families."

A year's free subscription will go to the person who, in the collective's opinion, can work these into the most amusing paragraph.

ANIMAL MAGIC

Gavin Grant is soon to be politically neutered (and not before time, some will no doubt say) by becoming chief executive of the RSPCA.

He has, though, been engaged in a farewell spat with Liberal Youth. The English Council debated a motion to replace LY's 100% rebate for the subscription of every member they recruit with a fixed annual payment.Those present understood that Grant was an instigator, though not the proposer, of this because of his annoyance when LY mustered only 17 young people at a conference it held in Bristol, where Grant had troubled to round up Graham Watson, Tessa Munt and Duncan Hames as speakers.

Grant asked LY to supply him with a list of its members in the party's Western Counties region (of which he is currently chair), and was told to make an FoI request, which he has.

LY had enough sympathisers at the English Council to defeat the change, so it keeps its 100% rebate.

Which is odd, because surely LY would be better off with a known grant rather than relying on the vagaries of recruitment, because that would probably see the English Party give LY more money than it is obliged to through recruitment.

SOUTHERN DISCOMFORT

The depth of discontent with the coalition may be judged from two straws in the wind.

Brian Dash, long-serving group leader on New Forest District Council, startled the South Central region conference by thanking the Social Liberal Forum for keeping him in the party for the last 18 months, remarks that were warmly applauded.

Meanwhile, at the South East region conference, East Surrey tabled a motion: "We note with concern: the current high rate of membership resignations and lapses; the widespread collapse of party infrastructure following loss of councillors and activists; the ageing profile of our shrinking activist base."

DON'T DO AS WE DO

Members of Liberal Democrats in Public Relations and Public Affairs have been sent a missive by their chair Lord Newby urging them to seek election in their local parties as conference representatives, so that they can "actively participate in conference in an elected capacity".

This is strange on two counts. Firstly, Newby refers to this as being a way "in which we can use our network and expertise to help the party generally", with no explanation of how voting at conference makes any difference to the party's ability to tap its members' expertise. Surely he can't mean that Liberal Democrats in these professions have, of necessity, some common political agenda?

Secondly, it is ironic that LDiPR should encourage people to stand for election when it is itself undemocratic. It holds no annual general meetings or elections for officers, and presents no reports or accounts to members. All that most members ever see are a few drinks reception invitations each year.

Cleary this is the sort of example of political organisation the party should learn from.

A BETTER YESTERDAY

During planning for the Liberal Democrats' 1992 general election campaign, Des Wilson jokingly suggested the slogan, 'From the people who brought you the First World War'.

The party is now reaching even further back, by being encouraged to take the credit for the abolition of slavery in 1833 and granting of property rights to women in the 1870s.

Another bright idea is that the party should be ready to use "shorter-term themes, straplines and soundbites" to "support short-term political expediency".

These ideas were included in secret documents leaked to the Mail on Sunday and Sunday Telegraph (27 November), reportedly part of a 'rebranding' proposal by the party's new marketing director Collette Dunkley. No denial has been issued.

Not for the first time, there is a danger of the marketing tail wagging the political dog, with the party deciding its marketing slogans first and then trying to fit its policy around them, rather than, as things should be done, the other way round.

As one MP put it: "It's what happens when you sack campaigners and employ a head of marketing."

TWENTY-YEAR PLAN

A long-term plan to boost education and reduce housing costs could transform Britain's fortunes, says Tim Leunig

The current economic turmoil means that, as a party and a nation, we may concentrate too much on the short term, without thinking about our long-term objectives. Here, I sketch a vision of what we could have achieved had we started 20 years ago, and what we could achieve in 20 years' time if we start now. (All figures in today's money).

Twenty years of record-breaking investment in education, combined with tough accountability, has made British education the envy of the world, with 95% of students achieving the 'EBacc' at 16, and almost all staying on voluntarily. Around 70% undertake undergraduate degrees, and over a third master's. One in ten has a PhD. High male and female employment rates mean high levels of workplace skills to complement formal qualifications. Workers have good attitudes: in recessions, workers accept wage cuts and reduced hours. Britain is a great place to do business. Britain is open and welcome to foreign firms and managers. People like living in Britain. It is not perfect – efforts to cut congestion at Heathrow, on the tube and on the roads have only kept pace with demand. Infrastructure is adequate, but not more.

Government recognises that it was bad at picking winners, both at the individual and sectoral level. Its role is to provide the 'raw materials' that firms need – clear laws, a strong skill base and a straightforward tax system. There are incentives for research and development, but few other tax breaks. The economy is a 'knowledge economy' with knowledge informing a wide range of firms – from Rolls Royce aero engines to the financiers to the creators of Moshi Monsters computer games.

With few unskilled people, unemployment is low. Market conditions mean that wages generally exceed the minimum wage, notwithstanding immigration from A8 countries. Few earn below £8 an hour. Income tax and national insurance start at £12,500, so a full time worker on £8.25 an hour takes home £300 a week. High levels of employment mean firms have to offer decent working conditions to retain staff.

Training is available for all – with income contingent loans for further education, undergraduate and graduate degrees. Losses on maintenance loans for those taking further education courses and master's courses are kept low by starting repayments at £10,000 and £15,000 respectively. People are used to paying for training on an income contingent basis.

Huge increases in house building mean that housing is cheap. In most places, a three-bedroom terraced house, double glazed and centrally heated, costs £75,000. Mortgage payments of £100 a week mean the mortgage is repaid in 21 years. Almost everyone in regular work owns their own home: they have a stake in society and something to pay for long-term care, or to pass on to their children. The standard mortgage is 30 years, with overpayments allowed, and underpayments if you are ahead of schedule. The government pays up to £75 a week in interest for those on low incomes. This makes mortgages are almost risk-free for banks, keeping rates down. Young couples usually overpay before they have children, and pay less when the kids are young and money is tight. With higher payments later – even 2% inflation gradually erodes the debt relative to incomes – most people own their own home by the time the kids go to college. Parental support for kids at college is common, reducing student debt.

Higher earnings, and lower and more flexible housing costs, mean that families can decide whether one or both parents work. People arrange their lives in ways that suit them. Britain is much less stressed – as measured by the rising ratio of female to male births.

People's financial interactions with the state are limited. With higher wages and lower housing costs, fewer people need the panoply of tax credits. People have more choice over how they live their lives, and the choices they make have a greater effect on their living standards.

Pensions have been reformed. The government combined the creation of a £150 citizen's pension with the abolition of tax breaks for pension savings. These breaks went overwhelmingly to the wealthy, and their abolition had big fiscal benefits.

There have been big savings in some areas of government. Rising employment and wages imply big rises in tax revenues and big falls in poverty-related benefits. Rents fall enough to halve housing benefit spending, and greater housing affordability means the government has stopped building more social housing. 'Blue collar' crime has also fallen, thanks to stronger discipline in schools, and a sense that more people can 'make it', although 'white collar' crime remains as rife as ever. Tax loopholes for the rich were closed, financing the rise in the income tax and national insurance allowances, and ensuring education, health and social care could be funded properly.

This vision is not where we are today, but we can make a start now. We can reform the planning system so that houses become more affordable, reducing the stresses on family budgets. We can cut tax breaks for the rich – cutting the CGT allowance, tax-free pension lump sum, and limiting pension tax relief to 20%. These can pay for a rise in the income tax and national insurance allowances to the minimum wage.

We can, above all, fund education properly and hold teachers' and heads' feet to the fire. Any head whose school is below the 75% EBacc success rate should be told that, if standards do not rise by at least 5% a year, they will be fired. Lots of schools manage this sort of improvement: we need all schools to, to have any hope of preventing another chunk of another generation ending up on the scrap heap.

Tim Leunig is chief economist at CentreForum

ALICE IN WONDERLAND

The decision not to run Liberal Democrat police commissioner candidates is a disastrous error, says Paul Crossley

Next autumn, there will be an election across virtually all of England and Wales, and the party is recommending that Liberal Democrats do not participate.

This is Alice in Wonderland logic. We do not approve of police commissioners so we will not take part and we will say it is a matter of principle that politicians should not meddle in police matters. Bah Humbug. Life is about politics, and politics is about choice and priorities.

The elections are going to happen and the Conservatives, Labour, other political parties and several mavericks and others will be taking part and they will portray our absence not as a principled stand but as one of a party in despair and crisis and lacking in confidence.

We should present our unique message on law and order and police priorities to the electorate in every seat. We do not approve of the move to elected mayors but we certainly contest them with vigour, and even win some of them.

The problem is that the party seems unable to imagine how it can contest these elections in any other way than delivering shed loads of paper that we can't afford to produce, lots of which will not be delivered and, of those delivered, only a small percentage will be read. The party has not learnt how to campaign over large constituencies. We have a campaign model that is perfected on small skirmishes and small by-elections.

We should be using these elections to try out innovations and new techniques that can be used for free by engaging and involving people through the web. We should be using these elections to get people knocking on doors and talking to residents and building up relationships with our electors rather than just pushing yet more unwanted literature through their letterboxes.

Let's use our financial pain not as an excuse not to compete but as a rallying call to try some new campaign ideas. After all, there can be nothing to lose except deposits and it may even help us develop new ideas that can be used in elections.

The last general election started well with a huge boost from the televised debate, which we threw away as we acted like rabbits caught in the headlights and did not know how to respond to the new opportunities. We know we have no friends in the media.

Police commissioner seats cover 15 or more parliamentary seats and so make our current campaign methodology impossible to apply. But with modern techniques, we have the ability to generate and control our own press and publishing – blogs, websites, on-line interactions, YouTube, social media and systems for e-news such as mailchimp or Constant Contact.

Using these tools requires a different methodology to the traditional seven leaflet campaign. It requires us to start door knocking now and to have to discuss our policies and to build up trust with voters so that they do not feel they have been simply data mugged for a voting intention.

When you have had a conversation on the doorstep and have got casework, you will be able to get either their email address or Facebook ID. Web publishing requires a much more positive approach to writing, as people simply do not want to receive negative attacking literature in their inbox. They want to know what we are proposing.

Knocking on doors is the way to lance the boil of discontent among those who voted for us but are distressed by the coalition. It is also the way to find those who like the coalition and who may not have identified as Liberal Democrat previously.

The party is making a huge mistake to not take police commissioner elections seriously and is doing so for the wrong reasons. The sticking plaster excuse will wash off on the first day. It would be a sad day indeed to see national ballot papers containing Conservative, Labour, UKIP, Green, a variety of independents and BNP candidates and not Liberal Democrats.

At the Western Counties conference, the regional party leadership presented the party line from on high but the activists challenged and reversed it to one of encouraging participation. However, the party has made the hurdles to competing high. The party hierarchy seems determined to lead the party down a wrong route and the justifications used will simply seem more risible the closer we get to the election.

The party hierarchy has simply got the call on these elections completely wrong. The excuse of not politicising the role is laughable.

Law and order is a significant and distinctive part of our manifesto. We must take part in these elections and the party should be working on strategies for campaigns that do not cost us a fortune, and make a virtue of the fact.

We should be proud of our message on law and order, and the grassroots of the party should start demanding that the Liberal Democrats participate and get out on the streets calling on people.

Paul Crossley is leader of Bath and North East Somerset Council

UNDER THE BED WITH THE BRANDY BOTTLE

The coalition's Autumn Statement suggests it had learnt little from the last financial crisis, says Chris Bailey

Economics has been called 'the gloomy science' and at present it is trying to outdo itself.

Not just in the UK but around the world, growth forecasts are being slashed as global banks teeter on the edge of another financial collapse. Governors of the Bank of England choose their words with considerable care and caution, so when Sir Mervyn King talks of "an exceptionally threatening environment" and an "extraordinarily serious" situation, it is time to draw the curtains, turn out the light and hide under the bed with a bottle of vintage brandy!

Being thus fortified and temporarily shielded, one is left to ponder how on earth we got into this awful mess, and how we can get out of it.

Although it is always fun to read the blow-by-blow accounts of the collapse of Lehmans, Bear Sterns, etc., and to see the pride and arrogance of Wall Street humbled, surely time has moved on and we face different issues now?

Well, not entirely. The 2008 crisis saw falling property prices, particularly in the US, wreck banks that had invested heavily in property markets, both through loans and through some obscure and complicated securities. When the crisis hit, some institutions did not have enough capital to offset the losses and so they collapsed, or had to be kept afloat by huge injections of taxpayers' money and in effect were nationalised. And because of the globalisation of capital markets, these effects were spread worldwide.

ROTTEN DECISIONS

So the underlying problem in 2008 was solvency – these 'masters of the universe' had made rotten investment decisions with borrowed money. But the immediate symptom was a crisis in liquidity – the strong banks did not want to lend money to the weak banks for fear of not getting it back.

But because no one could be sure which were the weak banks, apart from obvious reckless drivers like Lehmans and Northern Rock, the banks for a time stopped lending to each other at all. This heightened the sense of crisis and hurt many banks' ability to lend to their customers in the real world, as well as scaring their customers to death. Thus fear and panic in the banks spread globally and the recession started.

And in a recession, as every high school student of economics knows, governments' tax receipts fall and welfare spending rises and they try to kick-start demand through a temporary increase in government spending, so the budget goes into the red.

Or in the case of the UK, into an even deeper and bloodier shade of red as 'prudent' Gordon Brown was running a fiscal deficit even in the good times, showing that the bankers did not have a monopoly on hubris and financial folly.

What was supposed to happen was that, with governments shoring up their banks and supporting their economies through classic Keynesian deficit budgeting, after a period of calm, that magic ingredient 'confidence' would return, bank lending and investment would pick up, as would exports in countries like the UK whose currencies had fallen during the crisis, and we would all march proudly and confidently out of recession into a golden future.

So what has gone wrong? Two things.

First, the banks are still not lending to their customers. Bank lending is both oil and fuel for the economy. It finances investment and exports and provides businesses with working capital, as well as being the key prop to the housing market and consumer spending. With flat bank lending, we get a flat economy; it is as simple as that.

The banks explain their flat lending as lack of demand. But critics (of whom there are many) point out that banks' high interest rates have deterred borrowers.

Now it may come as a surprise to savers that banks have high interest rates, as the rates they pay on deposits are pitifully low. But banks use their high margins to increase profits and rebuild their capital to more sensible levels and thus protect themselves from the next financial storm, which may not be far away. Or at least, that is where some of their profits have gone, though the continued payments of huge bonuses to senior management and star traders still cast the banks in a bad light.

But up to a point, there is some truth in the lack of demand for loans argument. To borrow, customers must have confidence in the future and thus in their ability to repay, and that confidence must be shared by the bank. And thus a circular trap is created: flat bank lending leads to a stagnant economy, leads to lack of confidence, leads to flat bank lending. It needs a positive shock to break this spiral, and that is where the Keynesians step in, arguing for a round of tax cuts and spending increases to kick-start the economy.

Which brings us to the second thing that has gone wrong. Keynesian economics is not working.

I was of that generation who were brought up to be good Keynesians and believe that aggregate demand management would mean that never again would there be a great depression. I have been a life-long admirer of that great Liberal hero.

So it is with many tears of regret that I have to point out that the 2010s are not the 1930s and that classic Keynesianism is no longer the answer. For Keynes, financing a rising fiscal deficit was not a problem as he was addressing the problem of an essentially closed economy with surplus savings. Of course, the savers would buy the increased supply of government bonds,

as there was nowhere better or safer to put their money.

But for us it is different. The Labour government's initial Keynesian response in 2008/09, of increased capital spending and accommodating the rise in the cyclical budget deficit as the economy tipped into recession, was undoubtedly right. It was supported by Liberal Democrats in parliament and probably helped offset some of the initial economic slowdown. Or to put it another way, without these Keynesian measures the recession would have been even worse.

> ***"Keynesian economics is not working"***

But that Keynesian response left the UK with a colossal budget deficit equivalent to 12% of GDP at worst, which was the largest in the developed world, and significantly larger than that of Greece, Italy, Portugal or Ireland.

Our fiscal deficit is jaw-droppingly large. And this undermines business and consumer confidence, as everybody knows that sooner or later it has to be addressed through spending cuts and tax increases, which will slow the economy.

So if a Keynesian stimulus fails to work its magic in the first year or two, it just adds to the sense of crisis by generating a vast budget deficit and public debt overhang. And if you do not believe me, just look at Japan's lost decade of economic stagnation, which round after round of budget stimulus failed to shake, though it has left Japan with a huge public debt burden.

It could all get much worse. This is where the euro crisis comes in. It has been clear to the markets, though not, apparently, to European governments, that there is no way that any Greek government could possibly service its debts and so default is a foregone conclusion.

GREEK HAIRCUTS

Indeed, the most recent financial rescue package obliged banks to take a 50% 'haircut' on their holdings of Greek government bonds, a polite way of saying they will only get half their money back. So this loss has taken out a slug of bank capital, particularly from Greek banks, which are naturally large holders of Greek government debt. To preserve their remaining capital and try to stay creditworthy, the Greek banks have been cutting back on their lending and thereby deepening the Greek recession.

But wait, it gets worse! Talk of Greece leaving the eurozone has already sparked a steady and substantial haemorrhage of funds from Greek banks. If the drachma were to reappear, it would need to be a very weak currency to make Greece competitive again. So to protect their euro savings, the Greek middle class is shifting its money abroad. The money markets too are nervous about Greek banks. So as the Greek banks lose their funding, they have to cut back on lending, which just makes the recession in Greece even worse.

And it is not just Greece. The markets attach a 60% probability of a Portuguese default and almost a 50% probability of an Irish default, and the same relentless downward pressure on bank lending stifles their economies too. With that fear now spreading to Italy and Spain, no wonder Europe is teetering on the edge of a new recession. The only question is how deep. The impact on the UK could be grim. The simple statistic that 80% of UK car production is exported and most of that goes to Europe illustrates how dependent we are on European prosperity.

So what is the way out of this mess for the UK? The two key requirements for growth are that bank lending should be steadily increasing and that businesses should have the confidence and the finance to invest.

With banks very nervous about Europe and keen to build up their capital in case they face losses from government defaults or EU bank failures, they are not keen to lend. So the Autumn Statement announcement of a £20bn guarantee scheme for bank loans to small businesses is certainly a step in the right direction, though whether it will be sufficient to dispel the gloom remains to be seen.

The Autumn Statement included some potentially useful investment incentives, though that package looks Brownian in its complexity and gimmickry. Extra infrastructure investment is of course welcome, though the idea of getting pension funds to invest directly in infrastructure projects looks fishy and rather like the monstrously expensive PFI system. It would be simpler and probably cheaper just to use traditional gilts funding.

On the other hand, providing incentives for people to take on huge mortgage debts with smaller down-payments, Northern Rock-style, makes me wonder if anything was learnt from the last financial crisis. For decades, successive British governments have stimulated the economy by promoting house market booms, which spilt over to rising consumer spending.

It is fun while it lasts but it does not build a sustainable economy and we must not go down that route again. We need to re-balance the economy so that growth is led by exports and investment. It works for Germany and would work for us if we only dared try it. So it is disappointing not to see a prominent push to high quality, high tech exports in the Autumn Statement.

We need a government growth strategy explicitly built on these lines and focused, positive leadership. The US economy pulled itself out of the Great Depression as much by Roosevelt's inspiring and encouraging leadership as by economic policy. Now, more than anything else, Britain needs its own FDR so we can finish with the brandy bottle and climb out from under the bed.

Chris Bailey has retired from a career as a City economist and is treasurer of Rochford and Southend Liberal Democrats

CAN EGYPT'S POLITICS ESCAPE ITS PAST?

Egypt's temporary military rulers are trying to ensure that the revolution does not threaten their hidden power, instead of ushering in democracy, says Mohammed Nosseir

Transition from an autocratic regime to genuine democracy does not only mean running free and fair elections. Elections are the last step in a long process of activities that aim to ensure the building of a country based on genuine democratic values.

Egypt's Supreme Council of Armed Forces (SCAF), however, believes that its mission is simply to run free and fair elections. This is its fundamental misunderstanding of the transitional period. In reality, the SCAF's mission is much more comprehensive, and it either declines to do, or is not aware of, what needs to be done.

Revolution is often represented as the tearing down of an old building and the erection of a new one. The transitional era is the period during which people begin to dream of a new design, think of how they want the new building to look and dig deep foundations. The blueprint of this structure represents the vision that Egypt should produce for the future, while the pillars represent the country's constitution, which must be solid enough to protect the state, while the remaining features characterise the laws and the dynamics of the Egyptian political life. All these activities require a clear roadmap that engages the entire Egyptian population and offers the possibility for people who want to contribute to this process to become involved via specific roles.

SCAF is proud of its interest in handing power over to a civilian government, but this goal is not sufficient. Even more critical is how the council plans to engage citizens in rebuilding Egypt in a constructive way.

In fact, SCAF has done the exact reverse. Rather than keeping it 'short and simple', SCAF has managed to make the political sphere appear to be complicated. The simpler, clearer and more transparent the rules that SCAF produces, the better the outcome will be for Egyptians. Unfortunately, it has been demonstrated that SCAF is keen on handing over the same corrupt system to a new ruler who, most likely, will sustain it.

The council is working on replacing old personalities with new ones – but the rulers' mindset remains the same. SCAF simply does not want to change the rules of the game, which give it the upper hand in ruling and allow it to place Egypt on a course of its choice.

SCAF strongly believes that Egypt is not yet politically mature. While I share this view to some extent, my approach differs.

PARENTAL ROLE

Maturity will come with time, but it can also be developed by drawing up regulations that protect the state. Unfortunately, SCAF believes that it should play a parental role whereby it often feels that it is more loyal to the state than are the other political actors. The council is convinced that it knows more about how Egypt must be ruled to avoid internal and external challenges.

This outlook explains the great confidence SCAF has in itself and it has given it the upper hand whenever it issues laws that affects Egypt's political life.

The SCAF is simply damaging the political structure in order to sustain its control; it would like to be in the driving seat, regardless of whether the country realises any real progress. Its minimum goal is to run the country from behind the scenes, through an affiliated ruler.

Egypt was for 30 years co-ruled by Mubarak and the military. Although the military did not interfere in the day-to-day running of the country, it did exert hidden power on key decisions that affected the state.

Since the founding of the government of Ahmed Nazif in 2005, the Egyptian military had begun to lose some of its power to Mubarak's son and the businessmen who were his close associates. The latter were gaining ground either by being appointed to ministerial positions or by being accorded special privileges. The stake of the military was shrinking in favour of Gamal Mubarak and his group.

Mubarak sustained his strong grip by appointing as officials only those known to be blindly loyal to him and by covering up the widespread corruption rampant among his top executives, so as to ensure their loyalty.

The 25 January revolution, sparked by the youth and joined by most of the population, presented a great opportunity for the military to get rid of the Mubarak family on the pretence that the entire state might be at risk. Therefore, the positive role played by the military in protecting the revolution was not for the sake of the revolution. Rather, it was motivated by the wish to get rid of Mubarak and his close allies.

The SCAF did not mind Mubarak as a ruler. It objected to having lost power to Gamal Mubarak. It wants to limit revolutionary reforms to simply doing away with Mubarak's family and his close allies, while sustaining the regime under an incoming president. It wants to maintain the same ruling mindset, but with new personalities who are not yet perceived negatively by Egyptians.

At the beginning of the revolution, Egyptians were in high spirits; they felt that Egypt would be transformed into an advanced country, governed by the rule of law. Large numbers of people became engaged in politics.

This positive energy should have concluded in a better rebuilding of our country. SCAF has, on the contrary, been working on slowing down

the momentum of the revolution by maintaining the climate of insecurity and by lacking a sound economic vision. This has led to great confusion among Egyptians, with the majority losing interest in politics and blaming the revolution for these negative outcomes. SCAF managed to engage youth groups in artificial dialogues designed to give the impression that they were leading the revolution, but whose actual purpose was to marginalise these groups by portraying them as divided.

> ***"The SCAF is simply damaging the political structure in order to sustain its control"***

The short transitional period has obstructed genuine politicians from gaining ground among voters. In addition, the media has consistently highlighted the negative aspects of the transitional period, questioning the credibility of the youth involved in the revolution.

ILLIBERAL AGENDAS

SCAF has also fragmented the political sphere in Egypt by enabling religious parties to promote their illiberal agendas – even though the constitution forbids political parties based on religious references. The Muslim Brotherhood is a well-organised political group with an Islamic label that boosts its image within Egyptian society, especially in poor and illiterate areas. The big surprise is that the Salafi group (a group that had never engaged in politics, and whose mission is a clearly an Islamic one) and the Jihad group (responsible for the assassination of former President Anwar El-Sadat) have been allowed to form parties. Their founding gave SCAF another tool to use; the creation of a heated debate between proponents of a religious state versus those of a civil one, which allows SCAF to blame politicians for not agreeing on a common agenda.

While Mubarak was an autocratic, corrupted president, he was however keen to maintain the liberal values by which the majority of Egyptians abide. He avoided the transfer of Saudi Arabian religious influences to Egypt. Conversely, SCAF has encouraged the establishment of at least 15 parties with religious backgrounds.

The loosely applied regulations in Egypt today have led to the flourishing of manipulative politicians and the disfavouring of genuine politicians. Establishing media channels that serve certain political interests, and enabling political parties to capitalise on religion in their political campaigns, or to buy votes with cash or food, will lead to the election of corrupt MPs, similar to those in previous parliaments.

SCAF has enabled a simple parliamentary majority to draw up the constitution, which has turned the election process into a debate on how Egypt will shape its future. Citizens representing the entire society should draw up a constitution, which will last for decades. SCAF is keen to run parliamentary elections – but its aim is to produce a non-functional and fragmented parliament, which it can easily manipulate.

So SCAF is facing a real dilemma with the political structure that it has itself produced. It now realises that it is working towards handing over the state to religious groups who will have the upper hand over even military institutions.

It must transform Egyptian society from an authoritarian and corrupt one to a democratic, well-governed one. SCAF should begin by establishing an independent judiciary system. Citizens must be able to fully trust judges.

The Ministry of Interior used to wield its power with iron fists. SCAF should restructure it prior to elections. Unfortunately, nothing has been done. The violence that took place recently is a direct reaction to maintaining corrupt police officers in their respective positions.

Egyptian state TV misleads viewers in favour of SCAF, exactly as it had previously done for the former regime. Egypt is in strong need of genuine freedom of expression through independent media.

SCAF, unfortunately, does not understand that it has a leadership role to play during the transitional period. Handing over a flawed system to new regime will keep Egypt in this corrupt trap for a long time. SCAF could easily pass laws that protect our political sphere and create a positive vision for our country. Its poor performance has led Egyptians to look for 'a strong president', which in Egypt means 'a military one'.

People have arrived at this conclusion through a process that was managed by SCAF. However, SCAF is working on shrinking the incoming president's scope of authority to ensure that the power of the military institution will be greater than that of the president.

I trust that the revolution is still in the early phase of its success, which needs genuine politicians willing to place it on the right track. I fully trust SCAF's claims that it has no interest in ruling the country and that it wants to keep the military independent of any political manipulation. However, this requires it to accord equal privileges to other institutions such as the judiciary and the media, providing the 'checks and balances' on government. On the other hand, SCAF definitely has a great interest in having a ruler and a parliament that will follow its lead – something Egypt has been doing for the past six decades.

Egyptians certainly don't want to weaken the military. However, SCAF's current behaviour is encouraging such a tendency; the council appears to be working on provoking revolt unnecessarily. We are lucky in Egypt that our revolution is a relatively non-violent one. SCAF's current roadmap, however, will lead Egypt either to get rid of its revolution or to have another set of uprisings, probably accompanied by violence.

Egyptians managed to break the barrier of fear and this will affect whoever rules Egypt in the future. However, breaking this barrier is not in itself sufficient for acquiring the ability to build a 'New Egypt'. To do so requires clear rules and regulations.

Mohammed Nosseir is chair of the secretariat of international relations for Egypt's Democratic Front Party, which is a Liberal International member

THE VIEW FROM THE BUBBLE

Jasper Gerard's book 'The Clegg Coup' tells us a lot, but not what the author intended, says Simon Titley

British politics has been bedevilled over the past thirty years by three Bad Ideas. The Liberal Democrats' embrace of all three has served only to cripple the party and limit what it might otherwise have achieved.

Bad Idea no.1 is neoliberal economic ideology, which has been the ruling orthodoxy for three decades but, thanks to the financial crisis, this dominance is coming to an end. In previous articles, I have argued that this ideology is unethical in principle and a catastrophic failure in practice. I won't repeat the arguments here.

In any case, the specific badness I wish to highlight is the insistence of neoliberals that 'there is no alternative' and that we have reached 'the end of history'. When the Berlin Wall fell in 1989, it was mistakenly assumed that all the fundamental ideological questions had been settled for good. With no great moral questions to answer, politics could be reduced to a matter of management efficiency and marketing.

And this led to a particularly insidious form of badness; the idea that, by accepting neoliberalism, believers automatically qualify as 'modern', 'new' or 'bright'. The Tories had already embraced neoliberal ideology before the Wall fell. When Blairite Labour and 'Orange Book' Liberal Democrat politicians leaped on the bandwagon, they rarely offered any moral case for embracing neoliberalism but instead justified their position in terms of being 'modern' or 'new'. Anyone who opposed them could therefore be dismissed automatically as old-fashioned, unrealistic or irresponsible. After all, why employ arguments when a slogan will do?

WESTMINSTER BUBBLE

Bad Idea no.2 is the 'Westminster Bubble' perspective; the view that Westminster is the only place where anything politically interesting or important happens. It is an outlook shared less by MPs (who have to return to their constituencies every week) than by the people who depend on MPs for a living – research assistants and interns, government advisers, professional lobbyists and lobby correspondents.

It is lobby correspondents who convey this outlook to the public. It is not just a Westminster-centric worldview but also a view of politics as theatre. Indeed, the role of a lobby correspondent these days is more analogous to that of a theatre critic. There is the stage set, with TV lobby correspondents standing in Downing Street or College Green in all weathers, when they could report just as well from the comfort of a studio. The focus is on the clash of personalities rather than the clash of ideas – hardly surprising when there are so few ideas to clash (see Bad Idea no.1 above). On camera, journalists spend more time interviewing each other than they do interviewing politicians – hardly surprising when an interview with a politician will yield little more than a string of rehearsed soundbites.

Bad Idea no.3 is the belief that a Westminster-based elite has a monopoly of political wisdom, and a corresponding disdain for any other tier of politics. One can see this, for example, in the casual contempt for the EU displayed by Jeremy Paxman every time he deliberately mispronounces Herman Van Rompuy's name. More commonly, one can see it in the contempt for grassroots politics and ordinary party members.

The template was set in the mid-1980s during Neil Kinnock's battles with the hard left in the Labour Party. This stereotype is now regularly applied to all members of all parties, irrespective of its irrelevance. After all, 'wise leadership vs. irresponsible members' is a simple narrative, which lazy journalists can wheel out with the minimum of effort whenever there is a difference of opinion within a political party.

But the media are not the chief culprits. The prime movers are the party leaders' hangers on, cliques of self-appointed 'insiders' who believe they can make their leader look 'strong' by picking fights and stage-managing battles with the membership.

In the Liberal Democrats, since the days of David Steel and Richard Holme, we have seen successive party leaders' kitchen cabinets brief the media against their own party members, with wild allegations about 'dangerous radicals' and 'embarrassing policies'. There have also been repeated attempts to dismantle party democracy.

The governing idea behind this behaviour is that there are a select few who know what is best for the rest of us. Party members should simply shut up and deliver the leaflets. But as membership figures plummet in all the mainstream parties, we can see that, without a voice, there is little incentive to carry on delivering.

Elitists try to make their prejudices intellectually respectable by arguing that grassroots campaigning is redundant, and that being 'modern' and 'professional' means switching to centralised techniques such as phone banks and glossy mailshots. The strong variation in votes between constituencies with strength on the ground and derelict seats relying solely on a centrally-organised 'air war' suggests that this theory has no evidential basis.

But then again, you might disagree. You might think that the three Bad Ideas are actually three good ideas. You might think that anyone who tries to convert their party to neoliberalism – even at this late hour – is a 'bright' moderniser. You might think that politics is all about the theatre of Westminster. And you might think that the 'bright' people really do know what's best.

If so, you will be pleased to hear that this philosophy

has been captured in one handy volume. Jasper Gerard, in his new book *The Clegg Coup*, probably didn't set out to do this, but that is what he has achieved.

> ***"Alarm bells start ringing the moment you first look at the cover"***

Alarm bells start ringing the moment you first look at the cover. "Britain's First Coalition Government Since Lloyd George," it says. Hang on a moment. What about the National government of the 1930s, the wartime coalition or arguably the Lib-Lab pact? Not to mention the coalition governments in Scotland and Wales, and the numerous coalitions in local government, in which thousands of Liberal Democrats had already served before Nick Clegg even became an MP.

Then on the flyleaf, we are told that this is "the first major assessment of Liberalism in 80 years". Gerard also claimed on Liberal Democrat Voice (19 October), "To find the last really serious study of the party and its place in society you have to trawl back to the cheerily titled The Strange Death of Liberal England" [published in 1935].

I don't think so. One could list many books, including most recently Kevin Hickson's *The Political Thought of Liberals and Liberal Democrats Since 1945*, Tudor Jones's *The Revival of British Liberalism* and Robert Ingham and Duncan Brack's *Peace, Reform and Liberation*. Moreover, these are somewhat weightier tomes than this 'major assessment'.

Such howlers suggest that facts have not been checked. For example, Gerard claims that Clegg wrote a chapter in the Orange Book about the pupil premium, when in fact his chapter is about reform of the EU. This confirms my suspicion that most people who cite the Orange Book have never actually read it.

Gerard's book is certainly no serious academic work; there are no footnotes or references, interviews and events are rarely dated, and many quotes are unattributed. This leaves you wondering to what extent the book is the result of author's own research or merely culled from the clippings library.

Gerard's basic thesis is that the coalition government was the product of a carefully orchestrated 'coup' by Nick Clegg and his allies. But coalition was inevitable sooner or later. The two-party system reached its peak at the 1951 general election, when 97% of the electorate voted either Labour or Conservative. Since then, the two-party vote has slowly shrunk, reaching a post-war low of 65% in 2010.

It became clear in the two elections of 1974 that multi-party politics was here to stay, with not only the re-establishment of the Liberals but also the emergence of the Scottish and Welsh nationalists. Even before 2010, several general elections produced wafer-thin or non-existent majorities, in 1964, 1974 (twice) and 1992.

The 2010 result offered only two feasible options; a Con-Lib Dem coalition or a minority Conservative government. The coalition government we have now is more than anything else a creature of circumstance. Gerard's claim that the coalition was possible only because Clegg "had transformed his party and dragged it to the centre ground" simply doesn't stand up. Indeed, the incompetence of the party's general election campaign, the net loss of seats, and a popular vote share no better than 2005 (and lower than that won by the Alliance in 1983) suggest that coalition happened despite rather than because of Nick Clegg's leadership. And the loss of Short money shows that the party was not as well prepared for coalition as Gerard claims.

That the Liberal Democrats have reached sufficient size to participate in a coalition is due to the many thousands of people who have contributed to the revival of the party since the 1950s. But because Jasper Gerard holds an elitist view, he must perpetuate the 'Great Man' theory of politics, in which every success is attributed to the leader and the work of others is ignored.

The 'Westminster Bubble' limits Gerard's field of vision. To research his book, Gerard has had access to many senior MPs and government ministers, but it seems he didn't bother to talk to the ALDC or (with all due modesty) consult the pages of Liberator. And how can anyone claim to write a serious analysis of the party without interviewing influential figures such as Tony Greaves or Graham Watson?

If there was a 'Clegg Coup', it was Clegg and David Laws exploiting the coalition to leverage a move from Keynesian to neoliberal economic ideology, which was the primary goal of the Orange Book project. While Gerard covers this angle, he would have written a more interesting book if he had focused on the re-emergence of factionalism in the party instead of this superficial analysis of the coalition.

Insofar as Gerard analyses the Orange Book tendency, he suggests that the Orange Bookers are motivated purely by the pursuit of socially progressive goals. But even with the best of intentions, neoliberal theories haven't worked as its supporters claimed they would. Further, at no point does Gerard ever question the democratic legitimacy of influential right-wingers such as Paul Marshall. At no stage has the party ever been formally consulted whether it wanted a fundamental ideological shift to neoliberalism; the right's goals have been achieved mostly through subterfuge. Gerard simply accepts as a given that the Orange Bookers are 'bright' people and 'modernisers' whose ideological views are an undisputable fact. And worst of all, he accepts neoliberal orthodoxy without question, never for a moment considering that its ideas are stale or that its intellectual respectability is in tatters following the financial crisis.

For all his boasts about being a privileged insider who has written a 'major assessment', Gerard has produced little more than a compendium of potted biographies of Clegg and other key players. It is a readable yarn containing many interesting snippets, but is basically anecdotal and lacks the depth or coherence to qualify as a serious historical analysis. It is Gerard's unwitting revelation of his prejudices that is more instructive.

Simon Titley is a member of the Liberator Collective

'The Clegg Coup' by Jasper Gerard was published in November 2011 by Gibson Square, price £18.99

FUTURE TENSE

'Facing the Future' proved more controversial than expected. Julie Smith says its critics have misunderstood its purpose

As individuals, we all face the future. Sometimes we do it with confidence and enthusiasm, sometimes with a sense of trepidation or even despair. Some people take a long-term view and map out their life plan; others look forward at most to the next pay cheque or benefits payment.

Likewise, it is essential for a political party to face the future, not just considering the next election but looking beyond it for 10, 20, 30 years. Where do we want our party to be? Where do we want our country to be? And what role can we as Liberal Democrats play in getting to that better future? The sort of future we want for our country is likely to be shaped by our principles and values, whether as individuals or as a political party, and it is therefore vital to know where we stand on key issues.

Periodically, our party does take a step back to assess where we are and where we are going. This is true, both in terms of our electoral prospects and our policies. Post-election is the natural time for us to re-evaluate our strengths and weaknesses, and reflect on where we go next.

Thus, when the idea for the *Facing the Future* working group was first mooted back in 2009, I was pleased to be asked to contribute. True, I expressed some reservations. After all, had David Owen not published a similarly named book? A quick scan of the web in September told me I could buy a copy for just 1p, far less than I paid in 1981!

The name notwithstanding, the idea was straightforward and sensible: to re-assess Liberal Democrat policy in the wake of the general election. Using the post-election period as a time to reflect on where we stand, which of our policies stands the test of time, which are out-dated, which need a fundamental rethink before moving forward is a necessary and cathartic thing to do.

A similar process after the 2005 elections led to *Meeting the Challenge*, which created a narrative that framed our policy-making for the rest of the parliament. Such a review made sense even before we knew how poorly some of our policies would fare (regional points immigration anyone?).

FUNDAMENTALLY ALTERED

Little did we imagine when the group was proposed that we would suddenly be in government with the Tories. The nature of government fundamentally altered with the creation of the first peacetime coalition, and so too did the context of our future policy-making. Four changes in particular affected the working group and policy-making in the party more fundamentally.

On the plus side, lots of our policies were now implemented or at least in the Coalition Agreement, rendering the normal root and branch review of policy scarcely appropriate. We could celebrate policy successes like raising one million people out of income tax or introducing the pupil premium, but we could scarcely assume that our previous policy agenda could just be updated for the 2015 election. New work and new ideas would be required – though always grounded in our distinctive Liberal Democrat values.

On a less positive note, the transition into government meant that we lost some of the people who would otherwise have been working with us, whether for the positive reason that they were now cabinet ministers or SpAds, or because the party payroll was cut thanks to the loss of Short money.

Meanwhile, the new party workings for backbench committees and FPC meant more work and also far more sources of policy proposals/development than in the past. This is positive in many ways but renders the policy process more complex than previously, as MPs and peers now contribute actively to the policy process, including *Facing the Future*.

The nature of the coalition of course adds constraints. Clearly it would not have been helpful for *Facing the Future* to have contradicted what we've signed up to do in government. This should not be misunderstood.

Yet if being in government, especially in a coalition, inevitably constrains day-to-day policy decisions – it certainly does not stop us being Liberal Democrats. And it absolutely should not constrain us in our deliberations about the future. The members of the working group were very clear that we were not making policy for the coalition, but rather creating the framework for a distinctive, radical, independent party based on our principles and values.

The working group considered areas where we felt our policy might no longer be seen to be as relevant for 21st century Britain as we would wish and identified areas where the party might usefully engage in policy development ahead of the manifesto drafting process for 2015.

RUMBLINGS OF DISCONTENT

As I was writing my speech to move the *Facing the Future* motion at the autumn conference, I became aware of rumblings of discontent about the paper. Somewhat perturbed that a motion I'd assumed would be passed without controversy was the subject of negative comment, not least from a fellow member of the working group, I hurried off to read Ed Randall's article in Liberator 348 and downloaded *Really Facing the Future* (Liberator 349).

Were there really such profound worries in the party that *Facing the Future* would be defeated or referred back, I wondered? I read *Really Facing the Future* and I could find little with which to disagree. Simon Titley and David Boyle have produced a document that reflects their view of what our party policy should be. It is well-written and compelling, but it is not what *Facing the Future* was intended to do. Our ambitions were perhaps more limited than Simon, David and Ed Randall might have liked. We didn't seek to write

the manifesto for 2015 here and now. That we had 17 areas for future policy development absolutely doesn't mean we felt there should be 17 priorities for the next manifesto. Of course not. But we weren't tasked with writing the manifesto but with identifying the issues that should be addressed before we start on that process.

I could write you my manifesto that gave a sense of how I would face the future if it was down to me to devise policy without reference to anyone else, as could any one of the other working group members or members of FPC. In my case, the main themes would be just four: economy, education, environment, Europe.

For other members, the balance would be of course be different. Ay, and there's the rub: drafting a manifesto or policy paper on the basis of one's own views is actually the easy part – deciding on your own view of the world and where you'd like it to go is probably something we all did before we became politically active.

That world view may not have been 'global'. It might, for example, have arisen as part of a local campaign to save a post office or get double-yellow lines outside a school. The point is that, by the time we get involved in politics, we have views on a whole range of policies. So do our colleagues, however. And those views often don't coincide even within our party. Thus much more discussion is needed before we have the grand vision of Liberal Democrat thinking for the next parliament and beyond.

And that vision and the policies we advocate need to stand up to scrutiny. Of course we can't have 17 priorities. But this is not what *Facing the Future* calls for. Rather, it acknowledges areas for future policy development.

Policy development, if done well, means we can go into the 2015 general election with a confident and effective manifesto, boldly reflecting our distinctive Liberal Democrat values, but backed up by a corpus of equally distinctive Liberal Democrat policy. The policies don't all need to be in the manifesto – laundry lists aren't a particularly helpful campaigning tool. But they need to exist. Our priorities may not be those of voters and the media and, while we can use our campaigns to press our position, the leadership debates of 2010 demonstrated that it is vital we have clear policies on a wide range of areas that might not be natural areas for Lib Dems. The debates demand that the party leader can answer questions on a wide range of policy of the voter's choosing not ours. Thus we need to have the policy from which he can draw his arguments; ignoring particular areas of policy isn't an option we should even consider. *Facing the Future* didn't set out to do that policy work – that's the job of the party for the next three years. What we tried to do was ensure we'd identified issues and areas where the party needed to refresh its thinking.

"It is vital we have clear policies on a wide range of areas that might not be natural areas for Lib Dems"

Policy-making is inevitably about discussion and compromise, not about setting the agenda from the top. Can you imagine how conference would have reacted if the *Facing the Future* group had submitted a grand plan and said, "Right, here's the vision"? There would have been uproar because people hadn't had a chance to debate where we should be going or what our approach should be.

Facing the Future's job was to create the framework for that discussion and pave the way for the creation of working groups to have the in-depth debates and propose the direction the party should take. And they will be groups to which members can contribute their ideas – the more the merrier. Party members can let the Policy Unit know if they are interested in serving on working groups. And each of the groups that is established will produce consultation papers aimed at getting members to give them their views.

We all need to work together to create the distinctive Liberal Democrat position for 2015. *Facing the Future* was only a starting point, not the finishing post. Now it is up to us all to ensure that we retain our clear identity as we move forward – welcoming our successes in government but showing how much more a Liberal Democrat government would offer. Let's face the future together to create a Liberal Democratic narrative for 2015 and beyond.

Julie Smith is a member of the Federal Policy Committee and served on the Facing the Future Working Group. She writes in a personal capacity

EYES IN GAZA

Chris Davies reports on a visit to Gaza, where the local entrepreneurial spirit is doing its best in the face of Israel's intransigence

The sun shone. Mediterranean waves broke gently against the beach. Small children made their way from school, bags on their backs. There was no shelling. It was a nice afternoon in Gaza.

Gaza felt a lot better than on my last visit in February 2009, shortly after Israel's 'Cast Lead' incursion that left 1,300 Palestinians dead and signs of destruction everywhere, but the impression of normality is superficial. Gaza is still under siege. Ten times more goods are being smuggled through the hundreds of tunnels underneath the border with Egypt at Rafah than are passing through the legitimate crossings with Israel. No exports at all have been permitted by Israel since May. The area for farming has been reduced by a third because of Israeli insistence on maintaining a 'security zone' near the border. Fishing from the tiny harbour is restricted to within a three mile zone.

The tunnel economy is making some people very rich but it imposes extra costs at every stage of the process. There are bribes to be paid to the Egyptian military, with the authorities now not even making a pretence of trying to curb the trade. There are taxes to be paid to the Gaza local government. Even so, a bag of concrete smuggled through the tunnels costs less now than a similar bag brought in legitimately across the border with Israel. Conventional businessmen, those who have the strongest desire to renew trade links with Israel, are being completely undermined.

With opportunities so restricted. what do aspiring young people do? Some will hope to work with UNRWA or the Gaza local government; both employ many tens of thousands. Some will hope for a job in the tunnels. Others will turn to the militant groups to give their lives some purpose.

CRAZILY COUNTERPRODUCTIVE

Israel's policy seems crazily counterproductive. Sure, they can force Gaza people to look south to Egypt instead of north to Israel but, with its population approaching two million, Gaza borders a wealthy part of Israel. It's just down the coast from Tel Aviv. It's not going to go away. Why aren't Israelis trying to find ways of strengthening those who will have an interest in working with them to make money, create opportunities and keep the peace?

The UNRWA people are good. In one way or another, they are helping to provide for the needs of the half the population classified as 'refugees'. More girls than boys now attend their summer schools and, to promote a bit of normality for Palestinian kids, their mass competitive efforts have won them four mentions in the Guinness Book of Records.

UNRWA recently had to face down a strike of teachers protesting because a union leader had been suspended for taking part in a political demonstration with Hamas. "We have zero tolerance," said UNRWA. The Israelis and Americans love to accuse them of supporting a position hostile to Israel so they lean over backwards to prove it isn't true.

UNRWA faces funding cuts. Unless more money can be found from donors by January, it must cut programmes, including psychological support for kids with trauma, and reductions in food aid. Of course, under international law, Gaza is still under Israeli military occupation and, as such, Israel has to meet the humanitarian needs of its people. Guess how much Israel is contributing?

Queues of people clutching ration cards were my introduction to one of UNRWA's main food distribution centres. Workers pack flour, sugar, cooking oil and a few cans of meat to hand out to families, with the intention that it should keep them going for three months.

Ten years ago, only 10% of Gaza's population was reliant on food aid. The result of Israel's stranglehold over the economy was to push that up to 70%. Now it's down to 50% but the number of abject poor, existing on less than $1.60 a day, has grown to 300,000.

At an UNRWA primary school, an administrator explained the efforts they had made to improve children's education. One of the consequences of this had been to increase the number of women teaching boys, but apparently Hamas-supporting parents like the result. He also explained that they taught about the Holocaust, pointing out to any dubious parents that it was referred to in UN resolutions. More schools are needed, but money is short and UNRWA has to bring in building materials through the legitimate crossings even though these are more expensive than tunnel goods.

The owner of the factory that has held the Palestinian franchise for Seven-Up and Pepsi Cola for 50 years explained that he was having to manufacture his own carbon dioxide because the Israelis wouldn't allow it through the checkpoints. He had lost materials worth $1m or so due to Israeli bombing and, with his export markets closed (he supplied the West Bank from Jordan), he was working short time with reduced staff numbers.

He said: "The business community can move relatively freely. We try to keep in with everyone and stay out of politics. We get some raw materials from Israel but the process is slow and the goods are expensive. There are so many smuggling tunnels now that the price of goods through them has come down dramatically. We don't specifically use the tunnels but if someone offers us raw materials at a good price... Israel wants us to turn our trade towards Egypt but the quality is better in Israel. Incidentally, land prices

in Gaza are very high indeed. There is a shortage of space."

SLOGANS' RESONANCE

During my time in Gaza, I spoke to students and business people, politicians, administrators and former prisoners. I heard from some who want to resist occupation, and I have every sympathy with that desire, although I have argued that it will not be achieved through violence. I did not hear a single person say that Israel should be swept away into the sea, or anyone who denied Israel's existence or suggested that it might cease to exist. Hamas slogans seem to have more resonance with Israelis than they do with ordinary Palestinians.

"My agriculture lecturer friend described Gaza as 'a dead body being kept alive by artificial respiration.' It needn't be like this"

"What is the wish of every educated young person in Gaza?" At the end of the trip, as our delegation travelled south from the Rafah Crossing towards Cairo, I reflected on this rhetorical question posed by a Palestinian academic who teaches agricultural science. And the answer? "Please give us the chance to leave Gaza."

At a meeting with students, our delegation chairman was asked what he thought of Gaza. "It's a beautiful place," he responded, but he was being overly polite. Gaza has potential. More could be made of its coastline, said once to be the most attractive on the Mediterranean. It has a few fine buildings and some perfectly good streets but, far from being beautiful, most of it is downright ugly and obscenely dirty. There are huge quantities of plastic litter everywhere on the Gaza Strip and no obvious attempt being made to clean up any of it.

If good waste management is a hallmark of effective local government, and it is, then local government is hopelessly ineffective in Gaza. There is no excuse for people having to live amidst filth that could be cleared with a rake and a brush, but maybe the local politicians prefer to complain about the Israeli occupation rather than taking a lead in making lives a little better for those they represent.

The same attitude seems to extend to public buildings. Although the litter may be swept up, time and again I saw stains on tiles that have never been washed or staircase banisters in schools covered in dust that appeared never to be wiped. Big improvements could be achieved within a few weeks with little more than the income derived from taxes on a few of the tunnels, but maybe there is no will to bring them about. Too many people don't care about trying to maintain standards when it concerns the smaller issues over which they have control.

The supply of aid creates dependency and saps initiative (or maybe that's just the result of the politics). My agriculture lecturer friend described Gaza as "a dead body being kept alive by artificial respiration," by which he meant the arrival of food handouts and monthly cheques from the Palestinian Authority or UNRWA, paid for by donor countries. It needn't be like this. Time after time, we were told of the entrepreneurial zeal of Gaza people, given half a chance and factories that aren't bombed. "We don't need handouts," said one businessman, "we need soft loans." Israel has a stranglehold over the money supply, allowing no cash in. It is suffocating what remains of the economy and making recovery virtually impossible.

Dealing with the water and waste situation would require an injection of outside money. The aquifer upon which Gaza depends is nearly exhausted, turning brackish as polluted sea water enters, and could be unusable with a couple of years. The drinking water is already below international standards. Desalination plants are needed urgently. Meanwhile, 90,000 cubic metres of partially treated sewage are discharged into the Mediterranean every day. There are times when large parts of Gaza stinks. Plans to remedy the situation exist but depend on international funding and goodwill from the Israelis.

I saw a tunnel economy that was thriving. Within 100 metres of the Egyptian border in Rafah is a tent city, each marquee covering the entrance to one of the 1,200 tunnels said now to exist. I peered into one ("No photographs! No photographs!") as an electric winch pulled its latest load through. A heavy truck being loaded was backed up against another tent. Some tunnels are so large they can be driven through; 500 cars came into Gaza this way a week or so ago. Those working at the tunnels are said to be well paid, but it's a dangerous activity; roof falls are common and someone dies every few days.

These last comments stem from a dinner discussion with middle class professionals: "We used to do business with Israelis. We used to see them and talk with them. But now there is no communication. Our children are growing up seeing Israelis only as killers," said one. Someone else chipped in with a homily. "Israel wants security and there are two ways of achieving that. It can get rid of all the Arabs and have the whole of the Middle East to itself. Or it can make peace, end its occupation, and let its neighbours live in dignity without interference."

Chris Davies is Liberal Democrat MEP for the North West of England

DUMB DOWN, OR DEMAND DOSH

Attempts to create a market in university courses is doomed to fail because good teaching cannot be provided on the cheap, says Matthew Huntbach

I teach computer programming at a university, a useful practical subject acknowledged as difficult to teach well. Although there is a big commercial market in training, which claims it can be done easily, those who teach it properly know it cannot. A one-week commercial training course in aspects of what I teach will typically cost £1,500. The £9,000 cost of a three-year degree should be seen in this context.

Here is one way I could teach my subject. I set a series of practical programming exercises for the students, which are designed to cover the main conceptual issues. Such an exercise may take a day's full-time work for a student to complete. I am present in the labs to assist the students as they work through these exercises. I go with them carefully through the programming code they have written, using the knowledge of common misunderstandings I have built up through 20 years of doing this to guide them. By talking to each student on the practical work they have done, I hope to take that student through to the next step in understanding. Student assessment is done through seeing how they do with programming problems, which at least approximates the situation they might find when programming professionally; it involves me carefully analysing long pieces of code.

Here is another way I could teach my subject. I produce (or use off-the-shelf) slides, which explain the techniques of computer programming as slogans. Teaching involves talking through these slides. Students are expected to 'know' what is on the slides. They are assessed using multiple choice or short answer tests, which essentially test their ability to memorise the definitions they were given. The emphasis is on breadth, not depth. Superficially, the students have covered a lot. Underneath, they have learnt almost nothing. This is material that needs lengthy practical experience to know and use properly. A superficial knowledge of the definitions but no real experience using the techniques is of little value.

Good university tuition tends to be of the first sort. A short commercial training course is inevitably of the second sort because the first sort by its nature is time-consuming. If to learn one topic properly you need to do an exercise that takes a day to complete, a week-long training course is not going to teach you 50 topics properly. Who would like to be operated on by a surgeon whose tuition has consisted of memorising definitions of surgical terms but no practical surgery?

EXPENSIVE, EVEN CATASTROPHIC

The consequences of software failure can be expensive, even catastrophic. The failed NHS IT project cost £11bn. The contribution of poor quality software to large IT project failures tends to be under-reported for many reasons. The small number of journalists, senior managers and politicians who come from a technical background is just one of them.

Now suppose my job is at stake because, as Tim Leunig suggests (Liberator 349), university teaching contracts are to be handed out to the cheapest bidder. Would I propose teaching of the first sort, which involves many hours of skilled work and which cannot be done with classes too big to manage the one-to-one interaction it requires?

Or would I propose teaching of the second sort, where I can pack the students in because there's no real interaction and assessment can be automated? And since I'm used pre-prepared slides rather than human interaction, I don't even need to know the material.

I might hope that the government would draw up sufficient terms for the contract to rule out a complete resort to the second sort of teaching, but I fear the worst. The last government was much taken with the idea of teaching 'information technology' in schools but, if there was one thing that characterised New Labour, it was gullibility in the face of smooth-talking salesmen and a willingness to jump without thought at anything that appeared 'modern'.

So it was that so much money was wasted on 'information technology', and so it was also that some appallingly poor teaching was pushed on to schools – much of it of the very superficial sort involving too much rote learning of terminology and little deep understanding or real exercise in the underlying principles. Almost universally, university admissions tutors in computer science (I spent over ten years in this role) prefer mathematics qualifications as a mark of suitability for entrance rather than those in 'information technology'.

This is not out of snobbishness, though we are frequently accused of that, but out of the practical experience of finding that many undergraduates who come to us with high grades in school 'information technology' qualifications lacked discernible skills in almost anything useful for our degree. If anything, their school training, with its overemphasis on superficial aspects and assessment far too skewed towards memorisation, meant we have to spend effort un-teaching them so we can start again.

So I do not have Tim's confidence in the government being able to pick good suppliers of higher education. To a large extent, I could set the cost of providing a degree in what I teach to whatever level required, up by pushing it towards the first sort of teaching

and assessment, down by pushing it towards the second. I am fairly confident that, if it were pushed well towards the second in order to win the contract, it could nevertheless be sold by a bit of salesmanship. Although I have expressed this in terms of my own subject, similar applies to other subjects. Good teaching does require thoughtful personal interaction, which is expensive.

> ***"Good teaching does require thoughtful personal interaction, which is expensive"***

Tim quotes the words "the greatest of monopoly profits is a quiet life" and adds "How true for universities!" No, it is not true for universities, at least in the UK.

There has been a huge growth in stress levels in university academic staff in recent years. The prime reason for this is the research assessment exercise (RAE). Outside academia, few are aware that many universities, particularly the more prestigious ones, see their main role as producing research papers rather than teaching. The RAE was introduced in 1986 and persists now (under the name REF), with the aim of concentrating government support for research onto those universities deemed most capable – universities would receive a fixed amount of money per student and extra depending on how well their research was judged.

The result has been that middle-ranking universities in particular, sitting insecurely and fearing one poor assessment would mean being stranded forever in the low-prestige 'mainly teaching' category, have placed enormous pressure on their staff to produce research. At the same time, these universities have had to take on more students, who require more effort to teach well than those who can get places in the top-ranking universities. Much of the stress comes from the insistence from management that teaching and assessment can be semi-automated, and thus done cheaply in order that the real effort should be directed to research, conflicting with a desire of teaching staff to do a good job for their students.

Tim may feel that a more market-oriented approach to allocation of student places would push up teaching quality, but I fear it would not. In my previous article (Liberator 346), I noted that market mechanisms work poorly for products whose qualities are hard to discern by non-experts and whose benefit is long-term, as demonstrated by the succession of financial product mis-selling scandals.

SLOPPY TEACHING

University education has the additional factor that the quality of the product has a high dependency on the consumer rather than intrinsic factors. A community of high ability students is to a large extent self-teaching; sloppy teaching, by academics whose minds are on their research, works with them and may even inspire, if only through curiosity. Students who require careful hand-holding to get through the basics are much harder work. That is why the idea fails of universities working like franchises, expanding by pushing out a successful teaching formula. If doubling one's number of students means taking those who were previously rejected as too weak, it involves either much more than doubling of one's workload, or it involves dumbing down what one teaches.

I fear, too, that the approach Tim advocates will destroy an extremely valuable aspect of Britain's university system: its diversity. In essence, if LSE's teaching of economics was closed down because UCL was awarded the contract to teach it, we have one less view of economics taught. We are better equipped with a variety of graduates taught in a variety of ways with a variety of emphases, even if the short-term costs are more, than with all graduates in a particular subject taught in bulk by the cheapest bidder. In my subject, as with most others, specialist topics have come in and out of favour, approaches once written off have turned out to be valuable after all. Do we want to destroy the department that is the only one in the country with expertise in a particular topic because its teaching of the more general subject is not the cheapest?

I have not been able to find the 'East Thames College' to which Tim refers, although there is a London Thames College, which has links with the University of Sunderland. Contrary to Tim's suggestion, such accreditation arrangements are not unusual; there are quite a few private colleges in London with accreditation arrangements from universities like Sunderland. In fact, I taught on something similar during a period when my own department had a similar arrangement with a college in Hong Kong.

My experience was that putting the face-to-face interaction with students into the hands of local staff who did not have my academic background did not work well. A high proportion of such arrangements are for business studies or related subjects, which do not require extensive library or laboratory provisions. As for their quality, Tim could look at how many blue chip employers include such colleges in their 'milkround'. More directly, would his institution take on their graduates for postgraduate study?

Most of those I know well work in education or public health and care, and I so often hear similar to my lifetime's experience of work in higher education: the mechanisms that people like Tim are so keen to introduce to "drive up quality" have had the reverse effect. They have driven down morale and encouraged a culture of bullying and back-stabbing. They have rewarded managers who spout salesman's gabble, they have punished those whose common sense, integrity, real feel for the job, or numeracy causes them to question simplistic targets and contract-winning jargon. They have destroyed the pride in service that was once the real driving force of quality.

Matthew Huntbach teaches computer science and is a former leader of the Liberal Democrat council group in Lewisham

TIMELESS TRIP

Michael Meadowcroft looks at a new book that traces a half century of Liberal policy development

Occasionally, a new book on Liberal history grabs one's attention with a different approach to a timeless subject. Tudor Jones's *The Revival of British Liberalism – From Grimond to Clegg* leaps from the pack by tracing the development of the main thrusts of Liberal philosophy and policy over the past fifty years and, particularly, by allying his exposition to the political and organisational fortunes of the party.

The book has been some four years in the writing – and I need to declare an interest in having been consulted from time to time over that period – and Jones has done a thorough job in tracing and analysing the mass of literature produced since 1956. This has involved not only official and semi-official documents, but many of the publications emanating from individuals and Liberal pressure groups.

Jones's methodology is to anchor his description of Liberal policy in the party's election manifestos, demonstrating how their main thrust and their policy priorities were inevitably – and legitimately – a product of the political circumstances and opposition party targets of the time, and then to draw in evidence of internal debates and pressures in the intervening years and their impact on the eventual election document. This approach evokes very effectively the atmosphere of the party debates and the often spirited efforts to persuade colleagues.

Even to an old hack who was involved with much of the period, it is a fascinating read, not least because it was good to be reminded of policy arguments won and lost! On occasion, the text prompts the memory of the particular circumstances of a document. *Liberals Look Ahead*, the report of the Liberal Commission of 1969, chaired by Donald Wade, was, for instance, the outcome of an impassioned appeal by David Prussman, a Young Liberal from Stockport, who died tragically young from cancer. The party was going through a difficult patch, with some groups and individuals even calling into question the liberal *bona fides* of the others. David called for a party commission to produce a definitive exposition of current Liberal philosophy. The Wade Commission did just that and largely settled the argument. It still reads well today.

Jones deals carefully with the economic liberalism versus social liberalism debate that has had an unexpected revival in recent years. I rather came in at the tail end of its previous height in the 1950s and I confess that it rather passed me by. Although the likes of Oliver Smedley, Frank Paish, SW Alexander and Arthur Seldon were still around, the issue appeared to have been firmly resolved in favour of social liberalism, so much so that when I produced a draft of *Liberal Values for a New Decade* in 1980, William Wallace had to prompt me to insert a paragraph specifically eschewing the unfeeling and harsh strain of economic liberalism that Keith Joseph and Margaret Thatcher were promoting.

I certainly had not appreciated prior to reading this book how far John Pardoe took the party along the economic liberal path. Jones's analysis and comparison of the *Orange Book* and of *Reinventing the State* is acute, including the telling point, all too often missed, that the two books are far from being the narrow ideological polemics that the media enjoy portraying them as.

It is also valuable to note how other counterbalances to this economic debate fitted into the policy structure. These included the emphasis on civil liberties and the recognition of a north-south axis, emphasising the Liberal focus on the diffusion of power rather than being locked into a left-right line based on the economic system.

Jones also looks helpfully into the theoretical role of community politics and on the espousal of 'life chances', particularly as set out by Ralf Dahrendorf. His stress on the development of the identification of Liberalism with co-operatives and co-ownership in industry is a sharp reminder of how this attractive issue has slipped off the party's agenda in recent years.

In addition, the book is invaluable as a rigorous analysis of the political distinctions between the Liberal Party and the SDP in the alliance period and for a thorough description of the attempts of Paddy Ashdown to develop an independent and marketable politics in the early years of the new party, followed by the challenge of changing its focus in order to accommodate his 'project' towards the seduction of Tony Blair into some form of Lib-Lab arrangement.

Important and valuable as the book may be as a one-volume summary of policy development, its accessibility is constrained by its price. How many members will be able or willing to fork out £60, particularly at a time when there is minimal interest in anything beyond pavements and lampposts, is a very moot point.

Michael Meadowcroft was Liberal MP for Leeds West, 1983-87

'The Revival of British Liberalism – From Grimond to Clegg' by Tudor Jones is published by Palgrave Macmillan, price £60.

LETTERS

BLAMING THE BOOMERS

Dear Liberator

As one of the Baby Boomers, I would like to refute the claims in David Boyle and Simon Titley's otherwise excellent *Really Facing the Future* (Liberator 349) that Baby Boomers are an undeserving "burden on the country's finances".

Every Baby Boomer has worked and paid taxes for 40 to 50 years before their retirement. Just because those years are in the past does not make them any less valid than expecting younger people to work for the same number of years from now. Are you saying that no-one deserves any retirement benefits, after putting in that effort?

Certainly, with the improved health of 50 and 60 years olds, we would like to keep using our skills for the country, but in a constricted work market we are turned down by employers every day – surely Liberal Democrats should campaign to encourage the employment of well-skilled older people, so we can pay taxes too which would make our generation cost-neutral?

Young people do have debts all their lives (from student loans and larger mortgages), which we did not have. However, you are wrong to think that this means that, aged 20, they have less than we had aged 20.

Many people only a few years older than me lived in houses with outside toilets, had only a small black and white television, ate cheap and limited food choices, and had none of the designer clothes, gadgets or lifestyle aspirations that today's young people think are normal.

You state that they will resent us wanting a comfortable old age, if they pay higher taxes to fund that. I just see many of them expecting in their hearts to live as 'celebrities' where education and individual interests are called 'sad' – they have a high level of conformity to greedy norms. Surely Liberal Democrats should campaign to encourage sharing and caring rather than consuming as the trendy lifestyle for the future?

Maybe you are right that there is a greater generational divide in this country than ever before. Interestingly, that is not the case in China or other countries with a tradition of respect for elders' knowledge, and an understanding that looking after older people brings benefits to the younger people, who learn from them and grow as people. Is that not better than dumping the old, just so young people have a bit more money today to waste on ever more flashy but pointless iAnythings?

Hilary Leighter
London

THROUGH THE MILL

Dear Liberator

I don't know Richard Reeves (Liberator 348) and therefore can't comment on most of your strictures on him.

However, I disagree strongly with your belief that his biography of Mill has no relevance to his work on the Liberal Democrats' political strategy. It is as good a starting point as anyone could have for that role.

Firstly, there is Reeves's understanding of Mill's conviction that political action and political ideas are the same thing; they cannot be separated into different areas of political life. And secondly, Reeves sets out clearly Mill's commitment to campaigning on core beliefs – the things that define us as liberal.

You can argue about whether this comes through his current work; it trivialises not only Reeves but also Mill to pretend that those things are not a sound basis for the Liberal Democrats' strategy.

Gordon Lishman
Burnley

A LITTLE LIKE LABOUR

Dear Liberator,

In Camels, Straws (Liberator 349), Simon Hebditch suggests that the Liberal Democrats must be out of the coalition by 2013 but offers no suggestion as to how this might be achieved.

Having signed up to an unprecedented level of cuts on the pretext that there was no alternative, the parliamentary party is going to have difficulty explaining why, having shifted its position on the timing of the deficit reduction after being elected, it is shifting it back again.

The original reason given for the first change was the money markets, and there were even people who said the coalition had to be formed quickly because

of pressure from them. There is a serious danger that, unless we choose the issue for leaving carefully, the impression will be given that we have sold out for a place in government and were only leaving the coalition in the same manner that rats desert a sinking ship.

However important Simon thinks the Social Liberal Forum is, the fact is that, while social liberals may usually win policy debates at conference, it is the Orange Book policies that are being implemented in government. We may even have to organise to prevent our own conferences from becoming more like a rally.

The change in the parliamentary party appears to have started following the 2005 election, when the proportion of the parliamentary party who had been educated at fee-paying schools increased for the first time. We should be quite clear that being a sitting MP does not automatically mean uncontested reselection; apart from anything else, an MP who can't convince his or her own party is hardly going to be able to convince the public.

A provision to ensure that the MP is on any shortlist would deal with any unrepresentative cabals on executives mounting coups. There may even be some Orange Book supporters who decide that they are happier joining the Tories.

In other words, we need to be a bit like the Labour Party used to be before New Labour turned the conferences into rallies and began imposing candidates on constituencies; without, however, the acrimony, block votes and heckling but with an element of creative tension.

We also have the basis for an alternative economy strategy as outlined by Ed Randall (Liberator 348).

As for the people who feel we should be dictated to by the money markets, do they really belong in this party? Do we really want to go down the road of Italy and Greece, with governments led or completely composed of unelected bureaucrats? If that is the consequence of joining the euro, then one of the few good things Gordon Brown did was to stay out. Whatever the faults of Berlusconi, he was at least elected.

Andrew Hudson
Leyton

REVIEWS

Nick Clegg: the Biography by Chris Bowers Biteback 2011 £17.99

Chris Bowers's biography of Nick Clegg is unusual in that the author is an active member of the Liberal Democrats and a councillor; but the book reads as if it is written by a commentator. This is a compliment to Bowers, but also a reflection that it is only as informed as those who were interviewed were willing for it to be, and – perhaps – reflective of the political stance of the author within the party. More disappointing, however, is the at-times hagiographic nature of a book that might – or might not – be written at too early a stage in Clegg's political career.

The book is particularly forthcoming on Clegg's early years, but then mixes material already in the public domain with few specific insights, such as his take on the role of the state.

I remember first talking to Clegg at a conference over ten years ago, in response to an international trade issue being campaigned on by NGOs. I had heard great things about him, but was struck by how pure the laissez-faire free market response was. At the time, I put it down to his experience with Leon Brittan, but subsequent events prove me (and very many others) wrong.

Many members of the Liberator Collective – but not me – backed Clegg. I did, however, think that he was a credible candidate in 2006 (as – according to the book – did Chris Huhne), and was disappointed, and told him so, when he backed the doomed Ming Campbell leadership instead. One of the book's more instructive passages describes the shadow leadership campaign ongoing through that misguided interregnum.

Bowers describes, strikingly, Clegg telling a new member at the time of the Iraq War that if he had left Labour because the Lib Dems were more left-wing, he should go and join the Socialist Workers' Party instead. This insight on a now-regular Clegg theme highlights some consistency, but also his personal depth of feeling against a centre-left or social liberal vision. It also highlights his deep-seated commitment to civil liberties as, in the author's view, the true mark of a Liberal.

Clegg, in his first speech as leader, advocated 'free schools' under the oversight of local councils, yet not council-controlled. This idea would probably have been badly received had it been put forward in the leadership election and might well have cost Clegg his very narrow victory. In that same speech, he argued that the state should "back off" once essential building blocks were in place. That push was not the brainchild of Clegg alone.

Fast forward to late 2011 and Clegg has a special advisor who famously thinks that "social liberals should join Labour". He has a new head of government relations who, along with a recently-ennobled leading lobbyist and another man (Michael Young), have for years formed a central part of his office by way of funding a staff member. He has a very close link with Danny Alexander, never really explained (although the way in which Alexander gave up on tuition fees at the same time as enshrining both the manifesto commitment, and the notorious pledge, is explained).

Some sections of the book are purely naive, such as the baffling description of the Federal Policy Committee as a 'high-level intellectual think-tank'.

Others are more telling, such as Chris Fox's admission that there was no organisational plan for the

party's arrival in government so the loss of Short money hit so badly. And, most disappointingly, this book contains no insight into the failure to consolidate the publicity boost following 'Cleggmania', and the failure to provide for the aftermath of that phenomenon in anything remotely like the detail used in preparation for the 2010 TV debates.

It is also thin on relevant detail, such as Clegg's take on the sharp decline of Charles Kennedy's leadership in 2005.

It is hard to escape the conclusion that, when such publications set out how far Clegg had an agenda to change the party from the start, and when people like David Laws say the same, it is amazing how many people are still fobbed off with the same people saying "we had no choice, it was all down to the circumstances of May 2010".

Rubbish, of course, as the relatively small number of activist departures after coalition with the Tories, combined with the far greater frustration since, shows. If this book achieves anything, it does set out the breadth and depth of that agenda; and that in itself will make it interesting for those still in denial that it exists.

Gareth Epps

The Ides of March [film] Dir. George Clooney 2011

One effect of the American system of primary elections that should give pause to those who casually call for its introduction in the UK is that it pits members of the same party against each other in contests that can be even more vicious than those between parties.

That might or might not be good for the health of politics but it ought at least to be thought through. Is any UK party really happy to have internal rival campaigns very publicly at each other's throats in the way shown in this film?

The plot concerns a Democratic primary race in Ohio between Clooney's Governor Mike Morris and his rival, Senator Pullman, which comes near the conclusion of the primary season with both men close to the nomination.

So as not to spoil things, let's just say that the film's action – and it does keep up the tension pretty well – turns on the Governor being compromised by his extra-marital shagging, a key aide's loyalty being compromised successfully by the Pullman campaign, and a death related to both.

Republicans, and indeed voters, barely figure in a tale of plotting and arm-twisting among Democrats. Political issues do, though. It never becomes clear exactly what Pullman's politics are, while Morris is preoccupied by plans to get America into green technology and is both pro-choice and anti-death penalty, delivering speeches to justify both positions to interviewers (and indeed American cinema audiences).

One key difference between American politics and politics in the UK and most of Europe is the salience of religion. When asked about this, Morris gives a lengthy list of religions to which he does not subscribe before saying that his religion is "the constitution of the United States", as neat a way out of the demand for American politicians to wear God on their sleeve as has yet been dreamed up.

Mark Smulian

Stewardship Economy by Julian Pratt Lulu 2011 £9.00

The worlds of alternative economics and radical thinking around sustainability, property ownership and the land value tax debate are all captured in this compendium, which I have to say I found easier to read after hearing the author speak at a fringe meeting at Birmingham.

It is not solely about land value taxation, covering other charges for resource use, from runway landing slots (which, inexplicably, many Liberal Democrats have forgotten about) to the electromagnetic spectrum.

Maybe it's a reflection of a desire to see concrete steps taken towards implementing land tax in the UK, but too much of this book is blue-sky philosophical, and you have to get three-quarters of the way through to get anywhere near the practical.

Most interestingly, and most frustratingly, the book's fixation with the abolition altogether of private property ownership gets in the way of other, more helpful arguments.

This is not a pamphlet for looking at the practicalities of what Liberal Democrats working in government can deliver. For that, read Dick Newby's CentreforUm pamphlet, which sets out as a first step to tax reform the abolition of the uniform business rate in favour of LVT. But perhaps it's a missed opportunity for those involved in the land tax debate; the author acknowledges the political impossibility of his vision, but concentrates on that before looking at the possible.

What *Stewardship Economy* does do, however, is offer a plethora of interesting reflections on the possibility of capturing profit from unearned wealth for the good of society.

It does, for example, suggest ways in which an oft-cited objection to LVT – its affects on elderly 'empty nesters' in offering too strong an incentive to downsize – can be overcome. As such it is an interesting and helpful contribution.

It may even form part of the development of a political consensus on charging land values; but that remains too far away, and this is a book that possibly misses an opportunity to take on that necessary task.

The book can be downloaded free at http://www.stewardship.ac/StewardshipEconomyDownload.pdf

Gareth Epps

Seasons greetings and a Liberal New Year to all readers from the Liberator Collective

Lord Bonkers' Diary

Monday

What a splendid fellow Prince William is! Tall, upstanding and brave, he has a delightful wife and his wife's sister has a bottom like a Cox's Orange Pippin. He even rescued some Russian sailors in his helicopter the other day. The only drawback is that it has to be admitted that he does look remarkably like a horse – I am told that, when the winch failed in that rescue, he let down his silky tail and lifted the last man to safety himself.

So much does he resemble a horse that I have no alternative but to conclude that the story – widely circulated in my young day – that Queen Mary was rogered by a past winner of the 2,000 Guineas after a particularly jolly party at Newmarket is true after all.

Tuesday

To Avonmouth Docks to wave off the Jeremy Browne. What with the current economic problems on the mainland of Europe, it has become clear that our relations with China will become increasingly important. To that end, I have arranged for a Jeremy Browne to be presented to Peking Zoo so that the Chinese may enjoy viewing this delightful denizen of our English countryside.

Later I call in at a village hostelry and fall into conversation with a fellow whose family has been farming Jeremy Brownes on the Mendips for generations. He is not sanguine about my plans, informing me that Jeremy Brownes are very choosy about their diet and usually unwilling to mate in public.

Wednesday

Who should I meet in Westminster but my old friend Mike Hancock? I ask him to pass on my congratulations to the delightful Katia Zatuliveter for her victory at the Special Immigration Appeals Commission. I have never had much time for our Intelligence people: every one of them I knew in the 1930s turned out to be working for the Russians, and I don't suppose things have changed very much since. Besides, as I remarked to my personal secretary and masseuse Eva Vestoff only this morning, if every attractive young woman with an interest in British politics were sent home, then the business of government would soon grind to a halt. They are known, I believe, as 'interns'.

Eva, incidentally, used to live in Italy, joined its (at least until recently) governing Bunga Bunga Party and served briefly in the Cabinet there.

Thursday

You do hear a great deal about my old friend John Maynard Keynes these days, don't you? This warms my heart, because he was the soundest of men: an Apostle, President of Cambridge University Liberal Club, adviser to Lloyd George in the Great War and founder of the Arts Council. I never could quite get my mind around his economic ideas, but when you hear people say that we should borrow lots of money and, if we have trouble paying it back, borrow even more, while citing the great man in support of their views, I cannot help feeling there was More To It than that.

Keynes, incidentally, was author of the pamphlet "Can Lloyd George Do It?" The consensus amongst reviewers was that he could – and did so frequently.

Friday

I was sad see to those Pakistani fellows jailed for bowling no balls. If such strictures had been applied in the 1970s, then our own Bob Willis would be breaking rocks on Portland Bill to this day. I was myself attached to the Special Investigations Branch of the MCC for a number of years, and it was heartbreaking work. More than one county scorer cut his throat on a dark winter's afternoon, as the pilot flame in his Ascot water heater guttered, over discrepancies in the leg byes account.

Later, you may recall, I chaired the committee of inquiry into allegations over irregularities in the betting on local authority by-elections in the 1950 and 1960s. Few think of it today, but it was the most tremendous scandal in its day and many of the aspects of local elections we now take for granted – the ban on having the polling station in the home of one of the candidates, the discouragement of firearms at the verification of papers, the oath of celibacy for agents – have their roots in The Bonkers Report.

Saturday

As an enthusiast for the Noble Art, I was naturally distraught at the death of Smokin' Joe Frazier. How well I remember his trilogy of battles with the great Muhammad Ali! The greatest of these, of course, was the 'Thriller in Manila', and it was about then that I turned my mind to the revival of heavyweight boxing here in Rutland. With the benefit of hindsight, perhaps my ideas smacked too much of the circus, but audiences had dwindled to an alarming extent. So it was that I first staged the Heavyweight Championship of Rutland in a large brown envelope, promoting it as the 'Thriller in Manila'. This was followed by a return bout in an enormous ice cream bowl – the 'Thriller in Vanilla'.

Sunday

There has been a lot of nonsense written in recent weeks about 'fracking' – that is, drilling into hard shale rocks and then setting off small explosions to crack them and release the gas inside – which I have been practising here in Rutland. One local newspaper (not my own *High Leicestershire Radical*, I hasten to add) printed its report under the headline "IT'S FRACKING HELL SAY VILLAGERS"; I thought that was in particularly poor taste. Let me make it clear: Rutland has always been subject to earthquakes, as anyone who has studied its history will know. To connect them with my fracking is simply...

I am sorry, Meadowcroft came in just then, complaining that he had narrowly missed being hit on the head by a stone that had fallen from the battlements as he was digging in the kitchen garden. I pointed out that there is bound to be some settlement in old houses like mine and suggested that he got on with his work. He left mumbling something about Trotsky.

There has been, as I was pointing out, a lot of nonsense talked in recent weeks. In particular, the Revd Hughes's refusal to mount the pulpit of St Asquith's until he had been given a hard hat seemed to be particularly unfortunate. And did he have to take as his text Zechariah, xi, 2 "Howl, fir tree, for the mighty cedar is fallen"? It set a bad example to the choirboys...

I say, could anyone dig a chap out of all this rubble?

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